

ORION GOLD NL

Methodical Exploration of a Gold Rich Area

Orion Gold NL ("Orion", "ORN", "Company") is a junior explorer/developer focussing on its 100% owned Walhalla gold project located in Victoria. The Walhalla project contains numerous historic high grade workings including the rich Cohen's mine which produced ~1.5Moz between 1865 and 1914.

The Company was relisted on the ASX in July 2009, following a recapitalisation, removal of administrators, board restructure and name change from Goldstar Mining NL. Orion now has cash of ~\$9.6m and is planning to commence drilling at Walhalla in early November 2009.

Focussing on the Lower Risk Gold

The Walhalla area has numerous historic workings and mines along a number of north-south trending 'lines' of mineralisation. However, little modern exploration has been undertaken in the area. The Cohen's mine is the largest system found to date and had an average historic mined grade of ~40g/t.

There are two types of mineralisation in the area: laminated vein style as at Cohen's; and the dyke bulge style as at Tubal Cain and Eureka. Both styles are high grade narrow vein systems. However, the dyke bulge style has a nuggetty grade distribution, whereas the laminated style has a more homogenous grade distribution, which makes the estimate of gold grades much easier.

Orion is focussing exploration on the laminated vein mineralisation. The more even grade distribution of this type of mineralisation should enable resources to be calculated with much higher confidence. This style of mineralisation is different and significantly lower risk than the Victorian nuggetty gold operations that have failed in recent times. We see this differentiation as critical in gaining the markets confidence.

The Company is also planning to complete the prefeasibility study for the Tubal Cain and Eureka deposits, first started by Goldstar.

Initiate with a Speculative Buy

The hilly terrain and nearby location of the Walhalla town ensure that the project has a number of challenges for any mining development and hence there is unlikely to be a fast start to mining. However, we believe all of these challenges can be overcome, and that the Company's methodical exploration and development approach is appropriate. Given the richness of the area, and the lack of modern exploration, we see excellent potential for the Company to define a significant resource to enable a 50 – 100kozpa operation. We initiate coverage of Orion Gold NL with a Speculative Buy recommendation.

2 Oct 2009

Share Price (last) \$0.046

Brief Business Description

Junior gold explorer/developer focussing on high grade Walhalla area

Hartleys Brief Investment Conclusion

Targeting lower risk deposits with excellent exploration potential

Issued Capital	765.0m
- fully diluted	1150.0m
Market Cap	\$35.2m
- fully diluted	\$52.9m
Cash (30 June 2009)	\$9.7m
Debt (30 June 2009)	\$6.0m
EV	\$31.5m

Resources (koz Au)	442
EV/Resource Oz	\$71/oz

Main Projects	Target
Walhalla	Gold

Board & Management

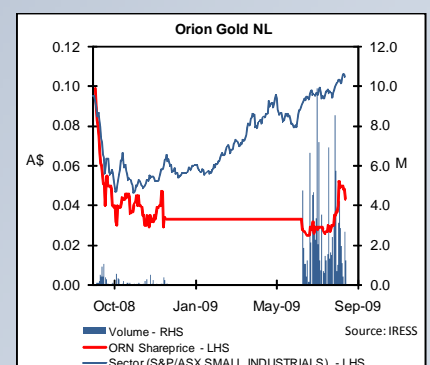
Denis Waddell (Exec. Chairman)
Graeme Sloane (Non-Exec. Director)
Alexander Haller (Non-Exec. Director)

Top Shareholders

Zilja Investments	27%
Tricom Nominees	8%
BT Portfolio Svcs	3%

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Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Orion Gold NL. See back page for full disclosure.

INTRODUCTION

Orion Gold NL [ASX: ORN] is a junior explorer/developer focussing on the development of its 100% owned Walhalla gold project in Victoria. The Walhalla project covers an area of 730km², and contains numerous old high grade workings, including the rich Cohen's mine which produced ~1.5Moz up until 1914.

ORION HISTORY

Following a funding crisis in late 2008/early 2009, Goldstar Mining NL ("Goldstar") appointed voluntary administrators on 8 January 2009 and was consequently suspended from trading by the ASX.

A meeting of creditors in late February 2009 resolved to accept a Deed of Company Arrangement (DOCA) proposal which was executed on 27 February 2009. Subsequent to this, Goldstar renegotiated its \$4.6m convertible note, raised an additional \$5.8m, restructured the board, and retired the administrators. The Company's name was changed to Orion Gold NL in mid June 2009 and it was readmitted to the ASX on 21 July 2009.

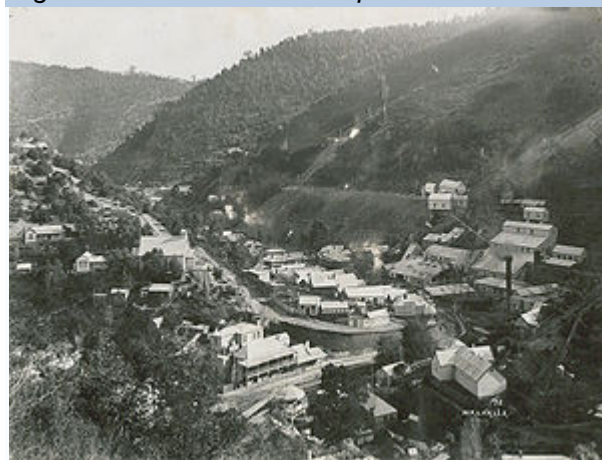
WALHALLA HISTORY

Gold was first discovered at Walhalla in the early 1860's. The find led to a gold rush in the area, which led to the discovery of a very rich quartz reef which came to be known as Cohen's Reef. Underground mining operations began in late 1863 as the prospectors sought and followed the high grade quartz veins into the side of the steep hills.

Whilst there were numerous other small mines and workings in the region, the vast majority of gold came from the Cohen's mine. This mine was the largest single mine in Victoria.

The mine operated between 1865 and 1914. Mining ended when it became unprofitable, largely due to the increased expense of wood. The wood was used to fuel the steam engines for crushing and mining, as well as for ground support. All the wood from the immediate area had been exhausted and the costs of bringing it from further and further away led to higher costs, eventually yielding the operations uneconomic.

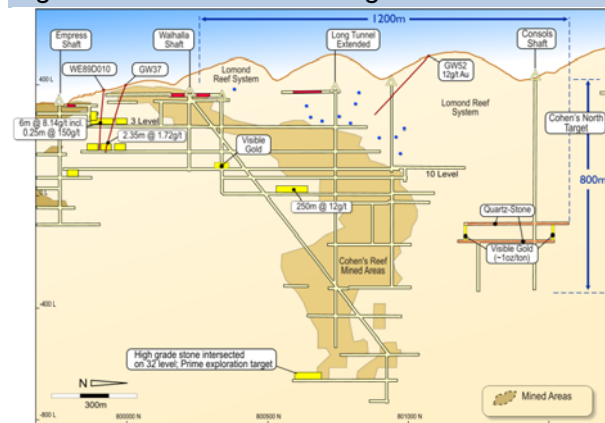
Fig. 1: Walhalla Township in 1910



Source: www.wikipedia.org

In addition, the fractured ownership of the mine and lack of coordination regarding the underground infrastructure, and in particular the dewatering, led to it become harder and harder to effectively dewater the mine from ~1km depth given the pumping technology of the era.

Fig. 2: Cohen's Reef Long Section



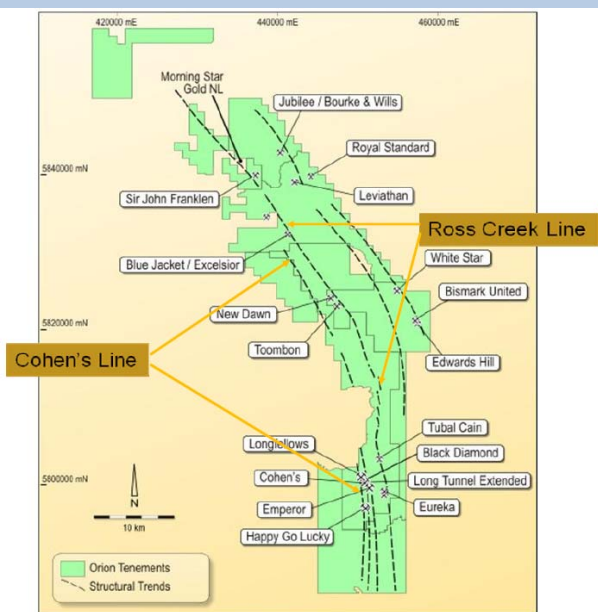
Source: Orion Gold NL

At its peak the town had over 5,000 people. After the mine shut, this population fell rapidly due to a lack of other industry. Currently the town of Walhalla has a population of less than 20 people with the main income being generated by tourism.

WALHALLA PROJECT

The Walhalla project contains a number of north-south trending faults that form 'lines' of mineralisation which host multiple historic mines and workings. The two main lines, the Cohen's Line and the Ross Creek Line, extend for 30 – 40km each. The Cohen's line contains the large Cohen mine, whereas the Ross Creek Line contains the Tubal Cain and Eureka deposits. There are also a number of other smaller parallel lines that host multiple historic workings.

Fig. 3: Walhalla Project and Mineralised Lines



Source: Orion Gold NL

ORION FOCUS

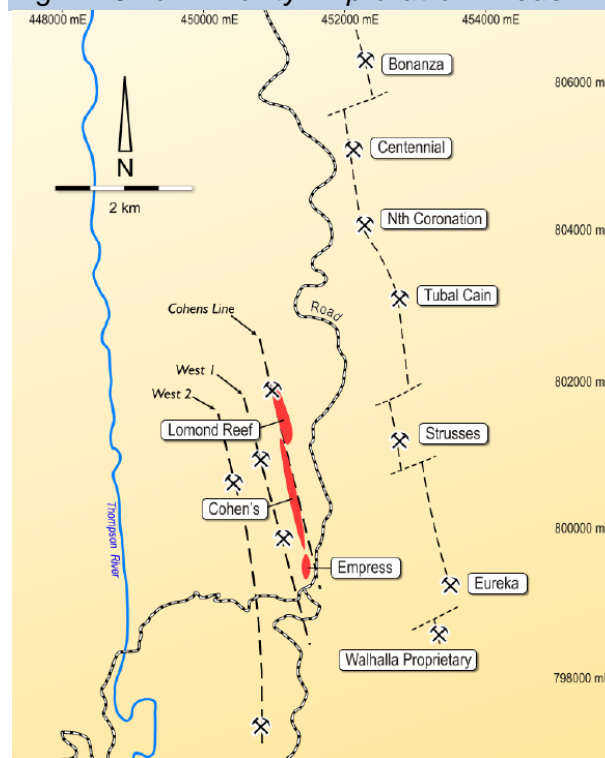
With the recapitalisation and relisting of Orion complete, the Company plans to build on the work undertaken by Goldstar, as well as commencing a full review of the relevant geological data and historical mining records for the Walhalla project with a view to

generating near term drill targets. The Company is taking a methodical approach to development, by building on its resource base, whilst also progressing the necessary studies to determine the best development path.

We understand that the Orion management is likely to focus more on the laminated vein style of mineralisation than the previous Goldstar management, though the Company will also progress the Tubal Cain/Eureka prefeasibility study.

We see the laminated vein style of mineralisation as lower risk due to the better grade continuity, as well as the good potential for large systems such as at Cohen's. The sub vertical orientation of the laminated vein styles may also allow for more efficient underground mining as opposed to the flatter Ladder style veins.

Fig. 4: Orion Priority Exploration Areas



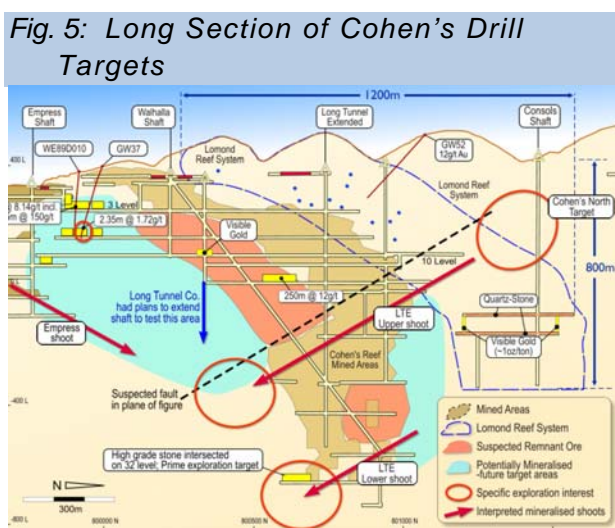
Source: Orion Gold NL

The Company plans to focus work on both the Cohen's and Ross Lines, as well as a number of untested drill targets along the West 1 and

West 2 faults, located ~1km west of the Cohen's Line. Initially, drilling will test near surface targets, with deeper targets to be tested later.

Exploration

Whilst there was a significant number of old workings on both the Cohen's Line and the Ross Creek Line, there has been minimal modern exploration undertaken other than by Goldstar. The historic mines were primarily developed on the mineralised veins that were found to be outcropping. Large portions of these lines do not outcrop, and most modern exploration has only involved following mineralisation seen in historic workings.



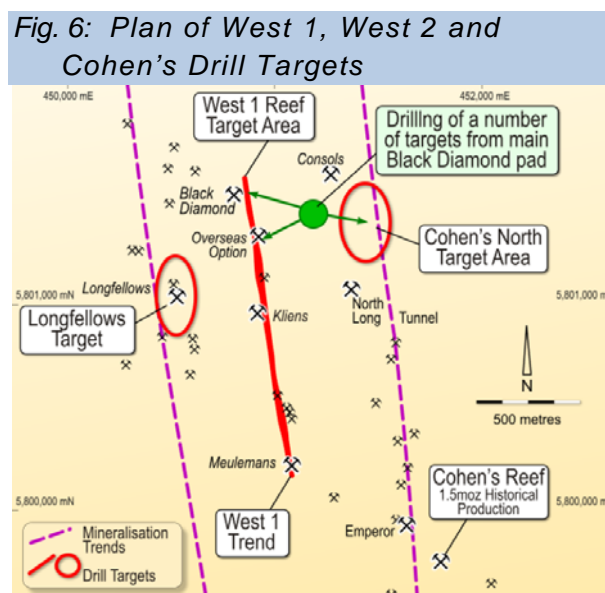
Source: Orion Gold NL

The Cohen's mine consists of a number of different lodes, including the Cohen's reef, the Empress Shoot, the Lomond reef system and the Stockworks mineralisation. The vast majority of the mining was in the Cohen's reef, which yielded ~1.46Moz, with minor production of 27koz from Empress. The Lomond and Stockworks mineralisation has not been mined.

Whilst the Cohen's mine produced significant amounts of gold, only minimal exploration has been undertaken on the deposit. Orion has a number of immediate exploration targets to follow up which it plans to test in the near future.

In addition, the Company will also test the West 1 trend, as well as Longfellows on the West 2 trend, where historic workings identified similar laminated vein systems to Cohen's. Both the West 1 reef and Longfellows have had no drilling, and are open at depth and along strike.

We understand that the drilling program is due to commence in early November 2009, once road access is reopened. All drilling will be done using a diamond drill rig, which whilst giving excellent geological information, will be significantly slower than an RC rig. The use of a diamond rig is necessary due to its smaller footprint as there is limited space available in which to drill as a result of the steep terrain.



Source: Orion Gold NL

Eureka and Tubal Cain PFS

In 2007, Goldstar completed a prefeasibility study into the development of the Eureka deposit. This study identified a mineable resource of 800 - 900kt of mineralisation at 8 - 12g/t gold down to a depth of 550m, with unit operating costs of \$120 - 145/t based on 150 - 200kt pa throughput. The study included taking a ~4,000t underground bulk sample on a number of the reefs to help ascertain the correct grade and width of the orebody. Metallurgical testwork indicated

recoveries of 90 – 96% with gravity recoveries of between 40 & 60%.

The positive outcomes of the PFS led Goldstar to commence a definitive feasibility study (“DFS”). The DFS was finalised in early 2008, and indicated similar metrics to the PFS, with cash costs of A\$500 – 600/oz, underground capital of A\$17m and a plant cost of A\$18m.

A JORC compliant resource was also completed yielding 153kt @ 10g/t for 48koz. This was significantly below the mineable resource, primarily due to the inability to accurately estimate the gold grade as a result of the nuggetty nature of the deposit.

Fig. 7: Eureka and Tubal Cain with Goldstar’s Proposed Treatment Plant Location at Southern Crown (note – not all ORN tenements shown)



Source: Orion Gold NL

Whilst undertaking the PFS and DFS, Goldstar continued to drill Tubal Cain, achieving good results, and later defining a JORC compliant resource for the deposit of 857Kt @ 9.9g/t Au for 274koz of gold. This resource was calculated down to a depth of

500m, though mineralisation had been intersected at ~1km depth.

Whilst the DFS for Eureka was positive, the good results from Tubal Cain, and its likely much larger size, led the Company to revise the study to include Tubal Cain due to the advantages of developing both deposits together. The revised feasibility study examined putting a plant at the Southern Crown location, relatively close to Tubal Cain.

Based on the development of both deposits, Goldstar envisaged an operation with an annual throughput rate of 400kt to yield ~100koz pa over a 5 to 7 year mine life from Eureka and over 10 years from Tubal Cain.

However, this study was still underway when Goldstar went into administration. Orion plans to complete the study to a prefeasibility level, however, we understand that the Company may not necessarily commit to the development of the deposits without having fully explored other exploration targets within the Walhalla project.

Potential Development Issues and Scenario’s

As part of the compilation of this report, we recently visited site to see some of the historical workings, assess the exploration potential, look at possible development scenarios, as well as get a feel for the likely issues involved in any mining developments at the Walhalla project.

Given the strong tourism focus of the Walhalla township, we believe that any development and infrastructure will need to be out of site from the town as well as out of earshot. In addition, we see it is highly unlikely any development would be allowed if trucks had to drive through the town. However, given the location of the deposits discovered to date and the terrain, we see this requirement as unlikely.

Any development will have to be an underground operation, as it is highly unlikely that an open pit style development would be approved due to its large ground disturbance footprint.

Fig. 8: View to Walhalla from The Long Tunnel Extended Tourist Mine



Source: Author

The Walhalla town is located within a steep valley, with the surrounding hills having a relief of several hundred metres. Whilst the site for a treatment plant will be somewhat dependent on the location of any major gold discoveries, the terrain will have a larger influence on the plants positioning due to its hilly nature and consequent lack of any flat ground.

Assuming that the West 1, West 2 and Cohen's reefs provide sufficient gold mineralisation to allow development, we see the most likely location for a plant would be on the other side of the ridge (the western side) of Walhalla. This would place it out of the view from the town, with no requirement for any heavy equipment to enter the township.

However, we understand that the Thomson River is located ~1.5km to the west of Cohen's. Therefore, runoff from any potential operation will need to be well contained, which can be managed through the good tailings dam and site design.

In our opinion, we believe that methodical exploration of this area will define a significant resource, able to sustain a ~100koz per annum operation. However, we see the development of such an operation as more problematic due to the difficult terrain and location next to a major tourist town.

Whilst we see all of these potential issues as being able to be overcome, we expect that any development will take longer than an equivalent sized operation in other parts of Australia. We agree that the measured approach to exploration and development that the Company is taking is prudent given the environment.

MINERALISATION STYLES

The Walhalla region contains two styles of quartz vein hosted gold mineralisation; dyke bulge ladder vein hosted, and laminated vein hosted. Both are well mineralised with high grades and the ability to form large mineralised systems, however, the two styles have some key differences that will influence potential development scenarios.

Laminated Veins

The laminated vein hosted mineralisation is characterised by north-south striking, moderate to sub vertical dipping, laminated quartz veins. The veins have similar widths to the ladder veins and are often as rich; however, the gold is relatively fine grained and more homogenous (ie not as nuggetty).

Cohen's Reef is the main example of this style of mineralisation, though there are numerous other occurrences within the project, which have had only minimal exploration or mining such as Toombon on the Ross Creek line.

Visible gold is not as common in this style of ore compared to the Ladder Reef hosted gold, though Cohen's had an average mined grade of over 40g/t Au. The average grade of the laminated vein style of mineralisation is considered easier to estimate than the Ladder Reef style due to the more homogenous distribution of the gold.

Fig. 9: Cohen's Reef Laminated Vein
(Vein approx 0.5m thick)



Source: Author

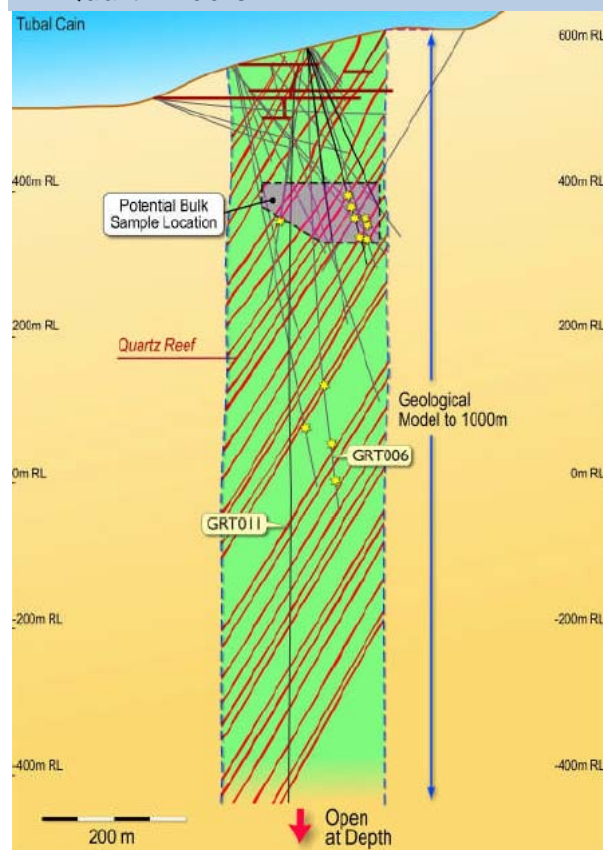
We understand that the gold at Cohen's is fine but refractory. The gold is contained within pyrite and arsenopyrite. We believe that the gold is able to be liberated using a fine grind, though at this point in time only minimal metallurgical testwork has been undertaken. Given that significant amounts of gold were extracted from the mine over ~40 years, it is unlikely that the ore will be difficult to treat.

Dyke Bulge Ladder Veins

The ladder vein hosted mineralisation is contained within large intermediate intrusive dykes, occurring within the main north-south structures. These dykes appear to form bulges in the surrounding stratigraphy, hence the term dyke bulge. During regional structural deformation, these dykes acted as brittle units and cracked, forming numerous regular spaced quartz veins. This veining hosts the gold mineralisation. The veins are regularly spaced approximately 15 – 20m apart, with a moderate dip, and are typically between 0.2

and 2m thick. Gold grades are relatively high, with 100g/t not uncommon; however the gold is very nuggetty and unevenly distributed.

Fig. 10: Schematic Picture of Tubal Cain Ladder Vein System – Red lines are Quartz Reefs



Source: Goldstar Resources NL, December 2007 Quarterly Report

The dykes are up to several 100m across and have significant depth extensions, and in some cases extend for over a kilometre deep and have not been closed off. The two well documented examples in the Walhalla field are Tubal Cain and Eureka, though there are a number of other smaller occurrences. The Morning Star Mine, near the northern end of Orion's tenements, is another similar styled deposit, with gold rich quartz reefs within the Morning Star Dyke. Some of these reefs have produced gold at an average grade of over 40g/t Au.

At Eureka, at least 17 different reefs have been identified to date, with an average width of 0.5m. Tubal Cain is significantly larger than

Eureka, having dimensions of 300m long by 200m wide, with at least 34 reefs identified. The quartz veins within Tubal Cain have been encountered at ~1,000m depth, and the deposit is still open at depth.

Both Tubal Cain and Eureka have been historical mined; however, this was relatively limited with all mining being above creek level.

Key Development Considerations

We believe that there are a number of considerations to take into account when developing the two different styles of mineralisation.

Whilst the veins in the dyke bulges are rich, the actual grades are difficult to estimate, an issue that has plagued a number of recent Victorian gold operations. In addition, they are narrow and multiple veins which would need to be worked at once to sustain a reasonable production rate. The narrowness and moderate dip would mean that small scale mining methods would have to be used so as to minimise dilution.

The laminated vein style of mineralisation will also require narrow vein mining methods to control dilution. However, the generally sub

vertical nature of the veins can make dilution management less of an issue than shallowly dipping veins. The extent can also be very large having significant lateral and depth continuity. This has significant infrastructure benefits and can enable the development of multiple working faces to enable larger tonnages to be mined.

Whilst Cohen's had an historic mined grade of ~40g/t, we would expect that modern mining techniques would incur more dilution and the mined grade would be in the order of 12 – 15g/t. However, mining would be significantly more efficient yielding much higher volumes of ore than the manual methods used historically at Cohen's.

The grade of the laminated veins is also easier to estimate, giving greater confidence in the resource estimate. This may be critical come time to seek finance, as banks will require a high level of confidence. Given the issues with some nuggetty Victorian gold operations, the higher the confidence of the resource the better Orion's ability to be able to obtain banking finance if it so desires.

RESOURCES

Fig. 11: Orion Gold Resources

Deposit	Category	Cut-off	Tonnes	Au (g/t)	Oz
Tubal Cain	Indicated	4g/t	177,000	7.7	43,800
	Inferred	4g/t	680,000	10.5	229,600
	Total	4g/t	857,000	9.9	273,400
Eureka	Indicated	4g/t	36,000	13.9	16,100
	Inferred	4g/t	117,000	8.8	33,100
	Total	4g/t	153,000	10.0	49,200
Cohen's	Measured	3g/t	80,000	5.4	13,800
	Indicated	3g/t	388,000	5.1	63,900
	Inferred	3g/t	210,000	6.1	41,500
	Total	3g/t	678,000	5.5	119,100
Total			1,688,000	8.1	441,800

Source: Orion Gold NL

FINANCIAL

As at 30 June 2009, the Company had cash of \$9.67m, and debt in the form of convertible bonds of \$6.0m. As at 18 September 2009, the Company had 765.0m shares on issue, and 385.7m unlisted options exercisable at various dates and prices. In addition, the Company had 2.35m 10cps contributing shares, of which 0.1cps has been paid, with 9.9cps outstanding.

Fig. 12: Capital structure as at 25 September 2009

Security Type	Number on Issue	Option Exercise Price	Option Exercise Date
Ordinary Shares	764,960,097		
Contributing Shares	2,351,000		
Unlisted Options	696,000	\$0.35	27/09/2009
	300,000,000	\$0.01	15/09/2010
	60,000,000	\$0.01	31/03/2014
	25,000,000	\$0.01	31/07/2014

Source: Orion Gold NL

ABOUT THE CONVERTIBLE NOTES

The converting notes are effectively a converting loan supplied by Silja Investment Limited ("Silja"). The notes were provided in three tranches, of \$1,400,000; \$1,600,000; and \$3,000,000. Interest on the notes is payable at a rate of 9% per annum and will be capitalised quarterly. The maturity Date is 31 August 2013. Each of the Convertible Notes are convertible at the election of Silja at any time based on a calculation of dividing the amount of principal and interest to be converted by the lowest price at which the Company issues any new Shares prior to the Maturity Date. Given that the recent share issue was at \$0.01/share, the notes have a maximum conversion price of \$0.01/share.

If Silja does not convert the notes, then Orion may repurchase them after three years by repaying the amount outstanding on any note (principal and interest) together, as well as the amount of interest which would have been paid on that part of the Convertible Note repurchased between the date of repurchase and the Maturity Date. Orion may not redeem the Convertible Notes prior to this period without the consent of Silja.

DIRECTORS

Denis Waddell - Executive Chairman

Mr Waddell is a Chartered Accountant with extensive experience in the management of exploration and mining companies. Prior to establishing Tanami Gold NL in 1994, Denis was the Finance Director of the Metana Minerals NL group. During the past 20 years, Denis has gained considerable experience in corporate, finance and operations management of exploration and mining companies. Mr Waddell is also Chairman of Tanami Gold NL.

Graeme Sloan - Non-Executive Director

Mr Sloan is a Mining Engineer with extensive operational and corporate experience both within Australia and overseas. Mr Sloane was previously Managing Director of Perseverance Corporation, and is currently Managing Director/CEO of Tanami Gold NL. His mining experience has been gained in different commodities and includes project development, open pit and underground mining.

Alexander Haller - Non-Executive Director

Mr Haller is a partner of Zachary Capital Management, providing advisory services to a number of private investment companies including Silja, focusing on the principal investment activities for these companies. From 2001 to 2007 Mr Haller worked in the corporate finance division at JPMorgan in the US, advising on corporate mergers and acquisitions as well as financing in both the equity and debt capital markets. Mr Haller has a B.Sc. in Economics from the University of Bristol.

Fig. 13: Directors Holdings

Directors	Position	Options	Shares	Total Securities
Denis Waddell	Executive Chairman	40,000,000	5,000,000	45,000,000
Graeme Sloan	Non-Executive Director	0	0	0
Alexander Haller	Non-Executive Director	300,000,000	203,912,409	503,912,409
Total			208,912,409	
% of Total Shares on Issue			27%	

Source: Orion Gold NL

Fig. 14: Top 10 Shareholders

Holder Name	Shares (m)	%
Zilja Investments	203.9	26.7%
Tricom Nominees	60.0	7.8%
BT Portfolio Svcs	23.0	3.0%
Citicorp Nominees	20.9	2.7%
Woodlands Asset Mngmnt	20.0	2.6%
Jemaya PL	20.0	2.6%
Valentino Nominees	15.0	2.0%
Donald Coultas	10.2	1.3%
Steven Coughlan	10.0	1.3%
Parsian PL	10.0	1.3%
Total	392.9	51.4%

Source: Orion Gold NL

SUMMARY AND CONCLUSIONS

Following the restructure and relisting of Orion Gold, the Company has sufficient cash to ramp up exploration and progress the development of its Walhalla Gold Project. We see very good potential to define significant gold resources within the project that should allow the development of a long life mining operation, capable of producing between 50 and 100koz per annum.

We like the geology and setting for mineralisation and the area has proven that it can host large high grade gold systems; however, it has had minimal modern exploration. We believe that it is not so much a matter of if the Company will find a sizeable system, but when. However, the development of any operation will take time due to the location of the Walhalla township and the hilly terrain, as well as the time required to drill out a large system in this terrain.

The Company is due to commence drilling in the next few months, targeting the Cohen's, West 1 and West 2 mineralisation. The results from this drilling will give a crucial insight into the development potential of these zones. We expect that following a review of the historic data, drilling on other targets will follow the Cohen's program. In addition, Orion will progress the Tubal Cain and Eureka prefeasibility study. We expect this to be completed by mid-2010. We are initiating coverage of Orion Gold NL with a Speculative Buy recommendation.

HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage					Hartleys Research		
Name	Ticker	Last Price*	M. CAP (\$m)	EV (\$m)	Recommendation	Industry	
Oil & Gas							
1.	Woodside Petroleum Ltd	WPL	51.42	35,920	38,817	Buy	Major
2.	Eastern Star Gas Ltd	ESG	0.865	706	627	Buy	Producer / Explorer
3.	Carnarvon Petroleum Ltd	CVN	0.525	358	324	Buy	Producer / Explorer
4.	Nexus Energy Ltd	NXS	0.310	291	448	Speculative Buy	Developer / Explorer
5.	Tap Oil Ltd	TAP	1.06	165	111	Buy	Producer / Explorer
6.	Red Fork Energy Ltd	RFE	1.09	127	119	Buy	Explorer / Producer
7.	Cooper Energy Ltd	COE	0.430	126	30	Buy	Producer / Explorer
8.	Strike Oil Ltd	STX	0.270	89	82	Buy	Explorer / Producer
9.	Amadeus Energy Ltd	AMU	0.245	73	118	Buy	Producer / Explorer
10.	Oilex Ltd	OEX	0.275	48	38	Speculative Buy	Explorer / Producer
11.	European Gas Ltd	EPG	0.180	36	100	Speculative Buy	Producer / Explorer
12.	Sun Resources NL	SUR	0.082	28	18	Speculative Buy	Explorer / Producer
13.	First Australian Resources Ltd	FAR	0.037	24	4	Speculative Buy	Explorer / Producer
14.	Adelphi Energy Ltd	ADI	0.088	13	6	Speculative Buy	Junior
Sub-Total			38,004	40,843			
Resources							
1.	Riversdale Mining Limited	RIV	5.26	991	665	Speculative Buy	Coal
2.	Western Areas NL	WSA	4.660	784	1,020	Buy	Nickel
3.	Atlas Iron Limited	AGO	1.62	647	597	Buy	Iron Ore
4.	Medusa Mining Limited	MML	3.270	552	519	No Rating	Gold
5.	Dominion Mining Limited	DOM	3.810	392	441	Speculative Buy	Gold
6.	Gold One International Limited	GDO	0.295	212	134	Buy	Gold
7.	Jabiru Metals Limited	JML	0.360	197	177	Buy	Zinc-Copper
8.	Silver Lake Resources	SLR	0.885	136	115	Speculative Buy	Gold
9.	Intrepid Mines Limited	IAU	0.300	128	81	Speculative Buy	Gold
10.	Magma Metals Limited	MMB	0.685	111	91	Speculative Buy	PGM-Cu-Ni
11.	Peninsula Minerals Ltd	PEN	0.055	75	61	Speculative Buy	Uranium Developer / Explorer
12.	Emmerson Resources Limited	ERM	0.350	71	59	Speculative Buy	Junior Explorer
13.	Orion Gold NL	ORN	0.046	34	31	Speculative Buy	Gold
14.	Ausquest Limited	AQD	0.150	34	8	Speculative Buy	Junior Explorer
15.	YTC Resources Limited	YTC	0.205	32	19	Buy	Junior Explorer
16.	Shaw River Resources Limited	SRR	0.190	25	22	Speculative Buy	Junior Explorer
17.	Hazelwood Resources Ltd	HAZ	0.210	21	20	Speculative Buy	Junior Explorer
18.	Impact Minerals Limited	IPT	0.210	20	16	Speculative Buy	Junior Explorer
19.	Southern Gold Limited	SAU	0.120	15	13	Speculative Buy	Junior Explorer
Sub-Total			4,421	4,040			
Industrials							
1.	West Australia News Hdg's Ltd	WAN	7.42	1,599	1,902	Buy	Media
2.	Monadelphous Group Limited	MND	12.960	1,100	970	Neutral	Mining Services
3.	Clough Limited	CLO	0.860	574	620	No Rating	Oil & Gas Services
4.	Austal Limited	ASB	2.550	480	385	Speculative Buy	Capital Goods
5.	Macmahon Holdings Limited	MAH	0.645	473	475	Speculative Buy	Mining & Civil Construction
6.	Mermaid Marine Australia Ltd	MRM	2.570	469	521	Buy	Oil & Gas Services
7.	Fleetwood Corporation	FWD	8.27	427	438	Buy	Consumer & Mining Services
8.	NRW Holdings Ltd	NWH	1.64	412	452	Buy	Mining & Civil Construction
9.	Neptune Marine Ltd	NMS	0.790	351	326	Buy	Marine Services
10.	Ausdrill Limited	ASL	1.78	311	479	Buy	Onshore Drilling & Mining
11.	Cash Converters Limited	CCV	0.615	224	175	Buy	Retail & Consumer Finance
12.	Southern Cross Electrical	SXE	1.60	191	168	Buy	Mining & Civil Construction
13.	RCR Tomlinson Ltd	RCR	1.20	156	205	Buy	Mining & Industrial Services
14.	Decmil Group Limited	DCG	1.27	149	130	Buy	Mining & Civil Construction
15.	Index Ltd	IMD	0.705	137	159	Buy	Oil & Gas / Mining Services
16.	Nomad Building Solutions Ltd	NOD	0.910	123	149	Speculative Buy	Residential & Mining Services
17.	GRD Limited	GRD	0.540	104	138	Buy	Mining & Civil Services
18.	Lycopodium Limited	LYL	2.47	93	90	Neutral	Mining & Industrial Services
19.	Swick Mining Services Ltd	SWK	0.600	92	145	Buy	Mining Services
20.	VDM Group Limited	VMG	0.660	81	154	Speculative Buy	Mining & Civil Construction
Sub-Total			7,545	8,082			
GRAND TOTAL			49,970	52,965			

Source: IRESS, Hartleys Research. * 2 Oct 2009

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Hartleys Recommendation Categories

No Rating	No recommendation.
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but it is higher risk than a "Buy". For the share price to rise it may be contingent on the outcome of an uncertain or distant event.
Neutral	Take no action. Stock is already trading near the share price target and there are no foreseeable near term catalysts.
Reduce / Take profits	Stock is trading above the share price target and there is a near term negative catalyst that could cause temporary weakness.
Sell	Significant price depreciation anticipated

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