



Independent Technical Reviews Support Recommencement of Operations at Cascavel

Preparation of remedial action plan well advanced. Reviews by SRK and Mining Plus conclude that mining & recovery issues can be readily rectified

Key Points:

- **Key issues and areas of improvement identified in the diagnostic review process included:**
 - *Improvements to underground material handling and haulage traffic controls*
 - *Implementation of improved mining & blasting techniques to reduce dilution*
 - *Further mine development required in the higher grade southern portion of the mine*
 - *A shortage of working capital*
 - *Acquisition of further data to define a new detailed long-term mine plan*
 - *Additional training of process personnel to improve recoveries*
 - *Potential additional grind capacity to improve gold liberation*
 - *Need for in house assay laboratory*
 - *New General Manager, Operations – to be based in Brazil*
- **To support the implementation of the remedial action plan and restart of operations, Orinoco is undertaking a 4-for-7 non-renounceable entitlement offer at 7c per share plus a free attaching option to raise up to \$12.2M.**
- **Capital raising is part of a broader funding package, supported by the Company's major shareholders and financiers, which includes previously-announced convertible loans totalling \$2.1M and a restructure of the gold stream financing agreement with Cartesian Royalty Holdings (CRH).**
- **Orinoco is required to remain in suspension until lodgement of a cleansing prospectus. This will be satisfied by lodgement of the Entitlements Prospectus, which will occur on or before 16 December 2016.**

Orinoco Gold Limited (ASX: OGX) is pleased to advise that it has received the results of extensive independent technical reviews of its 70%-owned Cascavel Gold Mine in Brazil which have concluded that the mine and plant issues experienced during start-up are common commissioning problems that can be readily fixed.

The reports, by SRK Consulting and Mining Plus, concluded that the lack of an adequate working capital buffer was a key factor curtailing the commissioning and ramp-up process. The reports provide a number of recommendations to address the plant and gold recovery issues, increase the availability of high-grade ore from the mine and provide a strong basis to re-establish mining and processing operations in the near term.

Orinoco is currently working with Mining Plus to develop and finalise a remedial action plan that will see Cascavel operational again as soon as possible. The headline plan to recommence operations has been developed and costed at a high level, with detailed planning now underway.

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ASX Code

OGX
(Ordinary Shares)
OGXOC
(Listed Options)

Issued Capital

305,742,890 Ordinary Shares
30,664,511 Listed Options
32,050,000 Unlisted Options

In summary, the key components of the plan to recommence operations at Cascavel include:

- Increasing the amount of high-grade ore being delivered to the processing plant by revising the mine plan to open up more development in the higher grade southern portions of the mine;
- Improving gold recoveries by enhancing the liberation of gold from the ore;
- Providing additional training to plant employees; and
- Increasing the amount of working capital available to the Company.

To allow the remedial action plan to be implemented, the Company will launch a non-renounceable entitlement offer (“Entitlement Offer”), supported by existing major shareholders, to raise up to \$12.2 million (gross proceeds). Under the Entitlement Offer, eligible shareholders can subscribe for four ordinary shares for every seven shares held at an issue price of 7 cents per share and subscribers will receive one (1) free option (“Options”) for every one (1) share subscribed for under the Entitlement Offer. The Options (to be listed on ASX) will be exercisable at 11 cents and will expire on 31 January 2020.

Eligible shareholders will be entitled to receive one (1) free listed option (“Options”) for every one (1) share subscribed for under the Entitlement Offer. The Options (to be listed on ASX) will be exercisable at 11 cents and will expire on 31 January 2020.

The prospectus and timetable for the Entitlements Offer will be released on or before 16 December 2016.

The Entitlement Offer forms part of a broader funding package (*outlined in the ASX Announcement of 28 November 2016*) which includes the previously announced convertible loans totalling \$2.1 million and a restructure of the gold stream financing agreement with the Company’s financier, Cartesian Royalty Holdings (“CRH”).

Orinoco advises that from time to time it enters into discussions and participates in negotiations with a range of third parties with a view to maximising value for its shareholders. Orinoco advises that it has been in discussions and negotiations with several mining companies in relation to possible transactions, however these negotiations are preliminary and non-binding. Furthermore, Orinoco cautions that there can be no certainty that a transaction will result from these discussions. Orinoco is mindful of its continuous disclosure obligations and is committed to maintaining its policy of keeping its shareholders and the market fully informed and in compliance with its obligations under the ASX Listing Rules.

Cascavel Gold Mine – Independent Technical Reviews

As previously advised, SRK Consulting (Denver) and Mining Plus (Vancouver and Lima) recently visited the Cascavel site to complete independent technical reviews of the mining operation. These reviews were commissioned to assist Orinoco with a detailed evaluation of the current status of the Cascavel Project and to determine the best path for restarting operations. SRK was appointed by Cartesian Royalty Holdings, and Mining Plus was appointed by Orinoco.

An Orinoco Board Technical Committee, comprising Non-Executive Directors Brian Thomas and Jonathan Challis, is overseeing the reviews and the development of the recommencement plan.

The work included conducting a review of mining methods, plant operations, geology, systems, ore handling, security, project management and any other factors that may negatively impact gold production, as well as presenting recommendations that would lead to cost reductions, improved productivity and a restart of operations.

These independent diagnostic reviews have now been completed, with both reviews indicating that the plant and mine issues encountered during commissioning can be readily resolved.

Overall, Mining Plus stated: “The issues observed at the Cascavel Mine are common start-up and commission(ing) problems, and we identified no fundamental problems that should impede the mine from achieving success.”

Key issues and areas of improvements identified in the review process included:

- Further mine development in the higher grade southern portion of the mine, with several potential development options being assessed;
- Acquisition of further data, including from recently concluded drilling and ongoing bulk sampling campaign (see below), to define a new detailed mine plan;
- A focus on identifying refined mining methods using access to existing infrastructure;
- Implementation of modified blasting techniques;
- Consideration of new underground equipment for use in the mine operation;
- Consider use of specialist narrow vein Senior Shift Captains to provide specialized mining training;
- Improved management of water flows in the mine; and
- Underground material handling and haulage traffic controls improvements.

The key findings from the review of the Cascavel processing circuits were that gold recoveries were most likely to have been impacted due to insufficient liberation of the gold from the ore and from operator error during the first two months of operation of the plant. Modifications to the tertiary crusher (VSI) are required to overcome the poor performance of this crusher and the circuit's inability to date to achieve the optimal particle size distribution for gold liberation. If further tuning of the VSI does not result in the achievement of the desired particle size distribution, then a small mill will be introduced to the circuit.

Several other low-cost opportunities exist for improving the recovery of gold in the circuit as well as excluding waste from the mill circuit, including:

- Differentiation of blasting patterns between ore and waste to reduce mill feed and increase size differentiation between ore and waste;
- Install a shaker deck/screen to improve material sorting at the grizzly station, to take advantage of the ore/waste size differentiation;
- High pressure jets on the screen deck to separate fine gold from block waste material before it is rejected;
- Consideration of sending the <2mm size material directly to the Gekko concentrator for cleaning before recycling into the grind circuit;
- Reduction of material flow through the mill circuit and better direction within the circuit will allow for a better retention time within the circuit, a finer grind and better overall recovery of gold;
- More reliable plant sampling measures to be introduced including the use of automatic sampling using linear samplers;
- Proceed with plan to establish a laboratory at, or close to site; and
- Enclose belts and provide material capture slides to prevent potential loss of ore from conveyors and connections to feed handlers.

The review noted that no evidence of large scale theft from the site exists. Orinoco had previously removed some mining staff for suspected opportunistic theft of ore on a small scale.

Cascavel – Operational Developments Post-Suspension of Operations

A further 6kg of gold was recovered and poured from the material processed during the two months of commissioning and ramp-up, taking total gold recovered from this two month period to 13kg. The average (mean) of tailings assays from this period was 4.12g/t. The majority (92%) of material processed during August and September was mineralised waste or development material. The tailings are dry stacked, and are likely to be re-processed to recover the contained gravity recoverable gold.

Whilst lead from poor quality detonators was still present in the circuit, Orinoco has successfully made adjustments to its smelting (and fluxing) process to remove lead from the concentrate. The gold content of the last gold pour was 89%.

Bulk Sampling

Bulk sampling tests were undertaken during November on the Cascavel mineralisation for metallurgical purposes. Five samples of the mineralised vein and selvedge ranging from 120kg to over 200kg were taken from various medium and high grade sections of the mine in order to re-test the gravity recovery characteristics of the ore. After grinding the samples in the Company's prep-lab, a small split of the samples was sent for assay and the rest of the samples were then processed directly on the Gemini shaking table. This simple testwork was found to recover approximately 93% of the contained gold, confirming again the gravity recoverability of the ore. The grade of the samples ranged from 50.42 g/t to 478.63 g/t. To consider these results from a mining perspective, a dilution factor of up to 10 should be applied to these grades. Refer Appendix B for full results.

Drilling

As announced on 18 August 2016, a small mine definition drilling program of 2,000m was undertaken to improve mine design. The last hole completed in the campaign was designed to test the down-plunge extent of Cascavel, and intersected the mineralised zone 1.2km down plunge at a vertical depth of 380m.

This hole, CDP 052, represents the deepest hole drilled at Cascavel to date and contained a three metre package of quartz veins and sulphides related to gold mineralisation. The drill program was suspended along with other operations at Cascavel and once a decision regarding the remainder of the programme is made in the context of the current review process the program will be concluded including assays.

Cascavel Funding Package

Entitlement Offer

Under the Entitlement Offer announced today, existing eligible shareholders will have the opportunity to subscribe for four (4) fully-paid ordinary share for every seven (7) shares held on the record date at an issue price of 7 cents per share to raise up to approximately A\$12.2 million (gross proceeds) ("Entitlement Offer").

Eligible shareholders will be entitled to receive one (1) free option ("Options") for every one (1) share subscribed for under the Entitlement Offer. The Options (to be listed on ASX) will be exercisable at 11 cents and will expire on 31 January 2020.

The prospectus and timetable for the Entitlements Offer will be on or before 16 December 2016.

Convertible Loans

As announced on 28 November 2016, the Company has finalised short-term funding with the support of existing large shareholders. A series of convertible loans totalling approximately \$2.1 million have been entered into that are repayable in shares and options to be issued as part of the Entitlement Offer outlined above. The key terms of the loans are as follows:

- The term is earlier of 6 months from draw-down or conversion into shares as part of a capital raising;
- The loan advance amount is repayable in shares, or in cash at end of term. The number of shares is calculated by dividing the loan outstanding amount by the share issue price. The share issue price will be the lower of the issue price of shares under the capital raising or the 15-day Volume Weighted Average Price (VWAP) immediately prior to the closing of the capital raising, whichever is the lower (subject to any required shareholder approvals). In the event of the capital raising taking the form of a 'rights entitlement', the closing date shall be the closing date of that rights entitlement issue;
- Annual interest rate of 10%, calculated daily; and
- Lender to receive additional options so that the total number of options received equals twice the number of shares received. The additional options will be issued pursuant to shareholder approval and the loan provider paying 0.1c per option.

Gold Stream Restructure

As announced on 28 November 2016, the Company reached in-principle agreement with its key financiers, Cartesian Royalty Holdings (CRH), to replace the milestone/date default clause contained in the gold stream agreement. New variation deeds have now been agreed that allow the Company sufficient time to complete the necessary independent operations reviews and remedial action planning to allow it to recommence operations.

Please refer to Appendix A for more detailed information on the material terms of the variation deeds.

Management Changes

As part of the Company's plan to recommence operations, several new senior appointments will be made in the coming months, including a new General Manager Operations, to be based in Brazil, who will oversee activities at Cascavel.

With the suspension of operations, a large portion of the workforce has been retrenched and a re-start of operations will necessitate the recruitment of new staff to fill the required roles. A number of other operational and management changes will be made once the capital raising is completed.

Next Steps

The Prospectus and timetable for the Entitlements Offer will be released on or before 16 December 2016.

The Company will provide regular updates to the market as it finalises the remedial action plan for the Cascavel Gold Mine and commences implementation of key elements of this plan over the coming weeks and months.

-ENDS-

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Forward-Looking Statements:

This Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Orinoco Gold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Orinoco Gold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Orinoco Gold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for gold materials; fluctuations in exchange rates between the U.S. Dollar, the Brazilian Real and the Australian dollar; the failure of Orinoco Gold Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Orinoco Gold Limited. The ability of the company to achieve any targets will be largely determined by the company's ability to secure adequate funding, implement mining plans and resolve logistical issues associated with mining. Although Orinoco Gold Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. No JORC Mineral Resources or Reserves have been estimated for the Cascavel Gold Mine.

Competent Person's Statement:

The information in this announcement that relates to Exploration Results is based on information compiled by Dr Klaus Petersen who is a member of the Australasian Institute of Mining and Metallurgy and CREA and Dr. Marcelo Juliano de Carvalho who is member of the Australasian Institute of Mining and Metallurgy and CREA. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho are employees of Orinoco Gold Limited and have sufficient experience, which is relevant to the style of mineralisation under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

APPENDIX A – MATERIAL TERMS OF THE VARIATION DEEDS ENTERED INTO BETWEEN THE COMPANY AND CRH

Background

The Orinoco Gold Limited and its controlled entities (the “Company”) entered into a gold stream financing arrangement in May 2015 (as varied June 2016) under which Cartesian Royalty Holdings and its controlled entities (“CRH”) provided US\$8 million in return for an entitlement to receive 20% of the gold produced during the first three years of commercial production from Cascavel, subject to a minimum quantity of 16,000 ounces of gold and a maximum quantity of 24,000 ounces of gold to be delivered to CRH. The goldstream agreement included several ‘Events of Default’ triggers; including a requirement to achieve commercial production (as defined in the agreement) by 31 August 2016; to have processed 25,000 tonnes of ore by 31 December 2016; to deliver 2,000 ounces of gold to CRH by 31 January 2017; and to complete a cash neutral restructure of fund flows as contained in the June 2016 variations.

In light of the operations issues that became apparent during October, the Company engaged with CRH to discuss the best way to allow operations to be temporarily suspended to allow the Company time to address the issues being faced and to give it an appropriate amount of time to recommence operations, while being cognisant that suspending operations would place the Company in a position where it would not be able to meet the default ‘triggers’ mentioned earlier.

In return for waiving the above-mentioned default triggers and providing the Company with sufficient time and a pathway to recommence operations, CRH and Orinoco agreed to vary the goldstream agreements, summarised as follows:

Material Terms contained in the Variation Deeds entered into 8 December 2016.

- A) Remediation Process (based from 4 November 2016, deemed to be the ‘Restructuring Date’):
- i) within 55 days following the Restructuring Date, Orinoco shall submit a budget in relation to the Project for the period ending on 30 June 2017 to be approved by CRH; and
 - ii) recapitalisation of Orinoco via a rights issue of at least \$6,000,000; and shall lodge a prospectus for the Capital Raising by 16 December 2016 with the ASX and any other required regulatory authority; and the Capital Raising will be pursued with best efforts;
 - iii) within 90 days following the Restructuring Date, the Seller Guarantors shall complete a diagnostic review of the Project, and share the results with CRH; and
 - iv) within 150 days following the Restructuring Date the Seller Guarantors shall submit a remedial action plan (which outlines the Project’s present condition and reasons for underperformance and the suggested pathways for recommencing operations, including a mining plan, budget and management and staffing plan) to CRH to be approved by CRH;
 - v) within 300 days following the Restructuring Date (or such later date as agreed to by CRH under the Remedial Action Plan), the Seller Guarantors shall recommence operations at the Project in accordance with the Remedial Action Plan;
 - vi) on and from the Restructuring Date, the Orinoco shall:
 - a. submit, by 15 May 2017, a Budget for the period starting on 31 May 2017 and ending on 30 November 2017 to be approved by CRH; and
 - b. submit monthly management reports to CRH within 15 business days following the end of each calendar month; and
 - c. upon CRH so requesting, participate in monthly teleconferences in respect of the Project.
- B) Standstill Payments and other compensation:
- i) US\$100,000 per month (cash or shares) while operations are suspended.
 - ii) A ‘signing fee’ of 2 million ordinary shares in the Company.
 - iii) 3.4 million options will be issued (subject to shareholder approval) on the following terms:
 - a. 2,678,571 Options exercisable at Entitlement Offer share issue price on or before 30 November 2017;

- b. 500,000 Options exercisable at Entitlement Offer share issue price on or before 30 April 2018; and
 - c. 250,000 Options exercisable at Entitlement Offer share issue price on or before 30 June 2018.
- iv) Increase in the minimum and maximum goldstream quantities by 10%. This increases the minimum number of ounces from 16,000oz to 17,600oz and the maximum number of ounces from 24,000oz to 26,400oz.
- C) Royalty
- A 2.5% NSR for CRH on all tenements covered by the streaming agreement in the following circumstances:
- a. No NSR is payable while gold stream is in compliance;
 - b. when gold stream term is satisfied an NSR will be payable on the next 50,000 Au oz of production (“Compliance NSR”);
 - c. if Company defaults on gold stream agreement, then the NSR is immediately in force and the limitation in the above clause no longer applies (“Default NSR”).
 - d. If the Company is in default on the gold stream **and** the 30% partner has not provided a security interest over its shares in the JV, the Royalty Percentage shall increase to 5%.
- D) Other conditions:
- i) Minimum Delivery of 1,000 ounces of gold (or 20% of production if greater) starting in the first quarter after 90 days following recommencement of operations or the commencement date (i.e. when the process plant meets specific minimum operating parameters) (or such later date as agreed under the Remedial Action Plan) (“Minimum Delivery Commencement Date”), the SELLER (the operator of the Cascavel Gold Mine) fails to deliver the Minimum Delivery to the BUYER (CRH) in any calendar quarter, provided that the amount of Refined Gold (or Monetary Equivalent) to be delivered in:
 - a. the first calendar quarter after the Minimum Delivery Commencement Date; and
 - b. subsequent deliveries will continue on a quarterly basis until 20% Refined Gold in a month exceeds 333 ounces of gold, upon which time deliveries of the BUYER’s Proportion will be paid on a monthly basis in accordance with the GEPA. For the avoidance of doubt, after the Minimum Delivery Commencement Date, the SELLER shall still deliver at least the Minimum Delivery to the BUYER every calendar quarter of the Term, regardless of any monthly payment during that calendar quarter; and monthly payments will be counted toward the Minimum Delivery for the calendar quarter in which they were delivered.
 - ii) Right to nominate a person to be appointed as a director to the Board (in addition to the current CRH Nominee Director, Mr Jonathan Challis) and a further right to nominate another person to be appointed as a director to the Board should the Capital Raising not result in \$6,000,000 raised within the shortfall period [3 months after the close of the Entitlement Offer as described in the section **Capital Raising - Entitlement Offer**].
 - iii) Continuation of specific default triggers - those typically included in financing arrangements such as; ‘failure to pay’; ‘event of insolvency’; ‘material breach’; ‘misrepresentation’; ‘loss of lease, right, license, or approvals’.
 - iv) Putting in place a ‘fiduciary lien’ or security charge over plant and equipment owned by the owner and operator of the Cascavel Gold Mine (Mineracao Curral de Pedra Ltda).

APPENDIX B – BULK SAMPLE INFORMATION

Table 1. Coordinates & Weights

Sample ID	Coords From	Coords To	Total Sample Weight (g)	Lab Sample Weight (g)	Gold Room Sample Weight (g)
	561521.34	561525.2			
BULKLOC	8288119.21	8288118.1	101240	2070	99170
	537.82	538.46			
	561531.15	561527.02			
BULKR2S	8288090.01	8288090	122870	2040	120830
	533.31	532.24			
	561507.17	561504.5			
BULKL1S	8288084.34	8288083.7	118540	2000	116540
	524.22	523.78			
	561459.33	561456.9			
BULK L2N	8288115.5	8288115.8	125170	2000	123170
	517.98	516.28			
	561462.35	561458.37			
BULK L1N	8288154.67	8288151.3	133080	2018	131062
	539.92	536.96			

Table 2. Gold Room Samples

Sample ID	Conc Weight (g)	Recovered Contained Au (g)	Actual Gold Grade post smelting (g/t)	Tails - Split A (g/t)	Tails - Split B (g/t)
BULKL1S	10.96	6.57	56.38	8.63	8.30
BULKLOC	37.99	5.00	50.42	2.62	4.35
BULKR2S	79.00	14.56	120.50	-	-
BULK L1N	89.54	62.73	478.63	9.97	9.95
BULK L2N	11.97	6.22	50.50	3.71	3.47
BULKCHIP	19.73	14.22	718.54	-	-
	249.19	109.30	179.015		

Table 3. Lab Splits and Tail Samples.

Sample ID	Lab Head Grade (g/t) Split 01	Lab Head Grade (g/t) Split 02
BULKL1S	105	103
BULKLOC	54.7	45.3
BULKR2S	150	146
BULK L1N	130	154
BULK L2N	76.3	118

General Procedure for Bulk Sample Collection:

- sampling of only the vein + selvage zone. On average the thickness of the samples was around 20-30 cm;
- sampling by volume of material, <100 kg, with variable sample length. An average of 4-5 meters of vein and selvage was continuously collected;
- site selection for sampling was based on previous panel samples - medium to high gold content sites were selected, in differing areas of the mine (south, center and north);
- marking of the samples undertaken by the geology team;
- samples were withdrawn with the use of an electric breaker, with advance between 5 and 10cm depth in the collection;
- survey of the sites sampled completed with total station;
- the samples were dried and crushed in jaw crusher. They were then dried in an industrial oven and ground to 60 # (140 # for R2S - SLOT 4)
- Lab assays are not Certified assays.

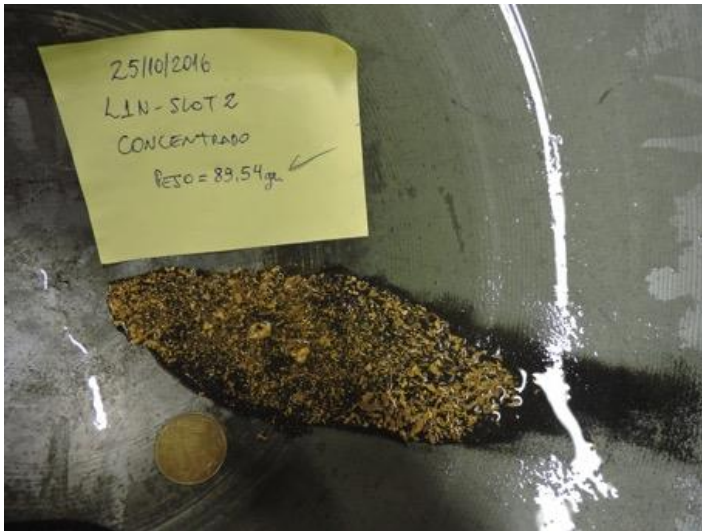


Figure 1. Gold Concentrate.



Figure 2. Sample collection from mine.

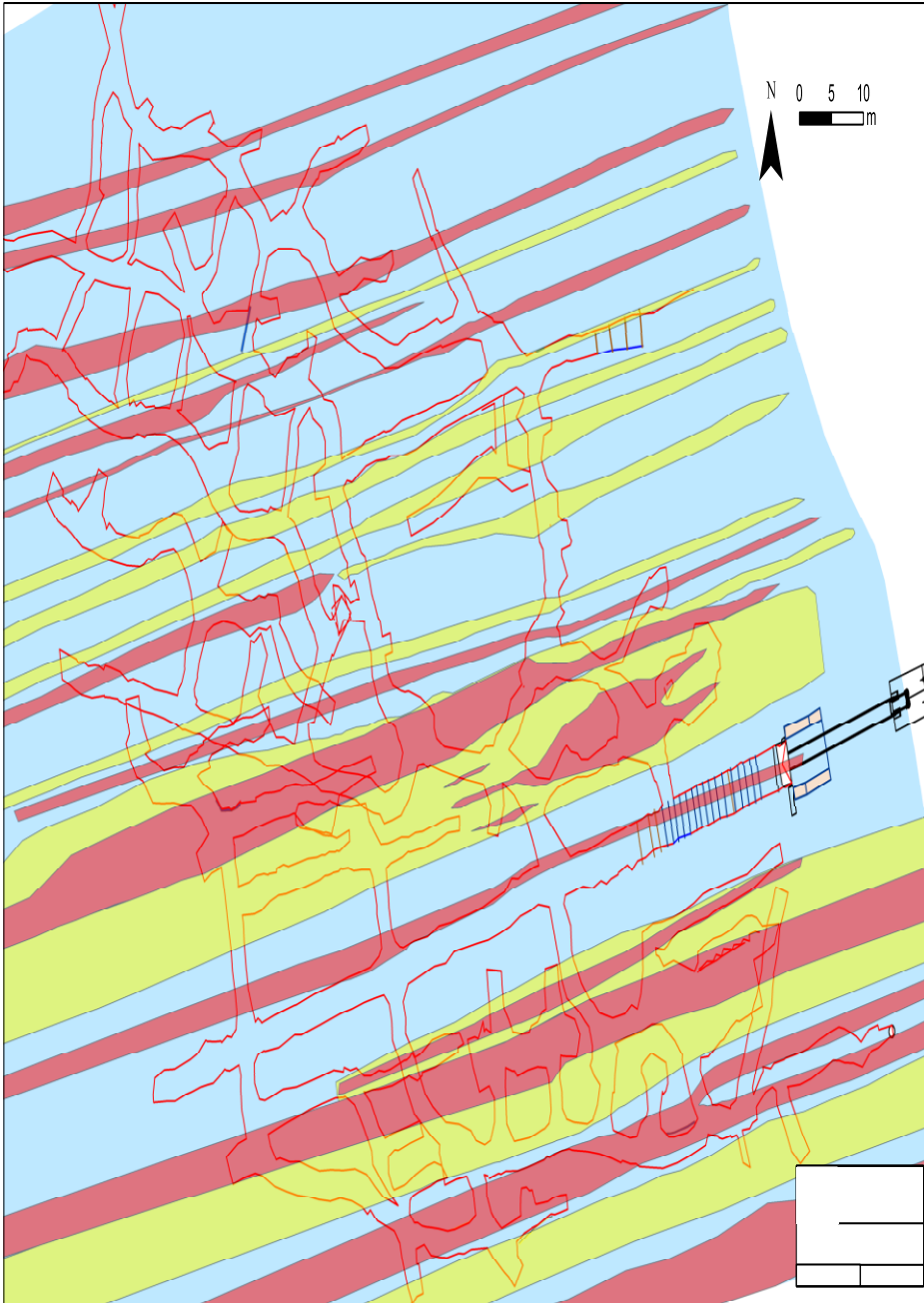


Figure 3. Map of sample locations.

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<p>sampling of only the vein + selvedge zone. On average the thickness of the samples was around 20-30 cm;</p> <ul style="list-style-type: none"> - sampling by volume of material, <100 kg, with variable sample length. An average of 4-5 meters of vein and selvedge was continuously collected; - site selection for sampling was based on previous panel samples - medium to high gold content sites were selected, in differing areas of the mine (south, center and north); - marking of the samples undertaken by the geology team; - samples were withdrawn with the use of an electric breaker, with advance between 5 and 10cm depth in the collection; - survey of the sites sampled completed with total station;

Criteria	Commentary
	- Lab assays are not Certified assays.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> No drilling is reported in this announcement.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> No drilling is reported in this announcement.
<i>Logging</i>	<ul style="list-style-type: none"> No logging is reported in this announcement
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> the samples were dried and crushed in jaw crusher. They were then dried in an industrial oven and ground to 60 # (140 # for R2S - SLOT 4) 2 splits were taken and sent to a non certified lab and the remainder of the sample was processed on a Gemini Gold Table
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> The lab head grade and tails assays are from a non-certified lab. The 'Actual Grade Post Smelting' is calculated from the actual weight of the gold poured from the concentrate.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>Standards</i>: (insertion of 1 known standards in each 20 samples approximately): If less than 10% of samples are outside of the expected mean + 2x Std. Dev, the results are validated. If less than 10% of the samples report results outside the Mean + 3x Std. Dev, but there are standards between the first and these two points - the results are validated, but the Lab is notified. If more than 10% is outside the Mean + 3x Std. Dev, the batch (40 samples) is rejected, an investigation is required and a re-analysis of the batch is made; <i>Blanks</i> (1 blank insertion in each 20 samples approximately): If less than 5% are above 5x the detection limit of the Lab, the results are validated. If more than 5% is above 5x the detection limit, the Lab is notified and the batches with failure are re-analysed; Duplicates (insertion in each 20 samples – Bias control): Project Duplicates are core quarter and Lab duplicates are Pulp Duplicates.
<i>Location of data points</i>	<ul style="list-style-type: none"> The topographic survey on the underground workings has been done by a qualified surveyor using a Total Station (RUIDE), model RTS 822R The grid system used is UTM South American 1969 - Zone 22 S; The topography crew uses surveyed base stations to guarantee the quality of their surveying.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> sampling by volume of material, <100 kg, with variable sample length. An average of 4-5 meters of vein and selvedge was continuously collected
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> The data orientation is intended to cover the mineralised zone approximately along strike and down dip.
<i>Sample security</i>	<ul style="list-style-type: none"> Samples are stored in plastic sample bags, stored in a dedicated secure facility on site prior to transport to the lab. All laboratory pulps are stored in the storage facility onsite in boxes supplied by the labs, stacked in dry places.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> No audit or review has been undertaken regarding the results reported in this announcement.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> The Faina Goldfield project is 70% owned by Orinoco do Brasil Mineração Ltda, which in turn is 100% owned by Orinoco Gold Ltd. The 30% partners are free carried during the exploration stage until a decision to mine. Their share of costs after this point is to be repaid from profits. The Sertão and Antena mining leases are owned 100% by Orinoco. Some locations within the Cascavel project have archaeological sites that are required to be mapped and photographed prior to removal of the sites. The key Cascavel tenement has a granted trial mining licence for 50.000 tonnes ROM for underground operation, an installation licence for a up to 50.000 tonnes per year gravity crushing and concentration plant and granted Environmental/Archaeological licences. These licences can be renewed as they approach either expiry of the tonnage or the time limits.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> This release reports results from underground working at Orinoco's Cascavel Gold mine. No earlier exploration is reported in this release
<i>Geology</i>	<ul style="list-style-type: none"> CASCADEL: Cascavel is best characterised as an Archean shear hosted Orogenic gold system. The structurally controlled mineralised quartz vein/s, veinlets and related sericite alteration evident in the decline and from drilling are continuous both along strike and down-plunge with some minor off-sets caused by later E-W and N-W striking faults (associated with the Tinteiro mineralisation). Visible offsets are no greater than 1m in the walls of the decline. These late faults also cause a slight rotation between the blocks, slightly changing the dip of the veins. Repetition of high grade shoots along the strike has been confirmed by bulk and panel sampling and with visible gold up to 10mm in size evident in the walls of the decline.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> No drill holes are reported in this announcement.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Data is a bulk sample as reported. Each sample is reported individually.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> On average the sampling of the zone was ~30cm. To understand the results in the context of mining dilution, planned mining heights are on average 1.2m, but can be up to 2.0m. A factor of between 4 to 10 should be applied to the results to estimate planned dilution
<i>Diagrams</i>	<ul style="list-style-type: none"> Diagrams are attached to the current announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> This announcement is a comprehensive report of the results covered by this announcement.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Only assays for bulk samples are reported in this announcement.
<i>Further work</i>	<ul style="list-style-type: none"> Drilling and ongoing underground development is required to test the identified targets as the mine is developed.