

ORINOCO GOLD LIMITED
ACN 149 219 974
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 16 December 2016 (**Prospectus**) issued by Orinoco Gold Limited (ACN 149 219 974) (**Company**). This Supplementary Prospectus is dated 7 February 2017 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus. This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.orinocogold.com.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

1. REASONS FOR SUPPLEMENTARY PROSPECTUS

In accordance with the Corporations Act 2001, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors.

This Supplementary Prospectus has been prepared to:

- (a) provide additional information to and update investors on items that the Company considers to be material; and
- (b) amend the Prospectus as set out in Section 3.

2. SUBSCRIPTION AGREEMENT

Section 4.1 (c) of the Prospectus disclosed that the Company had been involved in discussions with a major international gold miner in relation to a potential equity investment in the Company and potential joint venture arrangement. The Prospectus also noted that these discussions remained uncertain and that there was a substantial risk that no formal transaction would be agreed or entered into.

In accordance with that disclosure, on 7 February 2017, the Company announced to ASX that it had entered into a subscription agreement (**Subscription Agreement**) with AngloGold Ashanti Holdings Plc (**AngloGold**), pursuant to which AngloGold has agreed to subscribe for 85,190,463 Shares at an issue price of \$0.07 each to raise \$5,963,332, together with one (1) free Option for every one (1) Share issued, exercisable at \$0.11 on or before 31 January 2020 (the same terms as the Options offered under the Prospectus).

The principal terms of the Subscription Agreement are as follows:

- (a) **Earn-in arrangements:** the Company and AngloGold agree to the following earn-in arrangements:

- (i) the Company grants to AngloGold an exclusive right to negotiate, for a period of nine (9) months from the date of the Subscription Agreement, an earn-in agreement or acquisition of up to a 50% interest in the Company's Cascavel Gold Mine; and
 - (ii) the Company grants to AngloGold a right to enter into a regional exploration joint venture agreement (**Proposed Joint Venture Agreement**) over the Company's Faina greenstone belt tenements (**Faina Goldfields Project**). Pursuant to the Proposed Joint Venture Agreement, AngloGold will have the right to earn up to a 70% interest in the Faina Goldfields Project by funding not less than US\$9,500,000 on project expenditure over a three (3) year period.
- (b) **Subscription:** AngloGold agrees to subscribe for 85,190,463 Shares at \$0.07 per Share together with one free Option for each Share issued exercisable at \$0.11 on or before 31 January 2020.
- (c) **Top-up right:** subject to the grant of a waiver of ASX Listing Rule 6.18 and subject to any ASX Listing Rules and any other regulations that govern the Company's ability to issue additional securities to AngloGold, the Company will grant to AngloGold the right to make additional top-up investments in the Company in the event of any future capital events, in order to maintain voting power in the Company at or above 10% of the Shares then on issue in the Company.
- (d) **Board nominee:** For so long as AngloGold's voting power in the Company remains above 10% of the Shares then on issue in the Company, AngloGold will have the right to appoint and retain a director on the board of directors of the Company.

Further details of the Subscription Agreement and the Proposed Joint Venture Agreement are set out in the Company's ASX announcement dated 7 February 2017.

The Company advises that Eligible Shareholders who have not yet taken up their entitlement under the Offer and wish to do so should refer to the application instructions set out Section 4.5 of the Prospectus. Completed Entitlement and Acceptance Forms and cheques, as well as BPAY payments, must be received by the Company's share registry no later than 5:00pm (WST) on the Closing Date.

Eligible Shareholders may also subscribe for Securities under the Shortfall Offer by following the instructions set out in Section 4.5 of the Prospectus.

3. EXTENSION OF THE CLOSING DATE

The Directors noted that the timing of the finalisation of the discussions that lead to the announcement on 7 February 2017 may have caused some Eligible Shareholders not to take up their Entitlement. Accordingly, ASX has granted permission for the Company to extend the Closing Date of the Offer until 5.00pm (Perth time) on 10 February 2017.

Eligible Shareholders who wish to take up their Entitlement should follow the instructions in Section 4.5 of the Prospectus and/or by completing the Offer and Acceptance Form attached to this Supplementary Prospectus.

4. AMENDMENTS TO THE PROSPECTUS

Further to the update provided above, the Prospectus is amended as follows:

4.1 Pro-forma balance sheet

The table and notes in Section 5.3 of the Prospectus are deleted and replaced with the following:

STATEMENT OF FINANCIAL POSITION	Consolidated (Unaudited) 31-Dec-16 \$	Pro Forma Adjustments \$	Full Funding ¹ \$
Current Assets			
Cash and cash equivalents	1,751,800	15,973,580	17,725,380
Trade and Other receivables	516,586		516,586
Inventories	683,998		683,998
Other assets	52,991		52,991
Total Current Assets	3,005,375	15,973,580	18,978,955
Non-Current Assets			
Property, plant and equipment	8,586,397		8,586,397
Exploration & evaluation assets	1,220,363		1,220,363
Mine properties & development	17,700,063		17,700,063
Investments	-		-
Other Non-Current Assets	147,833		147,833
Total Non-Current Assets	27,654,656	-	27,654,656
Total Assets	30,660,031	15,973,580	46,633,611
Current Liabilities			
Trade and other payables	3,415,715		3,415,715
Other current liabilities	181,925		181,925
Provisions	353,385		353,385
Deferred revenue	2,269,541		2,269,541
Convertible Loans	1,968,897	(1,968,897)	-
Total Current Liabilities	8,189,463	(1,968,897)	6,220,566
Non-Current Liabilities			
Trade & other payables	26,516		26,516
Deferred revenue	8,513,277		8,513,277
Provisions	480,102		480,102
Total Non-Current Liabilities	9,019,895	-	9,019,895
Total Liabilities	17,209,358	(1,968,897)	15,240,461

Net Assets	13,450,673	17,942,477	31,393,150
Equity			
Issued capital	42,078,055	17,942,477	60,020,532
Reserves	4,285,874		4,285,874
Accumulated losses	(31,647,940)		(31,647,940)
	14,715,989	17,942,477	32,658,466
Non-controlling interest	(1,265,316)		(1,265,316)
Total Equity	13,450,673	17,942,477	31,393,150

Notes:

1. The full amount assumes that the full amount under the Offer is received and the funds received from AngloGold are in addition to the amount raised under the Offer. Where Shares and Options under the Shortfall Offer are issued to AngloGold (in accordance with the Shortfall allocated process outlined in Section 4.8 of the Prospectus), the total amount of funds received under the Offer and the Subscription Agreement will be reduced by the amount allocated to AngloGold under the Shortfall Offer.

4.2 Effect on capital structure

Section 5.4 is replaced with the table, notes and statements below:

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is as follows:

Shares

	Number
Shares currently on issue	307,349,089
Shares offered pursuant to the Offer	175,628,051
Shares to be issued to AngloGold under the Subscription Agreement ¹	85,190,463
Total Shares on issue after completion of the Offer	568,167,603

1. Subject to the Shortfall and in accordance with the treatment of applications received for the Shortfall under the Shortfall Offer in Section 4.8 of the Prospectus, the Company reserves the right to utilise the Shortfall to cover some or all of the Shares and Options for which AngloGold has agreed to subscribe. Should this occur, the total number of Shares and Options on issue would be lower than the number outlined above.

Options

	Number
Options currently on issue ¹	62,714,511
Options offered pursuant to the Offer	175,628,051
Options to be issued to AngloGold under the Subscription Agreement ²	85,190,463
Total Options on issue after completion of the Offer	323,533,025

Notes:

1. Terms and conditions of Options currently on issue are as follows:

Expiry Date	Exercise Price	Number
31 January 2018	\$0.25	30,664,511
31 October 2017	\$0.25	12,250,000
31 May 2017	\$0.25	7,000,000
30 April 2018	\$0.15	10,500,000
30 April 2017	\$0.11	500,000
31 October 2017	\$0.16	1,250,000
30 June 2017	\$0.11	250,000
14 July 2019	\$0.25	300,000
Total		62,714,511

2. Subject to the Shortfall and in accordance with the treatment of applications received for the Shortfall under the Shortfall Offer in Section 4.8 of the Prospectus, the Company reserves the right to utilise the Shortfall to cover some or all of the Shares and Options for which AngloGold has agreed to subscribe. Should this occur, the total number of Shares and Options on issue would be lower than the number outlined above

The capital structure on a fully diluted basis as at the date of this Prospectus would be 370,063,600 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 891,700,628 Shares.

4.3 Risk Factors

The risk factors outlined in Section 7 of the Prospectus are amended by deleting the risk factor in Section 7.2(k).

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Mark Papendieck
Director
For and on behalf of
ORINOCO GOLD LIMITED