



ASX/Media Release – 28 April 2017

March 2017 Quarterly Report

Cascavel Project

- Strategy to re-commence operations now fully developed.
- Detailed mine development planning completed.
- Additional mine development commenced after quarter end focusing initially on new access ramps and development headings.
- Planned development will enable the mine to deliver ~80ktpa to the processing plant.
- Receipt of Mining Plus metallurgical review focussed on options for processing recovery improvements.
- Civil works for new on-site assay laboratory commenced.
- New assay laboratory set to improve turnaround times and quality of assays for both the mine and process plant.

Corporate

- \$9.7M successfully raised through entitlements issue.
- Strategic partnership with leading global gold miner AngloGold Ashanti (AngloGold).
- AngloGold now a ~17% shareholder in Orinoco.
- Entered into a regional exploration joint venture over Orinoco's Faina Goldfields Project (excluding Cascavel).
- AngloGold will also have the right to negotiate an earn-in and/or acquisition of up to 50% of the Cascavel Gold Mine.
- Craig Dawson appointed as new Chief Operating Officer.

CASCADEL GOLD MINE, Brazil (Orinoco: 70%)

Following the closing of the entitlements issue in the middle of the quarter, all elements of the Company's previously announced plans to re-commence operations at its 70%-owned Cascavel Gold Mine (**Cascavel**) in Brazil are continuing to advance positively with the recent restart of mine development post quarter end, marking a key milestone in this process. In summary, the key components of the plan to resume operations at Cascavel include:

- Development of new access drives to the underground workings to allow larger scale, more efficient mechanised load haul dump (**LHD**) mining equipment to be deployed;
- Increasing the supply of high-grade ore to the processing plant by amending the mine plan to provide for improved access to, and more development in, the higher-grade southern portions of the mine;
- Improving gold recoveries by enhancing the liberation of gold from the ore by implementing some relatively minor modifications to the existing processing plant; and
- Enhancing assay turn-around and accuracy through the installation of an on-site assay laboratory.

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ASX Code

OGX
(Ordinary Shares)
OGXOC
OGXOD
(Listed Options)

Issued Capital

489,455,333 Ordinary Shares
263,396,316 Options

Mine Development

The additional mine development required commenced after the end of the quarter with the initial development focused on adding new access ramps and new development headings, allowing larger-scale LHD mining equipment to be deployed in the mine and access to the southern portion of Cascavel.

Development will continue to be undertaken within the known mineralised zone at Cascavel. While this material will be processed through the processing plant together with production material resulting from trial stoping activities, deliveries of scheduled production ore to the mill are expected to commence late in the third quarter of this year.

Orinoco previously utilised a third party mining contractor however has now moved to an owner operator model.

Mill Improvements

Mining Plus completed their metallurgical review of Cascavel after the end of the quarter. This review has identified a number of flowsheet and operational improvements available to the Company to improve gold recoveries. The Company is currently reviewing the report and is in the process of defining a scope of works for the next stage of work for Mining Plus, being the detailed engineering and cost estimates.

Whilst it is likely that in the long term the Company will wish to source additional grinding capacity for the processing circuit to improve gold liberation and recoveries, a number of the minor operational improvements/modifications identified by Mining Plus are in the process of being enacted.

The easily implemented operational improvements will be trialled during the coming quarter by processing stockpiled and planned development material in batches. These batch trials will provide additional information for Mining Plus as part of their detailed engineering and cost estimates. Tailings will continue to be dry-stacked and can be re-processed to recover any contained gravity recoverable gold.

A metallurgical testwork programme being undertaken by Hazen Research Inc. (**Hazen**) in the United States of America (**USA**) was completed after the end of the quarter. Their report is being prepared and is expected to be delivered to the Company during May.

On-Site Laboratory

Plans have also been finalised for an Orinoco-owned and managed on-site laboratory, with civil works for the laboratory underway. Orinoco is purchasing a purpose-designed and manufactured laboratory which will allow for quicker installation and, more importantly, also allow for eventual QA/QC certification.

Having such a facility available at Cascavel will greatly assist the Company in the timely turn-around of accurate assays for both the mine and the processing plant. Due to licencing restrictions, the Company previously had to utilise a state-owned facility located 300km from Cascavel. The installation of the new on-site assay laboratory is a key part of the Company's strategy for the re-commencement of operations at Cascavel.

Appointment of new Chief Operating Officer

During the quarter Orinoco announced the appointment of highly experienced mining executive Mr Craig Dawson to the role of Chief Operating Officer. Mr Dawson has more than 30 years' experience in the Australian and international mining industry with a proven track record in the development and operation of small to large scale mining operations. He has a broad range of skills encompassing areas ranging from mine development, operating system development, contract and contractor management, financial management, strategic planning and team development.

CASCAVEL GOLD MINE, Brazil (Orinoco: 70%)

During the period, the Company entered into an agreement with AngloGold which saw the leading global miner invest approximately A\$5.9m (**Corporate Investment**) and emerge with a stake of approximately 17 per cent in Orinoco. AngloGold will also enter into a US\$9.5 million exploration joint venture (**Faina Exploration JV**) on Orinoco's broader Faina Goldfields tenement portfolio (Faina Project), excluding Cascavel.

The partnership agreement between Orinoco and AngloGold follows more than 12 months of geological due diligence conducted by AngloGold over Orinoco's Faina Project in central Brazil.

AngloGold, which is the largest gold producer in Brazil, has a strong understanding of the local geology and operating conditions, having operated the world-class Serra Grande mining complex, located in an adjoining greenstone belt, for over 20 years. Serra Grande is a multi-million ounce project with geological similarities to the Faina Goldfields region.

Under the terms of the agreements, AngloGold can earn up to a 70% interest in Orinoco's Faina Project through staged exploration expenditure of US\$9.5 million over a three-year period.

In addition to the Corporate Investment and the Faina Exploration JV, AngloGold will have the right to negotiate an agreement to earn up to a 50% interest in Cascavel for a period of six months (with a possible three month extension).



Map of Goiás state showing the location of Orinoco's and AGA's Projects in Goiás state.

-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.

Interests in Mining Tenements (First Quarter):

Tenement	Project	Type of Tenement	Location	Held at end of Quarter	Acquired during the quarter	Disposed of during the quarter
860167/2007	CASCADE	Exploration Permit	Faina - Brazil	70%	-	-
860205/2014		Joint Venture Application Claim		-	-	70%
860206/2014		Joint Venture Application Claim		-	-	70%
861501/2014		Joint Venture Exploration Permit		70%	-	-
861586/2009		Exploration Permit		70%	-	-
860051/2012	REGIONAL	Exploration Permit	Faina - Brazil	70%	-	-
860069/2010		Exploration Permit		-	-	80%
860188/2012		Joint Venture Exploration Permit		70%	-	-
860193/2011		Exploration Permit		80%	-	-
860404/2013		Exploration Permit		70%	-	-
860600/2011		Exploration Permit		70%	-	-
860683/2016		Application Claim		80%	-	-
860684/2016		Application Claim		80%	-	-
860685/2016		Application Claim		80%	-	-
860686/2016		Application Claim		80%	-	-
860856/2012		Joint Venture Exploration Permit		70%	-	-
860995/2016		Application Claim		100%	-	-
861359/2015		Exploration Permit		-	-	70%
861360/2015		Exploration Permit		70%	-	-
861389/2016		Application Claim		80%	80%	-
861391/2016		Application Claim		80%	80%	-
861392/2016		Application Claim		80%	80%	-
861393/2016		Application Claim		80%	80%	-
861917/2013		Exploration Permit		70%	-	-
861918/2013		Exploration Permit		70%	-	-
760742/1996	SERTÃO	Mine Concession	Faina - Brazil	100%	-	-
860096/1986		Mine Concession		100%	-	-
860368/1995		Mine Concession		100%	-	-
861194/2016		Application Claim		100%	-	-
861414/2016		Application Claim		70%	70%	-