

6 September 2017

Dear Shareholder

Orinoco Gold Limited – pro-rata non-renounceable rights issue

As announced on 6 September 2017 Orinoco Gold Limited (ACN 149 219 974) (**Company** or **OGX**) is undertaking a non-renounceable entitlement issue of one (1) Shares for every two (2) Shares held by those Shareholders registered at 5pm (WST) on 15 September 2017 (the **Record Date**) at an issue price of \$0.02 per Share to raise \$4,976,355 (before costs) (the **Offer**).

The Offer is fully underwritten by Somers & Partners Pty Ltd (**Underwriter**). The Underwriter has entered into a priority sub-underwriting agreement with AngloGold Ashanti Holdings Plc (**AngloGold PLC**), whereby AngloGold PLC has agreed to subscribe for up to 50,000,000 Share (\$1,000,000) under the Offer or Shortfall Offer on a priority basis, up to a maximum shareholding of 18.11% of the Company's issued share capital. The Company must pay the Underwriter a management fee of 2% of the total value of the underwritten securities plus an underwriting fee of 4% of the value of the underwritten securities.

The proceeds of the Offer, together with the A\$3.0 m received from AngloGold Ashanti Ltd (**AngloGold**) (**Prepayment Amount**), will be allocated towards the costs of the Offer, payment of minority partners, towards recommencement of operations at Cascavel, capital development and exploration and standstill payments to commercial production. The funds will also provide a prudent working capital buffer during the 'commissioning recommencement' phase.

Use of Funds¹

Item	AUD\$	%
Costs of the Offer	519,806	6.5%
Payment to Minority Partners	1,875,000	23.5%
Additional Mine Development at Cascavel	715,000	9.0%
Mine Equipment Purchase at Cascavel	735,440	9.2%
Near Mine Exploration at Cascavel	208,058	2.6%
Earn in Exploration expenditure	1,125,000	14.1%
Standstill Payments to Commercial Production	569,620	7.1%
Working Capital/Overheads	2,228,431	27.9%
Total funds after completion of the Capital Raising	7,976,355	100.0%

¹ Includes A\$3.0m received from AngloGold as a Prepayment Amount set against the earn-in joint venture agreement.

The above is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 15 September 2017, whose registered address is in Australia, New Zealand, Singapore, Hong Kong or Isle of Man.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 248,817,730 New Shares resulting in total Shares on issue of approximately 746,453,189.

Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand, Singapore, Hong Kong or Isle of Man (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1 (a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, Singapore, Hong Kong and Isle of Man compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Offer, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Joel Ives, OGX's Company Secretary, on +61 8 9482 0540.

Yours sincerely

Brian Thomas
Non-Executive Chairman
Orinoco Gold Limited