ORINOCO GOLD ASX: OGX

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Orinoco Confirms Significant Conglomerate-Hosted Gold Potential at Eliseo Project, Faina Goldfields Project

Field review identifies extensive strike length of mapped conglomerate which is prospective for Paleo-Placer gold mineralisation

Key Points:

- **Paleo-placer conglomerate-hosted gold is one of several mineralisation styles known to exist within Orinoco's Faina Goldfields Project.**
- **Gold associated with regional conglomerates and widespread surface anomalies occurs in the north-western portion of the Faina Greenstone Belt at Eliseo.**
- **A recent field review has confirmed this potential over a total strike extent of ~16km.**
- **At Eliseo, conglomerate-hosted gold occurs within a large (+10km) long regional anomaly.**
- **Surface rock chips in the area have returned grades of up to 22g/t, while historical drilling at a prospect immediately north returned outstanding intercepts including 33m at 4.22g/t Au and 28m at 3.96g/t Au.**
- **Eliseo is one of several key targets identified as a priority for upcoming exploration as part of Orinoco's regional exploration Joint Venture with AngloGold Ashanti.**
- **Additional low-cost reconnaissance exploration work to be undertaken this quarter to further evaluate the conglomerate-hosted gold potential in advance of work by the Joint Venture.**

Orinoco's Chief Executive Officer, Craig Dawson, said:

"The conglomerate-hosted gold potential of the Faina Greenstone Belt has been known about for many decades, and has been the focus of intermittent exploration historically. The recent resurgence of interest in conglomerate-hosted gold mineralisation, sparked by some recent high-profile discoveries by Novo Resources and others in the Pilbara region of Western Australia has prompted us to revisit this opportunity on our own tenements in Brazil.

"Our Brazilian-based Chief Geologist, Dr Marcelo de Carvalho, who is well versed in the history and potential of the area for conglomerate-hosted gold, recently completed an extensive field review.

"Two distinct conglomerate packages occur in the Faina and Goiás greenstone belts, at the basal portion of the first and second sedimentary cycles. These two conglomerate packages have different characteristics but, importantly both are associated with known gold mineralisation and extensive surface gold anomalies. The second-cycle conglomerates which occur at the Eliseo prospects are of particular interest, and were worked in the past by companies such as WMC, Troy Resources and Yamana Gold."

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778,568,506 Ordinary Shares
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"The large scale of these conglomerate horizons and the fact that they are associated with known gold mineralisation, including some impressive historical drill intercepts and surface rock chips, makes this an exploration opportunity well worthy of further investigation, given the new information and insights which are becoming available from conglomerate-hosted gold exploration in Western Australia.

"It is important to note that Eliseo had already been identified by our strategic partner, AngloGold Ashanti, as a priority focus for exploration under the joint venture given its knowledge of the Faina Greenstone Belt and the broader gold potential of the area. We can therefore pursue this opportunity without detracting from the work which was already planned as part of our joint venture, or from our focus on the other deposit styles on our ground, including the classic orogenic gold deposits found at Cascavel, Sertão, Antena-Xupé and elsewhere."

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to advise that it has completed an initial field review which has confirmed the significant conglomerate-hosted gold potential of key areas within its Faina Goldfields Project (**Faina Project**), located in the Goiás State in central Brazil (Figure 1).

Figure 1 – Faina Goldfields Project Location

The review, which was undertaken by the Company's Brazilian-based Chief Geologist, Dr Marcelo de Carvalho, covered the **Eliseo** prospect, located in the north-western part of the Company's tenement holding in the Faina Greenstone Belt (Figure 2).

The review was prompted in part by the renewed level of global interest in Paleo-Placer "Witwatersrand-style" conglomerate-hosted gold mineralisation as a result of several high-profile discoveries reported recently in the Pilbara region of Western Australia by companies including Novo Resources Limited (TSX-V: NVO), Artemis Resources (ASX: ARV) and De Grey Mining (ASX: DEG).

Gold has been mined from conglomerates associated with these horizons across the Pilbara for many hundreds of years, however the recent discoveries – which stemmed in part from a new geological perspective on the genesis of these deposits in the Pilbara region – has sparked a substantial increase in gold exploration activity in the north-western part of Australia.

In light of the new information emanating from the Pilbara "gold rush" and the fact that conglomerates are widely distributed across the north-western portion of the Faina Project at the Eliseo prospect, Orinoco decided to undertake its own review of the potential of these areas.

The Faina Greenstone Belt is known to host multiple styles of mineralisation, including:

- Classic orogenic gold – gold associated with quartz-carbonate veins hosted by low-angle structures, as seen as the Company's Cascavel Gold Mine, the Sertão Project and the Antena-Xupé Projects. This style of mineralisation has been Orinoco's primary focus to date;
- Paleo-placer – gold associated with regional conglomerates and associated with large and widespread anomalies, as seen at Eliseo;
- VHMS – Gold + copper associated with massive sulfate lenses and large and high-grade anomalies, as seen at the Falado and Digo targets;
- Carbonate replacement – polymetallic systems associated with impure dolomites, with potential for large gold and base metal deposits;
- IOCG – strong geochemical signatures with potential for world-class gold and base metal deposits (e.g. Tinteiro and many other targets along the greenstone belt).

Figure 2 – Faina Greenstone Belt showing Eliseo Target location

Conglomerate-Hosted Gold Potential

Two distinct conglomerate packages occur in the Faina and Goiás Greenstone Belt, located at the basal portion of the first and second sedimentary cycles. They differ in origin and age.

Conglomerates at the basal portion of the first cycle occur particular at the Goiás Greenstone Belt. They are classic, matrix or clast supported quartz pebble conglomerates. The matrix is greenish and rich in clastic pyrite crystals. Important gold anomalies and old workings are associated with these conglomerates.

The second-cycle conglomerates occur only in the Faina Greenstone Belt, all along its extension. They have an argillic matrix and are normally matrix supported. Pebbles are from inside the Greenstone Belt basin and are mostly Banded Iron Formation and quartz. Widespread gold anomalies are associated with these conglomerates.

The presence of an extensive strike length of second-cycle conglomerates has been confirmed at the Eliseo Project, located in the north-western portion of the Faina Greenstone Belt.

Conglomerate lenses occur associated with chlorite schist and sedimentary banded iron formation. Gold anomalies are widespread in all conglomerate occurrences.

These areas were extensively worked historically by companies including WMC, Troy Resources and Yamana Gold.

Eliseo Project

At Eliseo, gold associated with conglomerate packages occurs within a very large gold anomaly (extending over a strike length of +10km).

Previous surface sampling has returned high-grade rock chips assaying up to 22g/t Au, with the surface geochemical anomaly coinciding with strong geophysical features.

Historical drilling in an area to the north of the Eliseo Project carried out by WMC in the 1980's returned impressive intercepts from the Eliseo North Target including:

- **33m at 4.22g/t Au**
- **28m at 3.96g/t Au**

Recently, local artisanal miners using metal detectors and bulldozers have recovered good size gold nuggets in these areas.

Figure 3 – Photos of outcropping conglomerates at Eliseo Project showing folded pebble of BIF inside the conglomerate; iron rich matrix of the conglomerate and BIF pebbles and folded BIF pebble

Orinoco drilled two holes in the north portion of the main Eliseo central anomaly to test the mineralised horizon. Both holes intersected a thick mineralised package of conglomerates.

The Eliseo Project had already been identified by AngloGold Ashanti as a priority focus for upcoming exploration as part of the regional exploration joint venture with Orinoco because of its strong potential for large-scale bulk tonnage, open pittable resources.

The targeted conglomerate package at Eliseo is located at the base of the second sedimentary cycle of the greenstone sequence, which is not preserved in other greenstones of the Goiás block.

The cycle is formed by an association of conglomerates (glacial), dolomites and chlorite schist.

The deformation is strong and marked by thrusts and associated with folds, dipping to the north. There is a development of progressive trans-current shear corridors with high angle. The gold mineralisation is hosted in the conglomerates and iron formations. Within the conglomerates, gold mineralisation is mostly hosted by the BIF pebbles.

The mineralisation has a strong structural control and is oriented after the regional fold axes.

Next Steps

The Company is planning to conduct follow-up reconnaissance exploration at the Eliseo Project during the December 2017 Quarter, with key planned activities including:

Stream sediment sampling;

- Geological mapping;
- Additional conglomerate rock chip sampling;
- Metal detecting for gold nugget occurrences;
- Selective small scale bulk sampling of surface outcrops of the mineralised conglomerate;
- Ground magnetometer survey over the main anomalies to the BIF pebble concentrations.

The low-cost nature of these exploration activities means that Orinoco can further evaluate and pursue the conglomerate-hosted gold potential without detracting from its other activities at Cascavel, or from planned upcoming exploration activities under the AngloGold Ashanti Joint Venture.

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