



ASX/Media Release – 8 January 2018

17.56m @ 1,292g/t silver supports targeting more high-grade zones along the Cascavel Dolomite layer

Orinoco looks forward to follow up its previous high-grade exploration results including rock chip results up to 4,234 g/t Ag (silver) and drilling of 17.56m @ 1,292 g/t Ag in a zone of significantly thicker silver host rock open to the south.

Highlights

- As part of Orinoco's 'Back to Basics' approach management want to follow up the initial spectacular silver intersections drilled in 2013.
- Drilling was only focused on gold but the potential for high-grade silver deposits underneath and to the south of Cascavel is real and deserves greater attention.
- It appears these silver intersections are on the edge of a much larger polymetallic system that also boasts gold, tungsten, copper and cobalt indicated by extensive chip sampling results along fault lines.
- The high-grade intersection of 17.56 metres of silver in the Cascavel Dolomite sits 10's of metres between the Cascavel and Cuca gold zones.
- This silver zone could be accessed by the same Cuca shaft that is currently being de-watered and may provide an excellent source of geological information and hence the decision to look at this prospect after de-watering the Cuca shaft.
- Some 350 metres to the south of this intersection sits potential silver targets with an identified zone of significantly thicker silver host rock (Cascavel Dolomite) intersected by the mineralising pathways named Tinteiro faults.
- Whilst Orinoco's attention remains firmly on getting Cascavel back on track with high-grade gold production it seems appropriate to commence the groundwork necessary to plan a geophysical survey followed by a drilling programme to the south where these much larger potential targets could sit due to thicker reactive Cascavel Dolomite areas and interpreted fault lines. If targeting reveals close to surface mineralization there is potential for open pit operations.
- This programme will be part of the proposed 5,000 metre drilling programme that will also include more drilling on the Cascavel gold zones to give our mining team greater understanding of its geology and to test continuity of the Mestre/Cascavel gold shoots at depth with a 1km long diamond drillhole.
- Operationally our third batch of 1 tonne gold samples from the Cascavel mine to the hammer mill will be announced later this week. A second hammer mill arrived last week and a third is expected shortly. In a low tonnage high-grade scenario like now, the small hammer mills are proving to be quite efficient in terms of achieving the right grain size for gold liberation at a low CAPEX/OPEX.

Orinoco Gold Limited (ASX: **OGX**) (**Orinoco** or the **Company**) is pleased to announce that an extensive review of the exploration data available for the Silver and Base Metal anomalies first identified in 2013 is being conducted. The data has been gathered from five years of regional field mapping, historical data, rock chip sampling, and drill core results and reaffirm the huge potential of the system. Although the initial drilling results were spectacular, the companies focus on developing Cascavel for its gold meant much of the silver focus has been put on hold.

Orinoco Gold

Suite 2, 33 Cedric Street
Stirling WA 6005
PO Box 234
West Perth WA 6872

Contact

P (08) 9482 0540
F (08) 9482 0505
info@orinocogold.com
www.orinocogold.com

ASX Code

OGX
(Ordinary Shares)
OGXOC & OGXOD
(Listed Options)

Issued Capital

875,795,119 Ordinary Shares
346,541,676 Options

Back to Basics in Silver

Whilst the range of exploration targets on Orinoco's substantial tenement package could warrant a significant exploration budget, our 'Back to Basics' approach will focus on a modest programme to initially test silver and to better understand Cascavel's brownfields gold potential including a 1km deep hole. This work will be led by our Head Geologist Marcelo de Carvalho and his team.

Our first port of call will be the restart of the Cuca gold zone which sits directly underneath this very rich silver intercept. Dewatering of the Cuca shaft 350 metres northwest from the Cascavel Mine entrance began last week and should be operational in February to provide Orinoco with a proposed 5 x 1 tonne batch of mineralised vein and alteration samples from the Cuca zone and potentially access to the silver zone (Cascavel Dolomite) that sits above it. We are very excited about Cuca's potential to provide Cascavel with an extra source from high-grade mineralized veins to the mill from where previous bulk sampling graded 27.2 g/t gold from a 2.5 tonne batch announced on 14 May 2014. To the south of Cuca we believe sits a long strike length of new silver targets where the thicker Cascavel Dolomite is crossed by mineralised faults.

Whatever the theory, we would note that any Junior explorer with the silver grades illustrated below would be very excited with those alone. Four years ago, the drilling program was executed to define the Cascavel gold mineralization and unexpectedly intercepted the silver rich/poly-metallic mineralization. These were announced in 2013 on the 8th May, 20th May and the 11th of July. Best results for silver from the initial 22 hole program were:

- **CDP_021: 17.56m @ 1,292.4 g/t Ag & 11m @ 0.25% Cu from 101m**
- **CDP_025: 25.0m @ 39.2g/t Ag: including 3m @ 97.2g/t Ag from 114m**
- **CDP_031: 4.4mn @ 760.3g/t Ag: including 1.05m @ 2,510 g/t Ag from 157m**
- **CDP_014: 4.7m @ 58.6g/t Ag: including 0.85 @ 236g/t Ag from 162m**

These grades and intersections would normally warrant a dedicated exploration programme with 20,000+ metre follow up drill campaign but we are currently considering a more modest 5,000 metre programme that also includes a 1km deep hole at Cascavel. We hope the 'Back to Basics' milling method to processing our high-grade gold will fund this programme in the 2nd quarter of this year.

Since Orinoco's journey began in 2012 only 8,000 metres has been drilled in the immediate Cascavel Mine area that now forms part of the Mestre, Central and Northern zones for gold production. This was importantly only designed at the time to define the Cascavel/Mestre/Cuca gold mineralisation and not to specifically test the silver, copper and tungsten in the Cascavel Dolomite. In reality, little if any work was conducted on Cascavel and Tinteiro's gold, silver, copper, cobalt and tungsten potential, which we regard as significant.

Much thicker silver targets may sit to the south of Cascavel

Importantly we want to test if these high-grade silver zones are formed in much thicker zones of the Cascavel Dolomite. About 350 metres southwest from the original high-grade silver hole, sits a much thicker zone of the Cascavel Dolomite that can host the poly-metallic mineralization similar as at the Cascavel Mine area. The temptation of course is to look for the probably igneous source that feeds those faults and creates these high-grade silver shoots. However, that is a much bigger exploration programme, beyond our 'Back to Basics' budget for now and will hopefully be a part of the proposed 70/30 AngloGold/Orinoco JV. Obviously, a lot more work needs to be carried out before we consider if this is truly prospective but the presence of thicker Cascavel Dolomite intercepted by the late E-W Tinteiro faults and if those faults are carrying the same mineral association as the ones at the Cascavel Mine area, there may be potential for more mineralized zones.

Orinoco's Head of Exploration Dr. Marcelo de Carvalho commented "The regional exploration work conducted so far, for the silver and poly-metallic system was only enough to confirm its high prospectivity. The work has identified multiple soil and rock chip anomalies, defined the anomalies as related to major gossans and hydrothermal breccias and has shown the hydrothermal alteration occurs widespread over the entire Greenstone Belt and cutting all the

package of rocks. The more we work with the data we have compiled during the last few years the higher our expectations are about the system's potential. The system is open, strong and carries a multitude of different metals." Dr Carvalho said.

"The next steps for the exploration of this system will be focused on detailed mapping and sampling of the main faults, particularly where those faults intercept thick dolomite packages like the Cascavel Dolomite. In addition, a detailed geophysical survey is being discussed and will have the aim to identify the ore signature. Met tests on the silver mineralization is also part of the proposal. Drilling will be proposed after mapping and geophysics."

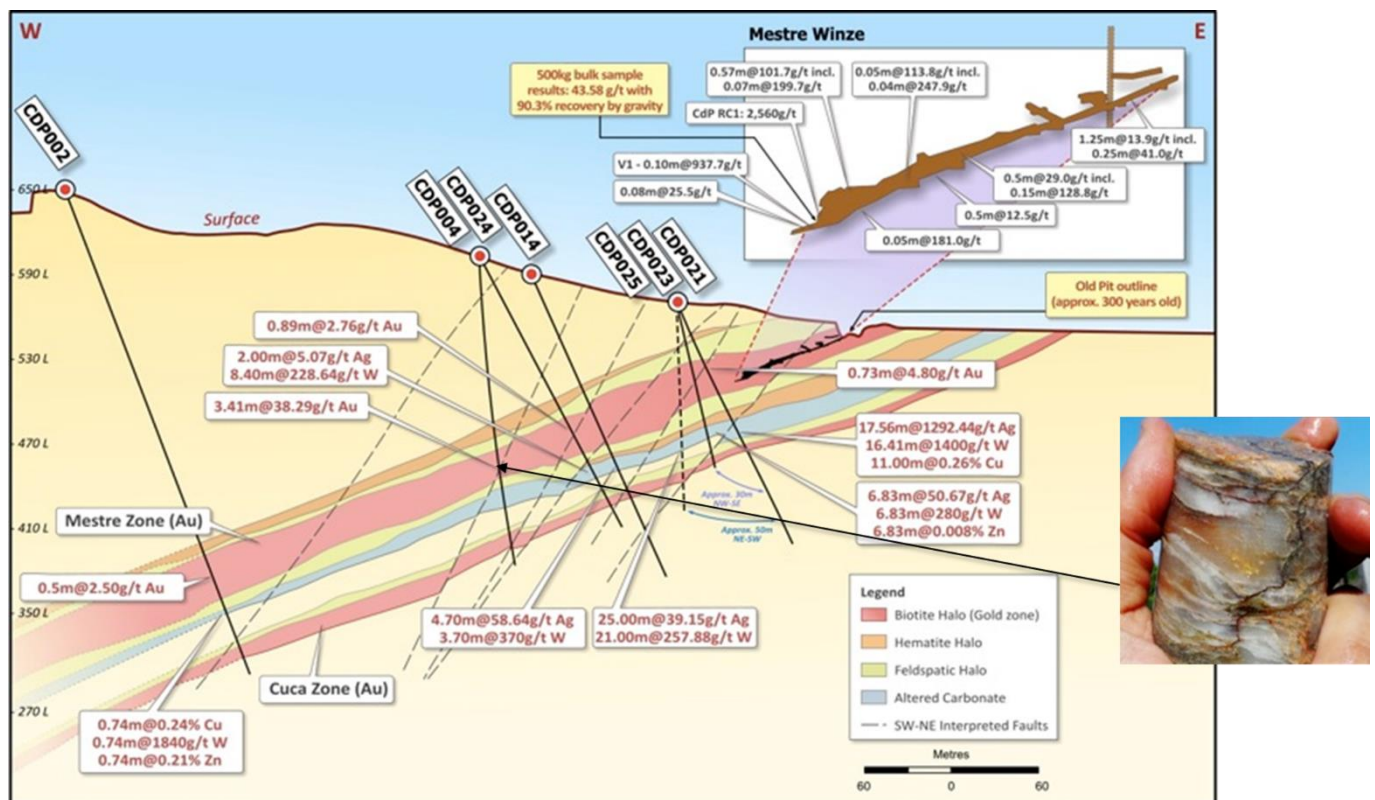


Figure 1. Cross section of drilling at Cascavel (announced on 28 October 2013)



Figure 2. Cuca dewatering is underway in January 2018

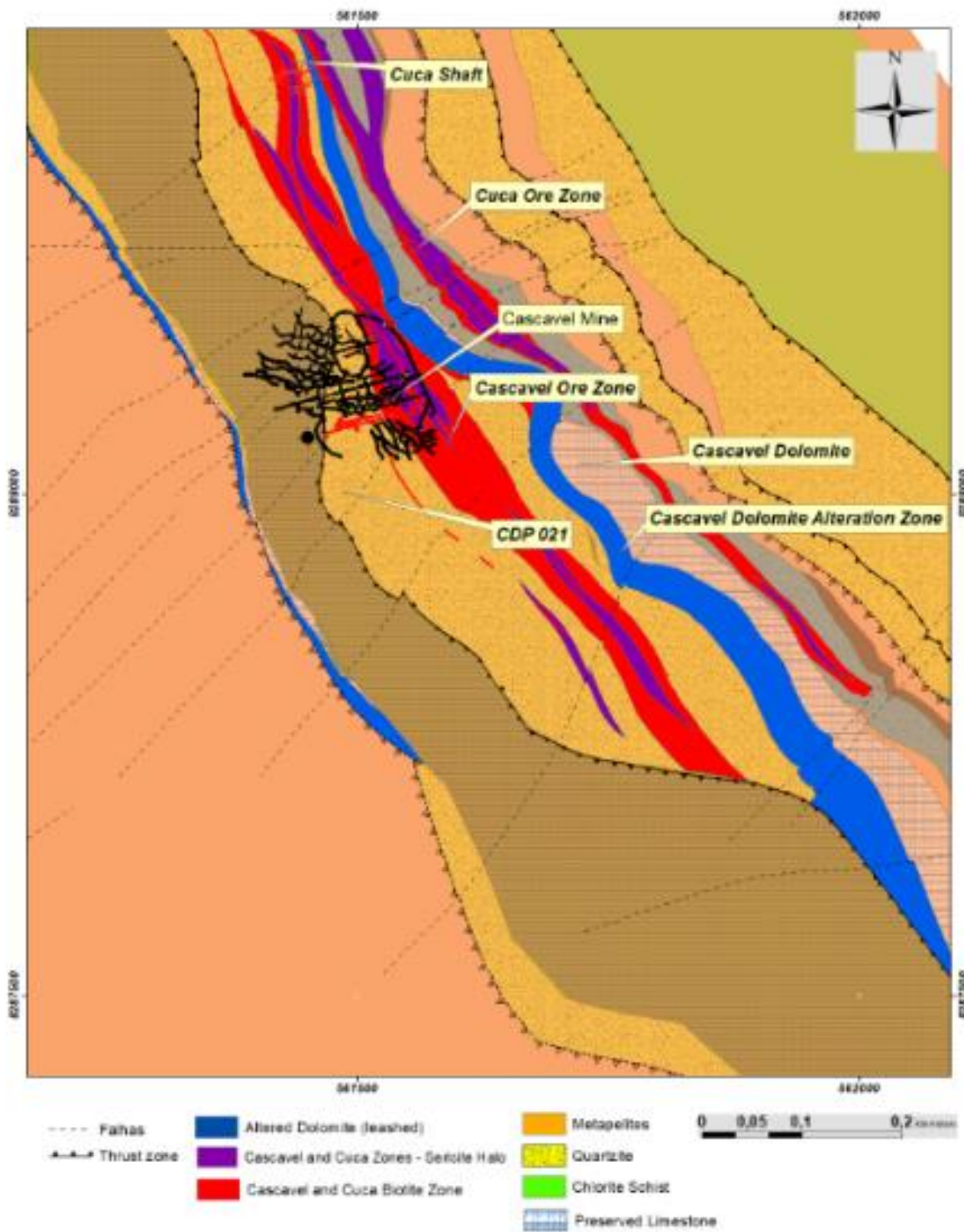


Figure 3. Geological map containing the Cascavel Dolomite ticking up to the south and interpreted EW-NE faults crossings. Location of the Cascavel mine, Cuca shaft.

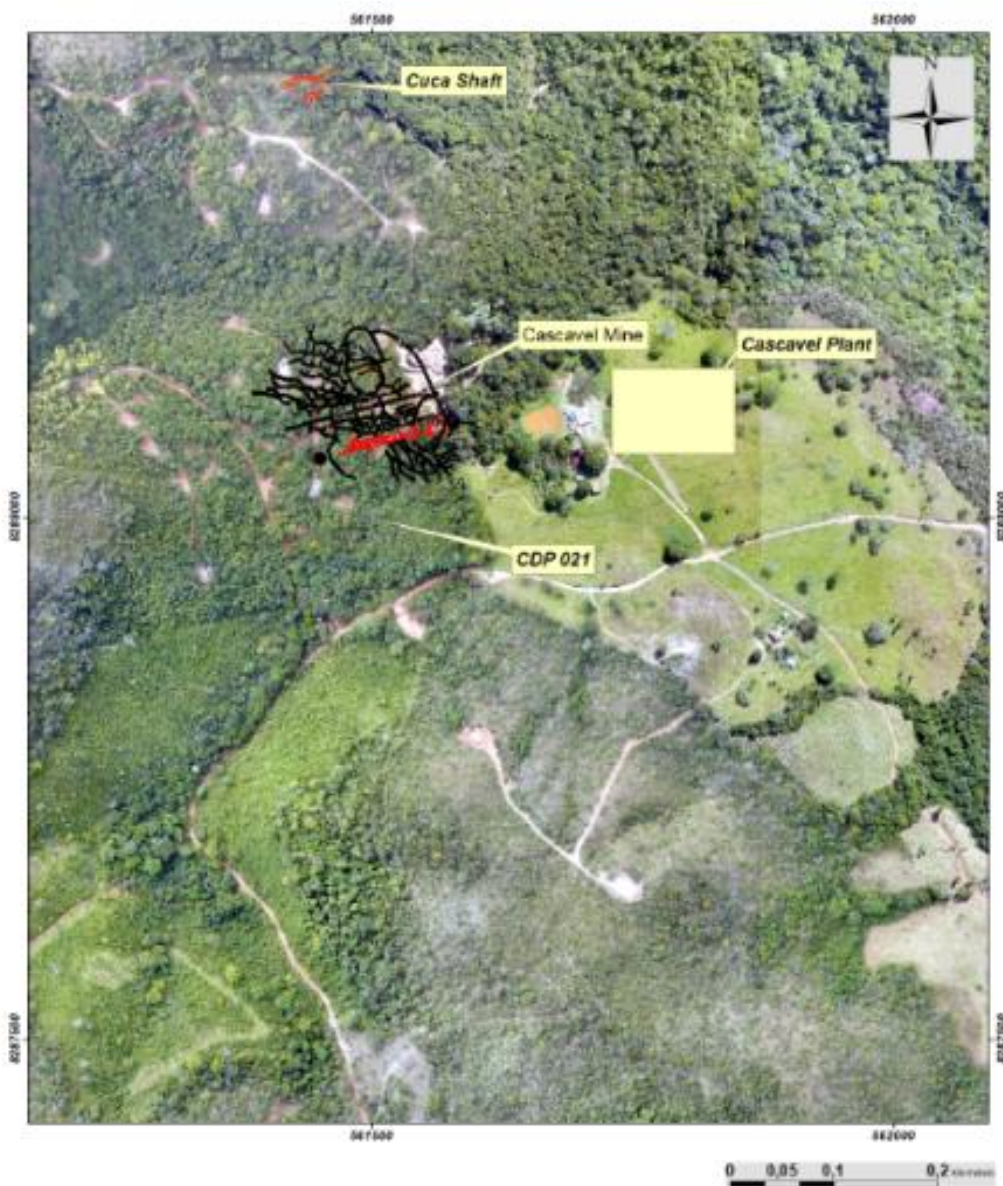


Figure 4. Location of the Cascavel mine, Cuca Shaft and Cascavel Plant.

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For further information, please contact:

Jeremy Gray
Managing Director
Orinoco Gold Limited
08 9482 0540
info@orinocogold.com

Joseph Pinto
Non-Executive Chairman
Orinoco Gold Limited
08 9482 0540
info@orinocogold.com

Competent Person Statement

The information in this presentation that relates to Exploration Results is based on information compiled by Dr Marcelo Juliano de Carvalho and Dr Klaus Petersen who are members of the Australasian Institute of Mining and Metallurgy (AUSIMM) and Conselho Regional de Engenharia e Agronomia (CREA). Dr Marcelo Juliano de Carvalho and Dr Klaus Petersen are employees of Orinoco Gold Limited and has 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 Marcelo Juliano de Carvalho and Dr Klaus Petersen consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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