ORINOCO GOLD ASX: OGX

ASX/Media Release – 5 February 2018

Re-release of Orinoco Confirms Outstanding Grades of Gold in Tailings

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is re-issuing the announcement dated 31 January 2018 titled *Orinoco Confirms Outstanding Grades of Gold in Tailings.* This announcement includes further disclosure including a Competent Person sign off and Table 1 required under the JORC code. The body of the announcement is unchanged from the original release.

Orinoco Confirms Outstanding Grades of Gold in Tailings

Bulk Sample of 1,000 tonnes of Tailings to Commence Shortly

- **Five one-tonne random samples of tailings recover a total of 46.37 grams of gold in dore**
- **The samples returned an average grade of 9.27 g/t**
- **Another 5 samples will be taken and announced next week**
- **A 1,000-tonne bulk sample of the tailings will commence shortly from Hammer Mill 3**
- **A fourth Hammer Mill (25 tonne per hour capacity) has been ordered**
- **Tailings reprocessing and ramp-up of u/g mining could put Orinoco in a strong cash position**

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to provide an update on the sampling of its tailings stockpiles.

Five tailings samples return average grade of 9.27g/t

Five (5) samples extracted in random one-tonne batches have been processed through the 400kg per hour Hammer Mill 2 and recovered a total 46.37 grams of gold. The samples returned an average grade of 9.27 g/t. The grades recovered from each one-tonne sample were 4.75 g/t, 11.90 g/t, 10.14 g/t, 9.86 g/t and 9.72 g/t.

This test was conducted on one of the Company's dry stacked tailings stockpiles and was directed by our geological team. The one tonne samples were taken at depths of up to 4 metres and included two vertical channels. See Table 1 and Map 1. Importantly this stockpile was not from material processed from the higher grade and finer gold Mestre zone that we suspect has gone into the tailings also.

Whilst these samples cannot be considered representative of the entire tailings stockpile inventory, the high grades recovered are encouraging. Orinoco will provide an estimate of the tailings volumes and improve grade understanding through continued sampling of the tailings stockpiles. A second batch of 5 samples will be announced next week, and a bulk sample of 1,000 tonnes will start shortly.

The Company is hoping that the tailings could be a source of low cost gold when reprocessed which could provide substantial cash flow for the business moving forward. The tailings could form an important source of blending with our much higher-grade underground ore that commences commercial production next week

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ASX Code
OGX
(Ordinary Shares)
OGXOD
(Listed Options)

Issued Capital
899,184,686 Ordinary Shares
292,536,740 Options

when Hammer Mill 3 is fully operational. Hammer Mill 3 will begin to process waste rock this Saturday. During commissioning of our Hammer Mill 2 in mid-January we surprisingly processed waste with an average grade of 15.42 g/t through the mill as reported on the 24th of January from our Cascavel Operational Update. We will go back to that same waste stockpile as we warm up Hammer Mill 3.

Although early days in the evaluation of the potential tailings resource the consistency of these early results is very encouraging.

Table 1 provides a summary of the first 5 batches that were processed in recent days.

Table 1; Coordinates and Au Recovered

Sample Pit	x	y	z	Tons processed	Depth Metres	Au Recovered grams	Notations
1	561958	8287818	564	1	4	4.75	Base
2	561944	8287806	563	1	4	11.9	Base
2	561944	8287806	563	1	0-4	10.14	Vertical channel
3	561926	8287798	564	1	4	9.86	Base
3	561926	8287798	564	1	0-4	9.72	Vertical channel

Map1. Map of first sample locations

Bulk sampling of tailings to commence

A 1,000-tonne bulk sample of the tailings will commence shortly after the commissioning of the (25t/hr) production Hammer Mill 3 on Saturday.

This bulk sample will increase the confidence in grade estimates of the tailings and provide us with a better indication of the likely overall grade of the tailings stockpiles.

Tailings sample testing process description

Sample locations were marked by our geological department at 18 metre centres, coordinates taken, and excavation depths recorded (Table 1). Geologists monitored the extraction of the sample to ensure sample integrity. The one tonne sample was then removed and deposited onto a sterile tarpaulin (Figures 2 & 3). The material was processed through the 400kg per hour Hammer Mill 2 which is equipped with two 18kg hammers and sized with 1mm grids. After passing through the hammer mill the material cascades into a gold trap fitted with a manually controlled compressed air and fresh water supply- the compressed air agitates the material whilst the fresh water supply carries away the floats. The floats then pass through a sluice box fitted with gold retaining carpets.

Figure 1; back hoe excavator excavating tailings sample.

After each sample the hammer mill was thoroughly cleaned to prevent contamination of the next sample. Heavy concentrates that are contained in the gold trap are then manually panned, whilst the carpets are folded and cleaned in a controlled environment. All final processing of the gold concentrate is carried out in the secure gold room.

The milling process is recorded with CCTV and monitored by senior staff to ensure process integrity. Final processing is carried out in the gold recovery room under rigid security controls and accompanied by the departmental manager.

Figures 2 & 3; Samples on Tarpaulin to minimize contamination

Fourth hammer mill of 25t/h capacity ordered

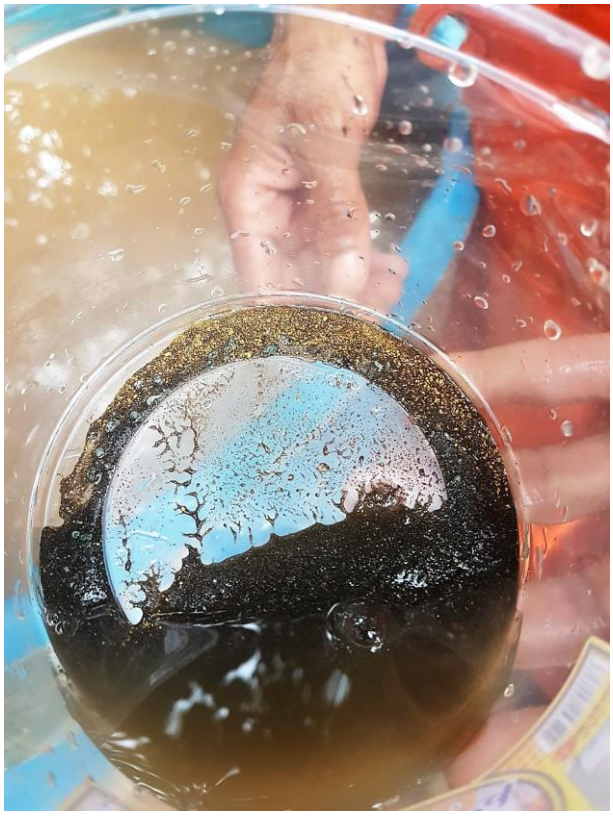
The Company is also pleased to announce that a fourth hammer mill has been ordered which will also be capable of processing 25t/hr and should arrive in mid-March. This should allow Cascavel to increase production further and also test ores from some of our neighbouring tenements. Trial mining commenced at our exciting Elisio conglomerate target in December which has historical drill holes of 33m at 4.22 g/t gold and 28m at 3.96 g/t gold. As reported on the 8th of November entitled *Orinoco Confirms Significant Conglomerate-Hosted Gold Potential at Eliseo Project*, this target has a total strike extent of 16km. By having the 4th hammer mill it gives our Geology team more flexibility to test ores from Elisio (and other targets) without causing too much of log jam with Cascavel's ramp-up. Should the ramp-up of Cascavel continue at this pace then management will consider adding a much larger ball mill also. Results from the Eliseo bulk sample will be announced next week.

Comment from COO

Chief Operating Officer, Richard Crew commented "In my 30 years in the mining business I have only seen one other project with such high tailings results. Although the sample size is very small and should not be considered as a sign of how much gold there is in the entire stockpile, the fact that every one of the five batches contained an excellent gold grade is extremely encouraging. We look forward to running 1,000 tonnes of the tailings material through our larger hammer mill to give us further insight on the tailings. From the information obtained through the "Back to Basics" approach we have an increased understanding as to why Orinoco has had such a difficult time over these last 18 months and we look forward to putting our company back on track."

The results are further evidence that Cascavel has the potential to be one of the richest gold mines in Latin America. To date our 29 one-tonne samples from different parts of the mine have averaged 38.7 g/t gold as reported in our Cascavel Operational Update on the 24th of January 2018. This compares favourably with the initial 40 panel samples that reported at an average grade of 47.2g/t as reported in our report, *Mestre assays show Bonanza grades up to 265 g/t* on the 17th of January 2018. Another 19 samples from Mestre will be announced later this week.

In closing, the initial five one-tonne tailings samples averaging 9.27 g/t gives us some indication as to how much gold has not been recovered by the gravity plant over the past 18 months and provides us confidence in the true potential of Cascavel.



9.72 grams prior to smelting

Photos of gold recovered from the dry stack tailings.

4.75 grams

11.90 grams

10.14 grams

9.86 grams

-ENDS-

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Competent Person Statement:
The information in this presentation that relates to Exploration Results is based on information compiled by Mr Terry Topping who is a member of the Australasian Institute of Mining and Metallurgy. Mr Terry Topping is a Director 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. Mr Terry Topping consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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.

Appendix 1 – Orinoco Gold – Cascavel Mine

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• 1 tonne samples were collected using a back hoe excavator. • All sampling was based on previously processed material. Samples were collected every 18m.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable as not drilling was undertaken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable as no drilling was undertaken.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in*	• The tailings material was not logged.

Criteria	JORC Code explanation	Commentary
	nature. Core (or costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable as no core was collected. • No Sub-sampling techniques were applied.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Not applicable as no assaying were completed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Primary data was collected using Excel templates utilizing lookup codes on laptop computers by supervising geologists.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample points were surveyed by GPS with an accuracy of +/- 5m.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Sampling of the tailings was completed at 18m intervals.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable as no drilling was completed.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected at the mine site by Orinoco personnel. • All samples were processed on site.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *The Faina Goldfield project is 70% owned by Orinoco do Brasil Mineração Ltda (OBM), which in turn is 100% owned by Orinoco Gold Ltd. The 30% partners are free carried during the exploration stage until a decision to mine.* • *The Sertão and Antena mining leases are owned 100% by Orinoco.* • *Orinoco has applied a Mine Concession at the Mining Nacional Department (DNPM) for the tenement 840167/2007, where the majority of the work at Cascavel has been completed. Until this date, DNPM was analyzing the documentation of the application.*	
Exploration done by other parties	• *Exploration for oxide gold deposits was well developed on the belt over at least 20 years, in different cycles and by different companies.*	
Geology	• *Gold mineralization is widely distributed on the Faina Greenstone Belt, occurring on the ultramafics, felsic and mafic volcanics, on the clastic metassedimentary sequence and particularly at the chemical metassedimentary rocks;* • *Mineralization style is also varied on the belt. Most part of the gold mineralisation can be classified as Orogenic.*	
Drill hole Information	• *Not applicable as no drilling was completed*	
Data aggregation methods	• *Not applicable as not data was aggregated.*	
Relationship between mineralization	• *No applicable as sampling was of tailings material*	

Criteria	JORC Code explanation	Commentary
widths and intercept lengths		
Diagrams	• *Diagrams are attached to the current announcement.*	
Other substantive exploration data	• *There is no other substantive exploration data to be released with respect to the tailings treated*	
Further work	• *A follow up sampling program is in planning, which will help on determining the grade of the tailings material;*	