



ASX/Media Release – 19 February 2018

Cascavel Operational Update

Bonanza Gold Grades Continue at Cascavel

- Orinoco's `Back to Basics` approach delivers further Bonanza grades.
- 6 batches returned grades of 40.74, 31.85, 30.45, 27.58, 16.71, 8.31 g/t from pilot hammer mills.
- Average processed grade of 35 samples have returned 36.17 g/t.
- Large hammer mill Installed and will mill high grade ore this week.
- Panel sampling of Cuca completed.
- Mestre Access and Mestre Decline link completed.
- Production Ramp up underway with new mining methods concentrating on ore vein.
- 2nd LHD on route to Brazil.
- Significant cost reductions.

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to announce a fifth batch of outstanding results from the Mestre zone of Cascavel. The average recovered grade of the 6 batches processed is 25.91 g/t (Table 1). This takes the total number of batches processed to 35, for a total average grade of 36,17g/t. (Table 2).

Back to Basic High-Grade Mining and Milling

This latest batch of 6 samples totalling 9.25 tonnes, averaged 25.91 g/t see (table 1). The more we discover from both assay results and processing our high-grade ore through the hammer mill is that our 'Back to Basics' approach is proving we are taking strides forward and that we are ticking the correct boxes.

Table 1. Batch 5 results

Date	Batch 5						Totals
	01/02/2018	02/02/2018	06/02/2018	08/02/2018	09/02/2018	14/02/2018	
Location	N1S1	MD	CN4	MD 4	MD	MD3	
Tonnes processed	1	1	1	3,5	1	1,25	9,25
Au (Dore) recovered Grams	8,31	16,71	27,58	106,59	40,74	39,76	239,69
Au (Dore) g/t	8,31	16,71	27,58	30,45	40,74	31,81	25,93
Au (Dore) recovered oz's	0,27	0,54	0,89	3,43	1,31	1,28	7,71
Average Grade							25,91



Image 1. Individual weights on scales

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ASX Code

OGX
 (Ordinary Shares)
OGXOD
 (Listed Options)

Issued Capital

909,085,119 Ordinary Shares
 282,636,307 Options

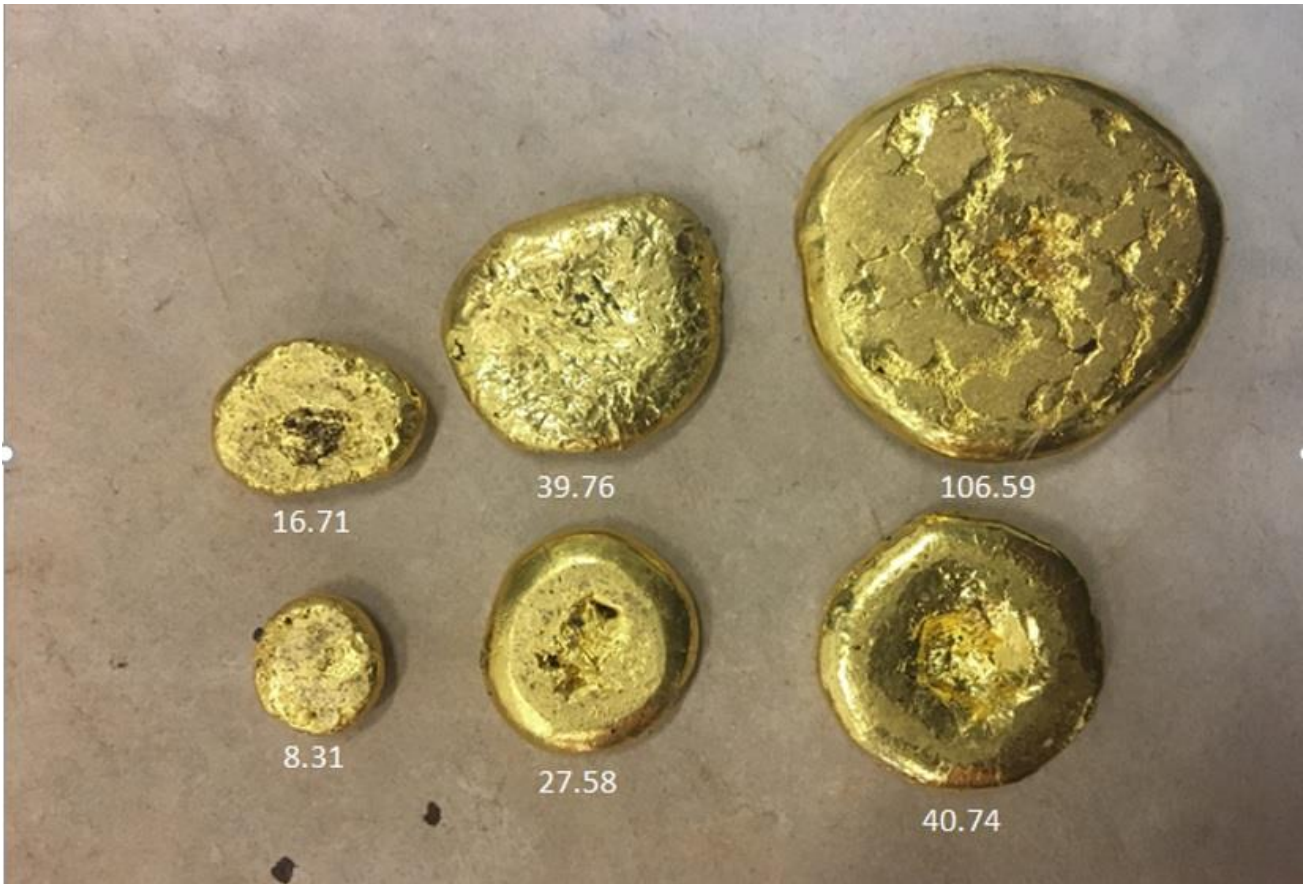


Image 2; Photos of recovered gold from Batch 5



Table 2 Results from 5 Batches

Batch 5												
Date	01/02/2018	02/02/2018	06/02/2018	08/02/2018	09/02/2018	14/02/2018						Totals
Location	N1S1	MD	CN4	MD 4	MD	MD3						
Tonnes processed	1	1	1	3,5	1	1,25						9,25
Au (Dore) recovered Grams	8,31	16,71	27,58	106,59	40,74	39,76						239,69
Au (Dore) g/t	8,31	16,71	27,58	30,45	40,74	31,81						25,93
Au (Dore) recovered oz's	0,27	0,54	0,89	3,43	1,31	1,28						7,71
Average Grade												25,91
Batch 4												
Date	15/01/2018	17/01/2018	18/01/2018	18/01/2018	19/01/2018	22/01/2018	22/01/2018	22/01/2018				Totals
Location	CN2	NN2	MD	N1S	MD	WR	MIS1	MD 3				
Tonnes processed	1,00	1,00	0,75	1,00	1,00	1,00	1,00	2,50				9,25
Au (Dore) recovered Grams	19,49	9,02	27,54	4,29	35,08	15,42	31,51	92,00				234,35
Au (Dore) recovered oz's	0,63	0,29	0,89	0,14	1,13	0,50	1,01	2,96				7,53
Average Grade												25,34
Batch 3												
Date	29/12/2017	30/12/2017	01/04/2018	01/05/2018	01/08/2018	01/09/2018						Totals
Location	N N1	RCF	N1N2	CINO	CSI	RCS						
Tonnes processed	1	1	1	1	1	1						6
Au (Dore) recovered Grams	9,61	39,14	8,18	33,28	60,87	69,02						220,10
Au (Dore) recovered oz's	0,31	1,26	0,26	1,07	1,96	2,22						7,08
Average Grade												36,68
Batch 2												
Date	18/12/2017	19/12/2017	20/12/2017	21/12/2017								Totals
Location	RCS1	RCF	MSM	RC5S								
Tonnes processed	1	1	1	0,8								3,8
Au (Dore) recovered Grams	38,83	41,78	26,64	40,43								147,68
Au (Dore) recovered oz's	1,25	1,34	0,86	1,3								4,75
Average Grade												38,86
Batch 1												
Date	21/11/17	22/11/17	23/11/17	24/11/17	29/11/17	30/11/17	12/01/2017	12/04/2017	12/11/2017	12/12/2017	13/12/17	Totals
Location	RC	MD	MS4	RC2F	RCSI	RC4S	MLO	Mill	ML4S	RC3F	ML4N	
Tonnes processed	0,75	1	1	1	1	1	1	1	1	1	1	10,75
Au (Dore) recovered Grams	30,33	41,06	43,00	33,21	40,08	33,24	42,73	39,37	149,09	38,26	91,02	581,39
Au (Dore) recovered oz's	0,98	1,32	1,38	1,07	1,29	1,07	1,37	1,27	4,79	1,23	2,93	18,69
Average Grade												54,08

Hammer Mill 3 Commissioning

We are pleased to update the market that our larger 25t per hour Hammer Mill 3 has been installed and will be commissioned on Monday 19th February and should reach full production on Tuesday the 20th. Commissioning is 6 days later than the 3-day delay already announced due to excessive storm conditions, the Carnival holiday season and the delivery of wrong sized hammers. Last week the mill ran waste rock material and high-grade ore will begin to be processed on Monday. The underground has a substantial amount of ore and development ore that has been blasted and is ready to be hauled. This larger mill will be run on one shift initially, but a second shift is planned to increase its daily use to 12 hours once we are confident it is running smoothly. Given the large amount of underground material, processing of the 1,000 tonne tailings bulk sample will not commence until the second shift starts on Hammer Mill 3.



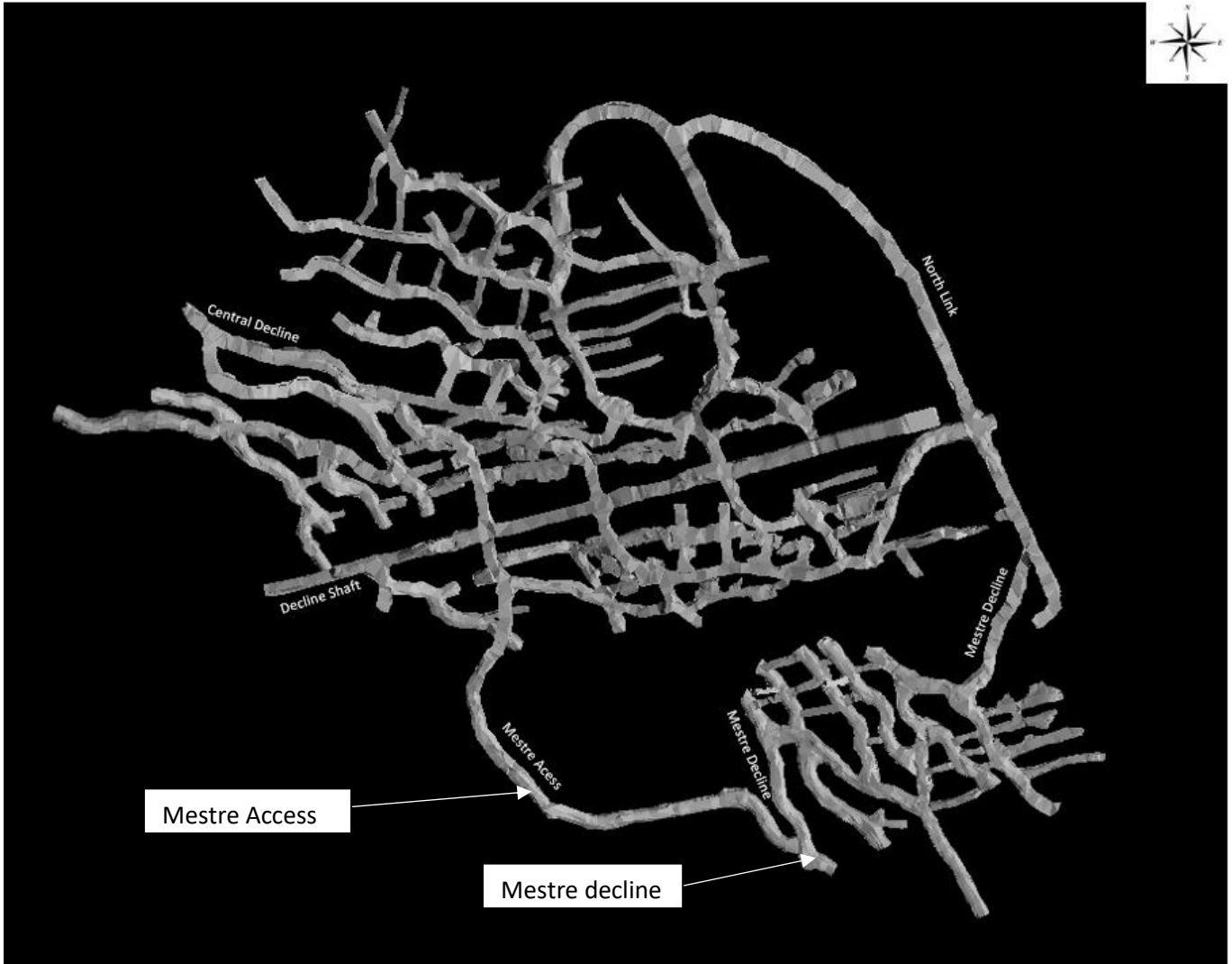
Image 3; Hammer mill installed

Cuca Panel Sampling.

As announced in the ASX media release on 25th January 2018 titled 'Cuca Panel Sampling Commences' The company is delighted to inform the market that this programme was completed on the 15th February 2018. The first batch of 37 samples have been dispatched to an internationally recognized and certified laboratory for preparation and analysis, a second batch is scheduled for despatch this week. The results of this programme will be announced upon receipt, which we estimate will be within 3 weeks for the first batch. Cuca shaft is approximately 200m from Cascavel and is potentially another source of ore for the plant.

Mestre access break through.

The break through between Mestre access and Mestre decline was successfully completed last week. This formed a critical part of our plan and has reduced the haulage route to the hoisting skip from 621m to 87.52m. As a result, bogging machine cycle times have reduced, large reductions in fuel costs made, machine wear has been minimized and ventilation increased to the Mestre decline. See Map 2.



Map 2. showing Mestre Access and Mestre decline.

Production Ramp Up

Production ramp up is underway, the higher-grade ore that has been stockpiled underground is currently being hoisted to surface for processing through the new hammer mill. With new drilling and blasting methods successfully implemented in the stopes, we have been able to reduce the explosives consumption by 51% and are able to control the ore dilution see (Image 4). Our mine planning department is currently redesigning the mine which will be driven on ore and with minimal waste development. This design will give us larger stopes to extract ore from and minimize the number of development drives.

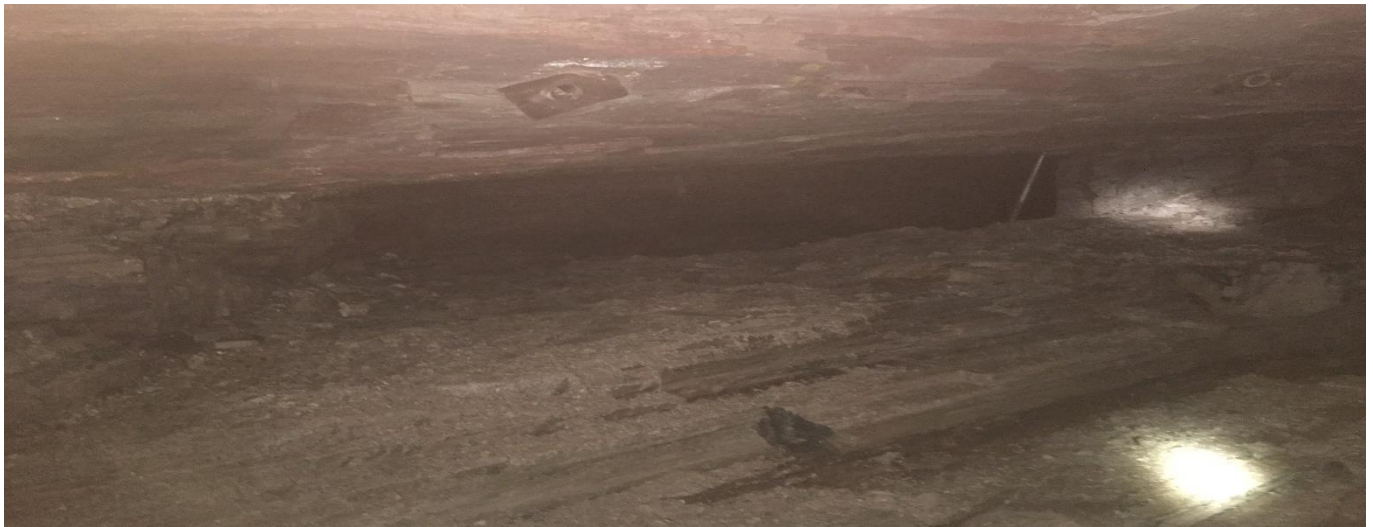


Image 4; New stope blasting method 30cm ore vein removed with minimal explosives

LHD

As previously reported a second Sandvik Toro 151 LHD has been purchased and has undergone a complete refurbishment by RGA of Peru including; a new engine, transmissions, hydraulic system and running gear. The machine was thoroughly inspected and tested by our mechanical engineer prior to payment. It has been dispatched from Peru and is currently on route to Brazil (see Images 5,6,7). Management is currently planning to purchase some key additional underground haulage and drilling equipment that will increase production further.



Image 5; Complete Refurbishment in Peru



Image 6; Loading into Shipping container



Image 7; Refurbished LHD

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Managing Director, Jeremy Gray commented ‘These are exciting times for the company. We are quietly confident the much larger Hammer Mill 3 can deliver the same kind of recoveries and grades as the two smaller mills. It is also comforting that the underground performance is really taking shape which should support our ‘Back to Basics’ target of delivering consistent low cost ounces week in week out.

-ENDS-

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