ORINOCO GOLD ASX: OGX

ASX/Media Release – 27 February 2018

Cuca Assays Show Bonanza Grades up to 212 g/t Au

Average grade of 31.7 g/t

- **Bonanza grades from Cuca's 35 panel samples including 64.8 g/t, 67.6 g/t, 73.6 g/t, 102 g/t, 105 g/t and 212 g/t.**
- **The methodology was the same as the Company's assays announced on 17 January 2018 titled *Mestre Assays Show Bonanza Grades up to 265 g/t.***
- **Cuca sits below our silver zone that intersected 17.56m @ 1,292 g/t Ag in May 2013.**
- **The second batch of 36 Cuca samples are expected to be announced in mid-March.**
- **Cuca trial mining will commence in late March once the second batch of results have been analysed.**
- **So far, average processed grade of 35 x 1 tonne samples from our hammer mills have returned 36.17 g/t in the neighbouring Mestre, Central and Northern zones that sit 200 metres from Cuca.**
- **Results from Cuca and our other 3 gold zones continue to confirm that Cascavel is potentially a very high-grade gold deposit that is open down dip and along strike.**
- **Results from our Hammer Mill 3 commissioning will be announced shortly.**

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to announce that the first batch of Cuca panel samples have been returned from ALS Laboratories with an average grade of 31.7g/t. Grades of up to 212g/t from the 35 samples analysed (**Table 1**).

The Company is pleased that this average grade is similar to the 2.5 tonne bulk sample taken in 2014 that was reported at 27 g/t. Given that this mine has been idle for 7 years, we are pleased that our team's efforts to de-water and commence rehabilitation of the small mine has confirmed that it also potentially boasts bonanza type grades, like Mestre and the Central Zone. The former operators of Cuca always viewed this zone as the richest of the Cascavel zones, but more work is needed.

The second batch of 36 Cuca samples was completed on 15 February 2018 and dispatched to the same laboratory last week in Goiania. These are expected to be returned in mid-March and will provide us with a better understanding of the grade variation and structure. Figure 1 illustrates the grades received from ALS Laboratories. Figure 2 illustrates the second batch was taken to the bottom section of Cuca, starting from CDPP2824 to CDPP2860. Figure 3 illustrates mine configuration and design of the mine stopes.

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

Table 1: Results received From ALS Laboratories

Sample	Batch	Au ppm	Type 1
CDPP2780	CDPM-0054	50.7	panel_2m
CDPP2781	CDPM-0054	23	panel_2m
CDPP2782	CDPM-0054	102	panel_2m
CDPP2783	CDPM-0054	26.3	panel_2m
CDPP2784	CDPM-0054	15.55	panel_2m
CDPP2785	CDPM-0054	105	panel_2m
CDPP2786	CDPM-0054	0.42	panel_2m
CDPP2787	CDPM-0054	1.09	panel_2m
CDPP2788	CDPM-0054	64.8	panel_2m
CDPP2789	CDPM-0054	1.84	panel_2m
CDPP2791	CDPM-0054	20.3	panel_2m
CDPP2792	CDPM-0054	0.89	panel_2m
CDPP2793	CDPM-0054	37.4	panel_2m
CDPP2794	CDPM-0054	28.3	panel_2m
CDPP2795	CDPM-0054	2.28	panel_2m
CDPP2796	CDPM-0054	67.6	panel_2m
CDPP2797	CDPM-0054	1.65	panel_2m
CDPP2798	CDPM-0054	0.14	panel_2m
CDPP2799	CDPM-0054	67.6	panel_2m
CDPP2801	CDPM-0054	56.9	panel_2m
CDPP2802	CDPM-0054	73.6	panel_2m
CDPP2803	CDPM-0054	0.77	panel_2m
CDPP2804	CDPM-0054	3.07	panel_2m
CDPP2805	CDPM-0054	13.5	panel_2m
CDPP2806	CDPM-0054	15.95	panel_2m
CDPP2807	CDPM-0054	0.63	panel_2m
CDPP2808	CDPM-0054	12.7	panel_2m
CDPP2809	CDPM-0054	0.03	panel_2m
CDPP2811	CDPM-0054	6.78	panel_2m
CDPP2812	CDPM-0054	9.56	panel_2m
CDPP2813	CDPM-0054	31.6	panel_2m
CDPP2814	CDPM-0054	212	panel_2m
CDPP2815	CDPM-0054	4.39	panel_2m
CDPP2816	CDPM-0054	14.4	panel_2m
CDPP2817	CDPM-0054	29	panel_2m

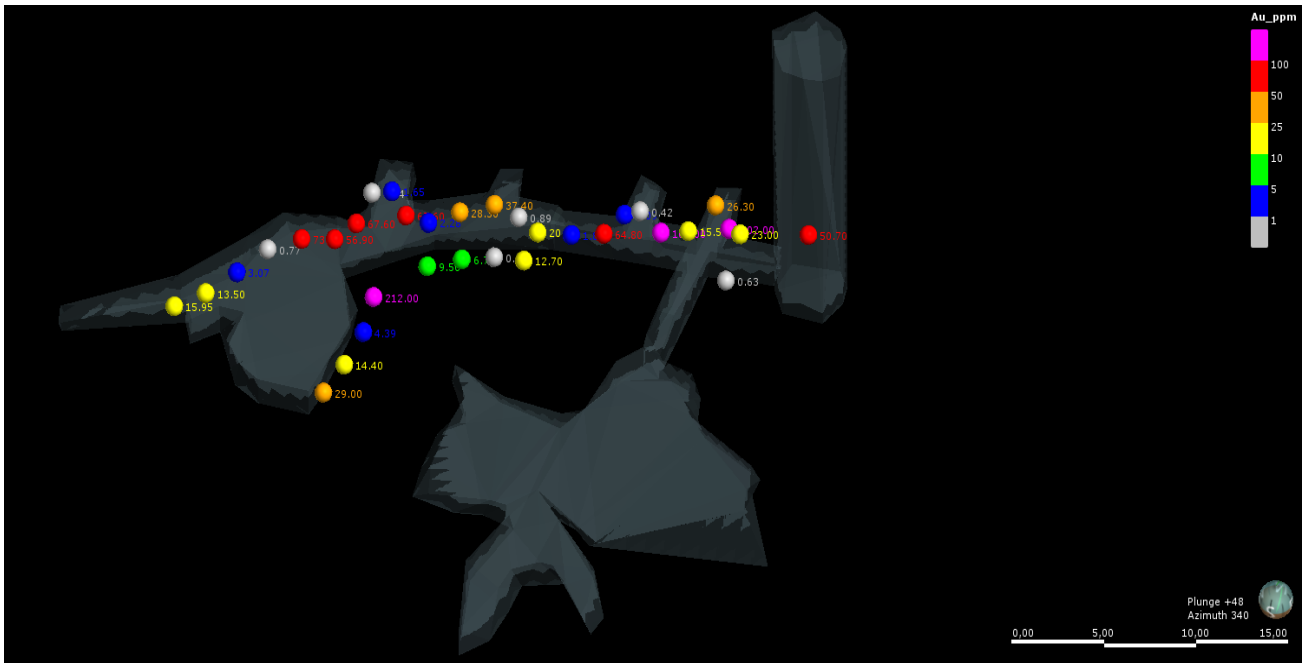

Figure 1: Grades

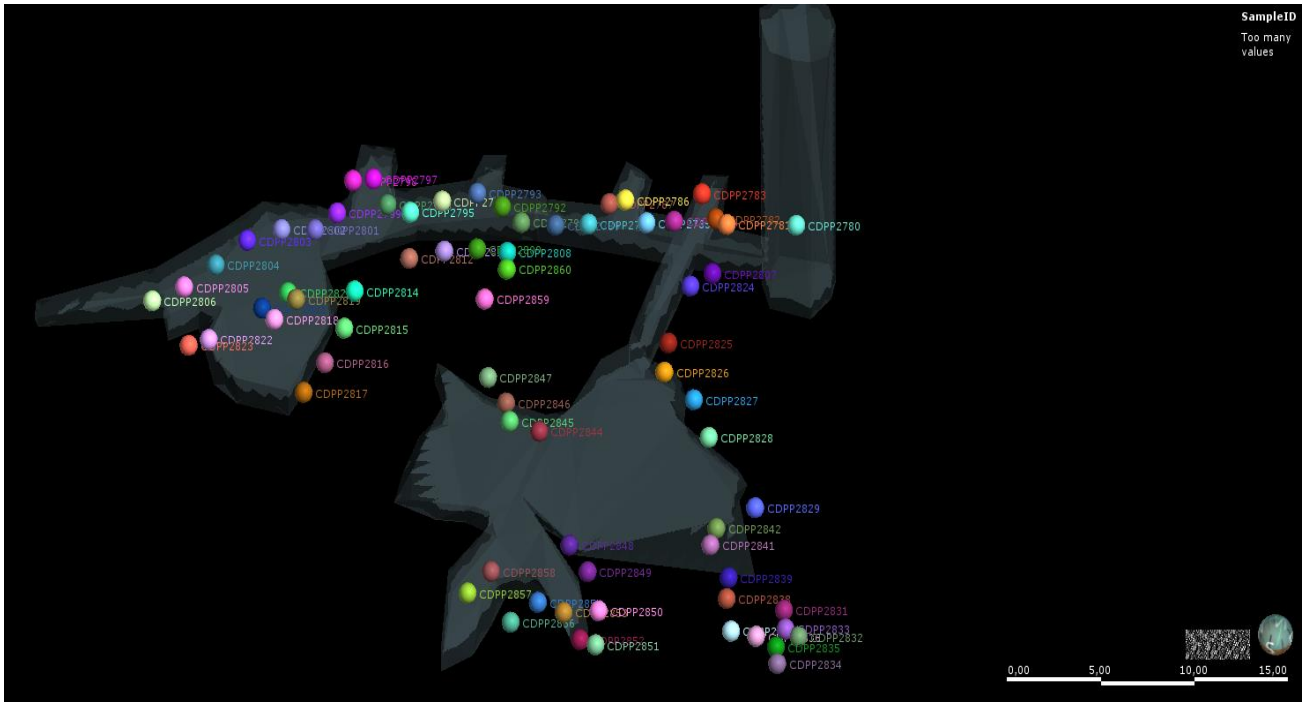

Figure 2: Sample Numbers

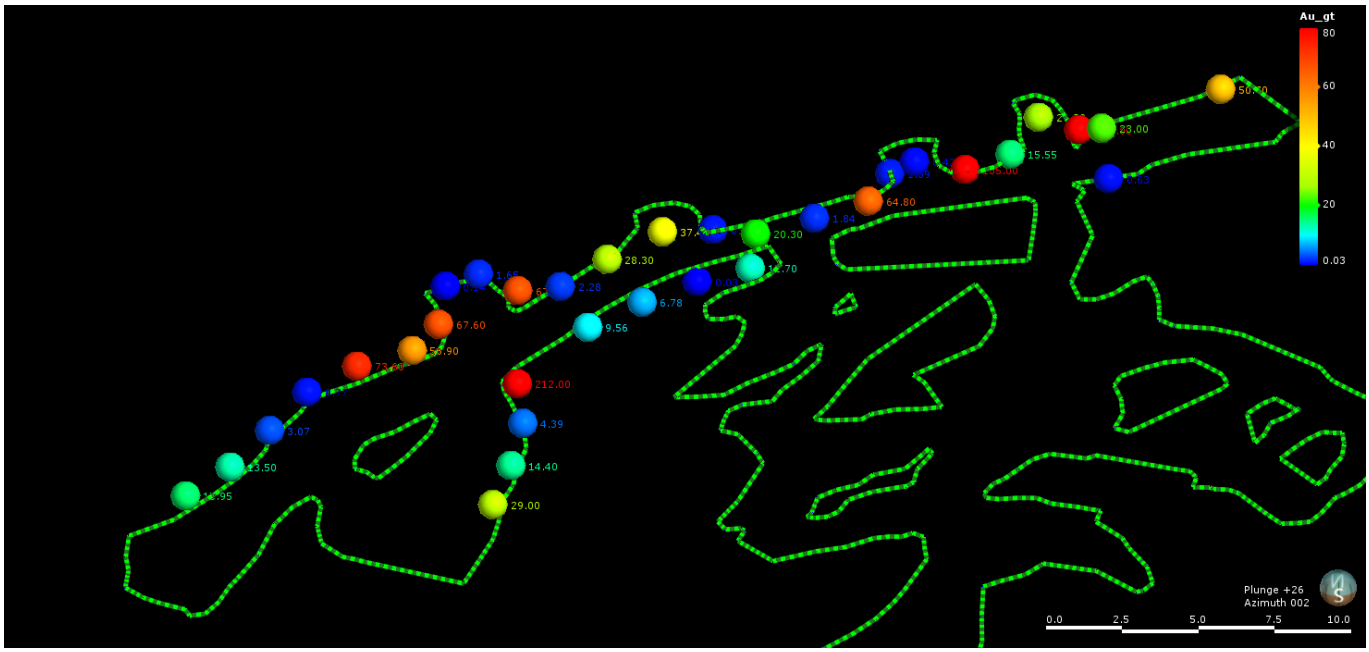

Figure 3: Mine Configuration

While the assay results from the second batch of samples are being analysed, we plan to concentrate on mining at our three existing zones of Mestre, Central and Northern Zones to ensure our team focuses on delivering high grade ore in the current ramp up of Hammer Mill 3.

Trial mining at Cuca will commence at the end of March and a decision on whether to proceed to commercial mining will be made shortly after. Our options appear to have narrowed to either utilising the existing shaft or developing a decline from surface. Should we use the existing Cuca shaft, then commercial mining should start in late April. Should the decline option be taken then this will take 2-3 months longer but will potentially significantly increase the daily tonnes mined. Drilling from underground will take place in early April to better understand the Cuca zone, but it also appears to be open at depth like the other 4 zones (Mestre, Central, Northern and the Silver zone).

Whilst there is much work to be done before we reach commercial production, we are confident Cuca can form a consistent fourth source of high grade underground feed for Cascavel's growing fleet of Hammer Mills. Our Chief Operations Officer, Richard Crew, has visited Hammer Mill suppliers with the idea of upgrading the 4th hammer mill, that is scheduled for delivery in mid-March, from 25tph to up to 50tph.

Our Head of Exploration, Marcelo de Carvalho, commented 'I am delighted by the first 35 panel samples at Cuca that show some Bonanza grades. It's still too early to determine the strike length of the Cuca reef and a drilling programme from underground in early April will give us further clarity. For now, the Mestre zone continues to show the highest grades in the deposit, although Cuca has the potential to be a close second. We eagerly await the second batch of samples'.

Silver Exploration Programme Planned

The Cuca zone was discovered by the Portuguese some 300 years ago, while they were mining silver at Cascavel. The silver zone sits above the Cuca zone. On the 8th of January 2018, in our report *17.56m @ 1,292 g/t silver supports targeting more high-grade zones along the Cascavel Dolomite layer*, we highlighted that the silver is largely un-

explored and warrants further exploration. That same silver intersection also included 16.4m @ 1,400 W (Tungsten) and 11.0m @ 0.26% Copper. Potential silver targets, with an identified zone of significantly thicker silver host rock (Cascavel Dolomite) intersected by the mineralising pathways named Tinteiro faults, sit approximately 350 metres to the south of this intersection. The Company plans to test whether the silver intersections and grades improve south of Cascavel.

The next steps for the exploration of the silver system will be focused on detailed mapping and sampling of the main faults, particularly where those faults intercept the 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. Drilling will be proposed after mapping and geophysics.

-ENDS-

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Competent Person Statement:
The information in this presentation that relates to Exploration Results is based on information compiled by Dr Marcelo de Carvalho who is a member of the Australasian Institute of Mining and Metallurgy. Dr Marcelo de Carvalho is an employee 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 de Carvalho 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Up to 2017, Orinoco Gold has completed 36 diamond drill holes in the Cascavel area, totalizing 5,844.36 meters; • Diamond drill cores were sampled based on the geological boundaries and selected by a geologist. samples from drill core are sawn in half with a diamond core saw and sampled every 0.5m in the ore zone. The same half of the core is send to the lab and the other remains in the box. Sampling places are marked on the core tray with the sample number. The core trays are also marked with the blanks and standards samples and all core is photographed. All data is stored in the data base following QA/QC procedures; • For a good representation of the grade results in this kind of deposit it is necessary to use panel sampling. Drill core samples are too small to generate reliable gold grades; • At the end of 2016 the panel sampling protocol was changed and since then 540 panel samples have been taken at the Cascavel mine; • Underground samples are collected either as panels or channels. Panel samples are 2 meters long (to ensure representability in a coarse-grained gold environment), continuously taken along the vein throughout the mine. Chips are collected from inside the panels areas to comprise the sample, up to around 20 kg in weight; • The panel and /or channel data follow the drives and slot raises being clustered in some areas. • Control channel samples were taken in the host rock every 3 to 5 meters to test the host rocks for marginal gold content. All channels are cut width of 20 cm wide by 5 cm deep; • The QAQC results confirm the reliability of OBM sampling and assaying with sufficient confidence for the estimates.	
Drilling techniques	• Drillings has been conducted by Servitec LTDA exclusively using diamond drilling up to the present stage. Drill rigs are local built equipment (MACSonda 320) and are hydraulic assisted. Drilling starts with HQ up to the limit of the equipment or where the rock type permits and then downsize to NQ. Polymer filling is used when necessary. Drilling inclination is up to 60°; • In 2016, it was done seven axially-oriented drill holes to help in determining the real-space orientation of any planar or linear fabric in drill cores; • The structural survey of lines and planes on the drill holes is done through the core-angle method. This method consists in identifying the fα and β angles of structural plane. The α angle is the angle between the axis of drill hole and the structural plane that is being measured, the β angle is the angle between the inflection point of structural plane and the line of the drill hole orientation. The α angle is given the merge and the β angle the dip of structural plane. To carryout line measurements it is necessary to measure the delta angle (δ), which is the angle between the line contained in the plane and the line of the orientation of the hole.	
Drill sample recovery	• Recovery is guaranteed by the contractor not be less than 90% in the ore zones and is recorded every meter of advance with metal plate markings on the core tray boxes with drilling reports delivered daily; • Orinoco geological technicians check the numbers and measure the interval recorded on the drilling reports for data reconciliation as soon as the boxes are on the core shed; • Assays for gold are completed using cyanide analysis followed by (AAS) Atomic absorption to minimize the analytical problems related to coarse gold.	
Logging	• Core samples are geologically logged in an appropriated level of detail concerning mineral resources, mining studies and metallurgical studies, where the main lithology and kind of alteration is described and the alteration minerals, veins, fractures, faults quantified; • All drill cores and channels are photographed; • All intersections are logged, with lengths varying between 0.5 and 1 meter or limited to the presence of geological boundaries in ore zones. • Main Hydrothermal Alteration minerals are logged quantitatively in the logging spreadsheet;	

Criteria	JORC Code explanation	Commentary
		• For the panel samples, just a brief description of the vein is done and written in the spreadsheet.
Sub-sampling techniques and sample preparation		• Drill core are sawn in half with a diamond core saw and half core is sent to the laboratory; • The drill core boxes are marked meter by meter, according to the recovery of each interval. A geologist subsequently marks all lithological contacts and possible ore zones in the boxes. Duplicates are inserted in each batch of 20 samples. Blanks and standards are inserted approximately each 30 meters; • The core sample duplicates are the quarter of the remaining cores halves; • In the lab, core samples are dried, crushed until 90% < 2 mm (10 mesh), so it is split until 1 kg is obtained, and after it is crushed to 95% < 106 microns (150 mesh); • For panels and channel samples, physical preparation includes drying and crushing the total sample, riffle splitting and pulverization (95%<150#) of a 1 kg subsample for cyanide leaching.
Quality of assay data and laboratory tests		• Core samples are analyzed using the screen fire assay technique. This procedure involves screening a large pulverized sample (commonly 1 kg) at 75 microns. The entire oversize (including the disposable screen) is fire assayed as this contains the 'coarse' gold and a duplicate determination is made on the 'minus' 75 microns fraction. A calculation can then be made to determine the total weight of gold in the sample. This procedure is equivalent to assaying a large sample to extinction and averaging the results; • Panel and channel samples are analyzed using the leach well technique. Aggressive leaching conditions will promote the liberation and breaking of gold nuggets, being the best routine in the case of coarse-grained nugget gold present in the Cascavel deposit. The gold in the cyanide solution is then measured using atomic absorption spectroscopy (AAS). 5% of the solid residue is also analyzed to check for gold extraction issues; • The QAQC protocol is: - *Standards*: insertion of 1 known standards in each 30 samples approximately. If less than 10% of samples are outside of the expected mean + 2x Std. Dev, the results are validated. If less than 10% of the samples report results outside the Mean + 3x Std. Dev, but there are standards between the first and these two points - the results are validated, but the Lab is notified. If more than 10% is outside the Mean + 3x Std. Dev, the batch (40 samples) is rejected, an investigation is required, and a re-analysis of the batch is made; - *Blanks:* 1 blank insertion in each of 20 samples approximately. If less than 5% are above 5x the detection limit of the Lab, the results are validated. If more than 5% is above 5x the detection limit, the Lab is notified and the batches with failure are re-analyzed; - *Duplicates:* insertion in each 20 samples – Bias control. Project Duplicates are core quarter and Lab duplicates are Pulp Duplicates.
Verification of sampling and assaying		• All samples (drilling, panels and channels) information is stored in an appropriately protected relational Microsoft Access database; • The assay data provided by the laboratories after the analysis is uploaded in a first moment to a master table in Excel format where any discrepancies in the samples ID´s are verified, as well as the geological logs, and then both are transferred to the Access database; • The electronic documentation (logs, assay certificates, drilling recovery, down-the-hole survey and protocols) is stored in the server at the Exploration office • The physical documentation (logs, assay certificates, drilling recovery and protocols) is stored at Exploration office; • Changes in the matrix of the Access database and in the data entry protocol are programmed to the beginning of 2018.
Location of data points		• The drill hole collars and the panel vertices are surveyed using a Total Station surveyed by a qualified land surveyor; • The topography crew uses surveyed base stations to guarantee the quality of their surveying; • The grid system used is UTM South American 1969 - Zone 22 S.
Data spacing and distribution		• The drilling spacing is not regular and was planned to fill zones with little or no information. • Most part of the analyzed samples were taken with 1 meter spacings and in the mineralized zone at 0.5m spacings; • The drill hole information is not sufficient to classify resources as inferred; • See figure 1 in body of report.
Orientation of data in relation to		• The drilling data orientation is not regular and depending on the drill hole orientation is possible see different kind of structures; • The drilling orientations provide unbiased sampling of the mineralization;

Criteria	JORC Code explanation	Commentary
geological structure	• The panel and channel data follow the drives and slot raises being clustered in some areas.	
Sample security	• Drill cores are stored in plastic core boxes well identified and are stacked in piles in the core shed; • The samples are stored in plastic sample bags, stored in a dedicated secure facility on site prior to transport to the lab. Mineralized samples are delivered directly to the assay lab by company staff; • All laboratory pulps are stored in a suitable dry onsite facility in boxes supplied by the laboratories.	
Audits or reviews	• No audit or review has been undertaken regarding the results reported in this announcement.	

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 100% owned by Orinoco do Brasil Mineração Ltda (**OBM**), which in turn is 100% owned by Orinoco Gold Ltd. • 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 during at least 20 years, in different cycles and by different companies. A reasonable amount of surface exploration was carried out. Soil, stream sediments and chip sampling (for gold) are widespread along and around both belts. Those surface surveys detected several gold and arsenic anomalies (about 64 anomalies are described). Some of those anomalies were tested with drilling, frequently with positive results. However, drilling was generally very shallow RAB drilling.	
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; • Golden trends seem to be very continuous also along the strike, mostly associated with the main regional scale shear zones; • Mineralization style is also varied on the belt. Most part of the gold mineralisation can be classified as Orogenic, mainly hosted in chemical and volcanoclastic sedimentary units. At least the following models can already be considered, according to the available data: Shear Hosted (Orogenic) associated with carbonaceous/BIF hosts, mafic volcanic and vulcanoclastic units. Paleo Placer/Conglomerate Hosted: associated with meta-conglomerates within the Proterozoic (Paleo?) transgressive clastic sequence. Au rich VHMS: hosted by younger Meso-Proterozoic intrusives in the volcanosedimentary rocks sequence in the Goiás Block, potentially in the Faina greenstone. The silver-tungsten-copper mineralization at Cascavel has been interpreted as a carbonate replacement deposit due to the strong relationship to the impure limestone unit and crosscutting faults. Tinteiro Target shows features so far interpreted as potentially related to a late IOCG system.	
Drill hole Information	• Any drill hole results are included in this announcement because they were used just to help in the vein modeling. • The data used to the estimations were the panels and their data are attached in the Appendix 1.	
Data aggregation methods	• The 2 meters panel samples centroids are used directly for resources estimation.	
Relationship between mineralizatio	• The Orogenic type gold mineralization has a 210-230/25 direction and this value is interpreted as been constant over a strike length of 1.6km and a down dip length of 600m. Part of the drill holes show true width for the intercepts, but for some drill holes intercepts represent an approximate true thickness due to the drill hole had not been designed to intercept the ore zone at a perpendicular	

Criteria	JORC Code explanation	Commentary
n widths and intercept lengths	angle; • The panel samples were taken just on the mineralized vein, without any mixing with the host rock.	
Diagrams	• Diagrams are attached to the current announcement.	
Other substantive exploration data	• The entire mineralized vein was surveyed, where it was taken points in each 20cm, separating hanging and footwall points; • A detailed geological/structural mapping with a 1:25 scale was done by the geology team; • The surface geological map was reviewed with no relevant changes; • Eleven geological sections were selected and they were interpreted by hand. For each section, two different drawings were made using the lithological and the hydrothermal halos respectively. The drawings are being digitalized in CAD format during the preparation of this report; • Aiming to find the water table, eleven resistivity sections were surveyed in two phases. In the first phase, it was made five sections with a dipole-dipole array, and in the second phase, it was made six sections with a pole-dipole array. Both phases showed a large low-resistivity anomaly at NW, 300 meters distance from the mine entrance and 100 meters depth (maximum of the method).	
Further work	• A follow up drilling program is in planning, which will help on the modelling of the orebody; • Panels and channels are continuously sampled.	