ORINOCO GOLD ASX: OGX

ASX/Media Release – 27 April 2018

88 new Mestre Panel samples grade up to 300g/t

- **The third set of laboratory results of 88 panel samples from the Mestre zone of the Cascavel mine have been received by the Company.**
- **The highest grading samples included 300 g/t, 254 g/t, 247 g/t, 235 g/t and 162 g/t. The average grade of the 88 samples was 46.39 g/t.**
- **In addition to the panel sample results, the Mestre 5 vein appears to double up by tight foldings.**
- **Hammer Mill 2 recently processed four tonnes of Mestre Level 5 ore and returned an average grade of 26.4 g/t.**
- **Our fully refurbished Sandvik Toro LHD from Peru has been cleared from customs and will arrive at Cascavel on Saturday 28th April. A new Bobcat has been purchased and will also be delivered next week.**
- **As referenced in the Company's 18 April 2018 announcement, OGX has commenced processing 5,428 tonnes of a blend of low, medium and high-grade ores and development material currently on the pad into Hammer Mill 3. Another 1,200 tonnes of mainly high-grade ore currently sits underground ore awaiting haulage. Hammer Mill 3 will move to high grade milling next week as many of the earlier commissioning problems appear to have settled down, but investors should understand the risks of commissioning in any new plant.**

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to announce that it has completed another 88 samples during February and March with results now returned by our independent assay lab ALS. The average grade of the samples is 46.39 g/t with the best ones including 300 g/t, 254 g/t and 247 g/t. (See Table 1).

So far, Orinoco has completed and reported 147 samples of Mestre since the beginning of the year. The first batch of 40 was reported on 17 January 2018. The average grade of those 40 samples was 47.2 g/t.

A second batch of 19 samples was reported on 2nd February 2018 with grades Up to 185 g/t and an average of 31.4 g/t.

Of note, the Mestre zone contains a significant amount of ankerite, which is closely related with the high-grade areas of this zone and has previously never been seen in the other areas of the mine. Ankerite is an iron-rich carbonate, different from the carbonates found in the quartzites matrix (dolomites), and probably of a hydrothermal origin. Ankerite can be a key indicator for significant hydrothermal vein deposits which could lead to further gold bearing zones the deeper we develop the Mestre zone. This mineral is now an important prospective vector for Mestre zone.

The second fully refurbished Sandvik Toro LHD from Peru has been cleared from customs and will arrive at Cascavel on Saturday 28th April. A new Bobcat has been purchased and will also be delivered next week. These will provide Cascavel with additional and more reliable underground haulage capacity to ensure more constant bogging and haulage operations. We currently have over 1,200 tonnes of mainly high-grade ore that will now be moved for processing with the additional equipment.

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

Issued Capital
1,029,394,098 Ordinary Shares
223,693,227 Listed Options
53,927,846 Unlisted Options
118,000,000 Performance Rights

Mestre Assay Results continue to show Bonanza grades

The average grade of the 88 new samples was 46.39g/t (see Table 1). This takes the total number of panel samples analysed from Mestre to 147, for a total average of 44.68g/t. These 88 samples comprise four batches (CDPM-0061 to CDPM-0064), being prepared and analysed by ALS Minerals between the end of February and beginning of March.

Panel samples are 2 meters long (to ensure representability in a coarse-grained gold environment), continuously taken along the vein throughout the mine, up to around 20 kg in weight. The panel vertices are then surveyed by a qualified surveyor using an electronic Leica total station to guarantee the precision in the sample location. For sample locations (batches and grades) see figures 1 to 4.

Table 1: Mestre assay results

Sample ID	Batch	Au (g/t)
CDPP2864	CDPM-0061	22.8
CDPP2865	CDPM-0061	113
CDPP2866	CDPM-0061	57.4
CDPP2867	CDPM-0061	2.73
CDPP2868	CDPM-0061	59.2
CDPP2869	CDPM-0061	75
CDPP2871	CDPM-0061	26.4
CDPP2872	CDPM-0061	13.9
CDPP2873	CDPM-0061	3.55
CDPP2874	CDPM-0061	0.29
CDPP2875	CDPM-0061	0.86
CDPP2876	CDPM-0061	102.5
CDPP2877	CDPM-0061	86.4
CDPP2878	CDPM-0061	70.4
CDPP2879	CDPM-0061	10.8
CDPP2881	CDPM-0061	23.9
CDPP2882	CDPM-0061	13.6
CDPP2883	CDPM-0061	8.8
CDPP2884	CDPM-0062	7.87
CDPP2885	CDPM-0062	4.92
CDPP2886	CDPM-0062	0.74
CDPP2887	CDPM-0062	133.5
CDPP2888	CDPM-0062	47.3
CDPP2889	CDPM-0062	148.5
CDPP2891	CDPM-0062	17.85
CDPP2892	CDPM-0062	162.5
CDPP2893	CDPM-0062	89.1
CDPP2894	CDPM-0062	6.09
CDPP2895	CDPM-0062	23.7
CDPP2896	CDPM-0062	35.8
CDPP2897	CDPM-0062	12.35
CDPP2898	CDPM-0062	31.8
CDPP2899	CDPM-0062	15
CDPP2901	CDPM-0062	5.51
CDPP2902	CDPM-0062	0.99
CDPP2903	CDPM-0062	8.33

CDPP2904	CDPM-0062	0.16
CDPP2905	CDPM-0062	2.11
CDPP2906	CDPM-0062	0.09
CDPP2907	CDPM-0062	3.52
CDPP2908	CDPM-0062	11.5
CDPP2909	CDPM-0062	9.2
CDPP2911	CDPM-0062	50.1
CDPP2912	CDPM-0062	61.8
CDPP2913	CDPM-0062	75.5
CDPP2914	CDPM-0062	59.3
CDPP2915	CDPM-0062	108.5
CDPP2916	CDPM-0062	79.2
CDPP2917	CDPM-0062	247
CDPP2918	CDPM-0062	120.5
CDPP2919	CDPM-0062	7.58
CDPP2921	CDPM-0062	17.6
CDPP2922	CDPM-0062	9.35
CDPP2923	CDPM-0062	5.68
CDPP2924	CDPM-0062	2.53
CDPP2925	CDPM-0063	5.68
CDPP2926	CDPM-0063	27.1
CDPP2927	CDPM-0063	40
CDPP2928	CDPM-0063	55.5
CDPP2929	CDPM-0063	27
CDPP2931	CDPM-0063	0.41
CDPP2932	CDPM-0063	300
CDPP2933	CDPM-0063	46.1
CDPP2934	CDPM-0063	300
CDPP2935	CDPM-0063	0.1
CDPP2936	CDPM-0063	41.2
CDPP2937	CDPM-0063	81.9
CDPP2938	CDPM-0063	0.34
CDPP2939	CDPM-0063	3.59
CDPP2940	CDPM-0063	0.38
CDPP2941	CDPM-0063	1.36
CDPP2942	CDPM-0064	0.01
CDPP2943	CDPM-0064	82
CDPP2944	CDPM-0064	235
CDPP2946	CDPM-0064	36.9
CDPP2947	CDPM-0064	63.3
CDPP2948	CDPM-0064	68.2
CDPP2949	CDPM-0064	254
CDPP2953	CDPM-0064	22.3
CDPP2954	CDPM-0064	0.10
CDPP2956	CDPM-0064	0.62
CDPP2957	CDPM-0064	0.65
CDPP2958	CDPM-0064	5.2
CDPP2959	CDPM-0064	8.06

CDPP2960	CDPM-0064	21.2
CDPP2961	CDPM-0064	4.36
CDPP2962	CDPM-0064	35
CDPP2963	CDPM-0064	0.17

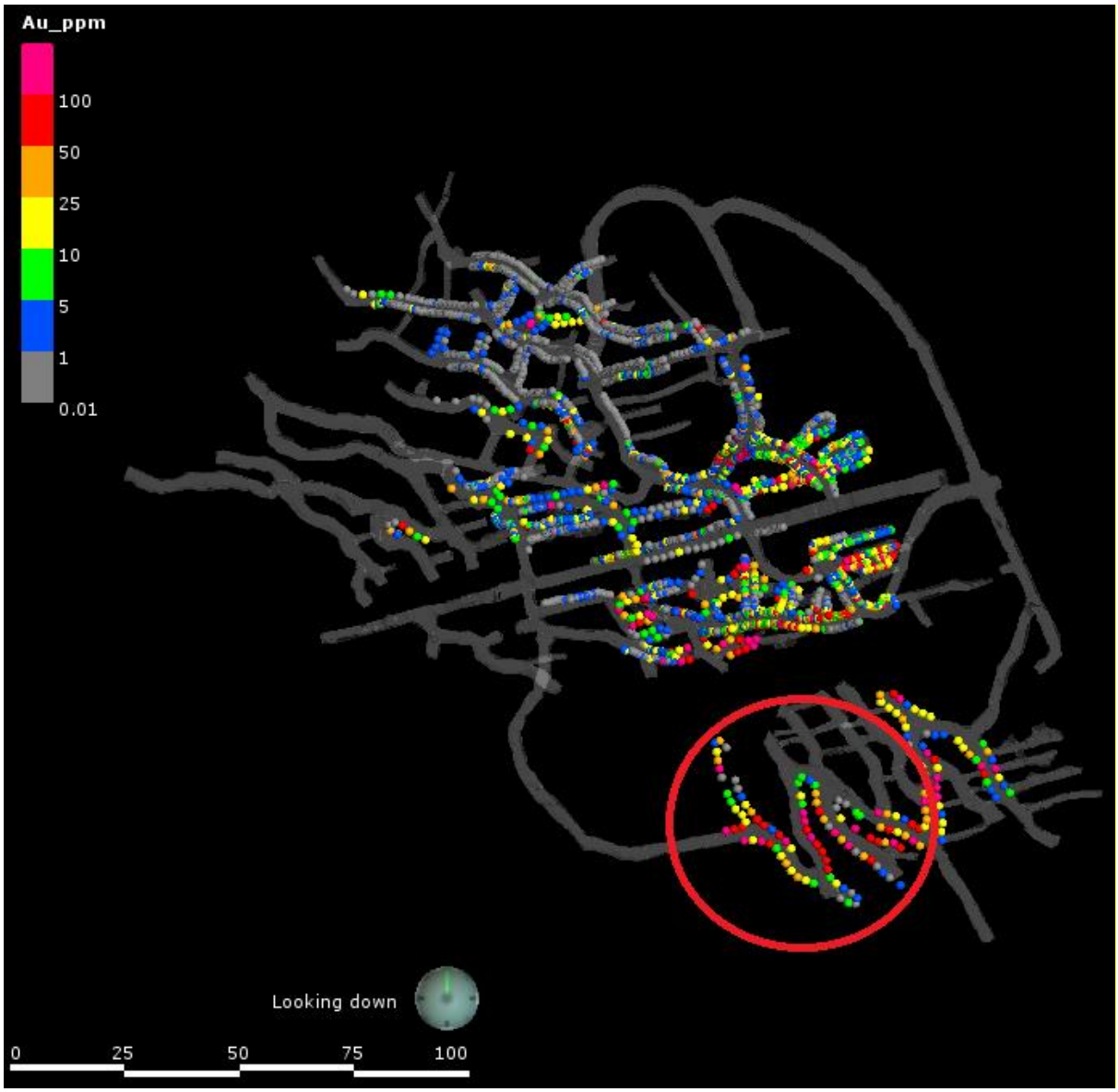

Figure 1: Cascavel Mine samples. New samples in the red circle.

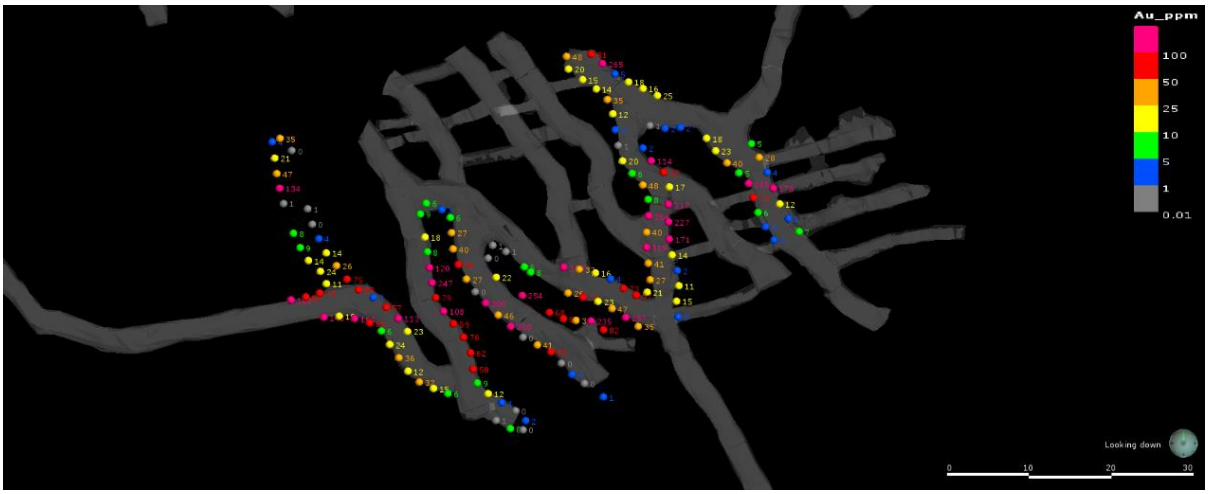

Figure 2: All Mestre zone samples.

Figure 3: New samples locations per batch.

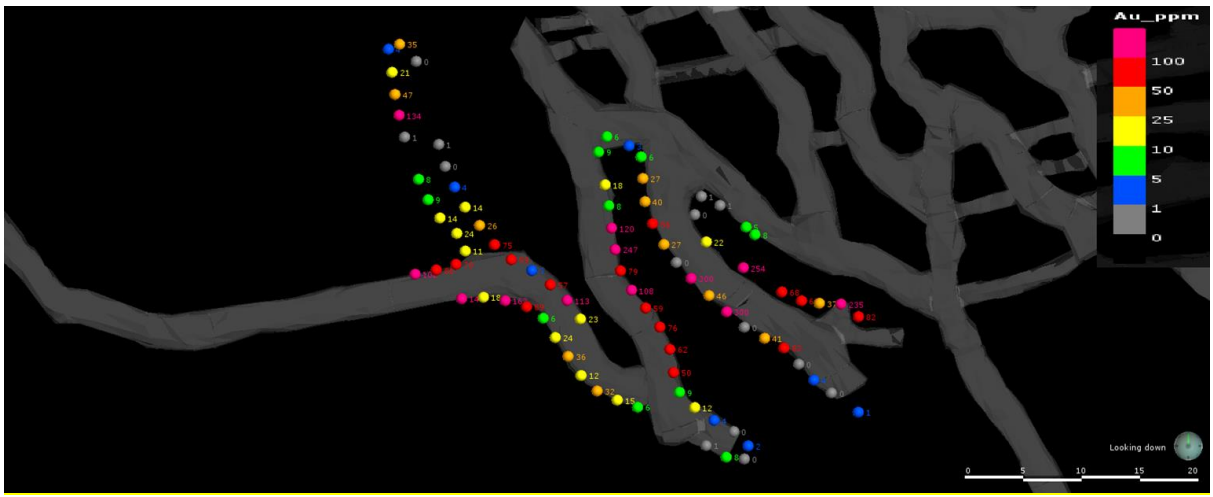

Figure 4: New samples locations and grades.

Geological aspects of Mestre Zone

The vein in Mestre zone is docked mainly in the Sn-1 foliation (190/20), with ore-shoots controlled by the lineation (Li = 15/255) formed in the intersection of the foliation planes (Sn-1 and Sn-2). Photos 1 and 2 show the vein in detail. The Mestre 5 vein appears to double up by tight foldings.

The hydrothermal factor is determinant in Mestre zone. The Mestre vein is inserted in the proximal hydrothermal halo (sericitic halo) and it is, stratigraphically, close to the lithological contact between the arcosean quartzite (bedrock) and an impure limestone. This contact is gradual, and layers of the limestone occur in the basis of the arcosean quartzite, which makes it much more reactive chemically, increasing the potential of mineralization.

A further important hydrothermal feature was seen in Mestre zone. During sampling this year, we have found a significant amount of ankerite, closely related with high grade areas in this zone, which has never seen in the other areas of the mine. Ankerite is an iron-rich carbonate, different from the carbonates found in the quartzites matrix (dolomites), and it has probably a hydrothermal origin. This mineral is now an important prospective vector for Mestre zone.

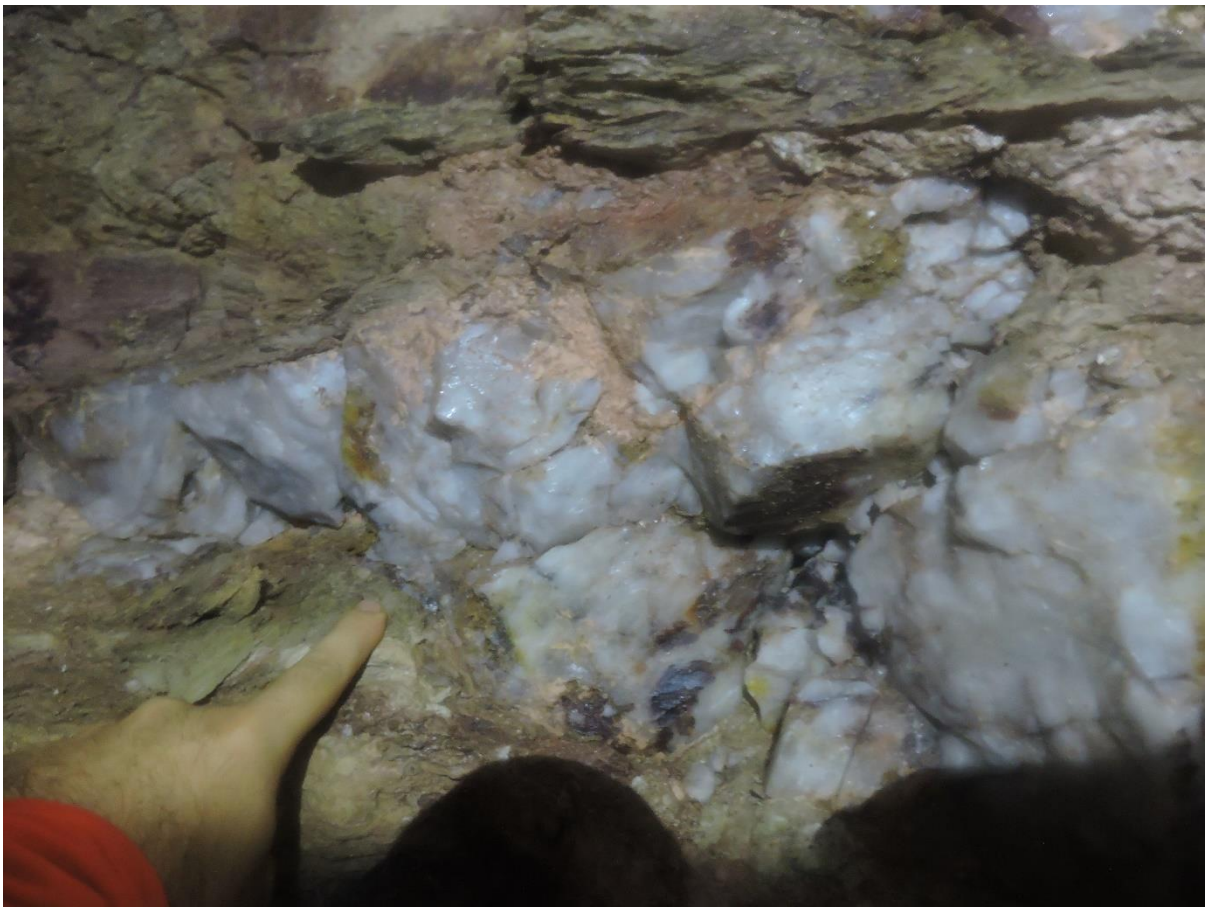

Photo 1: Detail of the vein where sample CDP-P-2887 was taken. This sample has a grade of 133.5 g/t.

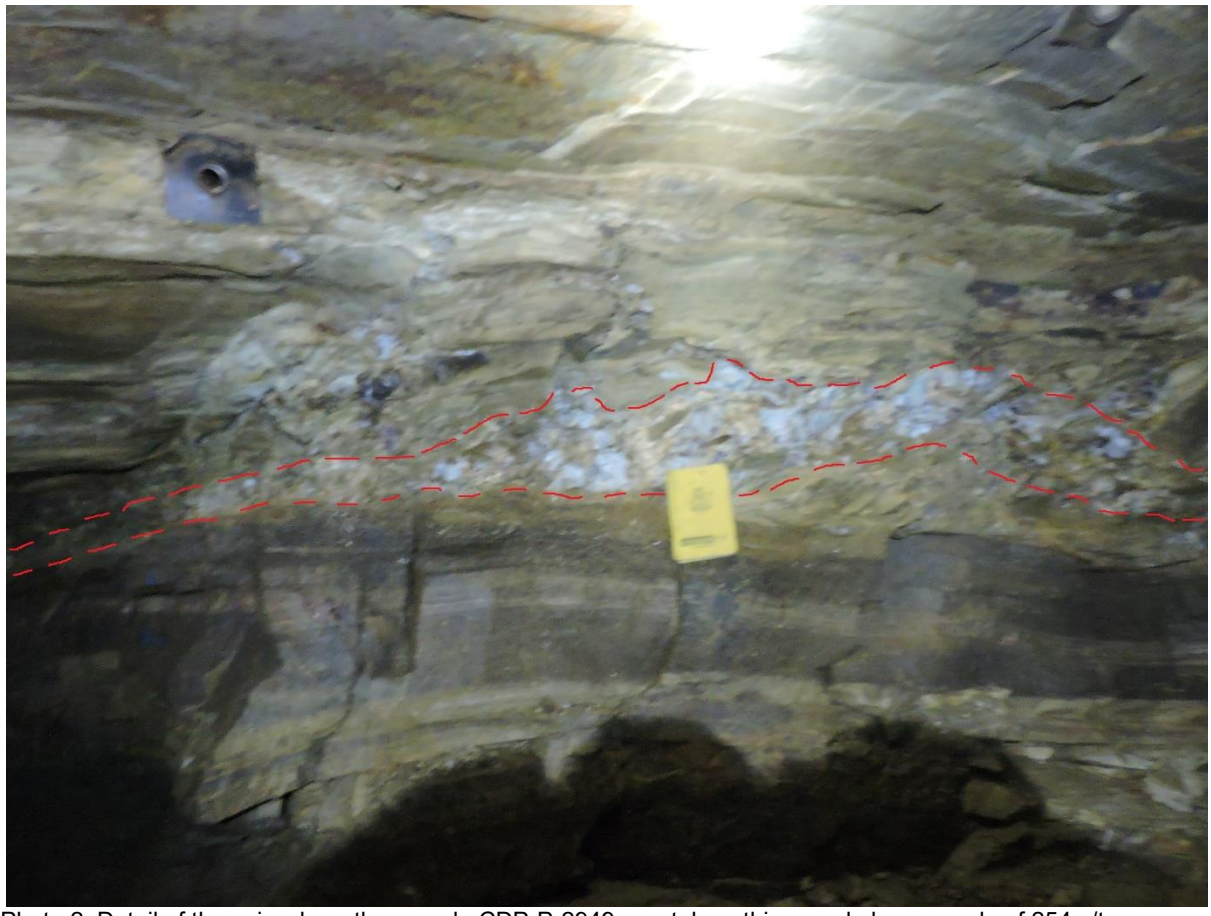

Photo 2: Detail of the vein where the sample CDP-P-2949 was taken; this sample has a grade of 254 g/t.

In summary, the panel sampling works this year continues to show that Mestre is proving to be Cascavel's highest grading part of the mine. We are currently mining both levels and the arrival of the second Toro will help alleviate many of the underground haulage problems we have experienced in recent months. Absent any major equipment issues, Hammer Mill 3 will switch to high grade milling next week.

-ENDS-

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Competent Person Statement:
The information in this announcement that relates to Exploration Results and geology is based on information compiled by Thiago Vaz Andrade who is a member of the Australasian Institute of Mining and Metallurgy. Thiago Vaz Andrade is an employee of Orinoco Gold Limited and has sufficient experience, which is relevant to the style of mineralization 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 Thiago Vaz Andrade consents to the inclusion in this announcement 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		• Until 2017, Orinoco Gold carried out 36 diamond drill holes in the Cascavel area, totalling 5,844.36 metres; • Diamond drill cores were sampled based on the geological boundaries and selected by a geologist. Samples from the drill core are then cut 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 laboratory 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 type 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 that time, 865 panel samples have been generated, 750 with results, from inside 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 panel areas to comprise the sample, up to around 20 kg in weight; • 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 20 cm wide by 5 cm deep; and • The QA/QC results confirm the reliability of OBM sampling and assaying with sufficient confidence for the estimates.

Criteria	JORC Code explanation	Commentary
Drilling techniques		• Drilling has been conducted by Servitec LTDA using diamond drilling only up to the present stage. Drill rigs comprise locally-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; and • The structural survey of lines and planes on the drill holes is done through the core-angle method. This method consists in identify 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 give the merge and the β angle the dip of structural plane. To do 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 to 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 technician 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 Screen Fire Assay on the ore zone and ordinary Fire Assay for samples outside the ore zone, to minimize the analytical problems related to coarse gold.
Logging		• The 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;

Criteria	JORC Code explanation	Commentary
		• 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; and • 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 cores are cut 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 laboratory, core samples are dried, crushed until 90% < 2 mm (10 mesh), so it is split until obtain 1 kg, and after it is crushed to 95% < 106 microns (150 mesh); and • 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 as-say data and laboratory tests		• Core samples are analysed 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;

Criteria	JORC Code explanation	Commentary
		• Panel and channel samples are analysed 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 analysed 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 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-analysed; - 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 are stored in an appropriately protected relational Microsoft Access database; • The assay data provided by the labs after the analysis is uploaded in a first moment to a master table in Excel format where is verified discrepancies in the samples ID, 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; and • The data entry is not being done in the most appropriate way yet, but changes in the matrix of the Access database and in the data entry protocol are programmed to the beginning of 2018.

Criteria	JORC Code explanation	Commentary
Location of data points		• The drill hole collars and the panel vertices were surveyed using a Total Station survey by a qualified land surveyor; • The topography crew uses surveyed base stations to guarantee the quality of their surveying; and • The grid system used is UTM South American 1969 - Zone 22 S.
Data spacing and distribution		• The drilling spacing is irregular and was planned to fill zones with little to no information. The use of already opened drilling squares was considered; • Most of the analysed samples were taken with 1-meter spacing and (in the mineralized zone) with 0.5m spacing; • The drill hole information is not sufficient to classify resources as inferred; and • See Figure 1 in the body of this ASX announcement.
Orientation of data in relation to geological structure		• The drilling data orientation is irregular and depending on the drill hole orientation it is possible to see different kind of structures; • The drilling orientations provide unbiased sampling of the mineralization; and • The panels and channels data follow the drives and slot raises being clustered in some areas.
Sample security		• Drill cores are stored in well-identified plastic core boxes and are stacked in piles in the site 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; and

Criteria	JORC Code explanation	Commentary
		• All laboratory pulps are stored in the storage facility onsite in boxes supplied by the labs, stacked in dry places.
Audits or re-views		• 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 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; and • 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; and • 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 metaconglomerates 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

Criteria	JORC Code explanation	Commentary
		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		• Drill hole results are included in this announcement because they were used to assist in the vein modelling.
Data aggregation methods		• The 2 meters panel sample centroids are used directly for resources estimation.
Relationship between mineralization widths and intercept lengths		• 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 angle; and • The panel samples were taken only on the mineralized vein, without any mixing with the host rock.
Diagrams		• Diagrams are attached to the current announcement.
Balanced reporting		• This announcement is a comprehensive report.
Other substantive exploration data		• The entire mineralized vein was surveyed, at every 20cm point, separating hanging and footwall points; • A detailed geological/structural mapping with a 1:25 scale was done by the geology team;

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		• The surface geological map was reviewed with no relevant changes; • Eleven geological sections were selected and 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; and • 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 being planned, which will assist with the modelling of the orebody; and • Panels and channels are continuously sampled.