



ASX/Media Release – 11 September 2018

Issue of Tranche A of Convertible Notes

Orinoco Gold Limited (ASX: OGX) (the **Company**) advises that MEF I, L.P. (**Magna**) has applied for and been issued 1,472,540 Tranche A Convertible Notes (**Tranche A Convertible Notes**) under the convertible note agreement (**Convertible Note Agreement**) dated 30 August 2018 entered into between the Company and Magna.

The Company has received A\$2,000,000, less legal costs, as the subscription price for the Tranche A Convertible Notes.

Attached is an Appendix 3B relating to the issue of the Tranche A Convertible Notes.

-ENDS-

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ASX Code

OGX
(Ordinary Shares)
OGXOD
(Listed Options)

Issued Capital

1,034,884,401 Ordinary Shares
225,072,116 Listed Options
57,177,846 Unlisted Options
118,000,000 Performance Rights
1,472,540 Tranche A Convertible Notes

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Orinoco Gold Limited

ABN

71 149 219 974

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Tranche A Convertible Notes (Convertible Notes) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,472,540 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Convertible Notes

The Convertible Notes have a face value of US\$1.10 per note and are issued for US\$1.00 at the prevailing AUD/USD exchange rate.

The Convertible Notes are convertible at the discretion of the investor at a 10% discount of the lowest daily VWAP during the 5 Trading Days prior to the Conversion Notice Date.

The facility has a maturity of 12 months after their respective issue dates for Tranches A, B, C and D. Tranches B, C and D are at the discretion of the Company to draw down.

Tranche A and/or the following Tranches may be repaid at the option of the Company within 12 months on the following terms:

- (a) On or before 6 months after the issue date, the Company is required to repay 110% of the face value of the relevant Convertible Note; and
- (b) From 6 months after the issue date, the Company is required to repay 115% of the face value of the relevant Convertible Note.

The Convertible Notes bear no interest and are unsecured.

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No</p> <p>The Convertible Notes do not have any rights to vote at a general meeting of the Company.</p> <p>Any shares issued on conversion of the Convertible Notes will rank equally with existing ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>The Face Value of each of the Convertible Notes is US\$1.10, which are being issued for US\$1.00, being a 10% discount to Face Value.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised are for working capital and general corporate purposes.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Annual General Meeting held 31 May 2018.</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6c	Number of +securities issued without security holder approval under rule 7.1	1,472,540 Convertible Notes with a face value of US\$1.10, which are convertible into a maximum of 176,000,000 fully paid ordinary shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer to Annexure 1
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	7 September 2018

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Fully Paid Ordinary Shares
		\$0.11 OGXOD options exercisable on or before 31 January 2020

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	\$0.25 options exercisable on or before 14 July 2019
		\$0.0750 options exercisable on or before 29 May 2020
		\$0.0875 options exercisable on or before 29 May 2020
		\$0.09150 options exercisable on or before 29 May 2020
		\$0.106746 options exercisable on or before 29 May 2020
		\$0.02 options exercisable on or before 30 November 2020
		\$0.02 options exercisable on or before 31 January 2021
		\$0.02 options exercisable on or before 30 April 2021
		\$0.02 options exercisable on or before 30 June 2021
		\$0.03 options exercisable on or before 2 January 2020
	\$0.03 options exercisable on or before on 4 April 2021, escrowed until 30 September 2018	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

19,999,997	Class A Performance Rights – Directors
19,999,997	Class B Performance Rights – Directors
20,000,006	Class C Performance Rights – Directors
16,000,000	Class A Performance Rights – Management
16,000,000	Class B Performance Rights – Management
16,000,000	Class C Performance Rights – Management
10,000,000	Class D Performance Rights – Management
1,472,540	Tranche A Convertible Notes (refer to section 2 for terms)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Not Applicable

Part 2 - Pro rata issue – DELETED AS NOT APPLICABLE

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

⁺ See chapter 19 for defined terms.

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	
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<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 10 September 2018
Company secretary

Print name: Sophie Raven

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	489,455,333
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	403,444,953 303,765,172
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	1,196,665,458

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	179,499,818
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>1,363,636 Fully Paid Ordinary Shares – issued on 3 September 2018</p> <p>176,000,000 Fully Paid Ordinary Shares – not yet issued, however being the maximum issuable number of ordinary shares into which the 1,472,540 Convertible Notes the subject of this Appendix 3B are convertible</p>
“C”	177,363,636
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	179,499,818
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	177,363,636
<p>Total [“A” x 0.15] – “C”</p>	<p>2,136,182</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

+ See chapter 19 for defined terms.

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,196,665,458
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	119,666,545
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	0

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	119,666,545
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	119,666,545 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.