



ORINOCO RAISES \$1.18 MILLION VIA SHARE PLACEMENT AND CONVERTIBLE LOANS

Highlights:

- \$665,200 raised in a share placement at an issue price of 1.35 cents per share plus a free unlisted option on a 1 for 1 basis exercisable at 3 cents. \$520,000 raised via a convertible loan to Directors.
- Cartesian Royalty Holdings payment of 1,000 ounces of gold completed taking total payment to 3,300 ounces as per the agreement.
- Company has engaged with an experienced metallurgist who is expected on site this week
- Discussions with AngloGold Ashanti have resumed on both our exploration tenements and the Cascavel mine of up to approximately AUD\$28 million.
- Trial run of high grade ores using our smaller Hammer Mills 1 & 2 over 8 days of 12 hours per day yielded 1209.33 grams of production from 72 tonnes of ore at an average grade of 16.79 g/t. The best result was recorded on 2nd November yielding 472 grams from 10.2 tonnes of ore an average grade of 46.3 g/t. The result is similar to that reported in our report *CIL Tests confirm outstanding high-grade results for tailings and Mestre zone* on 31st of October, which averaged 28.75 g/t from a 8.94 g/t sample processed by an independent CIL plant.
- Two additional 400kg per hour mills have been purchased with the plan to run 3-4 mills continuously over 3 shifts per day. We believe these smaller mills yield more consistent results on our high grade ores than our optimised Gekko which will continue to focus on low grade and tailings.
- The Placement was strongly supported by both new and existing shareholders, with a number of quality, sophisticated investors welcomed to the register
- Announcement to bring the Company out of voluntary suspension.

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or **Company**) is pleased to advise that the Company has raised \$665,200 via the placement of 49,274,078 fully paid ordinary shares (**New Shares**), plus a free unlisted option on a 1 for 1 basis exercisable at 3 cents, expiring 21 September 2021 (**New Options**) (**Placement**). The New Shares will be allotted at an issue price of 1.35 cents each for new monies which represents at 10% discount to the last traded price of 1.50 cents, and a 22.67% discount to the 15 day VWAP (1.76 cents) prior to the issue. The New Shares will be issued using the Company's ASX Listing Rule 7.1A capacity and the New Options will be issued subject to shareholder approval.

Further, the Company raised \$520,000 via an issue of a short-term convertible loan from OGX Directors. The loan will convert only on receiving shareholder approval, or repayable in cash, at the election of the lender. There will be 10% p.a interest paid on the convertible loan.

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ASX Code

OGX
(Ordinary Shares)
OGXOD
(Listed Options)

Issued Capital

1,077,462,322 Ordinary Sha
225,072,116 Listed Options
64,640,687 Unlisted Options
127,000,000 Performance R
947,540 Tranche A Converti
Notes

Discussions with AngloGold Ashanti have re-commenced with regards to the proposed joint venture agreement. AngloGold representatives met with Orinoco representatives in CRIXAS on 8 November 2018 and further meetings are to take place this month on site to carry out due diligence on all our exploration tenements and at Cascavel. The original Term sheet proposal provided for funding of up to approximately AUD\$28 million.

On that front, the company has engaged an experienced metallurgist, Mr Rob Riggir from Innovative Metallurgical Designs and Management to join the team this week and continue on from the work carried out by Gell Street Mining in early October. Of particular focus will be the installation of a regrind ball mill and flash floatation circuit to continue to explore ways to best monetise our high grade 40,000 tonne tailings stockpile. As reported in our CIL Tests confirm outstanding high-grade results for tailings and Mestre zone on the 31st of October 2018, 300 historical unpublished tailing results between July 2016 and March 2017 were as high as 514 g/t. A 22.11 tonne of randomly dug Cascavel tailings treated at a third-party mill and CIL recovered 126.46 grams of gold dore at an average grade of 6.143 g/t Au and a recovery of 93.11%.

Whilst the Gekko gravity only mill will continue to process low grade and tailings, we have re-introduced the 2 smaller hammer mills of 200kg per hour and 400kg per hour to process our high grade ores. These mills have been largely idle for most of this year after achieving such good results in January and February. At the time we were confident that by upgrading to the much larger Hammer Mill 3 that utilised the Gekko mill we would achieve similar recoveries to these smaller mills. Unfortunately that upscaling didn't show the same results as sticking with the smaller mills. Whilst work continues on improving the recovery of gold in the Gekko, we have purchased two additional 400kg per hour mills that should both be operational by the end of the next week. So far a trial run over 8 days using our existing 2 small hammer mills yielded 1209.33 grams of production from 72 tonnes of ore at an average grade of 16.79 g/t. The best result was recorded on 2nd November yielding 472 grams from 10.2 tonnes of ore an average grade of 46.3 g/t. The result is similar to that reported in our report *CIL Tests confirm outstanding high-grade results for tailings and Mestre zone* on 31st of October, which averaged 28.75 g/t from an 8.94 g/t sample processed by an independent CIL plant. We will continue this Back to Basics approach to provide for a more consistent base load of production to help us attempt to achieve our elusive first 1,000 ounce per month milestone.



Figure 1. New Hammer Mill being installed with engine



Figure 2. two new 400kg per hour Hammer Mills



Figure 3. Hammer Mill 2 on 6th November



Figure 4. Best day from Hammer Mill 1 and 2 on 2nd November



Figure 5. Mr Richard Crew from November 2 production of Hammer Mill 1 and 2



Figure 6. Hammer Mill 2 gold from panning

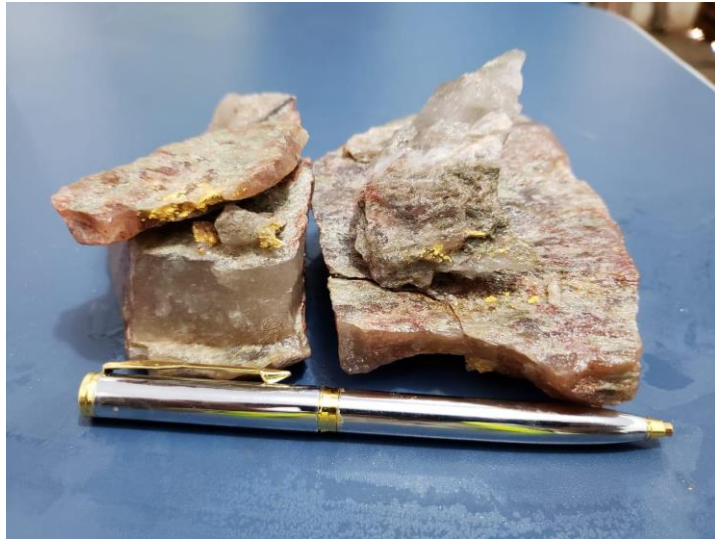


Figure 7. Mestres Level 6 ore processed in Hammer Mill trial

-ENDS-

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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 statement.