



## **Orinoco Further Strengthens Board and Management Ahead of Start of Production**

***Appoints experienced mining executive Jonathan Challis as Non-Executive Director and former Kingsrose Mining senior executive Tim Spencer as Chief Financial Officer***

Emerging gold producer Orinoco Gold Limited (ASX: OGX) is pleased to announce key Board and senior management appointments as it continues to advance towards first production at its flagship high-grade **Cascavel Gold Project** in central Brazil later this year.

Orinoco has appointed highly experienced international mining executive, **Jonathan Challis**, to the Board as a Non-Executive Director while former Kingsrose Mining senior executive, **Tim Spencer**, joins the Company's senior executive team as Chief Financial Officer, based in Perth.

Mr Challis is a mining engineer with over 30 years' experience in the operation, management, financing and analysis of mining projects around the world. His appointment further strengthens the board in the key areas of technical, operational and mining expertise, with his experience expected to be invaluable as Orinoco makes the transition to gold producer.

Mr Challis commenced his professional career as a mining engineer with Gold Fields of South Africa in 1974 before returning to Europe, where he worked as a mining analyst and project financier for several European institutions. In 1997, he joined Ivanhoe Capital Corporation and was involved in several Canadian resources companies in the roles of CEO, President and Director.

Mr Challis is currently a Director and Chairman of Rye Patch Gold Corp, as well as a Director of WAI Capital Investments Corp, Quartet Mining Ltd, Goldfield Empires Ltd, Explor Resources Inc. and Pasinex Resources Ltd.

Mr Spencer has over 20 years' experience in precious metals markets, working in various accounting, treasury and finance roles including with three gold mining companies and a large gold refining and trading enterprise. He was previously an Executive Director and Chief Financial Officer of the specialist narrow vein, high grade underground miner Kingsrose Mining Ltd (ASX: KRM).

Mr Spencer's five-year tenure with Kingsrose spanned the acquisition of an undeveloped gold property in Indonesia, through the development and construction phases of the project, to achieving Kingsrose's status as the lowest cost gold producer on the ASX.

He brings strong capital markets experience, as well as treasury, accounting and commercial negotiation skills to Orinoco, which will complement the strong management team already established under the leadership of Managing Director, Mark Papendieck.

Mr Papendieck said the new appointments demonstrated the Company's ability to attract the best talent and experience on offer within the mining industry, both internationally and in Australia.

"We are absolutely delighted to have secured two highly-credentialed mining executives to join the Company at this pivotal period in our development," he said. "Jonathon will bring a wealth of experience at the highest levels of the mining industry to the Company at board level, and his specific operational and mining expertise will be invaluable to the Company as we commence production in Brazil.

"We are also delighted to have secured the services of Tim Spencer as Chief Financial Officer to manage and oversee the increasingly complex financial and accounting systems required as we close in on first production in Brazil," he said. "With Tim's appointment alongside Andrew Tunks as General Manager – Operations and our other recent senior mining and processing appointments, we now have a fully-fledged senior management team in place ready to take Orinoco forward to production."

### **Managing Director's Remuneration Package**

Orinoco is also pleased to advise that, in light of the Company's imminent transition to production status and the growing executive work-load, the Company has renegotiated the terms of its employment agreement for the Managing Director, Mr Mark Papendieck.

The new terms, reflect the Board's confidence in Mr Papendieck's leadership and management of the Company, his significant achievements over the past year in securing the funding package required to develop the Cascavel Gold Project in a difficult market and, moving forward, the Board's commitment to appropriately align remuneration strategies with the Company and individual performance and shareholders' interests.

The material terms of the new remuneration package for Mr Papendieck include:

- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – \$300,000 per annum plus statutory superannuation.
- Termination Provisions – The Executive may terminate the agreement without cause by giving 3 months written notice. The Company may terminate the agreement without cause by giving 6 months written notice.

The Company has also revised the terms of Key Executive and Alternate Director, Dr Klaus Petersen. Dr Petersen has assumed the role of Country Manager and his remuneration has been renegotiated for the same reasons as Mr Papendieck.

The material terms of the new remuneration package for Dr Petersen include:

- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – \$240,000 per annum plus statutory superannuation.
- Termination Provisions – The Executive may terminate the agreement without cause by giving 3 months written notice. The Company may terminate the agreement without cause by giving

6 months written notice.

The changes outlined above are effective immediately although the Remuneration Committee has agreed that these revised salaries for Mr Papendieck and Dr Petersen are to be paid from 1 March 2015 given the work load of both executives over the past 3 months.

Given the changes in the Company's operations and staffing requirements, the Remuneration Committee is currently reviewing potential short and long term incentive packages for all executives that are crucial to the success of the Company going forward. Further updates of these incentive packages will be announced as they are agreed.

An Appendix 3X is appended for Mr Jonathan Challis.

**-ENDS-**

For further information, please contact:

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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 coal and base metal 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, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. 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.*

# Appendix 3X

## Initial Director's Interest Notice

*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 30/9/2001.

<b>Name of entity</b>	<b>ORINOCO GOLD LIMITED</b>
<b>ABN</b>	<b>149 219 974</b>

We (the entity) give ASX the following information under listing rule 3.19A.1 and as agent for the director for the purposes of section 205G of the Corporations Act.

<b>Name of Director</b>	Jonathan CHALLIS
<b>Date of appointment</b>	10 June 2015

### Part 1 - Director's relevant interests in securities of which the director is the registered holder

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Number &amp; class of securities</b>
Nil.

**Appendix 3X**  
**Initial Director's Interest Notice**

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**Part 2 – Director's relevant interests in securities of which the director is not the registered holder**

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

<b>Name of holder &amp; nature of interest</b> <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	<b>Number &amp; class of Securities</b>
	Nil.

**Part 3 – Director's interests in contracts**

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	N/A
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>No. and class of securities to which interest relates</b>	

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+ See chapter 19 for defined terms.