



Orinoco to commence maiden drilling program at Sertão

Dedicated Orinoco Exploration Group formed to focus on growth and regional opportunities

Highlights

- Initial 3,200m diamond drilling program to commence in August at the Sertão Gold Mine to establish continuity of gold mineralisation at Sertão.
- Planned 23-hole program will follow up positive historical drill holes indicating shallow (<100m) down-plunge extensions of known mineralisation and near-surface oxide mineralisation along strike.
- Sertão previously hosted a shallow oxide open pit gold mine which historically produced 230,000 ounces at an average grade of 29g/t Au between 2001 and 2005, making it one of the highest grade and lowest cost operation in the world at that time.
- Orinoco has separated its exploration team from the Cascavel Development and Mining team, forming a new internal "Exploration Group" within its Brazilian operations to focus on growth opportunities such as Sertão.

Orinoco Gold Limited (ASX: **OGX**) is pleased to advise that it will commence its maiden drilling program next month at the 100%-owned **Sertão Gold Mine**, a key regional growth opportunity for Orinoco located 28km from its flagship **Cascavel Gold Mine** in central Brazil.

The upcoming 3200m diamond drilling program (see details below) will test for extensions of known mineralisation at Sertão and is aimed at establishing the down plunge and along strike continuity of high-grade gold mineralisation previously mined by Troy Resources between 2003 and 2005.

Ahead of the commencement of this program, Orinoco is pleased to advise that it has established a dedicated "Exploration Group" from within its existing Brazilian operational staff.

This organisational restructure recognises the need for the Company to maintain a diligent focus on its current development of the Cascavel Gold Mine, which is expected to commence gold production in the first quarter of 2016. To ensure there is no distraction from this key priority of completing the Cascavel development on time and on budget, and recognising the different disciplines involved in managing an operating mine and conducting successful exploration, the Company has separated its Exploration Group from its Operational team.

The key objective of the Exploration Group over the next 12 months is to define additional sources of high-grade ore feed to underpin the Company's strategy of building a regional production hub around its Faina Goldfields Project. Specifically, the Exploration Group will focus on:

1. Exploration around the historical Sertão Gold mine with the objective of defining a JORC Mineral Resource and Exploration Target to underpin a Scoping Study;
2. Evaluation of known brownfield gold prospects immediately adjacent to and along strike from the Cascavel Gold Mine such as the Garimpo and Cuca prospects;
3. Target generation within the broader Faina Goldfields Project and, in particular, the recently acquired MGX exploration portfolio (as announced to the ASX on 21st July 2015);
4. Evaluating opportunities to secure additional advanced gold exploration projects in the region to expand the Company's existing project portfolio; and
5. Advancing discussions with partners to explore greenfields targets within the Company's Faina Goldfields Project including previously reported results from Tinteiro (17.6m @ 1,292 g/t Ag), Eliseo (1.44m at 5.13g/t Au) and Charuto (33m @ 4.2g/t Au). As previously reported on September 30, 2014, the scale and tenor of targets across Orinoco's tenement package has generated interest from several major mining companies and due diligence is currently underway on potential partnering agreements.

Details of the Sertão Drilling Program

Orinoco's initial Sertão drilling program will comprise 23 diamond drill holes for a total of 3,165 m covering approximately 1,140m of strike and ~200m down-dip (although the majority of the holes are focussed less than 100m down dip).

The program will be executed in two phases, with the first phase designed to establish the down-dip continuation of the ore bodies from the previous shallow open pits while the second phase will test extensions along strike to the north of previously mined orebodies, including following up positive historical drill results recorded near the location of the previous processing plant. The drilling has several aims:

- To provide information regarding the ore shoot geometry and spacing at Sertão;
- To provide the basis for an Exploration Target at Sertão; and
- To in-fill gaps in previous drilling with the aim of calculating a Mineral Resource Estimate for Sertão.

Stage 1 comprises 13 drill holes for 2,105m located immediately down-dip from the old open pits. Stage 1 drilling extends about 120-140m from the open pit to the west, approximately 180m down-dip (vertical depth 110m) and 450m along strike. The drill holes are spaced ~100m apart (Figure 1).

Stage 2 consists of a total of eight drill holes distributed along 650m of strike of the northern extension and comprises 760m of drilling with spacing between the holes ranging from 50m to 125m. One deep hole is planned to check the down-dip extension of main mineralised body and also an upper mineralized level intercepted in historical drilling.

About Sertão

Sertão Mineração Ltda (SML) was previously a joint venture between Troy Resources and Amazonia Mineração Ltda that operated the Sertão gold mine in the Faina gold belt, Goiás state, central Brazil. Mining commenced in 2001 and produced approx 230,000 oz at an average grade of 29g/t Au until the mine's closure in 2005.

Mineralization is related to quartz veins within a BIF associated with the contact zone between carbonaceous schist and chlorite schist in a thrust shear zone. The structural setting and style of mineralisation appears to be very similar to Cascavel.

Management Comment

Orinoco's Managing Director, Mr Mark Papendieck, said the start of the Company's first-ever drill campaign at Sertão marked a significant milestone.

"We have always seen Sertão as an exciting regional growth opportunity and potential source of future high-grade ore feed to our operation at Cascavel. It also played an important logistical role under our original plan to locate the gravity processing plant there, although that has now changed.

"We see the opportunity to establish a JORC resource and accompanying Exploration Target at Sertão relatively quickly, and this forms part of our broader regional growth strategy – for which we have implemented an organisational restructure that essentially separates our mine site operations and exploration team for our broader Exploration Group.

"This delineation of responsibilities makes sense as Orinoco grows and prepares to make the transition to become an operating mining company," he added. "Our newly constituted Exploration Group has a large number of exciting opportunities in front of it, commencing with this Sertão drilling campaign, and shareholders can look forward to a steady flow of news in the months ahead as it gets stuck in to several of these prospects."

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Competent Person's Statement:

The information in this presentation that relates to Exploration Results is based on information compiled by Dr Klaus Petersen who is a member of the Australasian Institute of Mining and Metallurgy and CREA and Dr. Marcelo Juliano de Carvalho who is member of the Australasian Institute of Mining and Metallurgy. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho are employees of Orinoco Gold Limited and have 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 Klaus Petersen and Dr. Marcelo Juliano de Carvalho consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Previous Reported Results:

There is information in this report relating to Exploration Results at Cascavel. Full details of the Results were included in the following ASX Release and are available to view on the Company's website www.orinocogold.com:

1. 28 November 2014 - Low Cost Development & Exploration Upside Highlight Cascavel Opportunity
2. 23 October 2014 – Cascavel: More Bonanza Results Extend Current High Grade Zone to 15m @ 88g/t Au
3. 14 May 2014 - "Outstanding Gold Grade from Latest Cascavel Bulk Sample"
4. 7 July 2014 – Bonanza Gold Results up to 27 oz/tonne from Cascavel Exploration Decline
5. 14 May 2014 - Outstanding Gold Grade from Latest Cascavel Bulk Sample
6. 20 January 2014 - Successful Bulk Sampling Highlights the Opportunity for High Grade Development at Cascavel Gold Project.
7. 8 October 2012 - High-Grade Gold Results Returned From Curral De Pedra Project, Brazil
8. 12 December 2012 - Hits of up to 193gpt Au confirm mineralisation over 620m down dip
9. 15 April 2013 – Eliseo Gold Mineralisation Confirmed at Depth
10. 17 April 2013 – Orinoco Grows Eliseo Gold Project With Strategic Acquisitions.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Exploration Results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

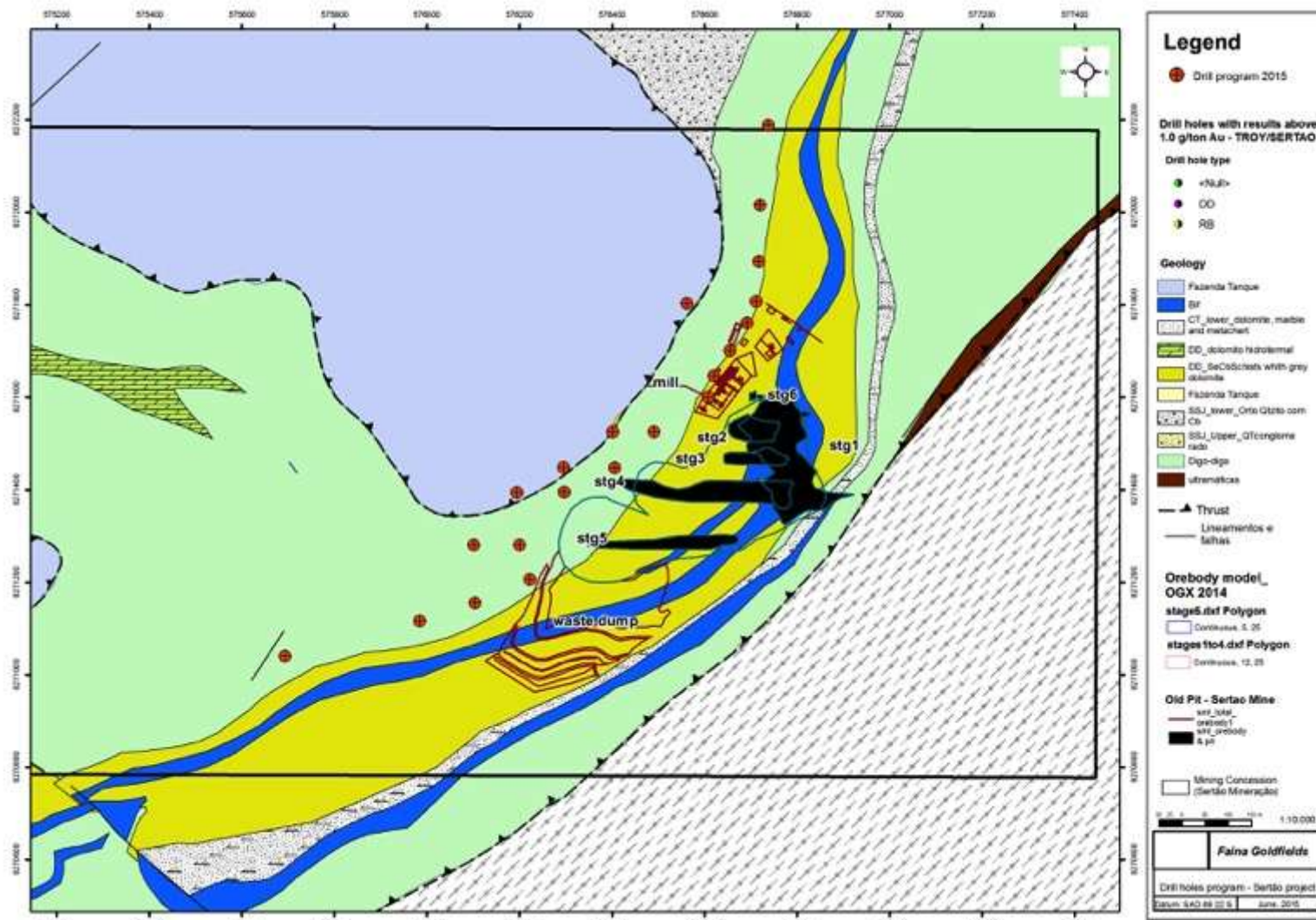


Figure 1 – Geology of the Sertão area. Shown in black shading are the previously mined high-grade gold shoots. Red circles show the drill collars for Orinoco's planned drill program.

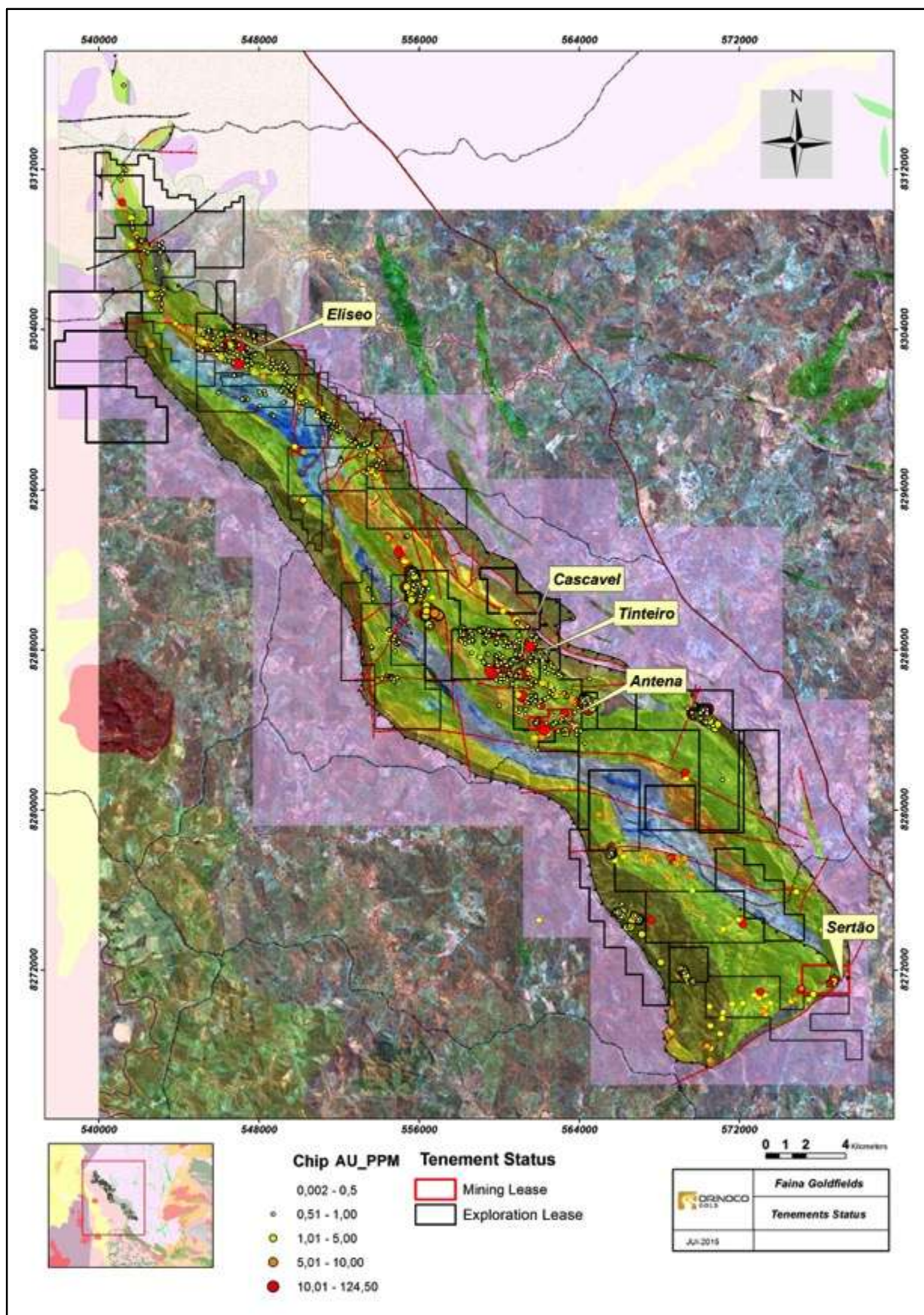


Figure 2 – Map showing Orinoco's tenements in the Faina Greenstone Belt. Also shown are the major exploration prospects which will be the focus of the Exploration Group.