



Cascavel Gold Project – Development Update

All development activities on schedule both in Brazil and Australia underpinning Orinoco's timetable to first gold production in early Q1, 2016

Highlights

- Factory commissioning of the gravity circuit in Australia now complete.
- Australian-supplied equipment ready for shipping in final week of October.
- Brazilian-supplied equipment on track for scheduled transport to site in early November.
- Site civil works progressing according to plan for commencement of crushing circuit installation in November.
- Visible gold encountered in all four development fronts in the mine.

Orinoco Gold Limited (ASX: OGX) is pleased to advise that development activities are proceeding on schedule at its flagship **Cascavel Gold Mine** in central Brazil, with all components of the Cascavel Process Plant having now been fabricated and, in the case of the gravity circuit, factory-commissioned.

Civil works, including earthworks and foundations for the plant, are well progressed for anticipated delivery to site of the crushing circuit in the second half of November.



Figure 1 – Site civil works underway (left) and (right) completed at Cascavel, ready for the commencement of crushing circuit and plant installation in November

The gravity circuit will be shipped to Brazil from Gekko Australia's premises in late October. Orinoco has organized for the equipment to clear customs in the dry port of Anapolis, located in the state of Goias in which Orinoco's Cascavel mine is located.

Installation of the crushing circuit will commence in late November followed by installation of the gravity circuit, which is expected to commence immediately following its arrival in-country – scheduled for late December.



Figure 2 – Pressure Jig – high mass pull gravity gold recovery (left) and In-line Spinner – centrifugal gravity gold recovery at Gekko Systems in Australia

Brazilian-supplied equipment (including conveyors, ore feed bins and cone crusher) is on track for a scheduled ex-works date of first week in November.



Figure 3 – Conveyors (top left), ore feed bins (top right) and cone crusher (bottom left) being assembled at Simplex in Brazil and equipment being inspected at Gekko Systems prior to shipping to Brazil (bottom right).

Cascavel Mine Development

With the initiation of the first Level drives from the main Incline Shaft, regular panel sampling of the mineralised vein is now underway. The first expected assays from the mine development will be from a small bulk sample collected from the mineralised zone in the main Incline Shaft (see Figure 4). Results from the sample are expected in the coming weeks followed by regular panel sample results which will provide an indication of the grade of the ore that will be extracted from the initial stopes.

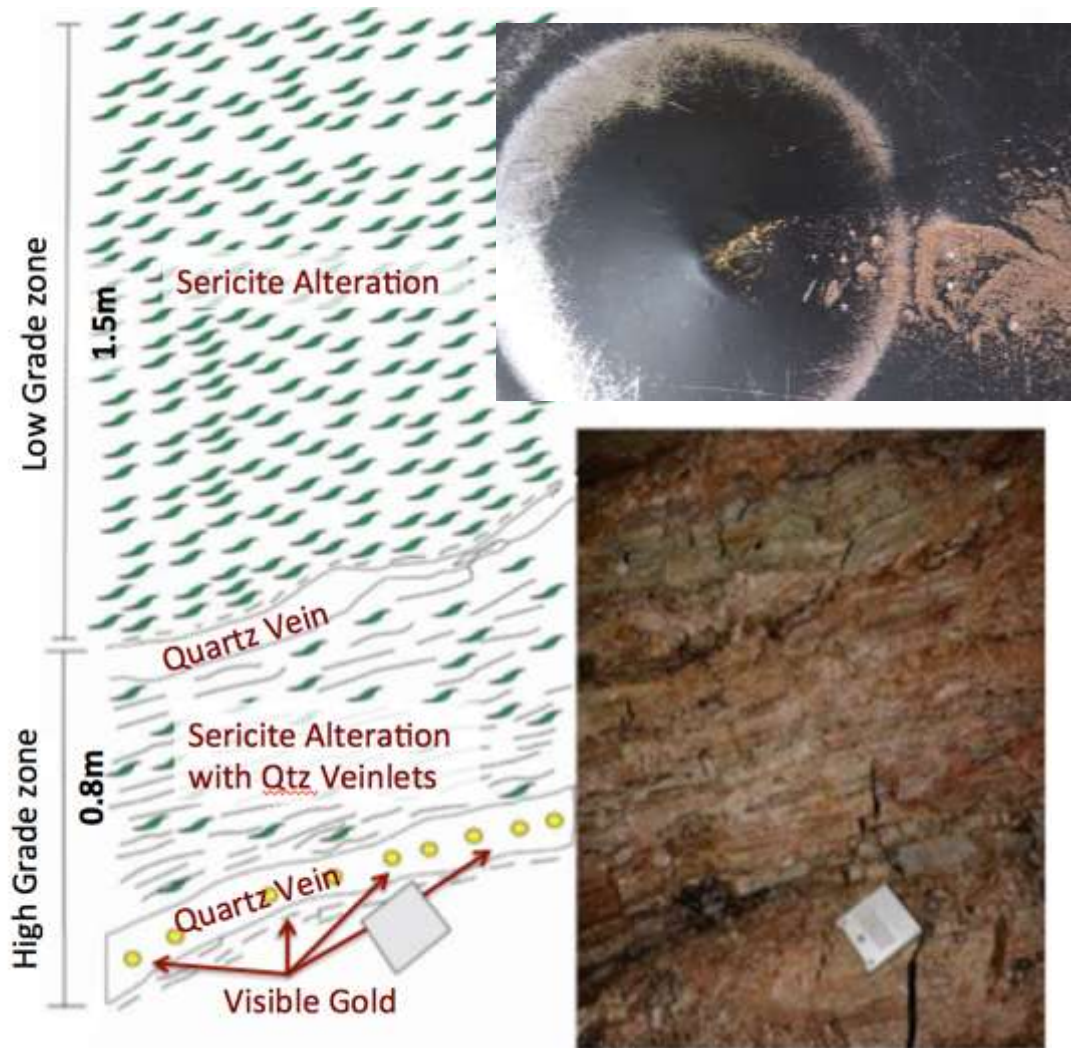


Figure 4 – ABOVE. Photo of the incline shaft face (bottom right), with a diagram showing the geology (right) and the results of panning a sample taken from the alteration (top right).



Figure 5. LEFT. Working on the face of the main incline shaft with level 0 Central being cleaned on the right.

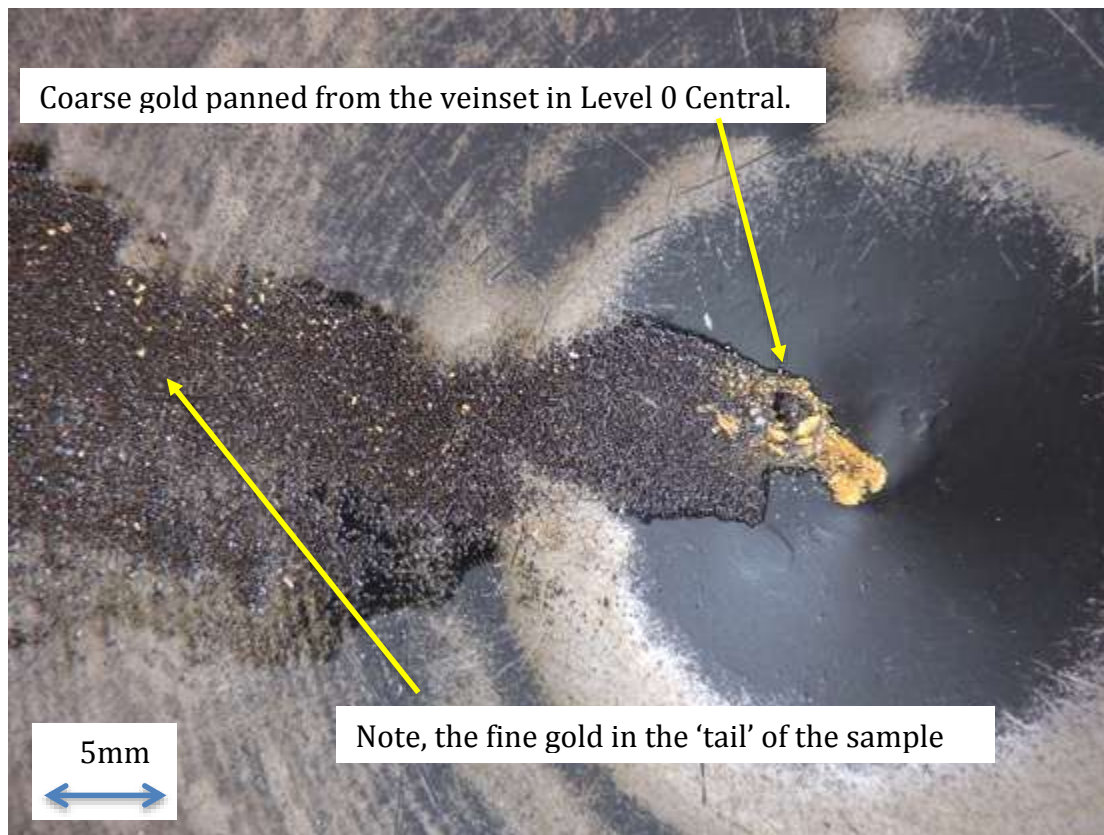


Figure 6 – Visible gold panned from the veins in Level 0 Central

Ground conditions in the northern part of the mine (in which the exploration decline commenced in 2014) are very good, however continued ground support has been required in the main Incline Shaft in the southern part of the mine to counteract the presence of a thick alteration zone in combination with groundwater.

Boreholes sunk recently into the historical workings at Mestre and the subsequent commencement of pumping has enabled de-watering to commence in the area around the mine development, resulting in an immediate improvement in ground conditions.

Four headings are currently underway in the mine, and a fifth is expected to commence next week.

-ENDS-

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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.