

September 2015 Quarterly Report

Orinoco closing in on first gold production in early 2016 with development activities at Cascavel proceeding on schedule and new growth initiatives also underway

Highlights

- Underground development at Cascavel proceeding on schedule, with four development mining faces now active including the Main Decline which has progressed below the first development level.
- Relocation of the process plant site from Sertão to Cascavel approved by the Brazilian Environmental authorities, unlocking a number of important benefits for Orinoco.
- Construction of the gold recovery plant is progressing as planned and delivery of Brazilian-sourced crushing equipment to site has commenced.
- The gravity gold recovery equipment sourced through Gekko Systems in Australia is on time and on budget and will be shipped to Brazil in November.
- 50 per cent increase in the Company's ground holdings in the Faina Greenstone Belt with the acquisition of new highly prospective exploration ground.
- 3,200m diamond drilling program commenced at the Sertão Gold Mine to establish the continuity of gold mineralisation down-dip of the open pit where mining ceased in 2005.

Orinoco Gold Limited (ASX: OGX) continued to make strong progress during the September 2015 Quarter towards the development of the Company's flagship **Cascavel Gold Project** (OGX: 70%) in central Brazil, with the Company on-track to achieve first gold production in early 2016.



Figure 1 – Site civil works underway (left) and completed (right) at Cascavel, ready for the construction of the mill in November

After extensive discussions with the relevant Environmental Agencies in Brazil, the Company announced plans during the Quarter to reconfigure the proposed location of the processing facility for the Cascavel Project, and will now install the gravity circuit on site at Cascavel less than 200m from the mine portal.

This key change from the original plan – which, due to licensing requirements, was to locate the processing plant at Orinoco's Sertão Gold Mine (OGX 100%) located 28km away – will **unlock significant operating cost savings for the project**.

Civil works, including earthworks and foundations for the plant, are currently well underway, with the delivery of the first Brazilian-sourced crushing components completed during the Quarter.

The gravity circuit will be shipped to Brazil from Gekko Systems Australia in late October. Orinoco has arranged for the equipment to clear customs in the dry port of Anápolis, located in the State of Goiás where Orinoco's Cascavel mine is also located.

On-site installation of the crushing circuit will commence in November, followed by installation of the gravity circuit which is expected to commence immediately following its clearance by customs, currently scheduled for late December.



Figure 2 – Pressure Jig – high mass pull gravity gold recovery (left) and In-line Spinner – centrifugal gravity gold recovery (right) 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 the first week in November.



Figure 3 – Conveyors (left) and ore feed bins (right)



Figure 4 – Cone crusher (left) being assembled at Simplex in Brazil and equipment being inspected at Gekko Systems in Australia prior to shipping to Brazil (right)

Licensing

Following the decision to change the location of the processing plant from Sertão to Cascavel (see ASX Announcement – 14 July 2015), all necessary environmental licenses have now been granted to allow Orinoco to locate the processing plant at the Cascavel site.

A number of significant savings in operational expenditure are expected to flow from having the processing plant located at Cascavel as opposed to Sertão, together with other strategic and logistical benefits. Importantly, the plant will now be located in a central position relative to other potential sources of mill feed, such as the exploration targets at Garimpo, Cuca and Tinteiro all of which are located close to Cascavel.

The Sertão area is already fully licensed for both mining and plant operation and drilling is well underway at Sertão, testing for both down-dip and along-strike extensions of the high-grade gold mineralisation that was previously mined by Troy Resources between 2002 and 2005.

Cascavel Mine Development

Underground development at Cascavel is proceeding on schedule, with four development mining faces now active including the Main Decline, which has progressed below the first development level. Visible gold has been encountered in all four development fronts in the mine.

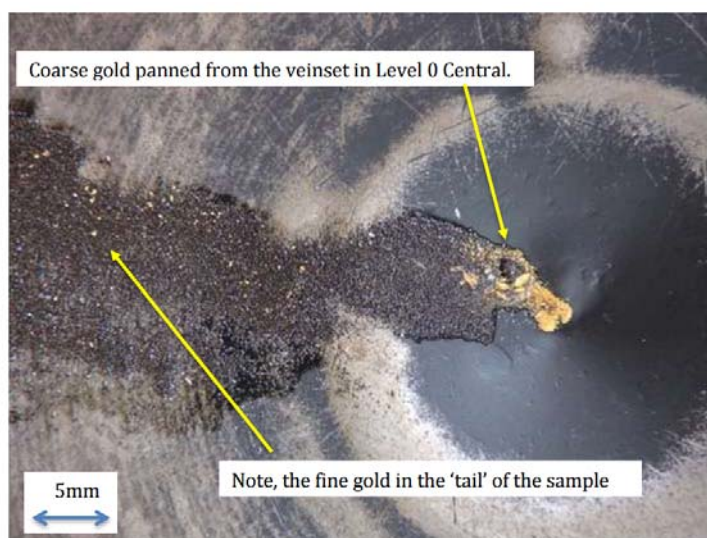


Figure 5 – Visible gold panned from the veins in Level 0 Central

With the commencement 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 6). 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.

Ground conditions in the northern part of the mine (where the exploration decline commenced in 2014) are very good, however continued ground support has been required in the Main Decline in the southern part of the mine to counteract the presence of a thick alteration zone in the hangingwall of the main Cascavel vein.

Boreholes drilled 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 improvement in ground conditions.

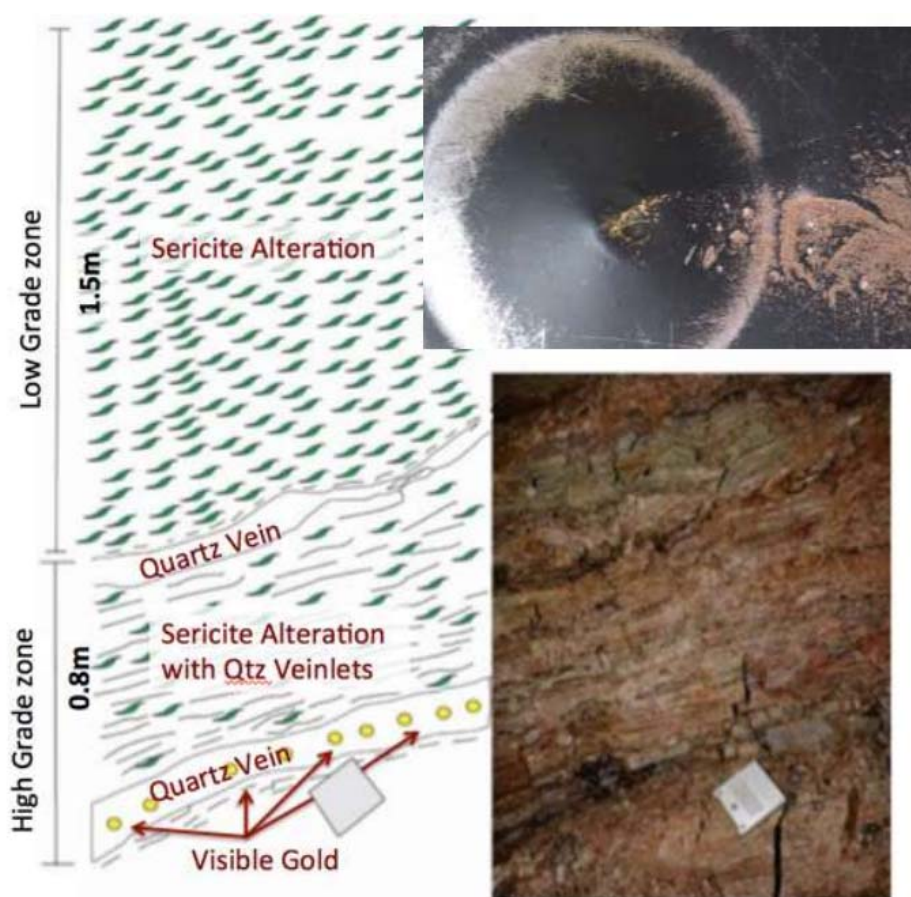


Figure 6 – Photo of the incline shaft face (bottom right), with a diagram showing the geology (left) and the results of panning a sample taken from the alteration (top right).

Exploration

Sertão Diamond Drilling Program

Orinoco commenced its maiden drilling program in August at the 100%-owned Sertão Gold Mine, with a diamond drilling program designed to test for extensions of known mineralisation. The program will comprise 23 diamond drill holes for a total of 3,200m covering approximately 1,200m of strike and ~200m down-dip of the Sertão open pit mined by Troy Resources between 2001 and 2005.

By the end of the Quarter, eight holes had been completed and all had intersected the target zone ~100m down dip of previously mined oxide gold mineralisation. The target zone consists of quartz veins and associated sulphides hosted in a metamorphosed dolomite. All of the completed drill-holes have also intersected a parallel mineralised zone located ~25m into the hangingwall above the targeted gold zone, also consisting of quartz veins and sulphides.

While assays are pending, information received from drilling to date supports Orinoco's view that the gold mineralisation at Cascavel and Sertão, which are located ~18km apart on the same set of shear zones, are closely related and that multiple gold zones such as those found at and around Cascavel, are likely to also exist at and around Sertão.

Acquisition of new exploration tenements

During the Quarter, the Company further strengthened its strategic position in the Faina Greenstone belt in central Brazil after entering into an agreement with private Brazilian company Mineração Goiás Velho ('MGV') to acquire an 80 per cent interest in a portfolio of prime exploration acreage in close proximity to the Cascavel Gold Mine (Figure 7).

The package covers a total area of approximately 100km², and boosts the Company's total ground holdings by 50 per cent. The new acquisition is expected to provide an attractive pipeline of exploration and growth opportunities for Orinoco once it commissions the Cascavel Gold Mine.

Establishment of Dedicated Exploration Group

In recognition of the importance of ongoing exploration, Orinoco has established a dedicated "Exploration Group" from within its existing Brazilian operational staff. 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 MGV exploration portfolio (as announced to the ASX on 21st July 2015); and
4. Evaluating opportunities to secure additional advanced gold exploration projects in the region to expand the Company's existing project portfolio.

Corporate

The Company held \$7.5 million in cash at the end of the Quarter and had US\$1 million available for drawdown via the gold stream funding facility (US\$5 million was drawn down during the Quarter).

-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 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.

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 2013 - 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. 18 February 2014 - Orinoco to fast track Brazil Development after Acquiring Former Sertão Gold Mine from Troy Resources

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.

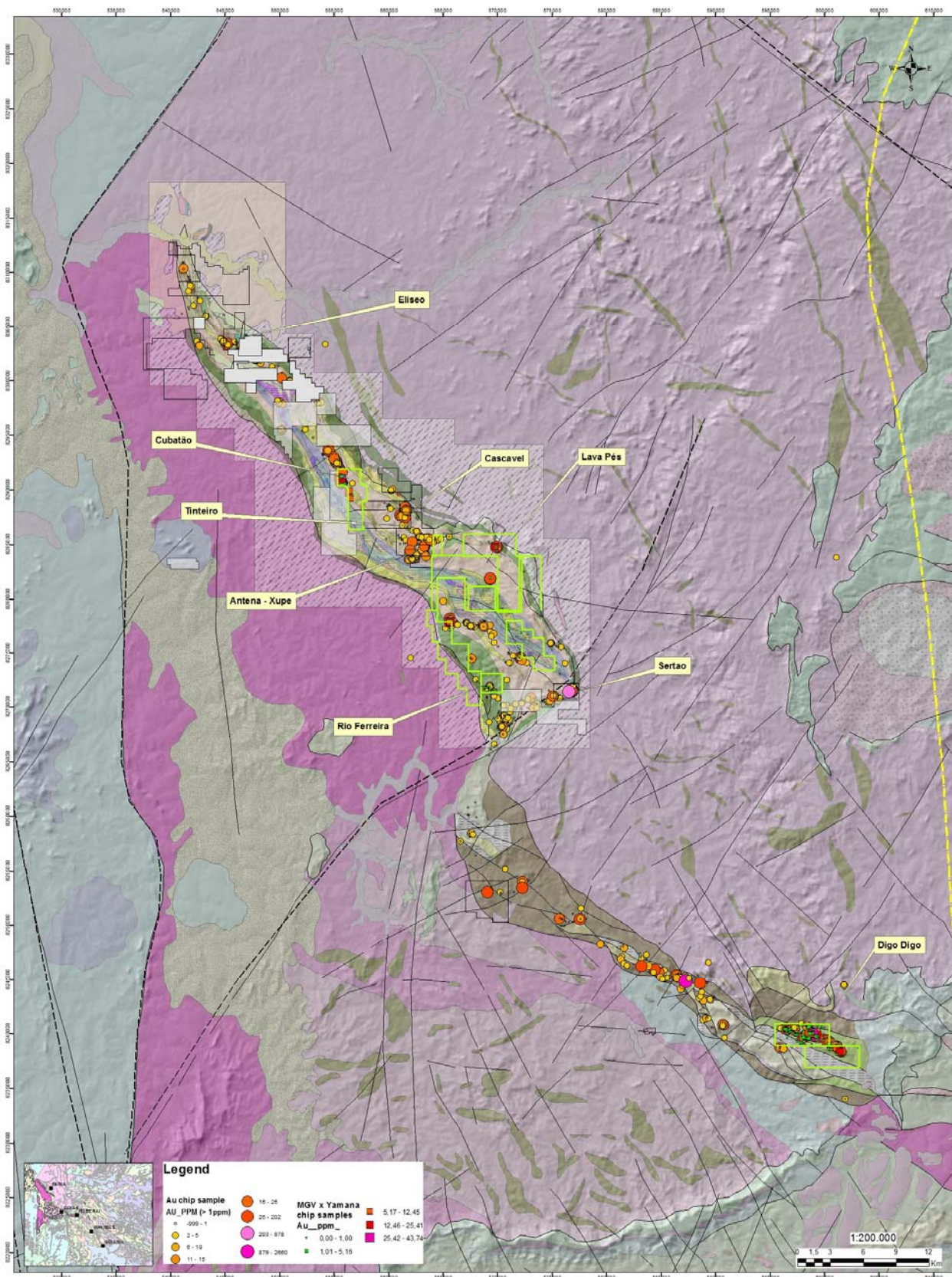


Figure 7 – New tenements acquired from Mineração Goiás Velho. New tenements shown in green, all other tenements are Orinoco's existing tenement package.

Interests in Mining Tenements:

Project/Tenements	Type of Tenement	Location	Held at end of Quarter	Acquired during the quarter	Disposed of during the quarter
<u>Cascavel</u> 860.167/2007	Extraction Licence and Mining Lease Application	Faina - Brazil	70%	-	-
861.586/2009	Exploration		70%	-	-
860.185/2011	Exploration		70%	-	-
861.796/2007	Tender Application		70%	-	-
<u>Faina Regional / Tinteiro</u> 860.284/2010	Exploration	Faina - Brazil	60%	-	-
860.968/2010	Exploration		60%	-	-
860.434/2010	Exploration		60%	-	-
860.435/2010	Exploration		60%	-	-
861.288/2009	Exploration/ Application for Extension		60%	-	-
860.436/2010	Exploration / Application for Extension		60%	-	-
861.277/2010	Exploration		70%	-	-
860.600/2011	Exploration		70%	-	-
862.520/2011	Exploration		60%	-	-
860.185/2012	Exploration		60%	-	-
861.347/2012	Exploration		60%	-	-
860.157/2013	Exploration		60%	-	-
860.051/2012	Exploration Application		70%	-	-
860.188/2012	Exploration Application		70%	-	-
860.856/2012	Exploration Application		70%	-	-
860.404/2013	Exploration		70%	-	-
860.863/2006	Tender Application		60%	-	-
861.340/2008	Tender Application		60%	-	-
861.590/2009	Tender Application		60%	-	-
861.341/2008	Tender Application		60%	-	-
861.229/2005	Tender Application		60%	-	-
861.258/2003	Tender Application		60%	-	-
861.445/2010	Tender Application		60%	-	-
860.336/1990	Tender Application		70%	-	-
860.337/1990	Tender Application		70%	-	-
861.796/2007	Tender Application		70%	-	-
861.918/2013	Exploration Application		70%	-	-
861.917/2013	Exploration Application		70%	-	-
860.699/2013	Exploration		60%	-	-
861.016/2009	Exploration		80%	80%	-
861.587/2009	Exploration		80%	80%	-
860.069/2010	Exploration		80%	80%	-
860.871/2010	Exploration		80%	80%	-
860.947/2010	Exploration		80%	80%	-
860.948/2010	Exploration		80%	80%	-
860.956/2010	Exploration		80%	80%	-
860.964/2010	Exploration		80%	80%	-
860.987/2010	Exploration		80%	80%	-
860.988/2010	Exploration		80%	80%	-
860.990/2010	Exploration		80%	80%	-
860.193/2011	Exploration		80%	80%	-
<u>Sertão</u> 860.368/1995	Mining Lease	Faina - Brazil	100%	-	-
860.096/1986	Mining Lease		100%	-	-
760.742/1996	Mining Lease Application		100%	-	-

Interests in Farm-in/Farm-out agreements:

For those tenements above marked with an *, Orinoco is farming in to the tenements to earn 60% through exploration over 30 months and making milestone payments after 18 and 30 months. An additional 15% can be purchased by Orinoco at an agreed rate based upon agreed metrics.