

23 December 2015



Dear Optionholder

**Orinoco Gold Limited – pro-rata non-renounceable rights issue**

As announced on 23 December 2015 Orinoco Gold Limited (ACN 149 219 974) (**Company** or **OGX**) is undertaking a 1:7 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 31,081,370 fully paid ordinary shares (**New Share**), together with one free Option exercisable at \$0.25 on or before 31 January 2018 for every three (3) new Shares subscribed for and issued under the Offer (**New Options**), to raise approximately \$5,283,833. The price of New Shares under the Offer is \$0.17 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 23 December 2015.

The proceeds of the Offer, together with the \$1,111,150 raised pursuant to the placement announced to the ASX on 17 December 2015 (**Placement**), will be firstly allocated towards the costs of the Offer, then to cover enhancements made to the existing plant and mine development currently underway, then to develop a second ore haulage point from the mine and to purchase additional capital equipment to allow the development and subsequent mining of additional underground headings and associated regulatory approvals. The funds will also provide a prudent working capital buffer during the plant assembly and commissioning phases.

	A\$
Plant & Equipment	2,480,000
Mine Development including associated permitting costs	2,140,000
Costs of the Placement and the Offer	106,000
Working Capital	1,668,983
<b>Total funds available after completion of the Placement and the Offer</b>	<b>\$6,394,983</b>

The above is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 13 January 2016, whose registered address is in Australia, New Zealand or Hong Kong.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 31,081,370 New Shares and 10,360,457 New Options resulting in total Shares on issue of approximately 248,650,957 and the total Options on issue of approximately 135,111,323.

**Optionholders**

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on 13 January 2016 (**Record Date**).



To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company's Share Register, Security Transfer Registrars Pty Ltd at 770 Canning Highway, Applecross WA 6953 or post to Orinoco Gold Limited care of Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "**Orinoco Gold Limited**".

**OR, ALTERNATIVELY**

- (d) Pay the amount due in respect of each option exercised, by BPAY®, by following the instructions set out in the accompanying Notice of Exercise of Options Form.  
You must ensure that:

- i. you use the Biller Code and unique Reference Number shown on your personalised Notice of Exercise of Options Form; and
- ii. your acceptance and payment by BPAY® is received no later than 5:00pm(WST) on 11 January 2016.

**IMPORTANT NOTICE AND INSTRUCTIONS CONCERNING BPAY® PAYMENTS**

Please note that your own financial institution may impose early cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment by BPAY®. It is your responsibility to ensure that the payment is actually received by 5.00pm (WST) on 11 January 2016 and the Company will not be responsible for any delay in the receipt of the BPAY® payment.

If you wish to exercise your options and paying for it by BPAY®, you do not need to return a completed Notice of Exercise of Options Form but will be taken to have made the declarations contained in the Notice of Exercise of Options Form.

To ensure that your new shares are allotted prior to the Record Date, the above must be received by OGX **no later than** 5.00pm on 11 January 2016. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Phillip Wingate, OGX's Company Secretary, on +61 8 9482 0540.

Yours sincerely

**John Hannaford**  
**Non-Executive Chairman**  
**Orinoco Gold Limited**