ORINOCO GOLD LIMITED

ACN 149 219 974

ANNUAL REPORT

for the year ended 31 December 2015

ORINOCO GOLD LIMITED
ACN: 149 219 974

CONTENTS

This Annual Report covers Orinoco Gold Limited ("Orinoco" or the "Company") and its subsidiaries. The financial report is presented in Australian currency.

Orinoco is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Orinoco Gold Limited
Ground Floor, 16 Ord Street
West Perth WA 6005 Australia

ORINOCO GOLD LIMITED
ACN: 149 219 974

CORPORATE INFORMATION

Directors
Mr John Hannaford
Non-Executive Chairman

Mr Mark Papendieck
Managing Director

Mr Brian Thomas
Non-Executive Director

Mr Ian Finch
Non-Executive Director

Mr Jonathan Challis
Non-Executive Director

Dr Klaus Petersen
Technical Executive & Alternate Director to Mr Papendieck and Mr Finch

Company Secretary
Mr Phillip Wingate

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Australian Securities Exchange Limited
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000 Australia

ASX Code: OGX, OGXOB, OGXOC

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Auditor
HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000 Australia

Bankers
Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009 Australia

LETTER FROM THE CHAIRMAN

Dear Shareholder

It is with pleasure that we present to shareholders the 2015 Annual Report, the first full year annual report of the company on a calendar year format.

The 2015 year was a watershed year for Orinoco Gold with several major achievements throughout the year elevating the company from an advanced explorer to developer and near term producer, in the backdrop of a difficult financial markets environment for mining companies.

1. ***Raising US$ 8 million in gold streaming funding***: this is a major achievement, more so when the company's flagship Cascavel project has neither a JORC resource due to its nuggety ore type nor a bankable feasibility study.
2. ***Building a gravity gold plant:*** using the streaming funding the company's development team has designed and procured a Gekko gravity gold plant, with a modest overall capital cost, in a short timeframe.
3. ***Commencing underground mining operations***: using local and internationally experienced underground mining expertise the company commenced mining operations during the year.
4. ***Securing additional funding:*** The company embarked upon a financing initiative late in the year, being a placement and a pro rata entitlement issue to shareholders to provide additional capital for further development activities at Cascavel and other projects.

These achievements were in the context of a very tough environment for mining financing, which underscores two major differentiators for Orinoco against other companies in a very competitive space for funding:

Firstly, the significant potential of the high grade Cascavel gold project. This project has the potential, we believe of supporting a long term, high grade mining project on several underground headings.

Secondly, the Company is blessed with a first class management team, many of whom have been with the company since its inception in 2012.

The company, its projects, management and development teams have been subject of a number of external reviews by financiers, and their consultants and have been highly commended on every occasion. This is extremely satisfying for the board and shareholders, and on behalf of both I would like to express our gratitude to Mark Papendieck, Tim Spencer, Klaus Petersen, Marcelo de Carvalho, Andrew Tunks and the rest of the team for their tremendous efforts during the year.

This company is now in the best position in its history, ready to commence gold production early in the year, well financed and managed, poised to step into a new phase.

The Company is also has a very loyal shareholder base that has supported the company both in the recent capital raisings, but also on market. We look forward to your continued support as we build into a successful gold mining company.

Yours sincerely

John A Hannaford
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the financial statements of the Group consisting of Orinoco Gold Limited and the entities it controlled during the period for the year ended 31 December 2015.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and details of Directors in office at any time during the financial period are:

Mr John Hannaford – B.Com (UWA), CA, F.Fin.
Non-Executive Chairman – (Appointed 9 February 2011)

EXPERIENCE AND EXPERTISE

Mr Hannaford has broad financial experience from several corporate roles in Australia, Asia and Europe with resources companies. Mr Hannaford is principal and director of Corporate Advisory firms Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd, which specialise in the provision of corporate and financial advice to junior resource companies. Mr Hannaford has also been involved with several ASX listings and has acted as Director, Company Secretary and Financial Controller to several of these companies.

Mr Hannaford graduated from the University of Western Australia with a Bachelor of Commerce degree in 1986 majoring in Finance and Economics. He qualified as a Chartered Accountant in 1990, gaining experience with the Arthur Andersen audit division in Perth and in Hong Kong. He completed a Diploma of Applied Finance and Investment with the Securities Institute of Australia and was admitted as an Associate of the Institute in 2003.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Non-Executive Director – Bone Medical Limited

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Non-Executive Chairman – Monteray Mining Group Limited (appointed 21 December 2010, resigned 20 January 2015)
Non-Executive Director – Jaguar Minerals Ltd (appointed on 20 November 2011, resigned on 19 August 2013)

Mr Mark Papendieck – Dip. Law, NSW, LPAB
Managing Director – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE

Mr Papendieck has held a range of senior executive roles in Australia and overseas in both the mining and the financial services industry. He has experience with gold, copper, iron ore and manganese focussed companies at both management and board level and has spent the past nine years focusing predominantly on Brazilian resources companies.

Mr Papendieck was the founding Chairman of Centaurus Resources Limited from 2006 and was appointed as the Managing Director in 2008 to oversee the Company's emerging operations in Brazil.

Mr Papendieck brings to his directorship a solid understanding of the resources industry gained through his involvement in both the resources and financial services industries and a detailed knowledge of running a resource business in Brazil. Mr Papendieck has been involved in the identification, assessment, structuring and management of gold, copper and iron ore projects in Australia and South America.

Mr Papendieck holds a Diploma of Law from the NSW Legal Practitioners Admission Board (Dip. Law, NSW LPAB). He is also a Non-Executive Director of unlisted company Supergene Resources Limited.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Non-Executive Director – Southern Crown Resources Ltd (appointed 30 April 2010, resigned 20 January 2016)

Mr Brian Thomas – BSc, MBA, SAFin, MAusIMM, MAICD
Non-Executive Director – (Appointed 31 March 2011)

EXPERIENCE AND EXPERTISE
Mr Thomas is the principal of a corporate advisory practice working with small to mid-market capitalisation companies in the areas of corporate finance, mergers & acquisitions and investor relations. He is currently a Non-Executive Chairman and a Non-Executive Director with several ASX listed companies and has held both Executive and Non-Executive roles with numerous other ASX listed and unlisted companies after an extensive career in the financial services sector working in corporate stockbroking, investment banking, funds management and banking.

Mr Thomas graduated from the University of Adelaide with a BSc in Geology and Economic Geology, the University of Western Australia with an MBA and the Securities Institute of Australia (now FinSIA) with a Diploma in Applied Finance and Investment. He has more than 30 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Non-Executive Director - Tempo Australia Limited

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Non-Executive Chairman – Go Energy Group Ltd (formerly Solco Ltd) (appointed 23 February 2015, resigned 19 February 2016)
Non-Executive Chairman – Ensurance Ltd (formerly Parker Resources NL) (appointed 10 January 2011, resigned 10 September 2015)
Non-Executive Director - Potash Minerals Limited (appointed 9 June 2010, resigned 30 June 2014)
Non-Executive Director - Noble Mineral Resources Limited (appointed 6 April 2010, resigned 20 December 2013)

Mr Ian Finch – BSc (Hons), AUSIMM, MAICD
Non-Executive Director – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE
Mr Finch's career spans 42 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa.

In 1981 he joined CRA Exploration as a Principal Geologist before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia.

In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it discovered a resource of approximately 1.0 million ounces at the Paulsen's Project.

In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency, Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Executive Chairman – Tyranna Resources Ltd (formerly IronClad Mining Limited)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Managing Director – Trafford Resources Limited (delisted on 21 May 2015 following merger with IronClad Mining Limited)

Mr Jonathan Challis – Chartered Mining Engineer, BSc., MBA
Non-Executive Director – (Appointed 10 June 2015)

EXPERIENCE AND EXPERTISE
Mr Challis is a mining engineer with over 30 years' experience in the operation, management, financing and analysis of mining projects around the world. Mr Challis has an honours degree in Mineral Exploitation from University College, Cardiff and an MBA degree from Cranfield University. He 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.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Non-Executive Director and Chairman – Rye Patch Gold Corp
Non-Executive Director – WAI Capital Investments Corp (formerly West African Iron Ore Corp)
Executive Director – Goldbelt Empires Ltd (formerly Quartet Mining Ltd)
Non-Executive Director – Explor Resources Inc
Non-Executive Director – Pasinex Resources Ltd

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Nil

Dr Klaus Petersen – M.Sc (Mineralogy & Petrology), PhD (Minerology & Petrology,) AusIMM, CREA
Alternate Director to Mr Papendieck and Mr Finch – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE
Dr Petersen is a Brazilian national who has over 20 years' experience in the Brazilian resources industry. Dr Petersen has spent the last eight years in management roles at ASX-listed, Brazilian-focused companies, where he was responsible for project generation and exploration.

This has included the last six years in Chief Geologist roles at Centaurus Resources (now Centaurus Metals) where he was one of the co-founders. Before this, Dr Petersen worked with Vale's exploration division on gold targets in Brazil's Iron Quadrangle and later completed his PhD on Anglo Gold Ashantis' Crixas mine in Goiás State, Brazil. In 2003 he moved to Australia to work with the University of Western Australia on the gold mineralisation of complex hydrothermal systems in the Western Australian Goldfields.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Nil

DIRECTORS' REPORT (CONTINUED)

COMPANY SECRETARY

Mr Phillip Wingate – B.Com (Curtin), CA
Company Secretary - (Appointed 9 February 2011)

EXPERIENCE AND EXPERTISE

Mr Wingate holds a Bachelor of Commerce Degree from Curtin University Australia and is an Associate of the Institute of Chartered Accountants in Australia. After graduating from University, he started his career in commercial and management accounting with a large private construction group.

Since 2008 Mr Wingate has been involved in a number of company secretarial positions and ASX junior transactions. Mr Wingate has been closely involved with the mining sector in Western Australia and has a strong financial and management reporting background. Mr Wingate is also Company Secretary of ASX listed Panorama Synergy Limited and Non-Executive Director and Company Secretary of Bone Medical Limited.

PRINCIPAL ACTIVITIES

Orinoco Gold Limited is an Australian company developing a gold mine and conducting exploration activities on projects located on the Faina Greenstone Belt in central Brazil, South America.

RESULTS

The net loss attributable to owners of the parent entity for the year ended 31 December 2015 is $7,658,823 (six months to 31 December 2014: $1,719,246). The net loss includes exploration expenditure written off as incurred (in accordance with the Group's accounting policy) of $1,445,452 (six months to 31 December 2014: $1,180,182).

DIVIDENDS

There were no dividends paid or declared during the period.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW

Faina Goldfields Project

In what was a transformational year for the Company, 2015 saw Orinoco commence development of the Cascavel Gold Mine, its first mine within the Faina Goldfields Project.

During the year Orinoco's sole focus was the Faina Goldfields Project which is located in the central Brazilian state of Goiás, approximately 120km southwest of AngloGold's world-class Serra Grande mine complex and Yamana Gold's Pilar mine. The Faina Goldfields Project consists of a large tenement package of approximately 200km^2 that encompasses numerous areas of interest of which Cascavel is but the first.

During the year the Company achieved several key milestones including:

- Executing a Memorandum of Understanding (MOU) with the Goiás State Government recognising the Cascavel Gold Project as a project of importance for the State.
- Finalisation of an innovative gold sharing arrangement with Cartesian Royalty Holdings providing Orinoco with US$8 million in funding to advance construction and development at Cascavel.
- After extensive discussions with the relevant Environmental Agencies in Brazil, permission was received to install the processing plant on site at Cascavel less than 300m from the mine portal. The previously announced plan was to utilise the existing mining lease at Sertão to install the plant.
- Appointment of gravity gold specialists, Gekko Systems, to construct the gold recovery circuit for the Cascavel Mine.
- Commencement of underground development at Cascavel.
- Clearing and preparation of the site for the Cascavel Processing Plant.
- Design and fabrication of the Brazilian and Australian supplied mining and processing equipment.
- Delivery to site of the Brazilian supplied crushing circuit and its subsequent erection. The Australian supplied gravity circuit was shipped to Brazil and received in-country in January.
- Completion of the Company's first exploration program at Sertão, confirming the continuity down plunge of the previously mined shallow high-grade ore shoots.
- Addition of a new package of tenements to the Faina Goldfields Project including mineralised targets such as Garimpo. This target is located only ~3 kilometres to the north of Cascavel and is hosted in the same system of shallowly southwest dipping shear zones and veins.
- Ongoing exploration that continues to progress the Company's understanding of the controls on gold mineralisation across the Faina Goldfields Project including Cascavel, Sertão and the widespread Tinteiro mineralised system.

DIRECTORS' REPORT (CONTINUED)

Cascavel Processing Plant

The granting of an environmental licence to construct the Processing Plant on site at Cascavel rather than 28km to the south on the Sertão Mining Lease was of great significance to the planning and development of the Cascavel gold mine. Although this decision resulted in short term delays as plans were re-drawn for the new site, the long term benefits and operational efficiencies of having the plant located in close proximity to the mine portal are considerable.

The processing plant being installed at Cascavel is a modular gold recovery plant that consists of a closed-circuit crushing circuit with gold recovery via Gekko's proprietary In-Line Pressure Jig and Spinners.

Metallurgical tests conducted in June reinforced previous results and demonstrated the ability to achieve excellent recoveries at a coarse grind (0.6mm, p100). Importantly a significant amount of the gold (88-89%), was recovered in the first pass test work at a grind size of only 1.18mm (p100). Following this test work and the planned relocation of the circuit to Cascavel, three additions were made to the design of the Cascavel circuit. A secondary crushing unit (cone crusher) was added to take some planned load off the tertiary crusher, a slimes thickener was added to the water and tailings module design and a Knelson concentrator was added to scavenge any fine gold. A final gold recovery of approximately 85% is expected based on these tests and the planned throughputs.

The Brazilian supplied equipment (the crushing circuit) was fabricated and delivered to site during 2015, with erection of the crushing circuit completed in January 2016.

The Australian manufactured gravity circuit was fabricated, pre-assembled and factory commissioned at Gekko's premises prior to being shipped in November and was received in Brazil by early January 2016. The federal customs clearing process in Brazil has proven more onerous than anticipated and resulted in a two month delay in clearing the shipment through customs.

Erection of the gravity component of the Cascavel circuit will commence in April and will take 30 days to complete. Plant commissioning will commence immediately following the finalisation of construction.

The plant will be commissioned using low-grade ore stockpiled from development headings. Due to the dimensions of the incline shaft (2.8m x 3.5m) and the development drives (2.5m x 2.5m) development ore is anticipated to be heavily diluted but is still expected to be mineralised. Parcels of higher grade material from the planned first stopes will be treated by batch allowing for better understanding of the gold grades and thus forecasting of near term production.

Cascavel Gold Mine Development

As the geology at Cascavel is exposed through ongoing development, it continues to meet the Company's expectations with regard to continuity of structure and endowment of visible gold. The information gathered from ongoing sampling and mapping of Cascavel supports the current geological model where the mineralised veins consist of both high and low grade ore shoots. Orinoco's current mine plan encompasses the mining of the high-grade shoots through selective small-scale room-and-pillar mining techniques while the lower grade shoots are currently scheduled to be left as pillars. However, the lower grade areas will be further assessed for mining as both mine and plant costs are better understood once production is underway.

Having commenced development of the main incline shaft in early June 2015, the ground conditions over the first ~25m proved challenging with significant weathering, ground water and hydrothermal alteration necessitating significant geotechnical work to be undertaken. As the key access point to the mine, considerable effort was undertaken to ensure the portal remains safe for the long term including; stabilisation of the brow, walls and footwall using reinforced concrete, gabions, steel supports, wire mesh and rock bolting prior to shotcreting.

DIRECTORS' REPORT (CONTINUED)

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

Ground conditions in the northern part of the mine (in which the exploration decline commenced in 2014) are significantly better where the alteration surrounding the mineralised vein set is much thinner than in the Southern areas of the mine. Conversely in the Southern portion of the mine where alteration around the vein set is currently thicker, ground conditions necessitate a slightly lower rate of advance and additional ground support technologies.

At the commencement of mine development, the initial mine plan encompassed only the Central and Southern portions of the mine. All initial stoping activities will occur from the Central levels of the mine while development in the southern and northern levels is ongoing. The Southern portion of the mine is interpreted to contain thicker and generally richer areas of mineralisation; however the associated thicker alteration zones and extensive abandoned artisanal workings make development slower in this portion of the mine.

Whilst no access was available to the Northern area prior to mine development, and consequently no bulk sampling was undertaken, mineralisation was inferred from Orinoco's previous drilling and has now been visually confirmed in the mine development. The Northern Levels of the mine will be added to the mine plan over the coming months.

It remains a Company priority to continue investing in mine development to complete as much development as possible ahead of stoping activities. Significant development ahead of production ensures that there is at all times adequate access to multiple production headings to better manage grade fluctuations, to avoid potential production delays from operational issues and to better estimate future production.

DIRECTORS' REPORT (CONTINUED)

Geology

Cascavel is best characterised as an Archean-aged, shear-hosted Orogenic gold system. The structurally controlled mineralised quartz vein/s, veinlets and related sericite alteration evident in mine development and from drilling appear continuous both along strike and downdip. Minor off-sets caused by later E-W and N-W striking faults (associated with the Tinteiro mineralisation) are no greater than 1m and are accounted for in the mine planning. These younger faults also cause a slight rotation between the blocks, slightly altering the dip of the mineralised veins.

The mineralised veins at Cascavel have been intercepted in wide spaced drilling over 1.5km of strike and over 700m down dip (approximately 300m vertical depth below surface). The observed thickness of the mineralised zone varies from 0.5 metres to over 5 metres. The system remains open along strike and down dip, and additional gold lodes parallel to (above and below) the main zone have been intercepted either in drilling or by old workings along the strike inside the shear corridor. As is the case with the Sertão gold mine, the majority of the gold in the system appears to be contained in shallowly plunging high-grade shoots.

With over 8,000m of drilling having been completed at Cascavel and several hundred metres of underground workings having been sampled, the Company is developing an extensive data set detailing the distribution of gold grades within the area of initial mining operations at Cascavel.

While the coarse nature of the gold within the veins and alteration at Cascavel offers many advantages in terms of low-cost processing and recovery, it does make the task of grade estimation difficult. This is due to the very coarse nature of the gold (80% > 100microns), the small volume of sample that can be collected through diamond drilling (approximately 8kg/m HQ core) and the clustered nature of the gold. Drilling provides a highly effective measure of the geological continuity of the Cascavel system but is not particularly useful for grade estimation in such high-grade, coarse gold systems.

As mine development has continued, several examples of the inadequacy of drilling for grade have been highlighted. For example drill hole CDP 039 returned an intercept of 0.5m @ 0.21g/t gold. This drill hole is located 6m away from three panel samples (RSP069, 58 and 59) that returned 38g/t, 52g/t and 174g/t gold respectively. It is not uncommon for low-grade drill holes to be sighted in development drives within view of significant visible gold.

The inclusion or exclusion of coarse gold grains within any given sample will skew sample grade towards either an over or understatement of the grade. Collection and processing of the entirety of an appropriately sized bulk sample is the only way to understand the grade of a deposit such as Cascavel.

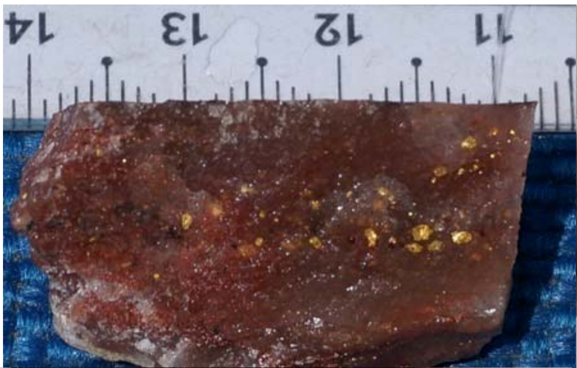
Bulk samples from the initial stoping areas will be processed through the Cascavel gravity circuit as part of the commissioning process.

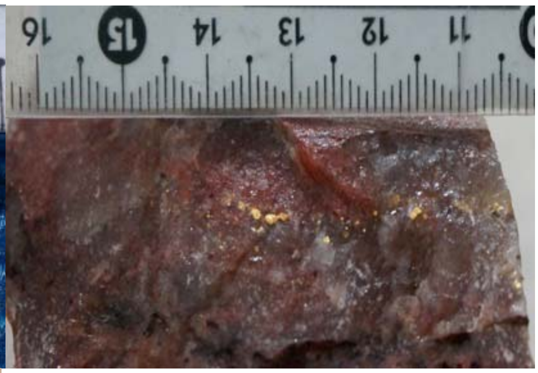
DIRECTORS' REPORT (CONTINUED)

The initial mine plan was to encompass only a small portion of the Cascavel and Mestre areas, where limited artisanal activity and the Company's development has opened up access to high grade shoots. Importantly, this area has also been subjected to diamond drilling and along with the underground development enables accurate location of the vein system.

Drilling and sampling along strike from Cascavel indicates that the gold-bearing structures have considerable continuity, with the structurally controlled gold mineralisation shown to be occurring at multiple points over more than 4km immediately along strike from Cascavel. The same generation of mineralised shear zones continue 18km to the South where they host the ore at the Sertão Gold Mine. The shear zones have similar features at each locality where a central quartz ± carbonate veinset is found within a well developed biotite-sericite alteration envelope. Importantly the high-grade gold shoots in each location are developed parallel to a very strong penetrative mineral stretching lineation spatially related to these shear zones.

Similarly, the down dip continuity of the gold-bearing structures has been demonstrated in drilling at both Cascavel and Sertão with the deepest holes at each site having intersected mineralisation at over 600m and 1,600m respectively. Regionally, this high level of continuity is a common feature of the shear zone hosted gold deposits in the greenstones of the same Goiás Archean-Paleoproterozoic Block, with both Anglo Gold Ashanti and Yamana Gold having multi-million ounce resources in similar shallow dipping structures.





Photos illustrating the coarse, clustered nature of the gold at Cascavel. It is these features that make grade estimation from small samples challenging.

DIRECTORS' REPORT (CONTINUED)

Competent Person's Statement: *The information in this report 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 is available to view on the Company's website www.orinocogold.com:*

1. *17 December 2015 – Further Bonanza Grades & Cascavel Gravity Circuit Update*

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.

Forward-Looking Statements:
This Report 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.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. Any information relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

DIRECTORS' REPORT (CONTINUED)

CORPORATE ACTIVITIES

The Company entered into a gold stream funding arrangement in May 2015, providing US$8,000,000 before costs to fund development of the Cascavel Gold Mine. In return, the financier is entitled to receive 20% of the gold produced during the first three years of commercial production from Cascavel. This is subject to a minimum quantity of 16,000 ounces of gold (the gold stream continues until 16,000 ounces of gold has been delivered) and a maximum quantity of 24,000 ounces of gold, at which point the agreement will cease, whether or not three years of production has been completed.

The Company raised a total of $5,338,775 before costs during the year ended 31 December 2015 and received a further $72,802 from the exercise of options. This included an entitlement issue to existing shareholders launched in April and placements raising $4,227,625 before costs. Another placement and entitlement issue was launched in December and, as at 23 March 2016, had raised $4,209,792 before costs which included $1,111,150 of placement funds received prior to 31 December 2015.

The Group's cash balance at 31 December 2015 was $3,715,544.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group that occurred during the financial period not otherwise disclosed in this report or the financial statements.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

The Entitlement Issue launched on 23 December 2015 was closed on 10 February 2016 and resulted in 15,475,118 shares and 5,158,525 free attaching options being issued at $0.17 per share to raise $2,630,770. As at 30 March 2016, a further 2,752,184 shares and 917,197 free attaching options from the shortfall of the entitlement issue had been placed to raise a further $467,872.

The Company announced on 17 December 2015 that it had entered into a non-binding conditional term sheet with a potential cornerstone investor and a binding commitment letter with the same party to subscribe to 8 million shares as Shortfall from the Entitlement Issue. On 17 March 2016, the Company announced that the term sheet had been terminated on the basis that the parties were unable to reach agreement on the key commercial terms of a potential investment in an improved market environment. Furthermore, the parties have since agreed to terminate the binding commitment letter pursuant to which the investor was to subscribe for A$1.36m under the rights issue shortfall or by way of an additional placement. Orinoco has previously received expressions of interest for the majority of the remaining shortfall.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ENVIRONMENTAL REGULATION

The Directors believe that the Company has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Company's operations are subject to various environmental regulations under the Federal and State Laws of Australia and environmental laws of Brazil. The majority of the Company's activities involve low-level surface disturbance associated with mine development and exploration drilling programs. Approvals, licences and hearings and other regulatory requirements are performed when required by the management of Orinoco for each permit or lease in which the Company has an interest.

DIRECTORS' REPORT (CONTINUED)

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial period, the Company has paid a premium of $11,130 (financial year ended 31 December 2014: $11,346) to provide insurance to the Directors and Secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This insurance does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or information to gain advantage for themselves or someone else or to cause detriment to the Company.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares and unlisted options of the Company were:

	Shares		**Performance Shares**		**Options**	
Director	*Held Directly*	*Held Indirectly*	*Held Directly*	*Held Indirectly*	*Held Directly*	*Held Indirectly*
J. Hannaford	95,239	7,395,821	-	-	20,636	2,837,784
M. Papendieck	1,880,000	1,992,875	989,474	252,632	1,880,000	2,879,375
B. Thomas	12,500	462,500	-	-	2,500	592,500
I. Finch	-	844,814	-	263,158	-	1,154,412
J. Challis	-	-	-	-	-	-
K. Petersen	2,589,737	-	989,474	-	3,380,000	-
TOTAL	**4,577,476**	**10,696,010**	**1,978,948**	**515,790**	**5,283,136**	**7,464,071**

MEETINGS OF DIRECTORS

During the financial period, there were 9 meetings of Directors, held with the following attendances:

Directors	**Meetings Attended**	**Meetings Eligible to Attend**
J. Hannaford	9	9
M. Papendieck	9	9
B. Thomas	8	9
I. Finch	7	9
J. Challis	3	4
K. Petersen	5	9

One meeting was held by the Audit Committee and three meetings were held by the Remuneration Committee during the year ended 31 December 2015.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 31 December 2015. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The information provided includes remuneration disclosures that are required under Accounting Standard AASB 124 "Related Party Disclosures". These disclosures have been transferred from the financial report.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

This remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the following executives in the Company:

Key Management Personnel

Directors:
- Mr John Hannaford (Non-Executive Chairman)
- Mr Mark Papendieck (Managing Director)
- Mr Brian Thomas (Non-Executive Director)
- Mr Ian Finch (Non-Executive Director)
- Mr Jonathan Challis (Non-Executive Director) – appointed 10 June 2015

Executives:
- Dr Klaus Petersen (Country Manager & Alternate Director to Mr Papendieck and Mr Finch)
- Mr Timothy Spencer (Chief Financial Officer) – commenced 8 June 2015
- Mr Marcelo de Carvalho (Brazil General Manager – Operations)

Remuneration Policy

The Company's performance relies heavily on the quality of its Key Management Personnel. The Company has therefore designed a remuneration policy to align Director and Executive reward with business objectives and shareholder value.

Executive reward is linked to shareholder value by providing a fixed remuneration component and offering specific short term and long-term incentives based on key performance areas affecting the Company's operational and financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre management personnel and Directors to run and manage the Company.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-Executive Director Remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees per annum that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000).

Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee incentive option plans that may exist from time to time.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Executive Remuneration

The remuneration policy has been designed to align Executive objectives with shareholder and business objectives by providing fixed remuneration, in line with market rates, and variable remuneration. The Board of Orinoco believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives to run and manage the Group, as well as create goal congruence between Executives and Shareholders.

Fixed Remuneration

In setting competitive remuneration, the Board compares industry standard and remuneration packages of comparable companies. The Board reviews KMP packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

All Executives receive a base salary (which is based on length of service and experience), and superannuation. The proportion of an executive's total fixed salary package that is paid as superannuation is at the discretion of the Executive, subject to compliance with relevant superannuation guarantee legislation.

The fixed remuneration of the Company's KMP is detailed in the table below.

Variable Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and key management personnel. The Company is currently in the process of designing and implementing a new employee incentive plan, which includes both short and long term incentives (the Plan) based on key operating objectives and shareholder objectives as the Company moves into production at Cascavel. The Plan will be offered to key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Principles used to determine the nature and amount of variable remuneration: relationship between remuneration and company performance

The overall level of Executive reward takes into account the performance of the Company over a number of years, with greater emphasis given to the current and prior year. The main performance criteria used in determining the executive reward remuneration is increasing shareholder value through aligning the Company with high quality exploration and development assets. Due to the nature of the Company's principal activities, the Directors assess the performance of the Company with regard to the price of the Company's ordinary shares listed on the ASX and the market capitalisation of the Company. The Short Term Incentive (STI) Plan to be implemented in the near future will be designed to reward KMP and other employees for meeting or exceeding key financial and non-financial targets.

Cash bonuses of $100,000 each were accrued (but not paid as at 31 December 2015) to Mr Papendieck and Mr Petersen in accordance with a bonus incentive plan in their employment contracts, whereby the bonus became payable upon the enterprise value of the Company exceeding $30,000,000 for 20 consecutive trading days. In future it is expected that bonuses will be incorporated into a Short Term Incentive plan.

Directors and executives are also issued options to encourage the alignment of personal and shareholder interests. Options issued to Directors may be subject to market based price hurdles and vesting conditions, and the exercise price of options is set at a level that encourages the Directors to focus on share price appreciation. The Company believes this policy, together with the new Plan to be introduced in the near future will be effective in increasing shareholder wealth. Key Management Personnel are also entitled to participate in the employee share and option arrangements.

On the resignation of Directors any vested options issued as remuneration are retained by the relevant party.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

The Board may exercise discretion in relation to approving incentives such as options. The policy is designed to reward key management personnel for performance that results in long-term growth in shareholder value.

As part of the Company's Security Trading Policy, Directors, Officers and Employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

During the period the Board completed a self-performance evaluation at a Director and Board level. Due to the transitional phase of the Company and recent appointment of key executives, a performance review of KMP will be completed following commissioning of the Plant at Cascavel.

<u>Service Contracts</u>

Remuneration and other terms of employment for Executives are formalised in executive service agreements. Major provisions of the agreements existing at balance date relating to remuneration are set out below.

Mark Papendieck - Managing Director
- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $300,000 per annum plus statutory superannuation.
- Variable Remuneration – The Officer will be eligible for participation in the Company's Employee Incentive Schemes including the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP)*. Any participation level is subject to the discretion of the Remuneration Committee.
- 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.

Dr Klaus Petersen - Technical Executive
- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $240,000 per annum plus statutory superannuation.
- Variable Remuneration – The Officer will be eligible for participation in the Company's Employee Incentive Schemes including the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP)*. Any participation level is subject to the discretion of the Remuneration Committee.
- 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.

Mr Timothy Spencer – Chief Financial Officer
- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $220,000 per annum plus statutory superannuation.
- Variable Remuneration – The Officer is eligible for participation in the Company's Employee Incentive Schemes including the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP)*. Any participation level is subject to the discretion of the Remuneration Committee.
- Termination Provisions – The Executive or the Company may terminate the agreement without cause by giving 3 months written notice, or a lesser period may be mutually agreed by the Parties.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Mr Marcelo Carvalho – Brazil General Manager - Operations

- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $184,200 per annum (Real $460,114 per annum).
- Variable Remuneration – The Officer is eligible for participation in the Company's Employee Incentive Schemes including the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP)*. Any participation level is subject to the discretion of the Remuneration Committee.
- Termination Provisions – The Executive or the Company may terminate the agreement without cause by giving 1 months written notice, or a lesser period may be mutually agreed by the Parties.

**New STIP and LTIP are currently being constructed.*

Non-Executive Directors

Upon appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of Director.

The key terms of the Non-Executive Director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review.
- Chairman's fees of $60,000 per annum plus statutory superannuation (increased from $30,000 as of 1 July 2015)
- Directors' Fees of $48,000 per annum plus statutory superannuation (increased from $30,000 as of 1 July 2015)
- There is no notice period stipulated to terminate the contract by either party.

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures)* of Orinoco Gold Limited are set out in the following table.

Key Management Personnel of Orinoco Gold Limited

Remuneration for the year ended 31 December 2015

	Short Term Benefits		Post-Employment Benefits	Share Based Payments	Bonus		
Key Management Personnel	**Salary and Fees $**	**Non-Monetary $**	**Super-annuation $**	**Options $**	**$**	**Total $**	**% of remuneration performance related**
J. Hannaford	45,000	-	4,275	82,050	-	131,325	62%
M. Papendieck	283,333	-	26,917	136,750	100,000*	547,000	43%
B. Thomas	39,000	-	3,705	27,350	-	70,055	39%
I. Finch	39,000	-	3,705	27,350	-	70,055	39%
J. Challis	25,667	-	-	-	-	25,667	0%
Total Directors	**432,000**	**-**	**38,602**	**273,500**	**100,000**	**844,102**	**44%**
K. Petersen	233,333	-	22,167	82,050	100,000*	437,550	42%
T. Spencer	125,231	-	11,897	115,500	-	252,628	46%
M. Carvalho	213,250	-	-	77,000	-	290,250	27%
Total Executives	**571,814**	**-**	**34,064**	**274,550**	**100,000**	**980,428**	**38%**
Total	**1,003,814**	**-**	**72,666**	**548,050**	**200,000**	**1,824,530**	**41%**

* The performance requirements for the bonuses were met prior to 31 December 2015. However, as at the balance date the bonuses have been accrued but not paid. Under their previous Service Contracts, the Company has awarded Mr Papendieck and Dr Petersen a performance based bonus of $100,000, which was triggered upon the enterprise value of the Company exceeding $30 million for 20 consecutive trading days.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration for the six months ended 31 December 2014

	Short Term Benefits		Post-Employment Benefits	Share Based Payments		
Key Management Personnel	Salary and Fees $	Non-Monetary $	Super-annuation $	Options $	Total $	% of remuneration performance related
Directors						
J. Hannaford	15,000	-	1,425	-	16,425	-
M. Papendieck	100,000	-	9,500	-	109,500	-
B. Thomas	15,000	-	1,425	-	16,425	-
I. Finch	15,000	-	1,425	-	16,425	-
Total Directors	**145,000**	**-**	**13,775**	**-**	**158,775**	**-**
Executives						
K. Petersen	100,000	-	9,500	-	109,500	-
Total	**245,000**	**-**	**23,275**	**-**	**268,275**	**-**

Share-based compensation

Details of share-based payments granted as compensation to key management personnel during the current year (six months to 31 December 2014: nil):

		During the financial year					
Key Management Personnel	Options series	Grant date	Grant date fair value per option	No. granted	No. vested	% of grant vested	% of grant forfeited
J. Hannaford	$0.15, exp 30/4/18	13/5/15	$0.0547	1,500,000	1,500,000	100%	N/a
M. Papendieck	$0.15, exp 30/4/18	13/5/15	$0.0547	2,500,000	2,500,000	100%	N/a
B. Thomas	$0.15, exp 30/4/18	13/5/15	$0.0547	500,000	500,000	100%	N/a
I. Finch	$0.15, exp 30/4/18	13/5/15	$0.0547	500,000	500,000	100%	N/a
K. Petersen	$0.15, exp 30/4/18	13/5/15	$0.0547	1,500,000	1,500,000	100%	N/a
T. Spencer	$0.15, exp 30/4/18	20/7/15	$0.0770	1,500,000	1,500,000	100%	N/a
M. Carvalho	$0.15, exp 30/4/18	20/7/15	$0.0770	1,000,000	1,000,000	100%	N/a

The following table summarises the number of options that lapsed during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Key Management Personnel	Financial year in which the options were granted	No. of options lapsed during the current year
J. Hannaford	2011	1,770,312
J. Hannaford	2012	224,500
B. Thomas	2011	612,500
B. Thomas	2012	20,000

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Share Holdings of Key Management Personnel

The number of ordinary shares of Orinoco Gold Limited held, directly, indirectly or beneficially, by each Director and key management personnel, including their personally-related entities for the year ended 31 December 2015 is as follows:

Key Management Personnel	Held at 1 January 2015	Movement during the period	Options Exercised	Held at 31 December 2015
J. Hannaford	5,764,948	1,174,571	-	6,939,519
M. Papendieck	3,733,500	139,375*	-	3,872,875
B. Thomas	380,000	95,000	-	475,000
I. Finch	500,000	256,579*	-	756,579
J. Challis	-	-	-	-
K. Petersen	2,095,000	494,737*	-	2,589,737
T. Spencer	-	629,412	-	629,412
M. Carvalho	1,065,100	247,368*	-	1,312,468
Total	**13,538,548**	**3,037,042**	**-**	**16,575,590**

* During the year, Class A Performance Shares which were allotted in October 2012 were converted into Ordinary Shares in Orinoco Gold Limited following Board approval that the Company had satisfied the terms and conditions for the conversion to occur, primarily being the decision to mine in respect of the Licences based upon a mine plan which indicates a >25,000 oz per year economic mine life (excluding tailings). The above movements during the period include the following conversions of Class A Performance Shares to Ordinary Shares:

Key Management Personnel	Shares Converted
M. Papendieck	621,053
I. Finch	131,579
K. Petersen	494,737
M. Carvalho	247,368
Total	**1,494,737**

Option Holdings of Key Management Personnel

The number of options over ordinary shares in Orinoco Gold Limited held, directly, indirectly or beneficially, by each Director and key management personnel, including their personally-related entities for the year ended 31 December 2015 is as follows:

Directors	Held at 1 January 2015	Movement during the period	Options Exercised	Held at 31 December 2015	Vested and exercisable at 31 December 2015
J. Hannaford	3,315,381	(640,810)	-	2,674,571	2,674,571
M. Papendieck	2,620,000	2,139,375	-	4,759,375	4,759,375
B. Thomas	759,168	(164,168)	-	595,000	595,000
I. Finch	500,000	625,000	-	1,125,000	1,125,000
J. Challis	-	-	-	-	-
K. Petersen	1,980,000	1,400,000	-	3,380,000	3,380,000
T. Spencer	-	2,309,804	-	2,309,804	2,309,804
M. Carvalho	1,000,000	1,000,000	-	2,000,000	2,000,000
Total	**10,174,549**	**6,669,201**	**-**	**16,843,750**	**16,843,750**

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

<u>Other Related Party Transactions</u>

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Ventnor Capital Pty Ltd, a company of which Mr John Hannaford is a Director, provides the Group with company secretarial services, office accommodation and corporate services in relation to the administration of the Group on normal commercial terms and conditions and at market rates. Any executive time Mr Hannaford incurs for Orinoco is also billed through Ventnor Capital Pty Ltd.

A summary of the total fees paid to Ventnor Capital Pty Ltd for the year ended 31 December 2015 is as follows:

	Consolidated	
	Year ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Serviced office, company secretarial & CFO services, bookkeeping services, IT support, general administration and registered office	194,000	84,000
Financial accounting and corporate advisory services including executive time charged by Mr Hannaford	111,388	13,825
Total	**305,388**	**97,825**

The total amount of fees due to Ventnor Capital Pty Ltd as at 31 December 2015 was $41,675 (2014: $12,789).

***********END OF AUDITED REMUNERATION REPORT***********

LIKELY DEVELOPMENTS

Information as to likely developments in the operations of the Company and the Group and the expected results of those operations in future financial years has not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Company and the Group.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 31 December 2015 has been received and can be found on page 29.

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the *Corporation Act 2001*.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year ended 31 December 2015.

NON-AUDIT SERVICES

The Directors review any non-audit services to be provided to ensure they are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

During the period, the auditors did not provide any non-audit services to the Group.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS

Shares under Option

At the date of this report there are 119,652,108 unissued shares under option outstanding.

Date Granted	Expiry Date	Exercise Price	Number of shares under option
31 October 2012*	31 October 2017	$0.25	11,000,000
31 July 2013*	31 July 2016	$0.30	1,700,000
11 August 2014*	31 May 2017	$0.25	7,000,000
6 May 2015	30 November 2016	$0.11	12,405,904
12 May 2015	30 November 2016	$0.11	30,595,000
12 May 2015*	30 April 2018	$0.15	6,500,000
21 May 2015	30 November 2016	$0.11	22,053,700
28 May 2015	30 November 2016	$0.11	2,857,143
18 June 2015	30 November 2016	$0.11	9,285,713
16 July 2015*	30 April 2018	$0.15	4,000,000
26 August 2015	30 November 2016	$0.11	750,000
9 October 2015*	30 April 2017	$0.11	500,000
9 October 2015*	31 October 2017	$0.16	1,250,000
9 October 2015*	31 October 2017	$0.25	1,250,000
18 December 2015*	30 June 2017	$0.11	250,000
30 December 2015*	31 January 2018	$0.25	2,178,726
15 February 2015*	31 January 2018	$0.25	5,158,525
9 March 2016*	31 January 2018	$0.25	917,397
Total			**119,652,108**

* Unlisted options

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.
Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Mr John Hannaford
Chairman

Perth
30 March 2016

CORPORATE GOVERNANCE STATEMENT

Orinoco Gold Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition to the extent that they are applicable to the Company.

Information about the Company's corporate governance practices at 31 December 2015 is set out below.

THE BOARD OF DIRECTORS

The Company's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The Board maintains a skills matrix which indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk, relevant industry experience, HR, policy development, international business and marketing skills. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Each Director and senior executive is required to enter into a written agreement with the Company which sets out the terms of their appointment. Under the Company's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

There are policy and procedures in place for the annual performance evaluation of the Individual Directors. The remuneration Committee completed a performance review of the Board and Individual Directors during the current reporting period.

The Company has designed a policy and procedures for performance review of Senior Executives, given the change in management structure over the last 12 months. The first review is scheduled to occur in the next reporting period.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

COMMITTEES OF THE BOARD

The Board has established an Audit Committee which consists of only Non-Executive Directors, being Brian Thomas, Ian Finch and John Hannaford. Brian Thomas is an Independent Director and acts as Chairman of the Audit Committee.

The role of the Audit Committee is to:

(a) Monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgements;

(b) Review the Company's internal financial control systems and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;

(c) Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and

(d) Perform such other functions as assigned by law, the Company's constitution, or the Board.

The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

The Company ensures the External Auditor is available to attend the Annual General Meeting and is also available to answer any questions that security holders may have, relevant to the audit process.

The company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the board.

The Board has also established a Remuneration Committee. The members of this Committee are Brian Thomas, Ian Finch and John Hannaford. The Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.

INDEPENDENCE

Given the Company's present size and scope, it is currently not Company's policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives.

Independent Directors	**Non-Independent Directors**
John Hannaford – Non-Executive Chairman	Mark Papendieck – Managing Director
Brain Thomas – Non-Executive Director	Ian Finch – Non-Executive Director
	Jonathon Challis – Non-Executive Director

A company of which John Hannaford is a Director provides Office, Bookkeeper and Company Secretarial services to Orinoco, which is deemed to be immaterial, and does not compromise his Independence.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

INDEPENDENCE (CONTINUED)

When determining the independent status of each Director the Board has considered whether the Director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such an employment and serving on the board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided.
- Is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the Company other than as a Director.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Directors' rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

GENDER DIVERSITY

The Company has not adopted an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity.

The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

The Group currently has no female board members or senior executives.

COMMUNICATION WITH SHAREHOLDERS

Investors may inspect the company's governance and Shareholder Communications policies via the website www.orinocogold.com which lay out the options to receive communications from, and send communications to, the entity and its security registry electronically.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that gold exploration is a business with inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Company executives that promote the highest standards of ethics and integrity in carrying out their duties to the Company.

The Code of Conduct can be found on the Company's website at www.orinocogold.com.

RISK MANAGEMENT SYSTEMS

Whilst there is currently no risk committee in accordance with recommendation 7.1 (a) the board as a whole is employed to oversee the Company's risk management framework as explained below.

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value.

Management is responsible for developing, maintaining and improving the Company's risk management and internal control system. Management provides the board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process, and has occurred in this current reporting period. The Company has identified and actively monitors risks inherent in the industry in which the Company operates.

Given the nature and locations of the Company's operations, there are material risks concerning the operations of the Company including economic, environmental and social sustainability risks. As part of its risk management policy all risks are reviewed as part of the risk management procedures and reviewed by the board accordingly.

The Board also receives a written assurance from the Managing Director and Chief Financial Officer that to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the Managing Director and Chief Financial Officer can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE (CONTINUED)

The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply:

	ASX Principle	Reference/comment
Principle 1: Lay a solid foundation for management oversight		
1.5	The Board should establish a policy concerning diversity	The Company does not have an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Company, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.
Principle 2: Structure the Board to add value		
2.1	The Board should establish a nomination committee	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening of and appointing of new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
2.4	A Majority of the Board of a listed entity should be independent directors	Given the Company's present size and scope, it is currently not company policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Company currently has two (2) Directors who are deemed to be independent and three (3) who are deemed to be non-independent due to their executive agreements with the Company and relationships with a material supplier, customer or shareholder of the Company. Independence is determined in accordance with the Company Independence policy.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Orinoco Gold Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 March 2016

M R W Ohm
Partner

ORINOCO GOLD LIMITED
ACN: 149 219 974

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Note	Consolidated 12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Revenue			
Finance income	4	27,730	14,531
Other income		307	-
Total Revenue		28,037	14,531
Project expenses		(1,026,183)	-
Financial administration, insurance and compliance costs		(1,859,526)	(387,648)
Exploration expenditure written off as incurred	5	(1,445,452)	(1,180,182)
Employee expenses	5	(2,125,158)	(279,355)
Share based payments	21	(994,925)	-
Depreciation	14	(62,977)	(18,022)
Finance costs	6	(625,556)	-
Other expenses		(61,766)	(130,610)
Total Expenses		(8,201,543)	(1,995,817)
Loss before income tax expense		(8,173,506)	(1,981,286)
Income tax (expense) / benefit	8	-	-
Loss after income tax		(8,173,506)	(1,981,286)
Other Comprehensive Income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(373,069)	(36,575)
Total Other Comprehensive Loss, net of tax		(373,069)	(36,575)
Total Comprehensive Loss		**(8,546,575)**	**(2,017,861)**
Loss attributable to:			
Owners of the parent entity		(7,658,823)	(1,719,246)
Non-controlling interest		(514,683)	(262,040)
		(8,173,506)	(1,981,286)
Total Comprehensive Loss attributable to:			
Owners of the parent entity		(8,043,316)	(1,755,821)
Non-controlling interest		(503,259)	(262,040)
		(8,546,575)	(2,017,861)
Basic and Diluted Loss per share – cents per share	7	(4.42)	(1.41)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Note	Consolidated 31 December 2015 $	31 December 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	3,715,544	1,219,722
Other receivables	10	417,252	197,967
Other assets	11	54,262	101,333
Total Current Assets		4,187,058	1,519,022
Non-Current Assets			
Property, plant and equipment	14	4,536,594	172,027
Investments		-	14,564
Exploration and evaluation expenditure	12	1,758,480	14,768,153
Mine properties and development	13	17,776,601	-
Other non-current assets		105,145	-
Total Non-Current Assets		24,176,820	14,954,744
TOTAL ASSETS		**28,363,878**	**16,473,766**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	1,051,920	686,781
Other current liabilities	16	251,603	582,483
Provisions		177,922	36,184
Deferred revenue	17	1,459,613	-
Total Current Liabilities		2,941,058	1,305,448
Non-Current Liabilities			
Other non-current liabilities	16	-	29,312
Provisions		208,212	-
Deferred revenue	17	9,428,671	-
Total Non-Current Liabilities		9,636,883	29,312
TOTAL LIABILITIES		**12,577,941**	**1,334,760**
NET ASSETS		**15,785,937**	**15,139,006**
EQUITY			
Issued capital	18	27,726,962	20,665,007
Reserves	18	3,345,418	2,719,061
Accumulated losses		(17,919,039)	(10,322,155)
Parent interest		13,153,341	13,061,913
Non-controlling interest		2,632,596	2,077,093
TOTAL EQUITY		**15,785,937**	**15,139,006**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

Consolidated year ended 31 December 2015	Note	Issued Capital $	Options Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Total equity at 1 January 2015		20,665,007	2,791,532	(72,471)	(10,322,155)	2,077,093	15,139,006
Total comprehensive loss for the year							
Loss for the year ended 31 December 2015		-	-	-	(7,658,823)	(514,683)	(8,173,506)
Total other comprehensive loss		-	-	(384,493)	-	11,424	(373,069)
Total comprehensive loss for the year		-	-	(384,493)	(7,658,823)	(503,259)	(8,546,575)
Transactions with equity holders:							
Non-controlling share of exploration and evaluation expenditure acquired		-	-	-	-	953,617	953,617
Non-controlling share of equity in subsidiary issued during the year		-	-	-	-	105,145	105,145
Issue of shares	18	5,338,775	-	-	-	-	5,338,775
Capital raising costs settled in cash	18	(250,196)	-	-	-	-	(250,196)
Capital raising costs settled in share based payments	18	(108,300)	108,300	-	-	-	-
Finance costs settled share based payments	21	269,250	133,575	-	-	-	402,825
Share based payments – options	21	-	994,925	-	-	-	994,925
Issue of shares – project acquisition consideration	21	1,739,624	-	-	-	-	1,739,624
Expiry of options	18	-	(225,300)	-	225,300	-	-
Exercise of options	18	72,802	(650)	-	650	-	72,802
Reclassification adjustment		-	-	-	(164,011)	-	(164,011)
Total equity at 31 December 2015		**27,726,962**	**3,802,382**	**(456,964)**	**(17,919,039)**	**2,632,596**	**15,785,937**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2015

Consolidated 6 months ended 31 December 2014	Note	Issued Capital $	Options Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Total equity at 1 July 2014		18,557,960	2,218,232	(35,896)	(8,602,909)	2,321,882	14,459,269
Total comprehensive loss for the 6 months							
Loss for the six months ended 31 December 2014		-	-	-	(1,719,246)	(262,040)	(1,981,286)
Total other comprehensive loss		-	-	(36,575)	-	-	(36,575)
Total comprehensive loss for the 6 months		-	-	(36,575)	(1,719,246)	(262,040)	(2,017,861)
Transactions with equity holders:							
Non-controlling share of exploration and evaluation expenditure acquired		-	-	-	-	17,251	17,251
Issue of shares	18	2,126,650	-	-	-	-	2,126,650
Capital raising costs	18	(19,603)	-	-	-	-	(19,603)
Issue of options – project acquisition consideration	12	-	573,300	-	-	-	573,300
Total equity at 31 December 2014		**20,665,007**	**2,791,532**	**(72,471)**	**(10,322,155)**	**2,077,093**	**15,139,006**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	Consolidated 12 months ended 31 December 2015 $	Consolidated 6 months ended 31 December 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		27,730	14,531
Payments for exploration expenditure		(1,432,162)	(1,152,317)
Payments for project related costs		(2,236,789)	-
Payments to suppliers and employees		(2,395,922)	(683,240)
Payments associated with gold stream arrangement		(440,943)	-
Finance costs		(13,782)	-
Net cash used in operating activities	19	**(6,491,868)**	**(1,821,026)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(4,743,019)	(20,679)
Payments for mine development		(2,009,193)	-
Payments relating to acquisition costs		(346,857)	(213,155)
Net cash used in investing activities		**(7,099,069)**	**(233,834)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options	18	5,411,577	2,126,650
Capital raising costs		(268,419)	(7,047)
Proceeds from gold stream facility		10,888,284	-
Other		2,704	-
Net cash provided by financing activities		**16,034,146**	**2,119,603**
Net increase / (decrease) in cash and cash equivalents		2,443,209	64,743
Cash and cash equivalents at the beginning of the period		1,219,722	1,179,783
Effects of foreign exchange		52,613	(24,804)
Cash and cash equivalents at the end of the period	9	**3,715,544**	**1,219,722**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

NOTE 1: REPORTING ENTITY

Orinoco Gold Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report, which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This general purpose financial report is prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Financial Statements and Notes of the Company comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Statements and Notes comply with International Financial Reporting Standards.

Orinoco Gold Limited is a listed public company limited by shares. The financial report is presented in Australian currency.

This Financial Report was approved by the Board of Directors on 30 March 2016.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group generated a comprehensive loss after tax for the year ended 31 December 2015 of $8,546,575 (2014: $2,017,861), had a net working capital surplus of $1,246,000 at 31 December 2015 (31 December 2014: $213,574) and experienced net cash outflows from operating activities of $6,491,868 (2014: $1,821,026) and net cash outflows from investing activities of $7,099,069 (2014: $233,834) for year to 31 December 2015. The Group had a cash balance of $3,715,544 at 31 December 2015 (31 December 2014: $1,219,722).

Subsequent to the financial period end, the Company closed an entitlement issue, raising $3,098,642 including shortfall applications with further commitments for shortfall received totalling approximately $1.3 million. The Directors believe that its existing cash reserves, future production cash flows and the capital raisings referred to above will be sufficient to meet the Group's requirements for a period of at least 12 months from the date of approval of this financial report. Accordingly, the Directors consider the going concern basis of preparation to be appropriate.

However, should there be material delays in the commencement of gold production at the Cascavel Gold Project or should the quantity of gold produced during the next 12 months be materially less than expected, there is a material uncertainty which may cause significant doubt as to the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

The significant policies which have been adopted in the preparation of this financial report are:

A. Basis of Consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of Orinoco Gold Limited ("Company") as at 31 December 2015 and the results of all subsidiaries for the year then ended. Orinoco Gold Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Orinoco Gold Limited.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Basis of Consolidation (continued)

When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

B. Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Board of Directors.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

C. Foreign Currency Translation

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of the Brazilian subsidiaries are translated into the presentation currency of Orinoco Gold Limited (being Australian Dollars) at the rate of exchange ruling at the balance date and items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rate for the period.

The exchange differences arising on the translation are taken directly to a separate component of equity, being the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

E. Goods and Services Tax & Value Added Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") and/or Value Added Tax (VAT), except where the amount of tax incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the amount of tax is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable. Receivables and Payables in the Consolidated Statement of Financial Position are shown inclusive of the tax amount.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of tax recoverable from, or payable to, the taxation authority.

F. Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Trade and Other Receivables (continued)

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any impairment losses.

G. Exploration, Evaluation and Development Expenditure

Exploration and evaluation expenditure is written off as incurred. Costs of acquisition of prospects are capitalised and only carried forward to the extent that rights to tenure of the area of interest are current and at least one of the following conditions is met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit/loss in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous periods.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When a decision has been made to proceed with development in respect to a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development (mine properties).

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

H. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the profit or loss during the reporting period in which they were incurred.

Depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

• Computer Equipment	3 years
• Software	3 years
• Plant & Equipment	5 years

The useful lives of the mine properties are often dependent on the life of the orebody to which they relate. Where this is the case, the lives of mining properties, and their long-lived processing equipment are generally based on the expected life of the orebody. The life of the orebody is estimated on the basis of the life-of-mine plan.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Property, Plant and Equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

I. Impairment of Assets

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit (group of assets) to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

J. Share-Based Payments

The Group has provided payments to related parties in the form of share-based compensation, whereby related parties render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value of the shares or rights at the date at which they are granted. The fair value is determined using the Black & Scholes methodology.

The Black & Scholes option pricing model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimates of the number of options that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year end in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

L. Finance Income and Expenses

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss.

Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

M. Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

N. Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding at balance date.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

O. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are stated at amortised cost, using the effective interest method.

P. Deferred Revenue

Proceeds received from the Gold Stream agreement are accounted for as deferred revenue due to the settlement of the facility being made by delivery of gold from the Cascavel Gold Mine. Because settlement can only be made through the physical delivery of gold extracted from the Cascavel Gold Mine, the agreement meets the “own use exemption” contained in AASB139, and consequently, the proceeds received under the agreement will be accounted for as a prepayment for the future delivery of gold, and hence as an executory contract.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Significant Accounting Estimates and Assumptions

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

i) Impairment of capitalised exploration and evaluation expenditure (costs of acquisition of prospects)

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the year in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

When the decision to mine is made in respect of an area of interest, the capitalised acquisition costs of the area of interest are transferred from exploration and evaluation expenditure to mine development costs. The value of the exploration and evaluation expenditure is assessed for impairment at the time of transfer. During the year, the Group reclassified $13.5m of exploration to development upon reaching set criteria based upon demonstrating technical feasibility and commercial viability of the Cascavel Project.

ii) Recoverability of potential deferred tax assets

The Group recognises deferred income tax assets in respect of tax losses to the extent that it is probable that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact the financial results.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Significant Accounting Estimates and Assumptions (continued)

iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using the Black & Scholes valuation method, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 21: Share Based Payments. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

iv) Mine development expenditure carried forward

The recoverability of the carrying amount of mine development expenditure carried forward has been reviewed by the Directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of projection;
- Future capital expenditure; and/or
- Future exchange rates.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

R. Parent Entity Financial Information

The financial information for the parent entity, Orinoco Gold Limited, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

S. New Accounting Standards for Application in Future Years

In the year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period.

It has been determined by the Directors that the following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements and, therefore, no change is necessary to the Group's accounting policies:
- AASB 9 Financial Instruments (December 2014);
- AASB 15 Revenue from Contracts with Customers;

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. New Accounting Standards for Application in Future Years (continued)

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2015. As a result of this review the Directors have determined that, other than as shown in the table below, there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

New or amended standards	Summary of the requirements	Possible impact on consolidated financial statements
AASB 16 Leases	AASB 16 removes the classification of leases as either operating lease or finance leases – for the lessee – effectively treating all leases as finance leases.	The Group is assessing the potential impact on its consolidated financial statements resulting from the application of AASB 16.

NOTE 4: FINANCE REVENUE

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Finance Revenue		
Interest revenue	27,730	14,531
Total Finance Revenue	**27,730**	**14,531**

NOTE 5: LOSS

Loss before income tax has been determined after charging the following expenses:

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014
Exploration expenditure written off as incurred	1,445,452	1,180,182
Employee expenses	2,125,158	279,355
Equity settled share based payments	994,925	-
Equity settled finance costs	402,825	-

NOTE 6: FINANCE COSTS

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Interest paid	13,783	-
Fees on gold stream funding	611,773	-
Total Finance Costs	**625,556**	**-**

NOTE 7: LOSS PER SHARE

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Basic and diluted loss per share - cents	(4.42)	(1.41)
Loss used in the calculation of basic and diluted loss per share	**(8,173,506)**	**(1,719,246)**
Weighted average number of ordinary shares outstanding during the period used in calculation of basic loss per share	185,008,295	121,434,757
Weighted average number of options outstanding	99,574,519	58,641,663
Less: anti-dilutive options	(99,574,519)	(58,641,663)
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted loss per share	**185,008,295**	**121,434,757**

Options outstanding during the period have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

NOTE 8: INCOME TAX

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
(a) Income tax expense		
The major components of income tax expense are:		
Current Income Tax		
Current income tax charge	-	-
Deferred income tax		
Relating to movements in temporary differences	-	-
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**-**	**-**

(b) Amounts charged directly to equity
There were no amounts charged directly to equity.

(c) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows:

NOTE 8: INCOME TAX (CONTINUED)

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Accounting loss before income tax	(8,173,506)	(1,981,286)
Income tax / (benefit) at the statutory income tax rate of 30% (2014: 30%)	(2,452,052)	(594,386)
Tax effect of expenditure not allowable for tax purposes		
Entertainment	3,167	-
Share based payments	338,550	-
Foreign income expenditure	1,233,115	-
Other non-deductible expenditure	29,169	39,746
Capital raising expenditure	(89,785)	(36,607)
Over-provision in prior year	(129,226)	-
Income tax benefit not brought to account	1,067,062	591,247
Income tax expense / (benefit)	**-**	**-**

(d) Unrecognised deferred tax assets and liabilities

The directors estimate that the potential future income tax benefits carried forward but not brought to account at year end at the Australian corporate tax rate of 30% (2014: 30%) are made up as follows:

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Australian tax losses	2,422,255	1,308,729
Australian deductible temporary differences	39,804	70,146
Australian taxable temporary differences	(16,122)	-
Unrecognised net deferred tax assets	**2,445,937**	**1,378,875**

These benefits will only be obtained if:
(i) the group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
(ii) the group continues to comply with the conditions for deductibility imposed by tax legislation; and
(iii) no changes in tax legislation adversely affect the group in realising the benefit from the deduction for the losses.

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 30 December 2014 $**
Reconciliation to Statement of Financial Position		
Cash at bank	3,715,544	1,219,722
Total Cash and Cash Equivalents (1)	**3,715,544**	**1,219,722**

(1) Cash at bank is subject to floating interest rates at an effective interest rate of 1.25% (31 December 2014: 2.06%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

NOTE 10: OTHER RECEIVABLES

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Current:		
Advances/Deposits	164,075	-
Advances - Royalties	72,843	-
Other receivables – Taxes (Australia)	135,753	15,912
Other receivables – Taxes (Brazil)	33,494	182,055
Other	11,087	-
Total Other Receivables	**417,252**	**197,967**

The above amounts do not bear interest and their carrying amount is equivalent to their fair value.

NOTE 11: OTHER CURRENT ASSETS

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Current:		
Prepaid Expenses	54,262	101,333
Total Other Current Assets	**54,262**	**101,333**

The above amounts do not bear interest and their carrying amount is equivalent to their fair value.

NOTE 12: EXPLORATION & EVALUATION EXPENDITURE

	Consolidated	
	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation		
Prospect acquisition costs	1,758,480	14,768,153

NOTE 12: EXPLORATION & EVALUATION EXPENDITURE (CONTINUED)

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Reconciliation: A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:		
Balance at beginning of the year	14,768,153	13,921,883
Acquisition costs incurred during the year	579,041 [(1)]	788,767 [(2)]
Foreign exchange differences on retention payments made during the period	-	1,202
Foreign exchange differences on outstanding retention payments at period end	-	56,301
Transfer to mine development	(13,588,714)	-
Total Deferred Exploration Expenditure	**1,758,480**	**14,768,153**

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

[(1)] Acquisition of Projects

The acquisition costs incurred during the current period relate to:
1. The Edem acquisition of $538,118 consisting of a share based payment plus an accounting adjustment for the non-controlling 40% interest.
2. The purchase of mining rights for $40,923 in relation to various early stage mineral properties located within the Faina Goldfields Project.

[(2)] Acquisition of Sertão Mineração Ltda (SML)

On the 18th February 2014, Orinoco announced it had reached an agreement with ASX Listed Troy Resources Limited and Amazõnia Mineração Ltda to acquire the leases encompassing the former Sertão gold mine in Brazil which are held by Sertão Mineração Ltda (SML).

The acquisition of the subsidiary has been accounted for as an asset acquisition as the operations do not constitute a business as defined by AASB 3.

For full details, refer to the 31 December 2014 annual report.

NOTE 13: MINE PROPERTIES AND DEVELOPMENT

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Mine properties at cost	17,776,601	-

Reconciliation:
A reconciliation of the carrying amounts of mine development expenditure is set out below:

Balance at beginning of the year	-	-
Transfer from exploration and evaluation expenditure	13,588,714	-
Capitalised mine development costs	2,409,885	-
Acquisition costs associated with the conversion of Class A Performance Shares into Ordinary Shares	1,425,000	-
Minority interest on acquisition costs associated with the conversion of Class A Performance Shares into Ordinary Shares	610,714	-
Minority interest on retention payment	131,892	-
Mine development costs expensed	(93,715)	-
Foreign exchange movements	(295,889)	-
Total Mine Properties	**17,776,601**	**-**

During the period a decision to mine was made and thus there was a transfer of the capitalised acquisition costs for the Cascavel Gold mine from exploration and evaluation expenditure to mine development costs. The value of the exploration and evaluation expenditure was assessed for impairment at the time of transfer.

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Property Plant and Equipment		
Net book value	4,536,594	172,027

Reconciliation:
A reconciliation of the carrying amounts of Property, Plant and Equipment is set out below:

Carrying amount at beginning of period	172,027	89,770
Additions	549,660	100,279
Foreign currency translation	104,996	-
Work in progress[1]	3,772,888	-
Depreciation expense	(62,977)	(18,022)
Carrying amount at end of period	4,536,594	172,027

[1] The process plant is in construction as at balance date. No depreciation was charged as the asset is not available for use as at balance date.

NOTE 15: TRADE AND OTHER PAYABLES

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Current:		
Trade payables [(1)]	513,729	403,490
Accruals	260,000	65,481
Other payables [(2)]	278,191	217,810
Total Trade and Other Payables	**1,051,920**	**686,781**

[(1)] Trade payables are non-interest bearing and are normally settled on 30-day terms.

[(2)] Other payables are non-trade payables, are non-interest bearing and have an average term of 3 months.

NOTE 16: OTHER LIABILITIES

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Current:		
Retention payments[(1)]	-	304,804
Acquisition payments[(2)]	173,879	227,429
Lease payments	43,375	50,250
Premium funding	30,028	-
Other current liability	4,321	-
Total Other Current Liabilities	**251,603**	**582,483**
Non-Current:		
Lease payments	-	29,312
Total Other Non-Current Liabilities	**-**	**29,312**

(1) A final retention payment of USD$250,000 (AUD$304,804 at the 31 December 2014 USD/AUD exchange rate) which was paid during the year ended 31 December 2015 to the vendors of the Curral de Pedra tenement package in order for the Company to maintain its 70% ownership of the Project.

(2) As part of the acquisition of Sertão Mineração Ltda (SML), an amount of BR$495,000 (AUD$173,879 at the 31 December 2015 BR/AUD exchange rate) is owed to the Brazilian taxation office representing a disputed item from SML's 2008 tax return. This payment will fall due at an undetermined future date.

NOTE 17: DEFERRED REVENUE

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Gold Stream agreement:		
Funding received	10,888,284	-
Total deferred revenue as at 31 December 2015	**10,888,284**	**-**
Deferred revenue classification:		
Current deferred revenue	1,459,613	-
Non-current deferred revenue	9,428,671	-
Total deferred revenue as at 31 December 2015	**10,888,284**	**-**

Terms of the Gold Stream agreement:

- Cartesian Royalty Holdings (Cartesian) provided US$8 million which is being used by the Company to develop the Cascavel Gold Mine;
- In return, Cartesian is entitled to receive 20% of the gold produced during the first three years of commercial production from Cascavel. This is subject to a minimum quantity of 16,000 ounces of gold (the Gold Stream continues until 16,000 ounces of gold has been delivered) and a maximum quantity of 24,000 ounces of gold, at which point the agreement will cease, whether or not three years of production has been completed.
- An establishment fee of 1.5% was paid by the Company, together with the issue of 2,000,000 shares and 2,000,000 options (exercisable at 11 cents per security and expiring 18 months from issue).
- The Company has provided security in the form of pledges over the shares/quotas held in Orinoco Resources Pty Ltd and Orinoco Basil Mineracão Ltda, the latter owning 70% of Mineracão Curral de Pedra Ltda, owner of the Cascavel Gold Mine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

NOTE 18: ISSUED CAPITAL & RESERVES

Consolidated as at and for the year ended 31 December 2015	# Ordinary	$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	217,569,588	27,726,962
(b) Movements in fully paid shares on issue		
Balance as at 1 January 2015	138,507,134	20,665,007
Issue of shares @ $0.07 each via capital raising	60,394,641	4,227,625
Issue of shares @ $0.07 for Edem acquisition	4,494,629	314,624
Issue of shares @ $0.25 via Exercise of options	19,507	4,877
Issue of shares @ $0.086 for Gold Stream fee	500,000	43,000
Issue of shares @ $0.105 for Gold Stream fee	750,000	78,750
Issue of shares @ $0.21 for Gold Stream fee	500,000	105,000
Issue of shares @ $0.17 for Gold Stream fee	250,000	42,500
Issue of shares @ $0.11 via Exercise of options	617,500	67,925
Conversion of Class A Performance Shares	5,000,000	1,425,000
Issue of shares @ $0.17 each via Placement	6,536,177	1,111,150
Capital Raising Costs	-	(358,496)
Balance at 31 December 2015	**217,569,588**	**27,726,962**
(c) Options Reserves		
Share Based Payments Reserve:		
Balance as at 1 January 2015	**30,900,000**	**2,711,382**
Unlisted options issued to employees under ESOP for services rendered and future incentive	10,500,000	663,550
Expiry of options	(5,100,000)	(211,500)
Gold Stream options [(1)]	2,000,000	133,575
Underwriters options [(1)]	4,000,000	108,300
Marketing Agreement options [(1)]	2,500,000	331,375
Balance at 31 December 2015	**44,800,000**	**3,736,682**
Options Proceeds Reserve:		
Balance as at 1 January 2015	**23,342,756**	**80,150**
Free attaching listed options relating to capital raising	76,489,641	-
Exercise of options	(637,007)	(650)
Expiry of options	(29,423,249)	(13,800)
Free attaching listed Placement Options	2,178,726	-
Balance at 31 December 2015	**79,950,867**	**65,700**
Total Options Reserves	**124,750,867**	**3,802,382**
Foreign Exchange Reserve		**(456,964)**
Total Reserves		**3,345,418**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

NOTE 18: ISSUED CAPITAL & RESERVES (CONTINUED)

	$
(d) Foreign Exchange Reserve	
Balance as at 1 January 2015	**(72,471)**
Currency translation differences arising during the year	(384,493)
Balance at 31 December 2015	**(456,964)**

[(1)] The valuation of the issue of these securities is disclosed in Note 21: Share-Based Payments.

Consolidated as at and for the six months ended 31 December 2014	# **Ordinary**	$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	138,507,134	20,665,007
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2014	114,412,134	18,557,960
Issue of shares @ $0.125 each via Placement	8,000,000	1,000,000
Issue of shares @ $0.07 each via Placement	16,095,000	1,126,650
Capital Raising Costs	-	(19,603)
Balance at 31 December 2014	**138,507,134**	**20,665,007**
(c) Options Reserves		
Share Based Payments Reserve:		
Balance as at 1 July 2014	**23,900,000**	**2,138,082**
Issue of Sertao acquisition options	7,000,000	573,300
Balance at 31 December 2014	**30,900,000**	**2,711,382**
Options Proceeds Reserve:		
Balance as at 1 July 2014	**23,342,756**	**80,150**
Issue of free attaching Placement Options	8,000,000	**-**
Balance at 31 December 2014	**31,342,756**	**80,150**
Total Options Reserves	**62,242,756**	**2,791,532**
Foreign Exchange Reserve		**(72,471)**
Total Reserves		**2,719,061**
(d) Foreign Exchange Reserve		
Balance as at 1 July 2014		**(35,896)**
Currency translation differences arising during the six months		(36,575)
Balance at 31 December 2014		**(72,471)**

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

As at the period end the Company had a total of 124,750,867 (31 December 2014: 62,242,756) unissued ordinary shares on which options are outstanding with a weighted average exercise price of 15 cents (31 December 2014: 25 cents). The weighted average remaining contractual life of all share options outstanding at the end of the financial period is 1.14 years (31 December 2014: 1 years).

NOTE 18: ISSUED CAPITAL & RESERVES (CONTINUED)

Nature and Purpose of Reserves

1) *Share Based Payments Reserve*

The share based payment reserve is used to recognise the fair value of all options issued (but not yet exercised) to executives; consultants; and third parties for acquisition of tenements, including any proceeds received on the issue of these options.

2) *Option Proceeds Reserve*

The option proceeds reserve is used to recognise the proceeds received from the issue of options for consideration or as part of a placement or entitlements issue, other than options issued as share based payments.

3) *Foreign Exchange Reserve*

The foreign exchange reserve is used to record exchange differences arising on translation of the foreign controlled entity, which are recognised in other comprehensive income. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

NOTE 19: OPERATING CASH FLOW INFORMATION

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Reconciliation of cash flow from operating activities with loss after income tax		
Loss for the year	(8,173,506)	(1,981,286)
Less – Non-cash items:		
Share based payments	1,397,750	-
Depreciation	63,224	18,022
Foreign exchange loss (gain)	10,287	-
Write off of capitalised project costs	93,714	-
Changes in Assets and Liabilities		
Movement in trade and other receivables	(17,537)	(156,100)
Movement in other assets	(15,776)	-
Movement in provisions	269,084	-
Movement in trade and other payables	(119,108)	298,338
Net cash flows used in operating activities	**(6,491,868)**	**(1,821,026)**

NOTE 20: RELATED PARTY TRANSACTIONS

a) Related Party Compensation

Information on remuneration of Directors and other Key Management Personnel is contained in the Remuneration Report within the Directors' Report.

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Total remuneration paid to key management personnel during the period is as follows:		
Short-term employee benefits	1,003,814	245,000
Post-employment benefits	72,666	23,275
Total	**1,076,480**	**268,275**

b) Other Related Party Transactions

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Ventnor Capital Pty Ltd, a company of which Mr John Hannaford is a Director, provides the Group with company secretarial services, office accommodation and corporate services in relation to the administration of the Group on normal commercial terms and conditions and at market rates. Any executive time Mr Hannaford incurs for Orinoco is also billed through Ventnor Capital Pty Ltd.

A summary of the total fees paid to Ventnor Capital Pty Ltd for the period ended 31 December 2015 is as follows:

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Serviced office, company secretarial & CFO services, bookkeeping services, IT support, general administration and registered office	194,000	84,000
Financial accounting and corporate advisory services including executive time charged by Mr Hannaford	111,388	13,825
Total	**305,388**	**97,825**

The total amount of fees due to Ventnor Capital Pty Ltd as at 31 December 2015 was $41,675 (31 December 2014: $12,789).

NOTE 21: SHARE-BASED PAYMENTS

Share-based Payment Transactions

Share-based payment transactions recognised during the period were as follows:

	Consolidated 12 months ended 31 December 2015 $	Consolidated 6 months ended 31 December 2014 $
Share based payments in profit or loss in Share Based Payment Expense:		
6,500,000 Director Options	355,550 (1)	-
4,000,000 Options issued to employees under ESOP for services rendered and future incentive	308,000 (2)	-
2,500,000 Options issued for Marketing Agreement fee	331,375 (3)	-
Total share based payments in profit or loss in Share Based Payment Expense:	**994,925**	**-**
Share based payments in profit or loss in Finance Costs:		
2,000,000 Shares issued for Gold Stream Fee	269,250 (4)	-
2,000,000 Options issued for Gold Stream Fee	133,575 (5)	-
Total share based payments in profit or loss in Finance Costs:	**402,825**	**-**
Total share based payments in profit or loss	**1,397,750**	**-**
Share based payments in capital accounts:		
4,000,000 Options issued for underwriting fee - Capital raising costs	108,300 (6)	-
4,494,629 Shares issued for Edem Project acquisition - Capitalised Exploration and Evaluation Expenditure	314,624 (7)	-
5,000,000 Class A Performance Shares converted to Ordinary Shares - Capitalised Exploration and Evaluation Expenditure	1,425,000 (8)	-
7,000,000 Options issued for Sertao acquisition	-	573,300 (9)
Total share based payments in capital accounts	**1,847,924**	**573,300**
Total share based payments	**3,245,674**	**573,300**

(1) Unlisted Director Options
The options issued to Directors were issued on the following terms and conditions:

Grant Date	Options issued during the period	Expiry Date	Exercise Price per Option	Type	Fair Value at Grant Date
13 May 2015	6,500,000	30 April 2018	$0.15	Unlisted	$0.0547

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 30 April 2018 and are not subject to an escrow period.

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

(2) Unlisted ESOP Options
The options issued to employees under the Employee Option Incentive Scheme were issued on the following terms and conditions:

Grant Date	Options issued during the period	Expiry Date	Exercise Price per Option	Type	Fair Value at Grant Date
20 July 2015	4,000,000	30 April 2018	$0.15	Unlisted	$0.0770

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 30 April 2018 and are not subject to an escrow period.

(3) On 9 October 2015, a total of 2,500,000 unlisted options were issued in relation to payment of a Marketing Agreement fee:

Grant Date	Options issued during the period	Expiry Date	Exercise Price per Option	Type	Fair Value at Grant Date
9 October 2015	1,250,000	31 October 2017	$0.16	Unlisted	$0.1372
9 October 2015	1,250,000	31 October 2017	$0.25	Unlisted	$0.1279
Total	2,500,000				

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 31 October 2017 and are not subject to an escrow period.

(4) During the period a total of 2,000,000 Ordinary Shares were issued to the Company's funding partner under the Gold Streaming Agreement following the drawdown of funds under the Gold Streaming Agreement as follows:

Date of issue	Number of Ordinary Shares	Market price of shares at date of issue
18 June 2015	500,000	$0.086
26 August 2015	750,000	$0.105
9 October 2015	500,000	$0.21
18 December 2015	250,000	$0.17
Total	2,000,000	

(5) During the period a total of 2,000,000 options were issued to the Company's funding partner under the Gold Streaming Agreement following the drawdown of funds under the Gold Streaming Agreement as follows:

Grant Date	Options issued during the period	Expiry Date	Exercise Price per Option	Type	Fair Value at Grant Date
18 June 2015	500,000	30 November 2016	$0.11	Listed	$0.0200*
26 August 2015	750,000	30 November 2016	$0.11	Listed	$0.0310*
9 October 2015	500,000	30 April 2017	$0.11	Unlisted	$0.1349**
18 December 2015	250,000	30 June 2017	$0.11	Unlisted	$0.1315**
Total	2,000,000				

* Market value as at grant date
** Fair value determined using a Black & Scholes option pricing model

There are no voting rights attached, the options are freely transferable and they may be exercised at any time until their respective expiry dates and are not subject to an escrow period.

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

(6) 4,000,000 listed options issued to Azure Capital as underwriting fee as follows:

Grant Date	Options issued during the period	Expiry Date	Exercise Price per Option	Type	Market Value at Grant Date
22 June 2015	4,000,000	30 November 2016	$0.11	Listed	$0.027

There are no voting rights attached, the options are freely transferable and they may be exercised at any time until 30 November 2016 and are not subject to an escrow period.

(7) A total of 4,494,629 shares were issued during the period in relation to the acquisition of the Edem Project (3,329,733 shares issued on 12 May 2015 and 1,164,896 shares issued on 16 July 2015) at an issue price of $0.07 per share.

(8) 5,000,000 Class A Performance Shares were converted to Ordinary Shares on 28 October 2015 in accordance with the terms and conditions following the decision to mine in respect of the Licences based upon a mine plan which indicates a >25,000 oz per year economic mine life (excluding tailings). The fair value for the conversion of the Class A Performance Shares is the market value of the Ordinary Shares at the date of issue of the Class A Performance Shares being $0.285 per share on 31 October 2012.

(9) The valuation of the issue of these securities is disclosed in Note 12: Exploration & Evaluation Expenditure.

The details of the unlisted options issued during the year are as follows:

2015 Granted	Terms & Conditions						Vested	
#	Grant Date	Fair Value at Grant Date	Exercise Price per Option	Expiry Date	First Exercise Date	Last Exercise Date	Yes	%
6,500,000 (1)	13/05/2015	$0.0547	$0.15	30/04/2018	13/05/2015	30/04/2018	6,500,000	100%
4,000,000 (2)	20/07/2015	$0.0770	$0.15	30/04/2018	20/07/2015	30/04/2018	4,000,000	100%
500,000 (5)	9/10/2015	$0.1349	$0.11	30/04/2017	9/10/2015	30/04/2017	500,000	100%
1,250,000 (3)	9/10/2015	$0.1372	$0.16	31/10/2017	9/10/2015	31/10/2017	1,250,000	100%
1,250,000 (3)	9/10/2015	$0.1279	$0.25	31/10/2017	9/10/2015	31/10/2017	1,250,000	100%
250,000 (5)	18/12/2015	$0.1315	$0.11	30/06/2017	18/12/2015	30/06/2017	250,000	100%

Fair value of unlisted options granted
The fair value of unlisted options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

NOTE 21: SHARE BASED PAYMENTS (CONTINUED)

The table below summarises the model inputs for unlisted options granted during the period:

Model Inputs	**Unlisted Director Options (1)**	**Unlisted ESOP Options (2)**	**Unlisted Gold Stream Fee Options #1 (5)**	**Unlisted Marketing Fee Options #1 (3)**	**Unlisted Marketing Fee Options #2 (3)**	**Unlisted Gold Stream Fee Options #2 (5)**
1. Options granted for consideration of services	6,500,000	4,000,000	500,000	1,250,000	1,250,000	250,000
2. Exercise price (cents):	15	15	11	16	25	11
3. Valuation date:	13/05/2015	20/07/2015	9/10/2015	9/10/2015	9/10/2015	18/12/2015
4. Expiry date:	30/04/2018	30/04/2018	30/04/2017	31/10/2017	31/10/2017	30/06/2017
5. Underlying security spot price at grant date (cents):	7.2	9.8	17.5	17.5	17.5	17
6. Expected price volatility of the Company's shares:	157%	161%	167%	167%	167%	171%
7. Expected dividend yield:	0%	0%	0%	0%	0%	0%
8. Risk-free interest rate:	2.16%	2.00%	1.90%	1.90%	1.90%	2.05%
9. Discount:	-	-	-	-	-	-

NOTE 22: AUDITOR'S REMUNERATION

The auditor of Orinoco Gold Limited is HLB Mann Judd.

	Consolidated	
	12 months ended 31 December 2015 $	**6 months ended 31 December 2014 $**
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the Company	40,000	27,500
Other services in relation to the Company		-
	40,000	**27,500**
Amounts received or due and receivable by a network firm of HLB Mann Judd for:		
An audit or review of the financial report of the overseas subsidiary	11,855	12,000
	11,855	**12,000**
Total	**51,855**	**39,500**

NOTE 23: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks that includes market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by Company Management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating foreign exchange and interest rate and credit risks.

a) Market Risk

Market risk is the risk that changes in market prices, such as the gold price, foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return. The Group only had exposure to interest rate risk and foreign currency risk during the period.

Price Risk

The Group was not directly exposed to any gold price risk during the period as production had not commenced. The Group has not entered into hedging contracts to protect against future volatility in the gold price as the production profile is not yet known with a high enough degree of certainty.

Interest Rate Risk

The Group is exposed to interest rate risk on cash balances held in interest bearing accounts. The Board regularly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities. The Group's net exposure to interest rate risk at 31 December 2015 approximates the value of cash and cash equivalents.

Foreign Currency Risk

As a result of its operations in Brazil, the Group undertakes certain transactions in foreign currencies, primarily the Brazilian Real and US Dollar, hence exposures to exchange rate fluctuations arise. The Group's functional currencies are the Australian Dollar and the Brazilian Real.

The carrying value of the Group's foreign currency denominated monetary assets and monetary liabilities as at balance date are as follows:

	Assets		**Liabilities**	
	31 December 2015 AUD$	**31 December 2014 AUD$**	**31 December 2015 AUD$**	**31 December 2014 AUD$**
Brazilian Real	2,092,504	488,728	572,426	427,952
Total	**2,092,504**	**488,728**	**572,426**	**427,952**

Foreign Currency Sensitivity

The Group is exposed to Brazilian Real (BRL) currency fluctuations.

The following table details the Group's sensitivity to a 5% change in the Australian Dollar against the BRL. 5% is the sensitivity calculated based on the analysis of the change of the exchange rate over the year ended 31 December 2015 as compared to the average exchange rate across the period and the rate in effect at the balance date and represents management's assessment of the possible change in foreign exchange rates.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at year end for a 5% change in foreign currency rates.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the BRL, and for a weakening Australian Dollar there is an equal and opposite impact on the profit and other equity, shown as a negative number.

Consolidated Risk Variable	Sensitivity*	Effect On: Results year ended 31 December 2015 $	Effect On: Equity 31 December 2015 $	Effect On: Results 6 months ended 31 December 2014 $	Effect On: Equity 31 December 2014 $
BRL Balances	+ 5%	76,004	76,004	3,039	3,039
	- 5%	(76,004)	(76,004)	(3,039)	(3,039)

b) Credit Risk
The Group has no significant concentrations of credit risk.

c) Liquidity Risk
The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the Board at each Meeting of Directors.

The maturity of the Company's payables is disclosed in Note 15.

(a) Cash Flow and Interest Rate Risk
The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are disclosed in Note 9. Only cash is affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

In accordance with AASB 7 the following sensitivity analysis has been performed for the Group's Interest Rate risk:

Consolidated Risk Variable	Sensitivity*	Effect On: Results 12 months ended 31 December 2015 $	Effect On: Equity 31 December 2015 $
Interest Rate	+ 1.00%	37,155	37,155
	- 1.00%	(37,155)	(37,155)

Consolidated Risk Variable	Sensitivity*	Effect On: Results 6 months ended 31 December 2014 $	Effect On: Equity 31 December 2014 $
Interest Rate	+ 1.00%	12,197	12,197
	- 1.00%	(12,197)	(12,197)

* It is considered that 100 basis points is a 'reasonably possible' estimate of potential variations in the interest rate.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital includes ordinary share capital and convertible performance shares, supported by financial assets.

There were no changes in the Group's approach to capital management during the period.

The Group is not subject to externally imposed capital requirements.

NOTE 24: SEGMENT REPORTING

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of the mineral being targeted and the country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Reportable segments requiring disclosure are operating segments that meet either of the following thresholds:

- Segment loss greater than 10% of combined loss of loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

In accordance with AASB 8, the reportable segments are based on aggregated operating segments determined by the similarity of the minerals targeted, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an all other segments reporting segment. In accordance with AASB 8 Segment Reporting corporate and administration activities are to be included in the all other segments reporting segment.

Description of Operating Segments

Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focussed on the type of resources being explored for and evaluated or developed, namely gold. The Group's reportable segments under AASB 8 are therefore as follows:

- Gold
- All Other

NOTE 24: SEGMENT REPORTING (CONTINUED)

The gold segment relates to:

1. Orinoco Gold Limited has acquired a 70% interest in the Curral de Pedra Project, which is located in Goiás State in Central Brazil. The Curral de Pedra Project is the most advanced of the Group's Brazilian prospects. These tenements are prospective for gold mineralisation.

2. Orinoco Gold Limited also acquired a 100% interest in the Sertao Project which is also a gold project in Brazil. The details of these tenements can be found in the Schedule of Mining Tenements.

Accounting Policies and Inter-Segment Transactions

The accounting policies used by the Group in reporting segments internally is the same as those contained in Note 3 to the financial statements.

Information about Reportable Segments

CONSOLIDATED	**Gold** **$**	**All Other Segments** **$**	**Total** **$**
Year ended 31 December 2015			
Segment Revenue	3,245	24,792	28,037
Segment Loss after Tax	(3,065,357)	(5,108,149)	(8,173,506)
Interest revenue	2,938	24,792	27,730
Depreciation	(22,511)	(40,466)	(62,977)
Other non-cash expenses	-	(1,397,750)	(1,397,750)
Segment Assets	13,985,994	14,377,884	28,363,878
Additions to Non-Current Asset	6,101,015	3,121,059	9,222,074
Segment Liabilities	(861,503)	(11,716,438)	(12,577,941)
Cash Flow Information			
Net cash flow from operating activities	(3,089,804)	(3,402,064)	(6,491,868)
Net cash flow from investing activities	(4,441,733)	(2,657,336)	(7,099,069)
Net cash flow from financing activities	-	16,034,146	16,034,146

NOTE 24: SEGMENT REPORTING (CONTINUED)

CONSOLIDATED	Gold $	All Other Segments $	Total $
Six months ended 31 December 2014			
Segment Revenue	-	14,531	14,531
Segment Loss after Tax	(1,186,114)	(795,172)	(1,981,286)
Interest revenue	-	14,531	14,531
Depreciation	5,933	12,089	18,022
Segment Assets	14,899,603	1,574,163	16,473,766
Segment Liabilities	(644,558)	(690,202)	(1,334,760)
Cash Flow Information			
Net cash flow from operating activities	(1,152,317)	(668,709)	(1,821,026)
Net cash flow from investing activities	(213,155)	(20,679)	(233,834)
Net cash flow from financing activities	-	2,119,603	2,119,603

Geographical Information

The following table presents the geographical information from the Group's two geographical locations, Brazil and Australia.

CONSOLIDATED	Brazil $	Australia $	Total $
31 December 2015			
Revenue from external customers	-	-	-
Non-current assets	24,095,406	81,414	24,176,820
CONSOLIDATED			
31 December 2014			
Revenue from external customers	-	-	-
Non-current assets	14,864,176	90,568	14,954,744

NOTE 25: COMMITMENTS FOR EXPENDITURE

Expenditure Commitments

Material expenditure commitments of the Group at 31 December 2015 are as follows:

1. In accordance with the Group's agreement with Gekko Systems Pty Ltd, approximately $326,000 (excluding GST) will be payable by the Group after 31 December 2015 in relation to the installation supervision and commissioning of the Cascavel Project Gravity Plant once the plant has cleared customs and arrived on site.
2. Commitments to complete construction of the process plant at the Cascavel Gold Mine total an amount of approximately $600,000.
3. In accordance with the mineral rights agreement in relation to the Edem Project, the Group was required to pay US$500,000 in September 2015. The payment has been suspended while parties renegotiate the agreement in light of current market conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2015

NOTE 26: PARENT ENTITY DISCLOSURES

Financial Position

	31 December 2015 $	31 December 2014 $
Assets		
Current Assets	2,199,146	1,018,219
Non-Current Assets	10,632,236	9,184,222
Total Assets	12,831,382	10,202,441
Liabilities		
Current Liabilities	2,287,767	876,622
Non-Current Liabilities	9,428,671	29,313
Total Liabilities	11,716,438	905,935
Equity		
Issued Capital	27,726,962	20,665,007
Options Reserve	3,802,382	2,617,232
Accumulated Losses	(30,414,400)	(13,985,733)
Total Equity	1,114,944	9,296,506

Financial Performance

	12 months ended 31 December 2015 $	6 months ended 31 December 2014 $
Loss for the period	(16,654,616)	(2,222,515)
Other comprehensive income	-	-
Total Comprehensive Loss	(16,654,616)	(2,222,515)

The parent entity had no commitments or contingent liabilities at balance date.

NOTE 27: INTERESTS IN CONTROLLED ENTITIES

The Company has the following subsidiaries:

Name of Subsidiary	Country of Incorporation	Class of Shares	Percentage Held 31 December 2015	Percentage Held 31 December 2014
Orinoco Resources Pty Ltd	Australia	Ordinary	100%	100%
Orinoco Brasil Mineração Ltda (1)	Brazil	Ordinary	100%	100%
Mineração Curral de Pedra Ltda (2)	Brazil	Ordinary	70%	70%
Rio do Ouro Mineração Ltda (2)	Brazil	Ordinary	60%	60%
Sertão Mineração Ltda (2)	Brazil	Ordinary	100%	100%

(1) Investment in this subsidiary is held by Orinoco Resources Pty Ltd.

(2) Investment in this subsidiary is held by Orinoco Brasil Mineração Ltda.

NOTE 28: SUBSEQUENT EVENTS

The Entitlement Issue launched on 23 December 2015 was closed on 10 February 2016 and resulted in 15,475,118 shares and 5,158,525 free attaching options being issued at $0.17 per share to raise $2,630,770. As at 30 March 2016, a further 2,752,184 shares and 917,197 free attaching options from the shortfall of the entitlement issue had been placed to raise a further $467,872.

The Company announced on 17 December 2015 that it had entered into a non-binding conditional term sheet with a potential cornerstone investor and a binding commitment letter with the same party to subscribe to 8 million shares as Shortfall from the Entitlement Issue. On 17 March 2016, the Company announced that the term sheet had been terminated on the basis that the parties were unable to reach agreement on the key commercial terms of a potential investment in an improved market environment. Furthermore, the parties have since agreed to terminate the binding commitment letter pursuant to which the investor was to subscribe for A$1.36m under the rights issue shortfall or by way of an additional placement. Orinoco has previously received expressions of interest for the majority of the remaining shortfall.

Other than disclosed above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 29: CONTINGENT LIABILITIES

A Group company is involved in a dispute with a service provider in Brazil in regards to the recovery of fees paid by the company totalling approximately R$1.1 million (A$400,000) and the cancellation of unpaid invoices totalling approximately R$300,000 (A$110,000) due to the unsatisfactory quality of work in the Company's opinion. The matter is currently awaiting arbitration.

A Group company is involved in a dispute with the Brazilian federal tax authority who has disagreed with the company netting certain tax credits against income tax owed. The matter is before a tax administrative tribunal. The company's advisors believe the company has correctly complied with the tax regulations and expects the tribunal to find in the company's favour. In a worst case scenario, the company estimates that if tribunal disallows 20% of the offsetting credits the company will be required to pay approximately R$2,000,000 in taxes, penalties and interest.

The Directors are not aware of any other contingent liabilities that may arise from the Company's operations as at 31 December 2015.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 30 to 66 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 31 December 2015.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

Mr John Hannaford
Chairman

Perth
30 March 2016

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Orinoco Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Orinoco Gold Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Orinoco Gold Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the Group generated a comprehensive loss after tax for the year ended 31 December 2015 of $8,546,575, had a working capital surplus of $1,246,000 and experienced net cash outflows from operating activities of $6,491,868 and net cash outflows from investing activities of $7,099,069. As disclosed in Note 2, should there be material delays in the commencement of gold production at the Cascavel Gold Project or should the quantity of gold produced during the next 12 months be materially less than expected, there is a material uncertainty which may cause significant doubt as to the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Orinoco Gold Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
30 March 2016

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issue capital of the Company at 16 March 2016 is 238,971,571 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 16 MARCH 2016

		No. of Shares Held	% Held
1	ADMARK INV PL	36,800,000	15.40%
2	IRONCLAD MINING LTD	13,091,447	5.48%
3	KAS INV & DVLMT PL	9,407,605	3.94%
4	KHAOULE WALID	7,158,692	3.00%
5	GREGORACH PL	5,524,386	2.31%
6	JANELIN INV PL	4,600,000	1.92%
7	MARSHALL TRACEY LEANNE	4,568,031	1.91%
8	VESSANI LUIZ ANTONIO	3,879,229	1.62%
9	IMPULZIVE PL	3,753,031	1.57%
10	RIVERVIEW CORP PL	3,275,800	1.37%
11	FILHO DIMAS MARTINS	3,068,012	1.28%
12	TAYLOR PETER W + M J	2,960,000	1.24%
13	PETERSEN KLAUS JUERGEN	2,589,737	1.08%
14	JAEK HLDGS PL	2,567,638	1.07%
15	IPS NOMINESS LTD	2,379,446	1.00%
16	PAPENDIECK MARK JOHN	2,374,737	0.99%
17	CITICORP NOM PL	2,122,496	0.89%
18	TAYLOR ARTHUR RICHARD	2,115,648	0.89%
19	ZW 2 PL	2,060,000	0.86%
20	CRH MEZZANINE PTE LTD	2,000,000	0.84%
		116,295,935	**48.66%**

* Denotes merged holders

Shares Range	No. of Holders	No. of Shares
1 – 1,000	28	5,781
1,001 – 5,000	100	349,630
5,001 – 10,000	176	1,506,381
10,001 – 100,000	655	25,403,108
100,001 and over	255	211,706,671
	1214	**238,971,571**
Number holding less than a marketable parcel at $0.16 per share (closing price on 16 March 2016)	75	123,628

ASX ADDITIONAL INFORMATION (CONTINUED)

VOTING RIGHTS

In accordance with the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank pari passu with the then existing issued fully paid ordinary shares.

SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2016

		No. of Shares Held	% Held
1	ADMARK INV PL	36,800,000	15.40%
2	IRONCLAD MINING LTD	13,091,447	5.48%
3	GEORGE KASBARIAN	12,607,141	5.28%

* Denotes merged holders

OPTION HOLDINGS

The Company has the following classes of options on issue at 16 March 2016 as detailed below. Options do not carry any rights to vote.

Class	Terms	No. of Options
OGXOB	Exercisable at 11 cents each, expiring on or before 30 November 2016	77,947,460
OGXOC	Exercisable at 25 cents each, expiring on or before 31 January 2018	8,254,648
A	Exercisable at 15 cents each, expiring on or before 30 April 2018	10,500,000
B	Exercisable at 11 cents each, expiring on or before 30 April 2017	500,000
C	Exercisable at 25 cents each, expiring on or before 31 October 2017	12,250,000
D	Exercisable at 16 cents each, expiring on or before 31 October 2017	1,250,000
E	Exercisable at 30 cents each, expiring on or before 31 July 2016	1,700,000
F	Exercisable at 25 cents each, expiring on or before 31 May 2017	7,000,000
G	Exercisable at 11 cents each, expiring on or before 30 June 2017	250,000
		119,652,108

LISTED OPTIONS

As at 16 March 2016 the Company has 77,947,460 OGXOB listed options on issue and 8,254,648 OGXOC listed options on issue. Listed Options do not carry any voting rights.

ASX ADDITIONAL INFORMATION (CONTINUED)

TOP 20 OGXOB HOLDERS AS AT 16 MARCH 2016

		No. of Options Held	% Held
1	PALASOVSKI TONY	7,802,693	10.01%
2	JANELIN INV PL	3,583,469	4.60%
3	ADMARK INV PL	3,571,428	4.58%
4	BANKSIA INV PL	3,558,235	4.56%
5	TEAGUE ADAM JOSEPH	2,950,000	3.78%
6	KAS INV & DVLMT PL	2,359,441	3.03%
7	VECTOR NOM PL	2,100,000	2.69%
8	BRETRED PL	1,944,995	2.50%
9	KPSF RETMNT PL	1,775,571	2.28%
10	LIFESAVER INV PL	1,483,000	1.90%
11	ALIMATT PL	1,431,623	1.84%
12	P2 PORTFOLIOS LLC	1,428,571	1.83%
13	IPS NOMINESS LTD	1,428,571	1.83%
14	IRONCLAD MINING LTD	1,428,571	1.83%
15	BARON LELITA	1,350,022	1.73%
16	GREGORACH PL	1,328,571	1.70%
17	KASBARIAN JOHN	1,327,429	1.70%
18	CRH MEZZANINE PTE LTD	1,250,000	1.60%
19	IPS NOM LTD	1,225,000	1.57%
20	PRESS KEVIN	1,200,000	1.54%
		44,527,190	**57.10%**

* Denotes merged holders

Options Range	No. of Holders	No. of Options
1 – 1,000	4	2,230
1,001 – 5,000	19	55,962
5,001 – 10,000	20	161,869
10,001 – 100,000	103	5,160,719
100,001 and over	88	72,566,680
	234	**77,947,460**

ASX ADDITIONAL INFORMATION (CONTINUED)

TOP 20 OGXOC HOLDERS AS AT 16 MARCH 2016

		No. of Options Held	% Held
1	IMPULZIVE PL	695,455	8.43%
2	ROBERT MACFADYEN PL	528,588	6.40%
3	ZW 2 PL	400,001	4.85%
4	IPS NOMINESS LTD	400,000	4.85%
5	ADRISA BUILDERS PL	350,000	4.24%
6	KAS INV & DVLMT PL	346,079	4.19%
7	MERRILL LYNCH AUST NOM PL	333,333	4.04%
8	VECTOR NOM PL	333,333	4.04%
9	KAS DVLMTS PL	296,080	3.59%
10	ALIMATT PL	294,168	3.56%
11	LYMBERIS THEO	211,905	2.57%
12	LEES LIONEL C J + C K	200,001	2.42%
13	GREGORACH PL	200,000	2.42%
14	MARSHALL TRACEY LEANNE	182,211	2.21%
15	HELUSS NOM PL	150,000	1.82%
16	IVANKOVIC JOSIP	114,286	1.38%
17	KELLY DERRICK ALLAN	105,001	1.27%
18	FRIEND BERNARD	100,000	1.21%
19	LESKO FRANK	100,000	1.21%
20	RIVERVIEW CORP PL	98,039	1.19%
		5,438,480	**65.89%**

* Denotes merged holders

Options Range	No. of Holders	No. of Options
1 – 1,000	90	52,544
1,001 – 5,000	144	366,880
5,001 – 10,000	49	354,488
10,001 – 100,000	68	2,340,295
100,001 and over	17	5,140,441
	368	**8,254,648**

ASX ADDITIONAL INFORMATION (CONTINUED)

UNLISTED OPTIONS

Options Range	Unlisted Options No. of Holders	Unlisted Options No. of Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	1	10,000
10,001 – 100,000	9	600,000
100,001 and over	31	32,840,000
	41	**33,450,000**

The following Option holders hold more than 20% of a particular class of the Company's Unlisted Options.

Holder	Unlisted Options Class A	Unlisted Options Class B	Unlisted Options Class D	Unlisted Options Class E
MS ANNETTE PAPENDIECK	2,500,000	-	-	-
CRH MEZZANINE PTE LTD	-	500,000	-	-
HFI LIMITED	-	-	1,250,000	-
MARCELO DE CARVALHO	-	-	-	1,000,000
THIAGO VAZ ANDRADE	-	-	-	500,000

Holder	Unlisted Options Class F	Unlisted Options Class G
TROY RESOURCES LIMITED	4,900,000	-
AMAZONIA MINERACAO LTDA	2,100,000	-
CRH MEZZANINE PTR LTD	-	250,000

No single Option holder holds more than 20% of Class C Unlisted Options.

SCHEDULE OF MINERAL TENEMENTS

As at the date of this report, Orinoco Gold Limited has an interest in the following tenements:

Brazil

Project	Tenement	Location	Interest Held	Granted / Application
Cascavel	860.167/2007	Faina	70%	Extraction Licence and Mining Lease Application
	861.586/2009	Faina	70%	Exploration
	860.185/2011	Faina	70%	Exploration
	861.793/2007	Faina	70%	Tender Application
Faina Goldfields Project	860.284/2010	Faina	60%*	Exploration
	860.968/2010	Faina	60%*	Exploration
	860.434/2010	Faina	60%*	Exploration
	860.435/2010	Faina	60%*	Exploration
	861.288/2009	Faina	60%*	Exploration / Application for Extension
	860.436/2010	Faina	60%*	Exploration / Application for Extension
	861.277/2010	Faina	70%	Exploration
	860.600/2011	Faina	70%	Exploration
	862.520/2011	Faina	60%*	Exploration
	860.185/2012	Faina	60%*	Exploration
	861.347/2012	Faina	60%*	Exploration
	860.157/2013	Faina	60%*	Exploration
	860.051/2012	Faina	70%	Exploration Application
	860.188/2012	Faina	70%	Exploration Application
	860.856/2012	Faina	70%	Exploration Application
	860.404/2013	Faina	70%	Exploration
	860.863/2006	Faina	60%*	Tender Application
	861.340/2008	Faina	60%*	Tender Application
	861.590/2009	Faina	60%*	Tender Application
	861.341/2008	Faina	60%*	Tender Application
	861.229/2005	Faina	60%*	Tender Application
	861.258/2003	Faina	60%*	Tender Application
	861.445/2010	Faina	60%*	Tender Application
	860.336/1990	Faina	70%	Tender Application
	860.337/1990	Faina	70%	Tender Application
	861.796/2007	Faina	70%	Tender Application
	861.918/2013	Faina	70%	Exploration Application
	861.917/2013	Faina	70%	Exploration Application
	860.699/2013	Faina	60%*	Exploration
	861.016/2009	Faina	80%	Exploration
	861.587/2009	Faina	80%	Exploration
	860.069/2010	Faina	80%	Exploration
	860.871/2010	Faina	80%	Exploration
	860.947/2010	Faina	80%	Exploration
	860.948/2010	Faina	80%	Exploration
	860.956/2010	Faina	80%	Exploration
	860.964/2010	Faina	80%	Exploration
	860.987/2010	Faina	80%	Exploration
	860.988/2010	Faina	80%	Exploration
	860.990/2010	Faina	80%	Exploration
	860.193/2011	Faina	80%	Exploration
Sertão	860.368/1995	Sertão	100%	Mining Lease
	860.096/1986	Sertão	100%	Mining Lease
	760.742/1996	Sertão	100%	Mining Lease Application

* 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.