



ASX/Media Release – 5 September 2016

First Production Material Successfully Processed at Cascavel as Production Ramp-up Begins

Key Points:

- Initial batches of production material processed through the Cascavel plant are estimated to have a feed grade of approximately 15-17g/t gold.
- Mining dilution is expected to decrease over the coming months as mining occurs in the deeper, more geotechnically competent areas.
- Batches of production material processed to date consist of high and medium grade stope material.
- Orinoco is continuing to run production material in batches to facilitate scheduling of production for the next quarter.

Orinoco Gold Limited (ASX: OGX) is pleased to advise that the first batches of production material have been successfully run through the plant for the first time at its 70%-owned **Cascavel Gold Mine** in central Brazil with initial grade estimates indicating an average feed grade for this material of **15-17g/t gold**.

The first-ever batches of production material, totalling approximately 105 tonnes, were introduced to the plant over the last two weeks with the circuit coping well with the material. While final metallurgical balances are still pending, it appears that the gravity circuit is performing reasonably with the different rock type and higher grade of the production material when compared with the softer, lower grade development material that has previously been run through the plant.

Some further small adjustments will be made to parts of the circuit as a result of optimisation opportunities identified during the first run of production material.

The production ramp-up at Cascavel will now commence with the plant continuing to treat a combination of production material along with development material. As most of the mine development at Cascavel is on the mineralised zone, development material is not disposed of as waste but will be processed through the circuit to extract the gold. Treatment of production and development material will be reported separately.

As each stope in the mine has a different grade profile and no JORC Mineral Resource has been calculated at Cascavel against which production guidance can be given, Orinoco cautions against extrapolating the head grade of any particular batch of ore to future batches of production material.

Orinoco's Managing Director, Mark Papendieck, said that with plant commissioning now complete the project was transitioning smoothly into a production ramp-up phase following the successful introduction of high-grade production material to the processing circuit.

Orinoco Gold

Ground Floor, 16 Ord Street
West Perth WA 6005
PO Box 234
West Perth WA 6872

Contact

P (08) 9482 0540
F (08) 9482 0505
info@orinocogold.com
www.orinocogold.com

ASX Code

OGX
(Ordinary Shares)
OGXOB
OGXOC
(Listed Options)

Issued Capital

301,046,757 Ordinary Shares
10,000,000 Performance Shares
125,824,325 Options

"We are very pleased with what we have seen to date. The plant is performing well with high-grade production ore and, clearly, if we can continue to put similar material through the plant on a relatively consistent basis, Cascavel will be one of the highest grade gold mines to come on-line anywhere in the world in recent times. However, we continue to caution that because of the nature of the mineralisation, there will be variability in the production grade as we progress through the different stopes," he said.

"Although a modest beginning with regards to size of production, the Cascavel system is certainly capable of delivering substantially more material than our current mine design limit of around 150 tonnes per day. We are now working hard on hitting our initial nameplate tonnage at Cascavel and continuing to demonstrate the system's potential for growth, through both drilling and the work that is underway at Cuca, a parallel gold lode sitting beneath Cascavel."

-ENDS-

For further information, please contact:

Mark Papendieck
Managing Director
Orinoco Gold Limited
08 9463 3241
info@orinocogold.com

Nicholas Read
Managing Director
Read Corporate
08 9388 1474

Forward-Looking Statements:

This Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Orinoco Gold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Orinoco Gold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Orinoco Gold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for gold 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 and resolve logistical issues associated with mining. 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. No JORC Mineral Resources or Reserves have been estimated for the Cascavel Gold Mine.