



Significant Upside to Cascavel Gold System as Exploration Ramps Up

With construction of the gravity circuit now underway ahead of commissioning in June, Orinoco is ramping up exploration activities to grow the Cascavel operation

Key Points:

- Significant >2km potential extensions to the Cascavel system identified
- Additional outcropping gold lode discovered parallel to Cascavel
- Advanced exploration to commence on two sites located within 3km of the Cascavel Processing Circuit
- Licencing in place for large scale bulk sampling at Cuca, 350m north of Cascavel
- Planning underway for new drilling programs to confirm:
 - *Continuity of parallel gold lode structures*
 - *Along-strike extensions of Cascavel*
 - *Down-plunge extensions of Cascavel*

Orinoco Gold Limited (ASX: OGX) is pleased to report excellent progress with exploration activities at and around its 70%-owned Cascavel Gold Mine in central Brazil, with its exploration team identifying a number of near-mine opportunities for extensions and repeats of the high-grade Cascavel gold system.

With construction of the final gravity circuit now underway ahead of commissioning in June, Orinoco is seeking to grow its operations at Cascavel through the identification of near-mine targets capable of delivering additional ore to the Cascavel Processing Plant and by continuing to expand the area of operations of the existing mine. Recent exploration activity has been successful on both fronts, highlighting the potential to substantially expand the project over time.

Near-Mine Exploration

The Cascavel system consists of a stacked series of shallow dipping gold mineralised quartz veins within a major shear. Currently, all planned mining activities at Cascavel encompass only ~180m of strike on one of two sampled parallel gold lodes. The second lode (the Cuca lode), located approximately 15-20m beneath the Cascavel lode, was bulk sampled in May 2014 and returned a grade of 27.2g/t gold from a 2.5 tonne sample (see ASX Announcement – 14 May 2014). Fieldwork and drilling to date suggests that several more parallel gold lodes are likely to exist within the Cascavel system.

Cuca Target

Orinoco is currently dewatering the old artisanal workings at Cuca to investigate the possibility of repairing and re-using the existing shaft to access this lode for large-scale bulk sampling. The Cuca lode was first mined by the Portuguese in 1741 and then re-opened by artisanal miners in 2009.

The shaft used to access the lode by both the Portuguese and artisanal miners is located around 350m north from the main incline at Cascavel (see photos in Figure 1).



Figure 1. A: The existing Cuca shaft. B & C: Inside the Cuca artisanal workings. D: Gold from Cuca has the same metallurgical characteristics as Cascavel gold.

A program to collect large bulk samples from Cuca, in the order of hundreds of tonnes, is currently being planned. Once collected, these large bulk samples can be processed through the Cascavel processing plant.

Metallurgical testing has already shown that the Cuca lode shares the same free gold characteristics as the Cascavel lode. A successful bulk sampling campaign can lead seamlessly into larger scale extraction at Cuca with Orinoco's existing licences also covering potential operations at Cuca.

Española Target

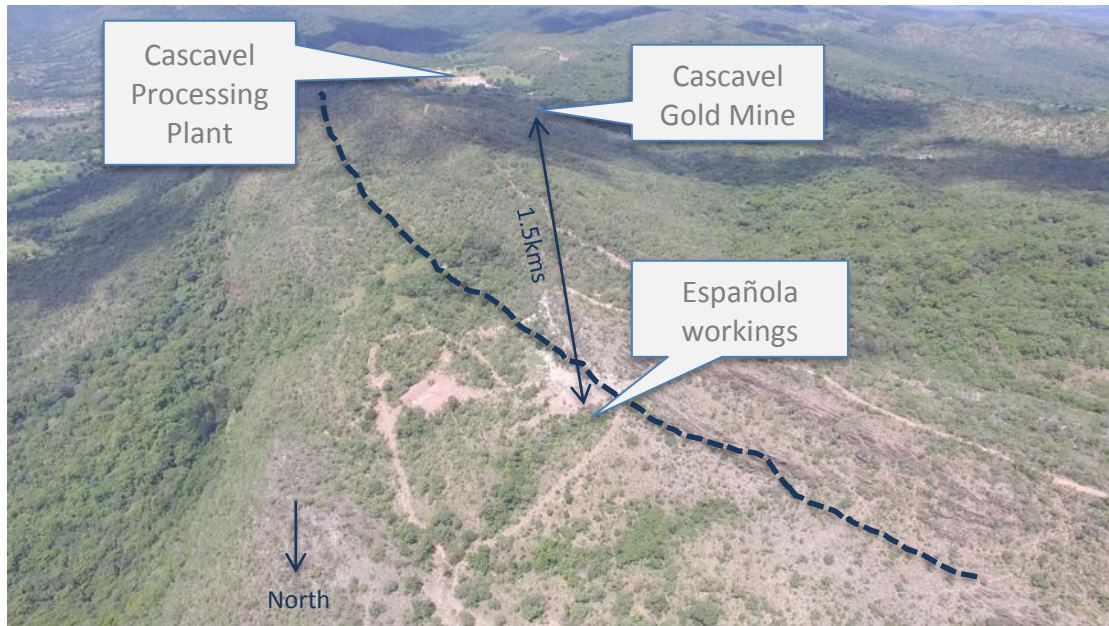
Recent fieldwork and sampling confirms that a third parallel gold lode exists that has significantly greater strike than previously recognised. This target, previously called Garimpo, has been renamed Española.

Española contained a well-known "garimpo" (artisanal mine) that produced gold from approximately 2010-2012 when the artisanal miners were removed. The artisanal workings (Figure 2) located approximately 1.5km north of the Cascavel Gold Mine consist of a series of winzes developed along approximately 200m of strike where, as with Cascavel, the mineralised horizon is composed of a shallowly dipping set of quartz veins and associated alteration halo. Previously reported rock chip sampling of the artisanal workings returned gold grades up to 9.9g/t) (ASX Announcement 7 October 2014).

Recent fieldwork has shown that the strike of this zone of quartz veins and alteration is much larger than initially thought, with the unit now mapped over 2km. In addition to the main artisanal workings, several

sites along the strike have smaller workings that are reported to have yielded gold from rudimentary surface workings.

Shallow drilling is being planned to confirm the continuity of the Española structure down-plunge and along strike. Should this drilling successfully delineate gold-bearing quartz veins, bulk sampling will be planned to test the grade of the lode. With the imminent completion of the Cascavel Processing Plant any material removed from Española can easily and quickly be processed to ascertain its grade and amenability to gravity gold recovery.



Cascavel Extensional Exploration

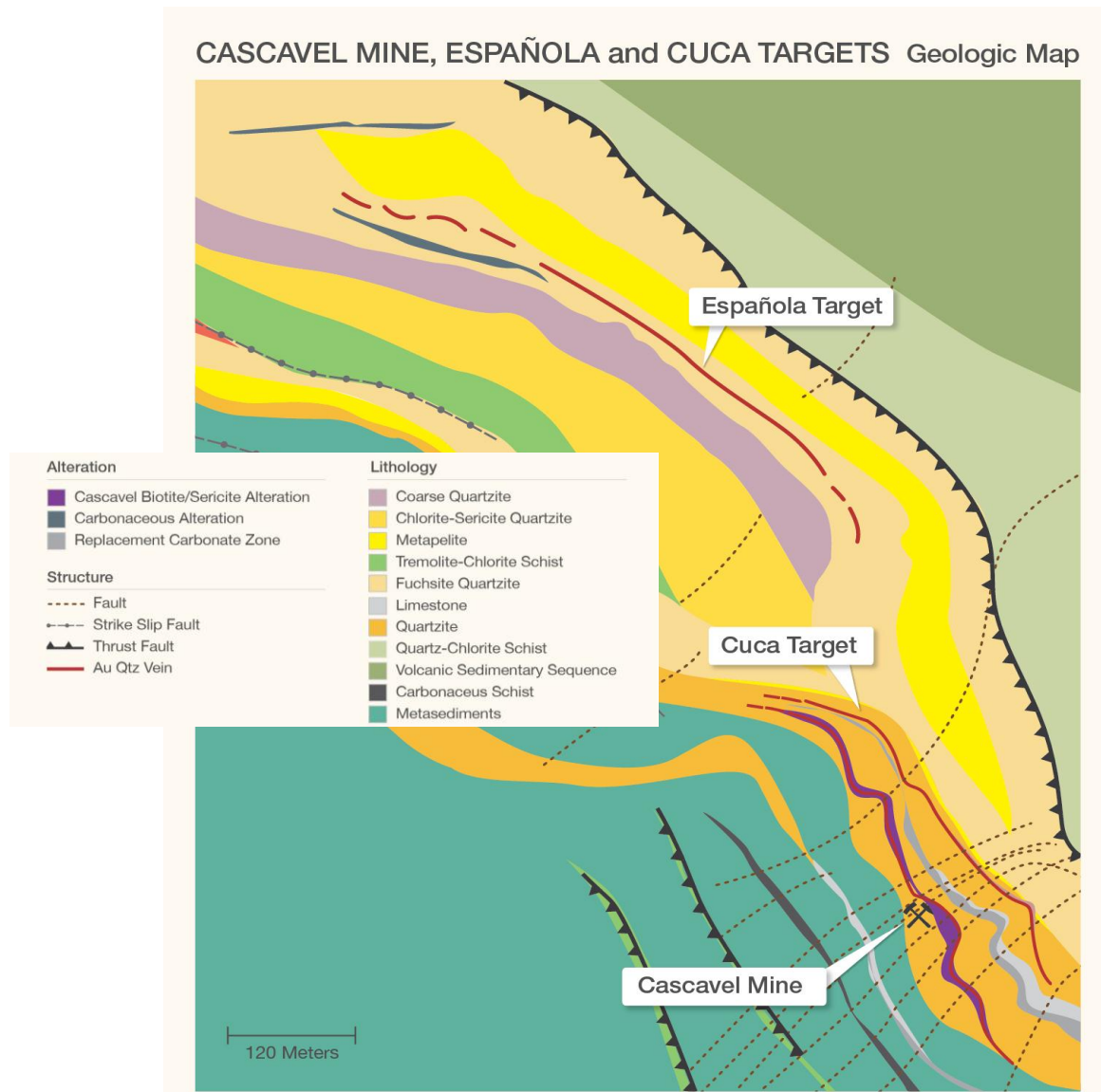
Orinoco plans to commence exploration drilling both in and around the Cascavel Gold Mine. Drilling is planned to further test the zones in the mine where stacked veins have been mapped in development (in both the south and the north of the mine). This will include extensions of the gold lode currently being mined both along strike and down-dip. Further strike extensions are particularly valuable to Orinoco as the only capital costs of mining strike extensions are the incremental costs of the additional level development. All drilling is designed to test for the continuation of the gold-bearing structure.

Other Targets

Orinoco considers other targets such as the extensions to the Sertão Gold Mine and the extensive polymetallic Tinteiro system to remain first order exploration targets, however in the short term, all exploration investment will focus on extending the extent of the known Cascavel mineralisation and adding mill feed to the existing Cascavel processing plant from near mine targets with similar free gold characteristics.

Orinoco's Managing Director, Mr Mark Papendieck, said that with production and cash-flow about to commence at the Cascavel gold mine, the Company's key focus moving forward was on growing the operation and identifying other potential sources of ore in the immediate vicinity of the Cascavel processing plant.

“Everything that we see in and around the Cascavel gold mine points to the fact that the Cascavel system is a very large gold-bearing system. Exploration is the key to unlocking the system’s potential, and with the Cascavel processing circuit about to come on-line next month, growing the mine and discovering additional ounces directly around our existing infrastructure is the logical next step, with the potential to unlock significant value for our shareholders.”



-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 coal and base metal materials; fluctuations in exchange rates between the U.S. Dollar, the Brazilian Real and the Australian dollar; the failure of Orinoco Gold Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Orinoco Gold Limited. The ability of the company to achieve any targets will be largely determined by the company's ability to secure adequate funding, implement mining plans, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. Although Orinoco Gold Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement:

The information in this announcement 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 and CREA. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho are employees of Orinoco Gold Limited and have sufficient experience, which is relevant to the style of mineralisation under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Previous Reported Results:

There is information in this report relating to Exploration Results at Cascavel. Full details of the Results were included in the following ASX Release and are available to view on the Company's website www.orinocogold.com:

1. 8 October 2012 - High-Grade Gold Results Returned From Curral De Pedra Project, Brazil
2. 12 December 2012 - Hits of up to 193gpt Au confirm mineralisation over 620m down dip
3. 7 October 2014 – Cascavel Grows

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.

Table 1 – Rock Chip Sample Results

Tenement	Sample ID	Au (ppm)	X	Y	Z
861.796/2007	0234	1.34	560821	8289550	722
861.796/2007	0235	0.85	560821	8289550	722
861.796/2007	0236	1.27	560821	8289550	722
861.796/2007	0237	4.67	560821	8289550	722
861.796/2007	0238	6.03	560841	8289531	723
861.796/2007	0239	4.48	560859	8289509	733
861.796/2007	0240	9.89	560859	8289509	733
861.796/2007	0241	3.19	560859	8289509	733
861.796/2007	0242	4.33	560859	8289509	733
861.796/2007	0243	3.89	560859	8289509	733
861.796/2007	0244	2.54	560859	8289509	733

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Continuous “panel sampling” has been undertaken across the mineralised zone at Cascavel. Panels measuring approximately 0.5m x 0.5m are marked up on the walls of the drives and are contiguous (each panel abutting another panel) along both walls of the decline (or drives) with the sample from each panel being composed of chips collected from the entire area of each panel. The panel samples in the current release Dive 0 North is a section sub-parallel to the strike and almost perpendicular to the dip (the Level 0 cross-cuts sections of the high-grade shoots that dip to the SW). Where a vertical height of more than 0.5m is assessed as requiring sampling, contiguous panels will be cut below or above a panel. Each panel sample (approximately 4-11kg in weight) is crushed/milled/homogenised and split to obtain a 1kg sample in the laboratory and that 1kg sample is submitted for a screen fire assay. Panel sampling has been undertaken along the mineralised vein/s and alteration and screen fire assay has been used to obtain correct grades of each panel. This assay procedure is not only more expensive but needs more time for the lab to screen larger amounts of the samples instead of splitting fractions in an ordinary fire assay procedure. All data is stored in the database following appropriate QA/QC procedures.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> No drilling is reported in this announcement.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> No drilling is reported in this announcement.
<i>Logging</i>	<ul style="list-style-type: none"> No logging is reported in this announcement
<i>Sub-sampling</i>	<ul style="list-style-type: none"> Chip samples went sent to the laboratory without drying or splitting.

Criteria	Commentary
<i>techniques and sample preparation</i>	<ul style="list-style-type: none"> • Blanks and standards are inserted into panel samples batches;
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • In the lab, all samples are dried at 100°C and crushed to 9 mesh in a jaw crusher. The samples go to a Jones or Rotary splitter and 500g of material is separated and powdered to 150 mesh. The 150# pulp is quartered and an aliquot of 50g is obtained. This aliquot is analysed by Fire Assay in non-mineralised samples. Metallic Screen Fire Assay is applied if the sample is considered mineralised. Selective samples are analysed in ICP-MS (Inductively Coupled Plasma Atomic Emission Spectrophotometry), with a multi-acid digestion for 32 elements.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Standards: (insertion of 1 known standards in each 20 samples approximately): If less than 10% of samples are outside of the expected mean + 2x Std. Dev, the results are validated. If less than 10% of the samples report results outside the Mean + 3x Std. Dev, but there are standards between the first and these two points - the results are validated, but the Lab is notified. If more than 10% is outside the Mean + 3x Std. Dev, the batch (40 samples) is rejected, an investigation is required and a re-analysis of the batch is made; • Blanks (1 blank insertion in each 20 samples approximately): If less than 5% are above 5x the detection limit of the Lab, the results are validated. If more than 5% is above 5x the detection limit, the Lab is notified and the batches with failure are re-analysed; • Duplicates (insertion in each 20 samples – Bias control): Project Duplicates are core quarter and Lab duplicates are Pulp Duplicates.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The topographic survey on the underground workings has been done by a qualified surveyor using a Total Station (RUIDE), model RTS 822R³. The survey uses laser for the location of channels, panels and underground workings. • The grid system used is UTM South American 1969 - Zone 22 S; • The topography crew uses surveyed base stations to guarantee the quality of their surveying.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Panel samples are approximately 0.5 x 0.5 metres and continuous along the mineralised zone.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • The data orientation is intended to cover the mineralised zone approximately along strike and down dip. Data is collected from all underground openings
<i>Sample security</i>	<ul style="list-style-type: none"> • Samples are stored in plastic sample bags, stored in a dedicated secure facility on site prior to transport to the lab. • All laboratory pulps are stored in the storage facility onsite in boxes supplied by the labs, stacked in dry places.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • No audit or review has been undertaken regarding the results reported in this announcement.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • The Faina Goldfield project is 70% owned by Orinoco do Brasil Mineração Ltda, which in turn is 100% owned by Orinoco Gold Ltd. The 30% partners are free carried during the exploration stage until a decision to mine. • The Sertão and Antena mining leases are owned 100% by Orinoco. • Some locations within the Cascavel project have archaeological sites that are required to be mapped and photographed prior to removal of the sites. • The key Cascavel tenement has a granted trial mining licence for 50.000 tonnes ROM for underground operation, an installation licence for a up to 50.000 tonnes per year gravity crushing and concentration plant and granted Environmental/Archaeological licences. These licences can be renewed as they approach either expiry of the tonnage or the time limits.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • This release reports results from underground working at Orinoco's Cascavel Gold mine. No earlier exploration is reported in this release
<i>Geology</i>	<ul style="list-style-type: none"> • CASCABEL: Cascavel is best characterised as an Archean shear hosted Orogenic gold system. The structurally controlled mineralised quartz vein/s, veinlets and related sericite alteration evident in the decline and from drilling are continuous both along strike and down-plunge with some minor off-sets caused by later E-W and N-W striking faults (associated with the Tinteiro mineralisation). Visible offsets are no greater than 1m in the walls of the decline. These late faults also cause a slight rotation between the blocks, slightly changing the dip of the veins. Repetition of high grade shoots along the strike has been confirmed by bulk and panel sampling and with visible gold up to 10mm in size evident in the walls of the decline.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • No drill holes are reported in this announcement.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • To composite the panel samples the results where treated as a drill core section. The coordinates of the middle point at the left edge of each panel and vector data of azimuth and dip angles of a middle line in the panels was precisely surveyed. Those lines were used for the from/to data on the assay table. To give the correct weight for the grades in the panels due to minor differences in the length, 0.5 metres was considered 100% and all grades went normalised to this length. The normalised intervals where used to obtain the composite grade for the section.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Reported rock chips are single point, selective samples of outcropping lithologies.

Criteria	Commentary
<i>Diagrams</i>	<ul style="list-style-type: none"> Diagrams are attached to the current announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> This announcement is a comprehensive report of the results covered by this announcement.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Only assays for panel samples are reported in this announcement.
<i>Further work</i>	<ul style="list-style-type: none"> Drilling and ongoing underground development is required to test the identified targets as the mine is developed.