



ASX/Media Release – 14 June 2016

## CASCAVEL: MORE VISIBLE GOLD FROM STOPING AS PLANT COMMISSIONING APPROACHES

*Final plant construction progressing well; production build-up set to commence in July*

Orinoco Gold Limited (ASX: OGX) is pleased to report that its mining teams are continuing to encounter significant visible gold from stoping in initial mining areas at its flagship **Cascavel Gold Mine** in central Brazil as the newly constructed Processing Plant approaches commissioning later this month.

Previously reported spectacular visible gold from Slot Raise 2, on Level 1 North (see Figure 1) has continued to be evident in the next slot raises opened on this level (Figures 4 & 5F). Material from these stopes will be blended with lower grade stopes for processing in the first few months of production following commissioning. This high-grade ore shoot continues to be evident in the Level development and slot raises immediately below Level 1 North (Figure 5D & E) and all ore shoots are showing excellent down plunge continuity in mine development.

Visible gold has also been observed in all central slot raises, which connect Level 1 Central to Ramp 2, with these central stopes also being classified by mine geologists as high grade.

All the slot raises opened in the Southern Levels of the mine have also been classified by mine geologists as high-grade (Figure 5 A,B & C). Given the tenor of the mineralisation in the southern portion of Cascavel, an internal ramp (Ramp 1) is now being advanced from Level 1 South towards Level 2 South, to allow for earlier stoping from the Southern portions of the mine than was previously scheduled (figure 4).



**Figure 1.** Material from sampling in Slot 2, Level 1 North. Similar material is evident in the slot raise ~12m north along strike (Slots 3 & 5).

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### ASX Code

**OGX**  
(Ordinary Shares)  
**OGXOB**  
**OGXOC**  
(Listed Options)

### Issued Capital

266,600,000 Ordinary Shares  
10,000,000 Performance Shares  
128,800,000 Options

A drill program for mine planning purposes has been confirmed and will commence next quarter. The aim of the 4,000m program is to better define the structural continuity of mineralisation beyond the current limits of the mine (both along strike to the north and south and down-plunge). Detailed sampling along the drill holes will also be conducted to define different mineralised veins inside the ore horizon as multiple veins have been observed inside the mine drives and stopes.

Construction of the final component of the Cascavel Processing Plant continues to progress well. Following the commencement of commissioning later this month, the Company has currently scheduled production build-up to commence in the second half of July.



**Figure 2.** A 5,000t stockpile of commissioning material in front of the crushing circuit



**Figure 3.** Cabling and piping being completed at the Processing circuit.



**-ENDS-**

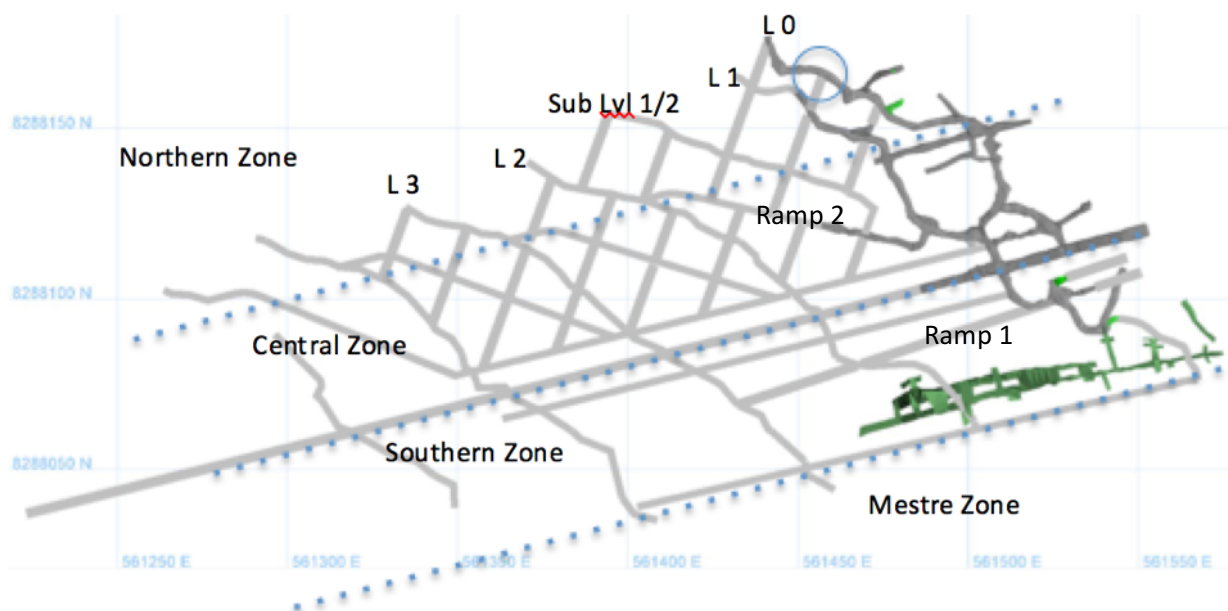
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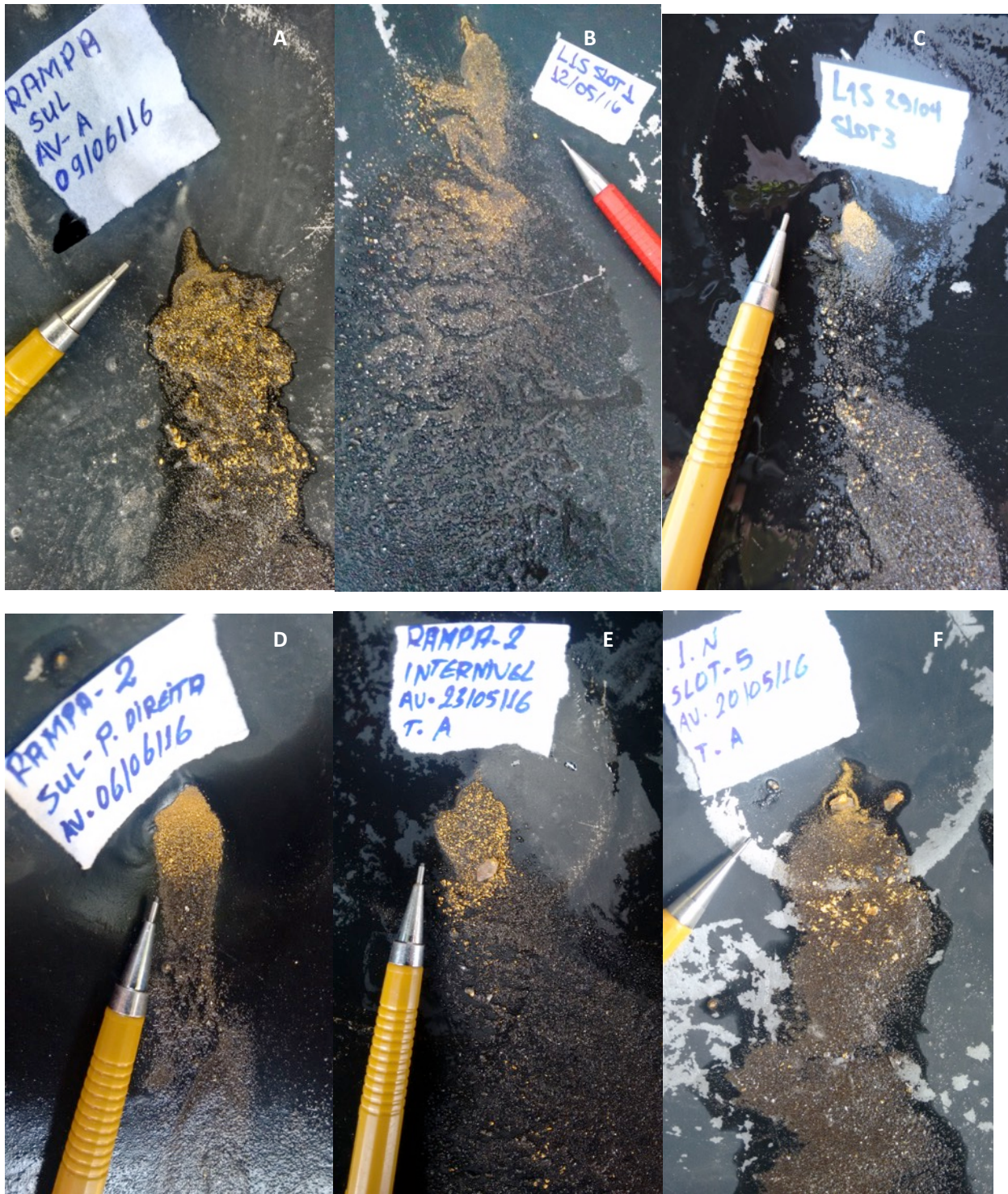
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**Forward-Looking Statements:**

This Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Orinoco Gold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Orinoco Gold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Orinoco Gold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for 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.



**Figure 4.** Mine diagram. The blue circle in the upper left is the location of the Northern slot raises referred to in this announcement.



**Figure 5.** Face sampling of each advance in development and slot raises is undertaken to allow the mine geologists to estimate the gold content of the mineralised zone in that area. **A, B & C:** Face sampling from development and slot raises in the South of the mine. **D & E:** Face sampling from slot raises and development down plunge from high-grade shoots in the upper levels of the mine. **F:** Sampling from slot raise 5 in Level 1 North, showing continuity of the extremely high grade gold found in slot raise 2, Level 1 North.



## Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Stopes are categorised as low, medium, high or ultra high based on a combination of panel sample results and visual geological assessment from the mine geologists, taking into account factors such as the amount of visible gold evident from face sampling.</li> <li>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. That 1kg sample is submitted for bottle roll cyanidation for 24 hours and then the aliquot assayed by atomic absorption spectroscopy (current procedure)</li> <li>Panel sampling has been undertaken along the mineralised vein/s and alteration and screen fire assay has been used to obtain the estimated grade 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.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>No drilling is reported in this announcement.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>No drilling is reported in this announcement.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>No core logging is reported in this announcement.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>Blanks and standards are inserted into panel samples batches.</li> <li>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.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>Orinoco has formed the view with independent third part input that splits from a panel sample, after being crushed and homogenised, display good to moderate repeatability.</li> <li>Grades from panel sample assays generally represent the tenor of the mineralisation in the area from which the sample was collected, but should not be taken as an accurate grade of the mineralisation in the area from which they were taken.</li> </ul>

Criteria	Commentary
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• <b>Standards:</b> (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;</li> <li>• <b>Blanks</b> (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;</li> <li>• <b>Duplicates</b> (insertion in each 20 samples – Bias control): Project Duplicates are core quarter and Lab duplicates are Pulp Duplicates.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• The topographic survey on the underground workings has been done by a qualified surveyor using a Total Station (RUIDE), model RTS 822R<sup>3</sup>. The survey uses laser for the location of channels, panels and underground workings.</li> <li>• The grid system used is UTM South American 1969 - Zone 22 S;</li> <li>• The topography crew uses surveyed base stations to guarantee the quality of their surveying.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Panel samples are approximately 0.5 x 0.5 metres and continuous along the mineralised zone.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• The data orientation is intended to cover the mineralised zone approximately along strike and down dip. Data is collected from all underground openings.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• Samples are stored in plastic sample bags, stored in a dedicated secure facility on site prior to transport to the lab.</li> <li>• All laboratory pulps are stored in the storage facility onsite in boxes supplied by the labs, stacked in dry places.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• No audit or review has been undertaken regarding the results reported in this announcement.</li> </ul>

## 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"> <li>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.</li> <li>The Sertão and Antena mining leases are owned 100% by Orinoco.</li> <li>Some locations within the Cascavel project have archaeological sites that are required to be mapped and photographed prior to removal of the sites.</li> <li>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.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>This release reports results from underground working at Orinoco's Cascavel Gold mine. No earlier exploration is reported in this release</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>CASCADE: Cascavel is best characterised as an Archean/Paleo-Proterozoic 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.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>No drill holes are reported in this announcement.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>To composite the panel samples the results were 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 were used to obtain the composite grade for the section.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>Reported rock chips are single point, selective samples of outcropping lithologies.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Diagrams are attached to the current announcement.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>This announcement is a comprehensive report of the results covered by this announcement.</li> </ul>

Criteria	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"><li>• No panel samples are reported in this announcement.</li></ul>
<i>Further work</i>	<ul style="list-style-type: none"><li>• Drilling and ongoing underground development is required to test the identified targets as the mine is developed.</li></ul>