



ASX/Media Release – 8 July 2016

INSTITUTIONAL INVESTORS JOIN ORINOCO'S REGISTER IN HEAVILY OVERSUBSCRIBED \$4.5M RAISING

Cascavel Gold Mine on track for first gold pour later this month with commissioning progressing smoothly and on schedule

Key Points:

- **\$4.5M raised through heavily oversubscribed institutional share placement**
- **Leading Australian and international institutions join the Orinoco share register**
- **Proceeds deliver additional financial strength and flexibility ahead of the start of gold production**
- **Funds will be used to accelerate mine definition and mine expansion drilling at Cascavel and provide additional working capital as the Cascavel Gold Mine enters production**

Orinoco Gold Limited (ASX: OGX) is pleased to welcome key institutional investors to its register as part of a heavily oversubscribed capital raising ahead of production ramp-up at its Cascavel Gold Mine in Brazil.

Firm commitments have been received for \$4.5 million via an institutional share placement ("Placement") that will provide Orinoco with additional balance sheet strength and financial flexibility and will also enable it to commence planning growth initiatives aimed at rapidly expanding the production profile of Cascavel. Perth-based Somers & Partners acted as the Lead Manager and broker to the Placement.

In addition to welcoming well-respected Australian institutional investors to the register, Orinoco's funding partner at Cascavel, the Cartesian Group (a US\$2 billion private equity group), is also participating in the placement, reflecting their confidence in the future of the Cascavel Gold mine and Orinoco.

The funds will strengthen the Company's balance sheet, ensuring that it has a strong working capital buffer in place ahead of the ramp-up of commercial gold production. Cash at bank as at 30 June 2016 was A\$3.3 million.

Additionally, the proceeds of the Placement will be used:

- To accelerate mine definition drilling at Cascavel to confirm recently identified extensions to the main Cascavel gold system which can be accessed from the existing underground infrastructure, including:
 - *Along strike extensions of Cascavel; and*
 - *Down-plunge extensions.*
- To accelerate drilling targeting potential extensions of the system and parallel outcropping gold lode structures; and
- To undertake bulk sampling at the Cuca prospect, 350m north of Cascavel, ahead of possible mining.

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

266,647,810 Ordinary Shares
10,000,000 Performance Shares
128,864,205 Options

Commissioning Update

Further to its recent ASX announcements, Orinoco is pleased to advise that dry commissioning of the gravity processing plant at Cascavel has now been successfully completed with all key mechanical and electrical components operating according to design specifications and no significant issues encountered.

The wet commissioning process is underway with low-grade development material to be introduced into the processing circuit this weekend for the first time. In addition to several thousand tonnes of low-grade development material, parcels of production ore will be run through the plant in batches over the coming weeks to conclude the commissioning process prior to production build-up.

Technical representatives from the plant manufacturers, Gekko Systems and Simplex Equipamentos Ltda, together with a Canadian engineering consulting company (JDS Energy & Mining Inc.) with specialist Brazilian expertise in gravity processing plants, are currently on site and assisting the Orinoco team with the commissioning process.

As previously advised, the various stages of commissioning will include the Company's maiden gold pour which is expected to be achieved towards the end of the month.



Top: Front-end loader reversing down the ramp to the grizzly with a stockpile of ~6kt of low grade commissioning material in the background. Bottom: Gravity tower and thickener with process water tank in background.

Placement

The Placement, comprising 19.6 million shares at an issue price of 23 cents per share with one free OGXOC class option for every three shares subscribed, is predominantly to a group of leading Australian and international institutional investors.

The Placement shares and options will be issued under the Company's available capacity under ASX Listing Rule 7.1. The Placement price of 23 cents per share represents a 6% discount to the 10-day VWAP prior to the Company entering a trading halt on 6 July 2016.

Management Comment

Orinoco's Managing Director, Mr Mark Papendieck, said the Company was pleased to have attracted a select group of Tier-1 Australian and International institutional investors to its register as part of the \$4.5 million capital raising, including its funding partner, Cartesian Group.

"Having investors of this calibre on our register is a real vote of confidence in our future, and I would like to take this opportunity to thank them for their support," he said. "The additional funds provided by this placement give us the capacity to expedite planned mine definition and expansion drilling programs at Cascavel to underpin our next chapter of growth, while also further strengthening our balance sheet and working capital.

"This comes at a pivotal time for Orinoco, as we prepare to make the transition from mine developer to producer with all facets of the commissioning process at Cascavel progressing on schedule," said Mr Papendieck, who returned from Brazil earlier this week.

"The plant is operating well with all mechanical and electrical components performing in line with expectations," he said. "The next key phase will be the introduction of ore into the system, which will occur this weekend.

"We will continue to provide regular updates as we move closer to our first gold pour, which obviously represents a huge milestone for the Company. I will be heading back to Brazil to join the team for this momentous occasion which, subject to our progress over the next fortnight or so, I would expect to occur towards the end of the month. I look forward to sharing further updates with our shareholders and investors as we close in on the start of commercial gold production."

-ENDS-

For further information, please contact:

Mark Papendieck
Managing Director
Orinoco Gold Limited
08 9482 0540
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.