



ASX/Media Release – 19 February 2018

Cascavel Operational Update - Amended

Bonanza Gold Grades Continue at Cascavel

- Orinoco's `Back to Basics` approach delivers further Bonanza grades.
- 6 batches returned grades of 40.74, 31.85, 30.45, 27.58, 16.71, 8.31 g/t from pilot hammer mills.
- Average processed grade of 35 samples have returned 36.17 g/t.
- Large hammer mill Installed and will mill high grade ore this week.
- Panel sampling of Cuca completed.
- Mestre Access and Mestre Decline link completed.
- Production Ramp up underway with new mining methods concentrating on ore vein.
- 2nd LHD on route to Brazil.
- Significant cost reductions.

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to announce a fifth batch of outstanding results from the Mestre zone of Cascavel. The average recovered grade of the 6 batches processed is 25.91 g/t (Table 1). This takes the total number of batches processed to 35, for a total average grade of 36,17g/t. (Table 2).

Back to Basic High-Grade Mining and Milling

This latest batch of 6 samples totalling 9.25 tonnes, averaged 25.91 g/t see (table 1). The more we discover from both assay results and processing our high-grade ore through the hammer mill is that our 'Back to Basics' approach is proving we are taking strides forward and that we are ticking the correct boxes.

Table 1. Batch 5 results

Date	Batch 5						Totals
	01/02/2018	02/02/2018	06/02/2018	08/02/2018	09/02/2018	14/02/2018	
Location	N1S1	MD	CN4	MD 4	MD	MD3	
Tonnes processed	1	1	1	3,5	1	1,25	9,25
Au (Dore) recovered Grams	8,31	16,71	27,58	106,59	40,74	39,76	239,69
Au (Dore) g/t	8,31	16,71	27,58	30,45	40,74	31,81	25,93
Au (Dore) recovered oz's	0,27	0,54	0,89	3,43	1,31	1,28	7,71
Average Grade							25,91



Image 1. Individual weights on scales

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ASX Code

OGX
 (Ordinary Shares)
OGXOD
 (Listed Options)

Issued Capital

909,085,119 Ordinary Shares
 282,636,307 Options

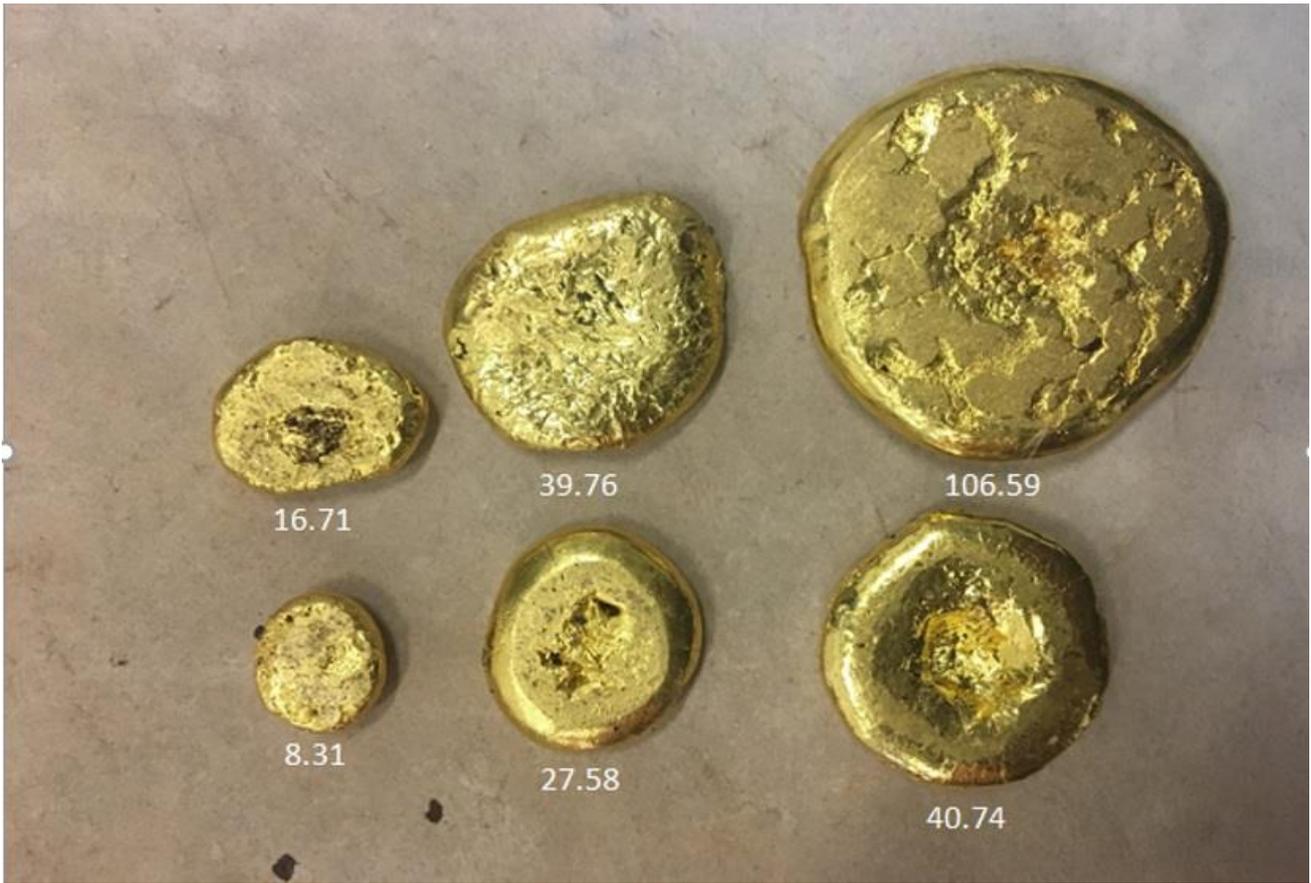


Image 2; Photos of recovered gold from Batch 5



Table 2 Results from 5 Batches

Batch 5												
Date	01/02/2018	02/02/2018	06/02/2018	08/02/2018	09/02/2018	14/02/2018						Totals
Location	N1S1	MD	CN4	MD 4	MD	MD3						
Tonnes processed	1	1	1	3,5	1	1,25						9,25
Au (Dore) recovered Grams	8,31	16,71	27,58	106,59	40,74	39,76						239,69
Au (Dore) g/t	8,31	16,71	27,58	30,45	40,74	31,81						25,93
Au (Dore) recovered oz's	0,27	0,54	0,89	3,43	1,31	1,28						7,71
Average Grade												25,91
Batch 4												
Date	15/01/2018	17/01/2018	18/01/2018	18/01/2018	19/01/2018	22/01/2018	22/01/2018	22/01/2018				Totals
Location	CN2	NN2	MD	N1S	MD	WR	MIS1	MD 3				
Tonnes processed	1,00	1,00	0,75	1,00	1,00	1,00	1,00	2,50				9,25
Au (Dore) recovered Grams	19,49	9,02	27,54	4,29	35,08	15,42	31,51	92,00				234,35
Au (Dore) recovered oz's	0,63	0,29	0,89	0,14	1,13	0,50	1,01	2,96				7,53
Average Grade												25,34
Batch 3												
Date	29/12/2017	30/12/2017	01/04/2018	01/05/2018	01/08/2018	01/09/2018						Totals
Location	N N1	RCF	N1N2	CINO	CSI	RCS						
Tonnes processed	1	1	1	1	1	1						6
Au (Dore) recovered Grams	9,61	39,14	8,18	33,28	60,87	69,02						220,10
Au (Dore) recovered oz's	0,31	1,26	0,26	1,07	1,96	2,22						7,08
Average Grade												36,68
Batch 2												
Date	18/12/2017	19/12/2017	20/12/2017	21/12/2017								Totals
Location	RCS1	RCF	MSM	RC5S								
Tonnes processed	1	1	1	0,8								3,8
Au (Dore) recovered Grams	38,83	41,78	26,64	40,43								147,68
Au (Dore) recovered oz's	1,25	1,34	0,86	1,3								4,75
Average Grade												38,86
Batch 1												
Date	21/11/17	22/11/17	23/11/17	24/11/17	29/11/17	30/11/17	12/01/2017	12/04/2017	12/11/2017	12/12/2017	13/12/17	Totals
Location	RC	MD	MS4	RC2F	RCSI	RC4S	MLO	Mill	ML4S	RC3F	ML4N	
Tonnes processed	0,75	1	1	1	1	1	1	1	1	1	1	10,75
Au (Dore) recovered Grams	30,33	41,06	43,00	33,21	40,08	33,24	42,73	39,37	149,09	38,26	91,02	581,39
Au (Dore) recovered oz's	0,98	1,32	1,38	1,07	1,29	1,07	1,37	1,27	4,79	1,23	2,93	18,69
Average Grade												54,08

Hammer Mill 3 Commissioning

We are pleased to update the market that our larger 25t per hour Hammer Mill 3 has been installed and will be commissioned on Monday 19th February and should reach full production on Tuesday the 20th. Commissioning is 6 days later than the 3-day delay already announced due to excessive storm conditions, the Carnival holiday season and the delivery of wrong sized hammers. Last week the mill ran waste rock material and high-grade ore will begin to be processed on Monday. The underground has a substantial amount of ore and development ore that has been blasted and is ready to be hauled. This larger mill will be run on one shift initially, but a second shift is planned to increase its daily use to 12 hours once we are confident it is running smoothly. Given the large amount of underground material, processing of the 1,000 tonne tailings bulk sample will not commence until the second shift starts on Hammer Mill 3.



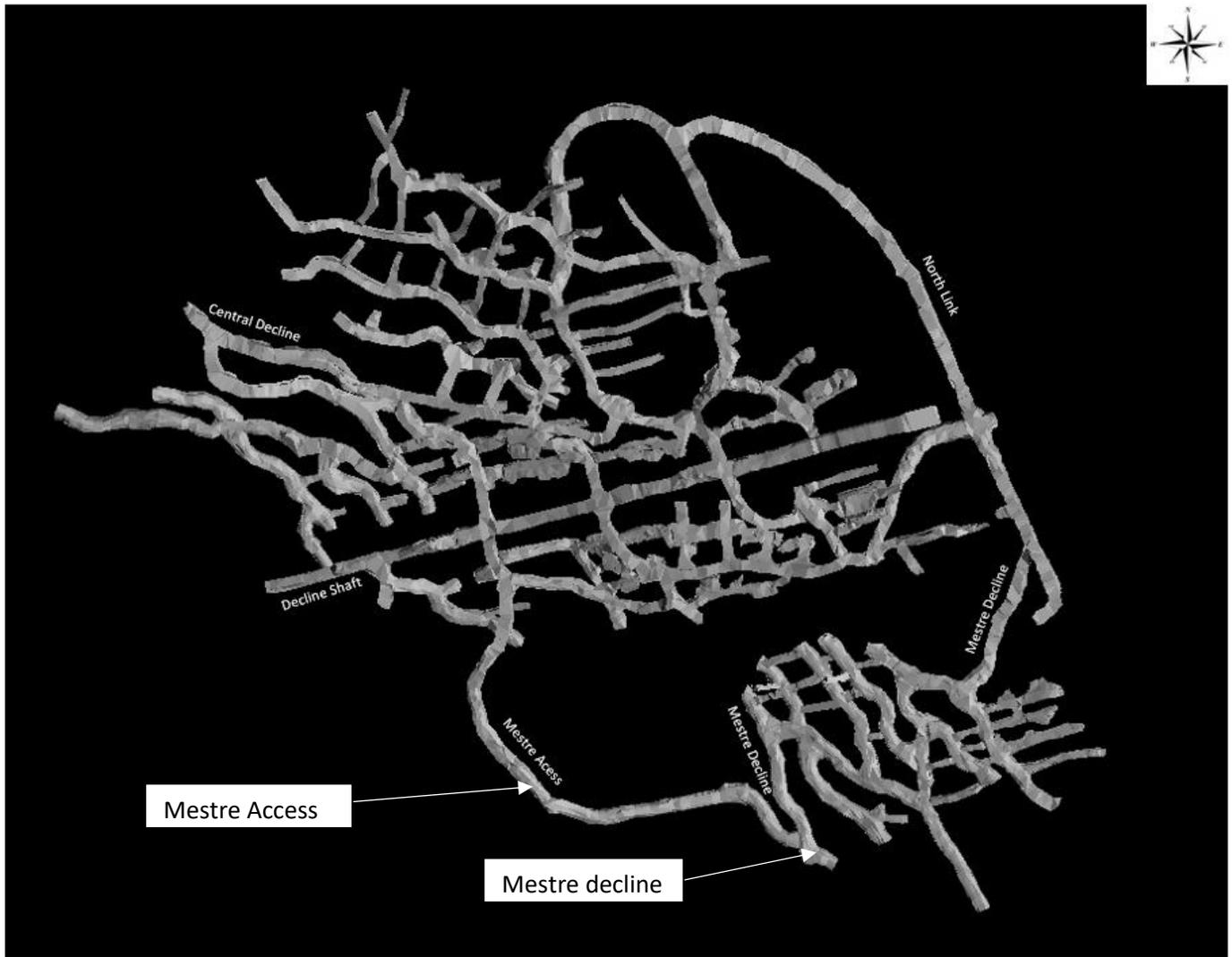
Image 3; Hammer mill installed

Cuca Panel Sampling.

As announced in the ASX media release on 25th January 2018 titled 'Cuca Panel Sampling Commences' The company is delighted to inform the market that this programme was completed on the 15th February 2018. The first batch of 37 samples have been dispatched to an internationally recognized and certified laboratory for preparation and analysis, a second batch is scheduled for despatch this week. The results of this programme will be announced upon receipt, which we estimate will be within 3 weeks for the first batch. Cuca shaft is approximately 200m from Cascavel and is potentially another source of ore for the plant.

Mestre access break through.

The break through between Mestre access and Mestre decline was successfully completed last week. This formed a critical part of our plan and has reduced the haulage route to the hoisting skip from 621m to 87.52m. As a result, bogging machine cycle times have reduced, large reductions in fuel costs made, machine wear has been minimized and ventilation increased to the Mestre decline. See Map 2.



Map 2. showing Mestre Access and Mestre decline.

Production Ramp Up

Production ramp up is underway, the higher-grade ore that has been stockpiled underground is currently being hoisted to surface for processing through the new hammer mill. With new drilling and blasting methods successfully implemented in the stopes, we have been able to reduce the explosives consumption by 51% and are able to control the ore dilution see (Image 4). Our mine planning department is currently redesigning the mine which will be driven on ore and with minimal waste development. This design will give us larger stopes to extract ore from and minimize the number of development drives.

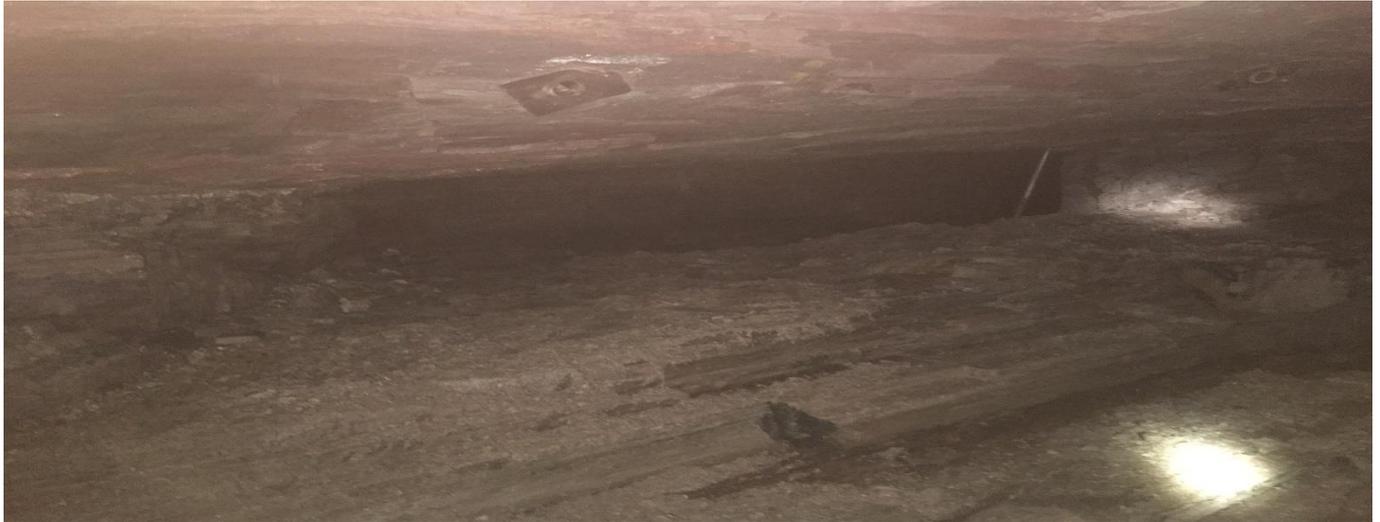


Image 4; New stope blasting method 30cm ore vein removed with minimal explosives

LHD

As previously reported a second Sandvik Toro 151 LHD has been purchased and has undergone a complete refurbishment by RGA of Peru including; a new engine, transmissions, hydraulic system and running gear. The machine was thoroughly inspected and tested by our mechanical engineer prior to payment. It has been dispatched from Peru and is currently on route to Brazil (see Images 5,6,7). Management is currently planning to purchase some key additional underground haulage and drilling equipment that will increase production further.



Image 5; Complete Refurbishment in Peru



Image 6; Loading into Shipping container



Image 7; Refurbished LHD

Managing Director, Jeremy Gray commented ‘These are exciting times for the company. We are quietly confident the much larger Hammer Mill 3 can deliver the same kind of recoveries and grades as the two smaller mills. It is also comforting that the underground performance is really taking shape which should support our ‘Back to Basics’ target of delivering consistent low cost ounces week in week out.

-ENDS-

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Competent Person Statement:

The information in this presentation that relates to Exploration Results is based on information compiled by Dr Marcelo Juliano de Carvalho who is a member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and Conselho Regional de Engenharia e Agronomia (CREA). Dr Marcelo Juliano de Carvalho is an employee of Orinoco Gold Limited and has sufficient experience, which is relevant to the style of mineralisation under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 20012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Marcelo Juliano de Carvalho consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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.

Appendix 1 – Orinoco Gold – Cascavel Project

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Samples of up to 3.5 tonnes were extracted using a hydraulic hammer mounted on a mini excavator or blasted with explosives. • Samples were taken in Random locations and at random lengths and depths. • Samples are brought to the surface with a bobcat mini loader and the average weight is measured in a 20kg bucket.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • Not applicable as not drilling was undertaken.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • Not applicable as no drilling was undertaken.
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</i> 	<ul style="list-style-type: none"> • Not applicable as no logging was carried out.

Criteria	JORC Code explanation	Commentary
	<p><i>photography.</i></p> <ul style="list-style-type: none"> • <i>The total length and percentage of the relevant intersections logged.</i> 	
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Not applicable as no core was collected. • No Sub-sampling techniques were applied.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Not applicable as no assaying was completed.
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Samples are not assayed. • Samples are smelted for final Dore content.
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Sample points were surveyed with a Leica Total station.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The samples were taken randomly and there were no fixed spacings.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Not applicable as no drilling was completed.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • All samples were processed on site.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No audits have been completed at this stage.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • The Faina Goldfield project is 100% owned by Orinoco do Brasil Mineração Ltda (OBM), 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. • Orinoco has applied a Mine Concession at the Mining Nacional Department (DNPM) for the tenement 840167/2007, where the majority of the work at Cascavel has been completed. Until this date, DNPM was analyzing the documentation of the application. 	
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Exploration for oxide gold deposits was well developed on the belt during at least 20 years, in different cycles and by different companies. A reasonable amount of surface exploration was carried out. Soil, stream sediments and chip sampling (for gold) are widespread along and around both belts. Those surface surveys detected several gold and arsenic anomalies (about 64 anomalies are described). Some of those anomalies were tested with drilling, frequently with positive results. However, drilling was generally very shallow RAB drilling. 	
<i>Geology</i>	<ul style="list-style-type: none"> • Gold mineralization is widely distributed on the Faina Greenstone Belt, occurring on the ultramafics, felsic and mafic volcanics, on the clastic metasedimentary sequence and particularly at the chemical metasedimentary rocks; • Mineralization style is also varied on the belt. Most part of the gold mineralisation can be classified as Orogenic. 	
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Not applicable as no drilling was completed 	

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Not applicable as not data was aggregated. 	
<i>Relationship between mineralization widths and intercept lengths</i>	<ul style="list-style-type: none"> No applicable as sampling was undertaken. 	
<i>Diagrams</i>	<ul style="list-style-type: none"> Diagrams are attached to the current announcement. 	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Not applicable 	
<i>Further work</i>	<ul style="list-style-type: none"> Further sampling will continue using the same method. 	