ORINOCO GOLD LIMITED

ACN 149 219 974

INTERIM FINANCIAL REPORT

for the half year ended 31 December 2013

ORINOCO GOLD LIMITED
ACN: 149 219 974

CONTENTS

This financial report covers the Orinoco Gold Limited Group consisting of Orinoco Gold Limited ("Orinoco" or the "Company") and its subsidiaries, Orinoco Resources Pty Ltd and Orinoco Brasil Mineração Ltda (the "Group"). The financial report is presented in Australian dollars.

Orinoco is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Orinoco Gold Limited
Ground Floor
16 Ord Street
WEST PERTH WA 6005

A description of the nature of the Group's operations and its principal activities is included in the Directors' Report on page 2, which does not form part of this financial report.

The Company has the power to amend and reissue the financial report.

Corporate Information

Directors:
Mr John Hannaford
Non-Executive Chairman

Mr Mark Papendieck
Managing Director

Mr Brian Thomas
Non-Executive Director

Mr Ian Finch
Non-Executive Director

Dr Klaus Petersen
Technical Executive & Alternate Director to Mr Papendieck and Mr Finch

Company Secretary:
Mr Phillip Wingate

Home Securities Exchange:
Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

ASX Code:
OGX (Ordinary Shares)
OGXO (Options)

Registered Office:
Ground Floor, 16 Ord Street
WEST PERTH WA 6005

Telephone: (08) 9482 0540
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Email: info@orinocogold.com.au
Website: www.orinocogold.com.au

Postal Address:
P.O. Box 902
WEST PERTH WA 6872

Share Registry:
Security Transfers Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333

Auditors:
HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Bankers:
Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009

Directors' Report

Your Directors have pleasure in submitting their report together with the financial statements of the Group consisting of Orinoco Gold Limited and the entities it controlled during the period for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and details of Directors in office at any time during the period were:

Mr John Hannaford	Non-Executive Chairman
Mr Mark Papendieck	Managing Director
Mr Brian Thomas	Non-Executive Director
Mr Ian Finch	Non-Executive Director
Dr Klaus Petersen	Alternate Director

Directors have been in office since the beginning of the period to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

Orinoco is an Australian company conducting exploration activities on projects located on the Faina Greenstone Belt in central Brazil, South America.

RESULTS

The net loss after income tax for the half year ended 31 December 2013 amounted to $3,947,780 (2012: $1,086,220). The net loss relates to exploration expenditure and administration costs relating to an ASX listed entity.

OPERATING REVIEW

Cascavel Gold Project:

Further drilling at Cascavel continued to confirm the high-grade nature of the Cascavel system with results including two assays of 1-2m recording grades of 35.1g/t gold (from 20m) and 18.7g/t gold (from 51m).

A bulk sample was collected and processed providing the Company with invaluable information regarding the geometry, distribution and structural controls of the high grade gold shoots within the Cascavel system. An average gold grade of 8.5g/t was returned for a sample that is representative of the general material found within the Cascavel winze (9.8-tonnes), while a grade of 24 g/t gold was returned from a high grade shoot that was sampled (2.7 tonnes).

Bench scale testing of a 200kg sample from the Cascavel winze successfully optimised gravity recoveries with a 94% recovery achieved from a coarse grind of 1mm in a simple gravity circuit. The head grade of the sampled material was 16 g/t gold.

Extensive work was conducted on licensing (environmental and trial mining) during the period resulting in granting of necessary licences (after the period end) to commence the proposed exploration decline at Cascavel.

Tinteiro IOCG polymetallic Project:

High-grade silver was discovered directly beneath the upper gold zone at Cascavel in 2013. Drill results included 4.4m@ 760.3g/t Ag, incl. 1.05m @ 2,510 g/t Ag from 156m, and 1.05m @ 0.35% Cu from 158m (CdP036) and 17.6m @ 1,292.4g/t Ag, 11m @ 0.25% Cu, 16.4m @ 1,400g/t tungsten from 101m (CdP021).

Directors' Report

Following significant amounts of follow up work including the flying of radiometrics and magnetics, detailed field and structural mapping and a large rock chip program, the silver (plus copper) mineralisation discovered beneath the upper Cascavel gold zone is interpreted to represent the edge of a large IOCG system. Structural targets identified from the aerial geophysical survey correspond with numerous gossans and hematite-rich breccias with rock chips up to 23.9g/t gold, 0.4% copper, 41% iron, 0.0125% uranium, >1% cobalt and 0.6% nickel.

The co-incident geochemical, structural and geophysical anomalies are closely correlated to mineralised gossans and breccia complexes over an area that comprises 7kms of strike. It is believed the strike of these anomalies remains open and untested by geochemical sampling.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ended 31 December 2013 has been received and can be found on page 4.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporation Act 2001.

This report is signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

John Hannaford
Non-Executive Chairman

Perth
14 March 2014

Competent Person's Statement: The information in this presentation 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. Dr Klaus Petersen 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 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 consents 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 the Cascavel and Tinteiro Projects. 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. 13 December 2013 – Orinoco Signs Toll Treatment Agreement with Cleveland Mining
2. 23 December 2013 – Clarification to Inside Briefing Interview Announcement
3. 20 January 2014 – Successful Bulk Sampling Highlights High Grade Opportunity
4. 31 January 2014 – Quarterly Activities Report
5. 25 February 2014 – Orinoco Expands Tinteiro IOCG Project with New Discoveries

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.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Orinoco Gold Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2014

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2013

	Note	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Finance income		46,368	62,635
Exploration expenditure	2	(2,450,464)	(558,557)
Write off of capitalised exploration expenditure	3	(442,083)	-
Financial administration, insurance and compliance costs		(462,370)	(258,361)
Depreciation		(5,237)	(284)
Employee benefits expense		(192,790)	(184,979)
Share based payments	6	(223,460)	-
Project evaluation		-	(16,985)
Administration expenses		(217,744)	(129,689)
Loss before income tax		(3,947,780)	(1,086,220)
Income tax benefit / (expense)		-	-
Net loss for the period		(3,947,780)	(1,086,220)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	5	(43,668)	38,603
Total comprehensive loss for the period		**(3,991,448)**	**(1,047,617)**
Basic and diluted loss per share – cents per share		(5.16)	(2.81)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	Note	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
ASSETS			
Current assets			
Cash and cash equivalents		632,538	3,822,255
Other receivables		86,911	242,358
Total current assets		719,449	4,064,613
Non-current assets			
Property, plant and equipment		84,355	77,166
Investments		15,469	15,495
Deferred exploration expenditure	3	10,213,894	8,197,327
Total non-current assets		10,313,718	8,289,988
TOTAL ASSETS		**11,033,167**	**12,354,601**
LIABILITIES			
Current liabilities			
Trade and other payables		337,627	349,723
Other current liabilities	4	2,458,650	-
Total current liabilities		2,796,277	349,723
TOTAL LIABILITIES		**2,796,277**	**349,723**
NET ASSETS		**8,236,890**	**12,004,878**
EQUITY			
Issued capital		14,611,900	14,611,900
Reserves		2,179,510	1,999,718
Accumulated losses		(8,554,520)	(4,606,740)
TOTAL EQUITY		**8,236,890**	**12,004,878**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2013

Consolidated 31 December 2013	**Note**	**Issued Capital $**	**Option Reserve $**	**Foreign Exchange Reserve $**	**Accumulated Losses $**	**Total Equity $**
Total equity at 1 July 2013		14,611,900	1,949,322	50,396	(4,606,740)	12,004,878
Total comprehensive loss for the year						
Loss for the period		-	-	-	(3,947,780)	(3,947,780)
Exchange differences on translation of foreign operations	5	-	-	(43,668)	-	(43,668)
Total comprehensive loss for the period		-	-	(43,668)	(3,947,780)	(3,991,448)
Transactions with equity holders:						
Share based payments	6	-	223,460	-	-	223,460
Balance at 31 December 2013		14,611,900	2,172,782	6,728	(8,554,520)	8,236,890

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2013

Consolidated 31 December 2012	**Issued Capital $**	**Option Reserve $**	**Foreign Exchange Reserve $**	**Accumulated Losses $**	**Total Equity $**
Total equity at 1 July 2012	2,875,356	612,800	-	(697,674)	2,790,482
Total comprehensive loss for the period					
Loss for the period	-	-	-	(1,086,220)	(1,086,220)
Exchange differences on translation of foreign operations	-	-	38,603	-	38,603
Total comprehensive loss for the period	-	-	38,603	(1,086,220)	(1,047,617)
Transactions with equity holders:					
Shares issued during the half year	2,640,197	-	-	-	2,640,197
Share based payments	5,700,000	1,336,522	-	-	7,036,522
Total Equity as at 31 December 2012	11,215,553	1,949,322	38,603	(1,783,894)	11,419,584

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2013

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Cash flows from operating activities		
Interest received	46,368	62,635
Payments for exploration expenditure	(2,340,848)	(753,647)
Payments to suppliers and employees	(838,245)	(378,192)
Net cash used in operating activities	(3,132,725)	(1,069,204)
Cash flows from investing activities		
Payments for plant and equipment	(10,348)	(5,836)
Cash acquired on acquisition of subsidiary	-	111,580
Payments relating to acquisition costs	-	(190,653)
Payments relating to project analysis and due diligence	-	(60,185)
Net cash used in investing activities	(10,348)	(145,094)
Cash flows from financing activities		
Proceeds from the issue of shares and options	-	2,700,000
Payments for capital raising costs	-	(59,803)
Net cash provided by financing activities	-	2,640,197
Net increase / (decrease) in cash and cash equivalents	(3,143,073)	1,425,899
Cash and cash equivalents at the beginning of the period	3,822,255	2,367,407
Effects of exchange rate fluctuations on cash held	(46,644)	38,604
Cash and cash equivalents at the end of the period	632,538	3,831,910

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Orinoco Gold Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2013 comprises the Company and its subsidiaries (collectively referred to as the "Group").

STATEMENT OF COMPLIANCE

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Orinoco Gold Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

This consolidated interim financial report was approved by the Board of Directors on 14 March 2014.

BASIS OF PREPARATION

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2013.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2013.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

In the half-year ended 31 December 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. The Directors have decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

GOING CONCERN

The Group has a cash balance of $632,538 at balance date and an excess of current liabilities over current assets of $2,076,828. This excess is mainly due to the recording of a current liability at balance date for the Curral de Pedra final retention payments due in April 2014 of US$2,200,000 (AUD$2,458,650 at balance date). These payments comprise a cash payment of US$950,000 (AUD$1,061,690 at balance date) and US$1,250,000 (AUD$1,396,960 at balance date) in issued capital of the Company which will not require a cash outlay.

The Directors have assessed the ability of the Group to continue as a going concern for the period of 12 months from the signing of this report and have concluded that the Group will continue as a going concern for at least this period. This is based on the following:

1. The majority of funds received from the Placement (noted at Note 9) have been received at the date of signing this report, with the balance of funds to be received following the shareholders' meeting on 18 March 2014. These funds will be sufficient to meet the cash component of the Curral de Pedra Project retention payment.

2. The equity component of the Curral de Pedra Project retention payment noted above will not require a cash outlay.

3. In addition to current cash funds, the balance of funds from the Placement above, together with funds received from the Entitlements Issue to the date of signing this report of $975,449 (noted at Note 9), is in the opinion of the Directors sufficient to meet the Group's working capital requirements and minimum exploration expenditure requirements for at least the period of 12 months from the signing of this report. In order to continue exploration activities or if one of the projects proceeds to the development phase, the Group will require further funding. Should the Group be unable to raise sufficient funds, activities may have to be amended and the development of the project may have to be deferred.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 2 – LOSS BEFORE INCOME TAX

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
The following expense items are relevant in explaining the financial performance for the period:		
Exploration expenditure[a]	2,450,464	558,557
	2,450,464	558,557

(a) Exploration and evaluation expenditure is written off as incurred in accordance with the Group's accounting policy. Costs of acquisition of prospects are capitalised and are only carried forward to the extent that right of tenure is current and those costs are expected to be recouped through the successful development and exploration of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

NOTE 3 –DEFERRED EXPLORATION EXPENDITURE

	Consolidated Six months ended 31 December 2013 $	Consolidated Year ended 30 June 2013 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation		
Prospect acquisition costs	7,755,244	8,197,327

Reconciliation:
A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

Carrying amount at beginning of period	8,197,327	442,083
Recognised on acquisition of interest in mining tenements	-	6,779,223
Acquisition costs incurred during the period [1]	2,458,650	976,021
Write off of capitalised exploration expenditure [2]	(442,083)	-
Carrying amount at end of period	10,213,894	8,197,327

[1] The acquisition costs incurred during the period of $2,458,650 relate to the final retention payments to the vendors of the Curral de Pedra project payable in April 2014.

[2] The write off of capitalised exploration expenditure of $442,083 during the current period relates to the capitalised expenditure on the 14 Mile Well Joint Venture tenements in Western Australia which were relinquished during the period.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 4 – OTHER CURRENT LIABILITIES

	Consolidated 31 December 2013 $
Curral de Pedra final retention payments:	
US$950,000 cash	1,061,690
US$1,250,000 equity	1,396,960
	2,458,650

A final retention payment of US$950,000 in cash and US$1,250,000 in equity is payable by April 2014 to the vendors of the Curral de Pedra tenement package in order for the Company to maintain its 70% ownership of the project.

NOTE 5 - RESERVES

	Consolidated 31 December 2013	
(a) Options Reserve		
Share based payments reserve:	**#**	**$**
Balance as at 1 July 2013	18,200,000	1,869,172
Unlisted options issued to consultants for services rendered	1,000,000	70,800 [1]
Unlisted options issued to employees under ESOP for services rendered and future incentive	1,700,000	152,660 [1]
Balance at 31 December 2013	20,900,000	2,092,632
Options proceeds reserve:		
Balance at 1 July 2013	9,500,000	80,150
Balance at 31 December 2013	9,500,000	80,150
Total Options Reserve	**30,400,000**	**2,172,782**

(b) Foreign Exchange Reserve	
Balance as at 1 July 2013	50,396
Currency translation differences arising during the year	(43,668)
Balance at 31 December 2013	**6,728**

[1] For further details relating to the calculation of the share based payments during the period ended 31 December 2013 refer to note 6.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 6 – SHARE BASED PAYMENTS

Share-based payment transactions

The Group completed the following share-based payment transactions during the period:

	Consolidated 31 December 2013 $	Consolidated 31 December 2012 $
Share-based payments:		
1,000,000 Options issued to Canaccord Australia Limited (1)	70,800	-
1,700,000 Options issued to employees under ESOP (2)	152,660	-
19,000,000 Ordinary shares issued to the shareholders of Orinoco Resources Limited	-	5,415,000
1,000,000 Ordinary shares issued to Centaurus Metals Limited	-	285,000
10,000,000 Options issued to the shareholders of Orinoco Resources Limited	-	1,214,864
1,000,000 Options issued to Centaurus Metals Limited	-	121,658
	223,460	**7,036,522**

The options issued during the period ended 31 December 2012 were capitalised in Deferred Exploration Expenditure as acquisition costs for the acquisition of Orinoco Resources Limited.

(1) Canaccord Australia Limited Options

The options issued to Canaccord Australia Limited were issued on the following terms and conditions:

Date Granted	Expiry Date	Exercise Price	Issued During the period
31 July 2013	31 July 2015	$0.30	1,000,000

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 31 July 2015 and are not subject to an escrow period.

The details of the options issued to Canaccord Australia Limited are as follows:

2013 Granted	Terms & Conditions						Vested	
#	Grant Date	Fair Value at Grant Date	Exercise Price per Option	Expiry Date	First Exercise Date	Last Exercise Date	Yes	%
1,000,000	31/07/13	$0.0708	$0.30	31/07/15	31/07/13	31/07/15	1,000,000	100%

Fair value of options granted

The fair value of options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 6 – SHARE BASED PAYMENTS (CONTINUED)

The table below summarises the model inputs for options granted during the period:

Model Inputs	
1. Options granted for consideration of services	1,000,000
2. Exercise price (cents):	30
3. Valuation date:	31 July 2013
4. Expiry date:	31 July 2015
5. Underlying security spot price at grant date (cents):	14
6. Expected price volatility of the Company's shares:	130%
7. Expected dividend yield:	0%
8. Risk-free interest rate:	2.38%
9. Discount:	30%

(2) Employee Share Option Plan (ESOP) Options
The options issued to employees of the Company under the Employee Share Option Plan (ESOP) were issued on the following terms and conditions:

Date Granted	Expiry Date	Exercise Price	Issued During the period
31 July 2013	31 July 2016	$0.30	1,700,000

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 31 July 2016. The options are subject to a vesting condition of one year continued employment with the Company and are not subject to an escrow period.

The details of the options issued to Canaccord Australia Limited are as follows:

2013								
Granted	Terms & Conditions						Vested	
#	Grant Date	Fair Value at Grant Date	Exercise Price per Option	Expiry Date	First Exercise Date	Last Exercise Date	No	%
1,700,000	31/07/13	$0.0898	$0.30	31/07/16	31/07/13	31/07/16	1,700,000	100%

Fair value of options granted
The fair value of options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 6 – SHARE BASED PAYMENTS (CONTINUED)

The table below summarises the model inputs for options granted during the period:

Model Inputs	
1. Options granted for consideration of services	1,700,000
2. Exercise price (cents):	30
3. Valuation date:	31 July 2013
4. Expiry date:	31 July 2016
5. Underlying security spot price at grant date (cents):	14
6. Expected price volatility of the Company's shares:	130%
7. Expected dividend yield:	0%
8. Risk-free interest rate:	2.38%
9. Discount:	30%

NOTE 7 – SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of Orinoco Gold Limited in order to allocate resources to the segment and to assess its performance.

Description of segments

Segment Reporting

The Group has identified one reportable segment being gold exploration. All remaining segments that do not satisfy the threshold under AASB 8 are aggregated as "All Other Segments".

CONSOLIDATED	**Gold Exploration $**	**All Other Segments $**	**Total $**
31 December 2013			
Segment revenue	-	46,368	46,368
Segment loss after tax	(2,736,846)	(1,183,934)	(3,947,780)
Interest revenue	-	46,368	46,368
Other non-cash expenses	446,479	224,301	670,780
Segment assets	10,246,616	786,551	11,033,167
Segment liabilities	(2,642,832)	(153,445)	(2,796,277)

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2013

NOTE 7 – SEGMENT REPORTING (CONTINUED)

CONSOLIDATED	Gold Exploration $	All Other Segments $	Total $
31 December 2012			
Segment revenue	-	62,635	62,635
Segment loss after tax	(591,890)	(494,330)	(1,086,220)
Interest revenue	-	62,635	62,635
Other non-cash expenses	284	-	284
Segment assets	7,190,810	4,337,153	11,527,963
Segment liabilities	-	108,379	108,379

NOTE 8 – CONTINGENCIES

The Directors are not aware of any contingent assets or liabilities that may arise from the Company's operations as at 31 December 2013.

NOTE 9 – SUBSEQUENT EVENTS

Capital Raising

After the reporting date, the Company announced a capital raising of up to $4 million to underpin the next key phase of exploration and development of its flagship Faina Goldfields Project in central Brazil, including plans to advance its high-grade Cascavel Gold Project.

The capital raising comprises a Placement (1) and a non-renounceable Entitlement Issue (2) to shareholders. Fully paid ordinary shares in the capital of the Company will be offered at 10 cents per Share under the Placement and Entitlement Issue and subscribers will receive one (1) free attaching option for every two (2) Shares subscribed for under each issue.

(1) Placement

The Company has received commitments for a placement of 11,475,000 Shares at 10 cents each to raise approximately $1.14 million before costs to underpin the retention payment of US$950,000 in relation to the Curral de Pedra Project (note 4).

At the date of issue of this report, 9,475,000 shares at 10 cents had been allotted to institutional and high net worth clients of the Lead Manager, Canaccord Genuity (Australia) Limited.

The remaining 2,000,000 Shares will be subscribed for by two Directors which are subject to shareholder approval at a meeting to be held on 18 March 2014.

Also subject to shareholder approval on 18 March 2014, each subscriber in the Placement will also receive one (1) new OGXO Option for every two (2) Shares subscribed for under the Placement, resulting in the issue of 5,737,500 new OGXO Options exercisable at 25 cents and expiring on 31 May 2015.

Notes to the Condensed Consolidated Financial Statements
For the half-year ended 31 December 2013

NOTE 9 – SUBSEQUENT EVENTS (CONTINUED)

(2) Non-renounceable Entitlement Issue

The Entitlement Issue offered shareholders who were registered at the Record Date one (1) Share for every three (3) existing Shares held, at an issue price of 10 cents each. Subscribers for the Entitlement Issue will also receive one (1) free attaching OGXO Option for every two (2) Shares subscribed for under the Entitlement Issue. The attaching Options will be on the same terms and conditions as the currently quoted OGXO Options which are exercisable at 25 cents and expiring on 31 May 2015.

The Entitlements Issue closed on 11 March 2014. The Company raised $975,449 from shareholder participation. A total of 9,754,486 Shares and 4,877,243 free attaching Options will be allotted on 19 March 2014. The Company has a further 3 months to issue the remaining Shortfall balance of $1.87 million.

Acquisition of Sertão Gold Mine from Troy Resources Limited

After the reporting date, the Company announced that it had reached an agreement with Troy Resources Limited and their Brazilian partner, Sertão Mineração Ltda (SML), to acquire the Mining Leases encompassing Troy's former highly successful Sertão Gold Mine in central Brazil.

In consideration for the purchase of 100% of the issued capital of SML, Orinoco will:

- Issue Troy (70%) and Amazônia Mineração Ltda (30%) a total of 7,000,000 unlisted options with a three-year term from the date of issue and an exercise price of $0.25;
- Pay an amount of BR$495,000 (approximately A$236,000) to the Brazilian taxation office representing a disputed item from SML's 2008 tax return. This payment will fall due at an undetermined future date;
- Share equally with the vendors the future benefit of tax credits that currently exist within SML. Existing tax credits are estimated to be in the order of BR$7.5 million (A$3.5 million);
- Pay the following royalties to the Vendors in relation to gold produced from the Mining Leases currently owned by SML:
  - a 2% Net Smelter Return on the first 90,000oz of gold produced from the Mining Leases; and
  - a 0.75% Net Smelter Return on the next 90,000oz of gold produced from the Mining Leases.

The agreement is subject to several conditions precedent including:

- The signing of the Binding Terms Sheet by Amazônia;
- The affirmation of the Sertão Mining Lease by the National Department of Mineral Production Brazil following the recent submission by SML of a (non JORC compliant) Reserve calculation at Sertão; and
- Orinoco shareholder approval of the option issue.

Apart from the events discussed above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

In the opinion of the directors of Orinoco Gold Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half year then ended.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the board

John Hannaford
Non-Executive Chairman

Perth
14 March 2014

HLB Mann Judd

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Orinoco Gold Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Orinoco Gold Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orinoco Gold Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
14 March 2014