

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Orinoco Gold Limited

ABN

71 149 219 974

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(356)	(892)
(b) development/commissioning	(1,929)	(6,659)
(c) production	(1,795)	(1,795)
(d) staff costs	(469)	(980)
(e) administration and corporate costs	(731)	(1,778)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	23
1.5 Interest and other costs of finance paid	(3)	(8)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (deposits paid)	(73)	(281)
1.9 Net cash from / (used in) operating activities	(5,350)	(12,370)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(590)	(2,993)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(590)	(2,993)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,500	12,302
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	916	2,343
3.4	Transaction costs related to issues of shares, convertible notes or options	(335)	(578)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,081	14,067

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,332	3,716
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,350)	(12,370)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(590)	(2,993)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,081	14,067
4.5	Effect of movement in exchange rates on cash held	(236)	(183)
4.6	Cash and cash equivalents at end of period	2,237	2,237

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,237	3,332
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,237	3,332

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

345

-

Amounts paid to executive (two) and non-executive (four) directors includes salaries and wages for director services.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other – Gold Stream (USD\$8m received in full)	10,960	10,960
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Gold Stream

Cartesian Royalty Holdings (Cartesian) has provided US\$8 million which was used by Orinoco to develop the Cascavel Gold Mine.

In return, Cartesian is entitled to receive 20% of the gold produced during the first three years of commercial production from Cascavel. This is subject to a minimum quantity of 16,000 ounces of gold (the Gold Stream continues until 16,000 ounces of gold has been delivered) and a maximum quantity of 24,000 ounces of gold, at which point the agreement will cease, whether or not three years of production has been completed.

An establishment fee of 1.5% was paid by Orinoco, together with the issue of 2,000,000 shares and 2,000,000 options (exercisable at 11 cents per security and expiring 18 months from issue).

The Company has provided security in the form of pledges over the shares/quotas held in Orinoco Resources Pty Ltd, Orinoco Basil Mineração Ltda and 70% of the quotas in Mineração Curral de Pedra Ltda, owner of the Cascavel Gold Mine.

As at the date of this report and in light of the decision taken post-quarter to temporarily suspend mining operations, the Company and Cartesian have agreed in principle to replace milestone/date default clauses contained in the gold stream agreement and the Company believes it is close to signing a binding variation deed containing the revised terms.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development*	-
9.3 Production*	-
9.4 Temporary suspension of operations*	2,214
9.5 Staff costs	360
9.6 Administration and corporate costs	287
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,861

* Mining operations temporarily suspended (see ASX announcement – 21 October 2016).

“9.4 Temporary suspension of operations” includes employee and contractor termination costs, other suspension related costs, running costs while operations are suspended and an operations review involving independent consultants overseen by the Orinoco Technical Committee. Discussions are underway with shareholders and other parties regarding funding arrangements. Refer to the Activities Report for more information.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer to the Tenements table included at the back of the Quarterly Activities Report			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer to the Tenements table included at the back of the Quarterly Activities Report			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 31 October 2016

Print name: Mr Timothy Spencer

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.