



Cascavel Gold Mine – Project and Operations Update

Mine development set to begin next month as re-commencement strategy progresses on several fronts

Key Points:

- **Strategy to re-commence operations now fully developed.**
- **Detailed mine development planning nearing completion.**
- **Additional mine development to commence in April, focusing initially on new access ramps and development headings.**
- **Planned development will enable the mine to deliver ~80ktpa of to the processing plant.**
- **Final results from additional metallurgical test-work expected by late March – allowing finalisation of mill improvements.**
- **Civil works for new on-site assay laboratory to commence later this month.**
- **New assay laboratory set to improve turnaround times for accurate assays for both the mine and plant.**
- **\$9.7M successfully raised through recent entitlements issue to underpin the recommencement strategy, with strong interest received from institutional investors in \$2.6M shortfall.**

Orinoco Gold (ASX: OGX) is pleased to provide an update on the planned strategy to recommence operations at its 70%-owned Cascavel gold mine in Brazil, which continues to advance positively on several fronts

As previously advised, the recommencement strategy has been developed and costed at a high level with detailed mine development planning now nearing completion. Results from metallurgical test-work carried out on site in February during the most recent site visit by Mining Plus and Gekko Systems are expected to be returned in late March, allowing the finalisation of the mill improvements which are proposed as part of the recommencement plan. In summary, the key components of the plan to resume operations at Cascavel include:

- Development of new access to the underground workings to allow larger scale, more efficient mechanised mining equipment to be deployed;
- Increasing the supply of high-grade ore to the processing plant by amending the mine plan to provide for improved access to, and more development in, the higher-grade southern portions of the mine;
- Improving gold recoveries by enhancing the liberation of gold from the ore by implementing some relatively minor modifications to the existing mill; and
- Enhancing assay turn-around and accuracy through the installation of an on-site assay laboratory.

Mine Development

The additional mine development required will commence in early April with the initial development to be focused on adding new access ramps and new development headings, allowing larger-scale mining equipment to be deployed in the mine. The necessary personnel and equipment for the re-commencement of mine development are currently being sourced and secured.

Orinoco Gold

Suite 2, 33 Cedric Street
Stirling WA 6005
PO Box 150
Innaloo WA 6918

Contact

P (08) 9482 0540
F (08) 9482 0505
info@orinocogold.com
www.orinocogold.com

ASX Code

OGX
(Ordinary Shares)
OGXOC & OGXOD
(Listed Options)

Issued Capital

489,455,333 Ordinary Shares
268,592,401 Options

Following the re-commencement of development in early April, the mine plan to deliver approximately 80,000tpa to the processing plant (double the initially planned mine capacity) will be finalised to facilitate ongoing mine development and allow selected modified mining methods to be trialled.

Development will continue to be undertaken within the known mineralised zone at Cascavel. While this material will be processed through the plant together with production material resulting from trial mining activities, deliveries of scheduled production ore to the mill are expected to commence late in the third quarter of this year.

Mill Improvements

The final results from the most recent set of metallurgical tests are expected to be received in late March. This should allow the Company to finalise the design of any required mill improvements. It is likely that the Company will wish to source additional grinding capacity for the processing circuit to improve gold liberation and recoveries.

Once results from the metallurgical tests are received, the Company will finalise the type and sizing of the required grinding capacity, including a decision about whether or not the additional grind capacity will operate in conjunction with the existing tertiary crusher or as a replacement of the existing tertiary crusher.

The existing plant remains capable of processing stockpiled and future development material in batches while the plant undergoes the minor proposed modifications (including sourcing additional grinding capacity and other minor improvements such as rationalising the sampling procedures and points for increased accuracy and control). Tailings will continue to be dry-stacked and can be re-processed to recover any contained gravity recoverable gold.

On-Site Laboratory

Plans have also been finalised for an Orinoco-owned and managed on-site laboratory, with civil works for the laboratory set to commence later this month. Orinoco is purchasing a purpose-designed and manufactured laboratory which will allow for quicker installation and, more importantly, also allow for eventual certification.

Having such a facility available on site will greatly assist the Company in the timely turn-around of accurate assays for both the mine and the plant. Due to licencing restrictions, the Company previously had to utilise a state-owned facility located 300km from site. The installation of the new on-site assay laboratory is a key part of the Company's strategy to re-commence operations at Cascavel.

-ENDS-

For further information, please contact:

Mark Papendieck
Managing Director
Orinoco Gold Limited
08 9463 3241
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.