

19 December 2016

Dear Shareholder

Orinoco Gold Limited – pro-rata non-renounceable rights issue

As announced on 16 December 2016 Orinoco Gold Limited (ACN 149 219 974) (**Company** or **OGX**) is undertaking a non-renounceable entitlement issue of four (4) Shares for every seven (7) Shares held by those Shareholders registered at 5pm (WST) on 3 January 2017 (the **Record Date**) at an issue price of \$0.07 per Share to raise up to \$12,293,964 (less any amount offset against outstanding Convertible Loans as described under Section 4.1 (a) of the Prospectus) together with one (1) free Option exercisable at \$0.11 on or before 31 January 2020 for every one (1) Share issued (the **Offer**).

The proceeds of the Offer, will be allocated towards the costs of the Offer, then towards recommencement of operations at Cascavel, including preparation of a remedial action plan, to make improvements to the mine and process plant to rectify past issues and to increase throughput capacity and to recommence operations. The funds will also provide a prudent working capital buffer during the 'pre-operations' phase.

Item	A\$
Costs of the Offer	333,716
Applications against Convertible loans and repayment of balance of Convertible Loans	1,900,000
Remedial Action Planning, mine and plant improvements	2,233,000
Laboratory	320,000
Pre-production mine development	2,667,000
Outstanding Gekko service invoices	480,756
Working Capital/Overheads	4,359,492
Total funds after completion of the Offer (assuming placement of any Shortfall)	12,293,964

The above is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 3 January 2017, whose registered address is in Australia, New Zealand, Singapore or Hong Kong.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 175,628,051 New Shares and 175,628,051 New Options resulting in total Shares on issue of approximately 482,977,140 and the total Options on issue of approximately 238,342,562.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be

entered on the Company's register of members on or before 5.00pm (WST) on 3 January 2017 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company's Share Register, Security Transfer Registrars Pty Ltd at 770 Canning Highway, Applecross WA 6953 or post to Orinoco Gold Limited care of Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953:

- (a) A notice of exercise of options (attached to this letter);
- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "**Orinoco Gold Limited**".

OR, ALTERNATIVELY

- (d) Pay the amount due in respect of each option exercised, by BPAY®, by following the instructions set out in the accompanying Notice of Exercise of Options Form.
You must ensure that:
 - i. you use the Biller Code and unique Reference Number shown on your personalised Notice of Exercise of Options Form; and
 - ii. your acceptance and payment by BPAY® is received no later than 5:00pm(WST) on 28 December 2016.

IMPORTANT NOTICE AND INSTRUCTIONS CONCERNING BPAY® PAYMENTS

Please note that your own financial institution may impose early cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment by BPAY®. It is your responsibility to ensure that the payment is actually received by 5.00pm (WST) on 28 December 2016 and the Company will not be responsible for any delay in the receipt of the BPAY® payment.

If you wish to exercise your options and paying for it by BPAY®, you do not need to return a completed Notice of Exercise of Options Form but will be taken to have made the declarations contained in the Notice of Exercise of Options Form.

To ensure that your new shares are allotted prior to the Record Date, the above must be received by OGX **no later than** 5.00pm on 28 December 2016 2016. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Joel Ives, OGX's Company Secretary, on +61 8 9482 0540.

Yours sincerely

John Hannaford
Non-Executive Chairman
Orinoco Gold Limited