



ASX/Media Release – 27 March 2018

CLARIFICATION TO ORINOCO'S ASX ANNOUNCEMENT

Orinoco Gold Limited (ASX:OGX) (**Orinoco** or **Company**) hereby informs the market that the previous announcement made on 23 March 2018 titled "Orinoco Raises \$12.1 Million in Successful Share Placement" inadvertently included a reference to a production target.

For the purposes of clarity, the Company has attached an updated version of the announcement made on 23 March 2018 with the reference to a production target removed.

-ENDS-

For further information, please contact:

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ORINOCO RAISES \$12.1 MILLION IN SUCCESSFUL SHARE PLACEMENT

'BACK TO BASICS' PRIMED FOR GROWTH

Highlights:

- **\$12.1 million raised in a share placement at an issue price of 12 cents per share plus a free OGXOD listed option on a 1 for 3 basis exercisable at 11 cents**
- **Orinoco is now in a strong financial position to target a ramp up in production at Cascavel and unlock value from our extensive exploration package**
- **As part of this raise, Orinoco's Brazilian Joint Venture partners become substantial shareholders – further aligning with Orinoco's 'Back to Basics' approach towards delivering shareholder value**
- **A \$3 million drilling programme will begin at Cascavel, Sertão and Tintiero in Q2'18 in addition to the current programme at Antena and pit sampling at Eliseo**
- **A \$5 million investment programme will begin at Cascavel**
- **Commissioning of Hammer Mill 3 at Cascavel is going to plan and a second shift will begin on March 26**
- **Announcement to bring the Company out of voluntary suspension**

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or **Company**) is pleased to advise that the Company has raised \$12.1 million via the placement of 115,891,876 fully paid ordinary shares (**New Shares**), plus a free OGXOD listed option on a 1 for 3 basis exercisable at 11 cents, expiring 31 January 2020 (**Placement**). The \$12.1 million raised under the Placement comprises \$8.5 million of new monies and \$3.6 million in lieu of the US\$2.85 million payment due to the Cascavel joint venture partners. The New Shares will be allotted at an issue price of 12 cents each for new monies and at a VWAP price of 6 cents each for the joint venture partners' US\$1.35 million to be paid in shares

Part of the Placement was taken up by our Cascavel 30% joint venture partners in lieu of a 3rd payment of US\$2.85 million (payable via US\$1.35 million in shares and US\$1.5 million in cash) due on 1 September 2018. The shares issuable to the joint venture partners will be held in escrow until 1 September 2018. New Shares issued to the Cascavel joint venture partners comprised 16,164,492 New Shares at 12 cents each and 28,931,051 New Shares at the VWAP calculated in accordance with the Minority Partners Purchase Agreement. For clarity, Orinoco takes 100% of all gold production now and going forward. We welcome our joint venture partners' vote of confidence in the 'Back to Basics' approach and look forward to a closer working relationship.

The Placement was strongly supported by both new and existing shareholders, with a number of quality, sophisticated investors welcomed to the register. The Placement was completed with the assistance of Empire Capital Partners.

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ASX Code

OGX
(Ordinary Shares)
OGXOD
(Listed Options)

Issued Capital

926,585,119 Ordinary Shares
202,458,461 Listed Options
62,677,846 Unlisted Options

The New Shares will be issued on the same terms, and rank equally (other than the New Shares issued to the Company's partners in lieu of a cash payment being escrowed until 1 September 2018) in all respects with the existing fully paid ordinary shares in the Company. The allotment of the New Shares under the Placement is not subject to shareholder approval and will fall within the Company's 15% placement capacity under ASX LR 7.1 and additional 10% placement capacity under ASX LR 7.1A.

Following the completion of the Placement, a key near-term focus for the Company will be on the ongoing ramp up of production at the Company's Cascavel gold mine. Commissioning of Hammer Mill 3 is going according to plan and we will announce March production shortly. Part of the new capital spent from this raise will be focused on increasing underground development through the purchase of more haulage and drilling equipment.

In conjunction, Orinoco will restart a long overdue focus back on exploration. Drilling is already underway at Antena which sits to the south of Cascavel. Pit sampling from Eliseo continues and results from 6 pits will be announced shortly. Drilling will also commence at Cascavel, Sertão and Tintiero in Q2'18 as part of a \$3 million drilling programme. A rock chip sampling programme is currently underway at Tintiero with a focus to test the cobalt mineralogy that was identified from rock chip samples taken in 2012. Some of those rock chip samples that also included gold, silver, nickel, copper and tungsten mineralogy were reported on 30th May 2014 in an ASX release entitled 'Orinoco to Drill test Significant New Tintiero IOCG Targets'. Results from this new field work will be reported next month.

Orinoco's Chairman, Joseph Pinto, commented, "With a strengthened balance sheet and lower cost base, Orinoco has now established a very robust platform to aggressively pursue our planned gold production ramp-up and exploration program over the coming months.

I am also very pleased that our Brazilian joint venture partners have increased their combined ownership in the group from 4% to 8% as part of this raise. We value strong in-country local partners and look forward to a closer working relationship going forward. We are thrilled by the ongoing support of existing and new shareholders in this share placement and hope to return their faith with results from our 'Back to Basics' approach."

-ENDS-

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