

ORINOCO GOLD LIMITED

ACN 149 219 974

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at 5pm (WST) on the Record Date at an issue price of \$0.02 per Share to raise \$4,976,355 (before costs) (the **Offer**).

The Offer closes at 5.00pm (WST) on the Closing Date. Valid acceptances must be received before that time.

The Offer is fully underwritten by Somers & Partners (AFSL 403684). Refer to Section 8.1 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Brian Thomas (Non-Executive Chairman)
Terry Topping (Non-Executive Director)
Helcio Guerra (Non-Executive Director)
Jonathan Challis (Non-Executive Director)
Nicholas Revell (Non-Executive Director)
Andrew Allan (Non-Executive Director)

Registered Office

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West Perth 6005

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Email: info@orinocogold.com
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Company Secretary

Joel Ives

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

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Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

Lead Manager & Underwriter

Somers & Partners Pty Ltd
Level 9
190 St Georges Terrace
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC Announcement & Lodgement of Appendix 3B with ASX	6 September 2017
Letter sent to Optionholders	6 September 2017
Letter sent to Shareholders	6 September 2017
Ex date	14 September 2017
Record Date for determining Entitlements	15 September 2017
Prospectus sent out to Shareholders & Company announces this has been completed	18 September 2017
Last day to extend the Offer Closing Date	25 September 2017
Closing Date*	28 September 2017
Shares quoted on a deferred settlement basis	29 September 2017
ASX notified of under subscriptions	3 October 2017
Issue date/Securities entered into Shareholders' security holdings	5 October 2017
Quotation of Shares issued under the Offer*	6 October 2017

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 6 September 2017 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act (as permitted by ASIC Class Order 10/94). This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Eligibility to participate in the Offer

An original Entitlement and Acceptance Form will be forwarded to all Eligible Shareholders. An application for Securities under the terms of this Offer can only be made by an Eligible Shareholder on an original Entitlement and Acceptance Form. Each original Entitlement and Acceptance Form sets out the Entitlement for an Eligible Shareholder to participate in the Offer. Applications for Shortfall can be made as set out in Section 4.10.

Shareholders with a registered address outside of Australia, New Zealand, Hong Kong, Singapore or Isle of Man should be aware that it is not practical, due to the complexity and cost, for the Company to comply with the securities laws for foreign jurisdictions. Therefore the Offer does not, and is not intended to, constitute an offer in any jurisdiction outside of Australia, New Zealand, Hong Kong, Singapore or Isle of Man. This Prospectus does not constitute an offer in any place or to any person to whom it would not be lawful to make such an offer.

3.2 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider

consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.3 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.02 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no Options are exercised prior to the Record Date), a maximum of 248,817,730 Shares will be issued pursuant to this Offer to raise \$4,976,355 (before costs).

As at the date of this Prospectus the Company has 265,342,401 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised under the Offer and the Prepayment Amount are set out in Section 5.1 of this Prospectus.

4.2 Prepayment Amount - AngloGold

In conjunction with the Offer, as announced on 6 September 2017, the Company will also receive an upfront payment of \$3,000,000 from AngloGold Ashanti Ltd (**AngloGold**) pursuant to an amendment to the Strategic Alliance with the Company (previously announced to ASX on 7 February 2017), and as a result will raise a total of \$7,976,355 (**Capital Raising**). For further details in relation to the Strategic Alliance with the Company please refer to section 8.3.

4.3 Minimum subscription

The minimum subscription is the full subscription under this Offer, being \$4,976,355.

4.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form, unless you are applying for additional Shares in the allocated area of the Entitlement and Acceptance Form. If your acceptance does exceed your Entitlement, and you have not applied for Shares under the Shortfall, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange BPAY®, for the amount indicated on the Entitlement and Acceptance Form; or

- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft or arrange BPAY®, for the appropriate application monies (at \$0.02 per Share); or
- (c) if you wish to subscribe for **more** than your Entitlement under the Shortfall Offer:
 - (i) fill in the number of Shares you wish to accept in addition to your Entitlement in the relevant space allocated on the Entitlement and Acceptance Form to the Shortfall Offer; and
 - (ii) attach your cheque or bank draft or arrange BPAY®, for the appropriate application monies (at \$0.02 per Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Orinoco Gold Limited – Entitlement Issue Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5:00pm WST on the Closing Date.

4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.7 Underwriting and Sub-Underwriting

The Offer is fully underwritten by the Underwriter. Refer to Section 8.1 of this Prospectus for details of the terms of the underwriting. The Underwriter has entered into a priority sub-underwriting agreement with AngloGold Ashanti Holdings Plc (**AngloGold PLC**), whereby AngloGold PLC has agreed to subscribe for up to 50,000,000 Shares (\$1,000,000) under the Offer or Shortfall Offer on a priority basis, up to a maximum shareholding of 18.11% of the Company's issued share capital at the Closing Date.

4.8 Effect on control of the Company and potential dilution to Shareholders

The Underwriter is not presently a shareholder of the Company nor a related party of the Company for the purposes of the Corporations Act.

The Underwriter has entered into a priority sub-underwriting agreement with AngloGold PLC to sub-underwrite up to 50,000,000 Shares (\$1,000,000). AngloGold PLC is currently a Shareholder of the Company holding 85,190,463 Shares, equating to 17.12% and has an Entitlement under the Offer to subscribe for 42,595,231 Shares.

AngloGold PLC's sub-underwriting commitment will be satisfied via acceptance of the Offer or via the Shortfall Offer or a combination of both. As part of its priority sub-underwriting, AngloGold PLC have agreed that their voting power in the Company will not go above 18.11%, representing an approximate 1% increase in their existing holding, as shown in the table below:

Sub-Underwriter	Existing Shares	Sub-Underwritten Shares	Current Voting %	Voting Post Offer ² % ¹
AngloGold Ashanti Holdings Plc	85,190,463	50,000,000	17.12%	18.11%

Notes

1. This figure assumes that (i) all Shares and Shortfall Shares are issued pursuant to the Offer; and (ii) that AngloGold PLC is obliged to subscribe for all of its respective sub-underwritten Shares pursuant to its sub-underwriting agreement.
2. On an undiluted basis, assuming no Options are exercised prior to the Record Date.
3. AngloGold PLC will either take up its Entitlement in full and/or then subscribe for an additional amount under the Shortfall Offer to extinguish its sub-underwriting commitment of 50,000,000 Shares. Any amount AngloGold PLC subscribes for under its Entitlement will be in lieu of its sub-underwriting commitment.

The Underwriter is not presently a shareholder of the Company and the extent to which Shares are issued pursuant to the underwriting (other than to AngloGold PLC), the potential maximum voting power of the Underwriter in the Company could increase to 26.63%. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below (on an undiluted basis):

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	0.00%

Completion of Entitlement Issue		
• Fully subscribed	Nil	0.00%
• 75% subscribed	12,204,433	1.63%
• 50% subscribed	74,408,865	9.97%
• 25% subscribed	136,613,298	18.30%
• 0% Subscribed (other than to AngloGold PLC)	198,817,730	26.63%

Notwithstanding the above, the Underwriter has advised the Company that the Shortfall Offer has been fully sub-underwritten (which includes the sub-underwriting commitment from AngloGold PLC). As such:

- (a) it is unlikely that no shareholders will take up their Entitlements under the Offer (or participate in the Shortfall); and
- (b) it is unlikely that all sub-underwriters will withdraw their sub-underwriting commitments,

requiring the Underwriter to subscribe for the whole amount of the Offer, meaning it is unlikely the Underwriter will end up with an interest at or around 26.63%.

In addition, as approved by Shareholders at the general meeting on 4 September 2017, the Company will be issuing US\$1,350,000 in Minority Partner Shares to acquire the minority interests in certain permits in which the Company currently has an interest. These Shares will be issued after the Record Date and will not be entitled to participate in the Offer. The effect of the issue of those Shares will be to dilute the holding of existing Shareholders, but also to reduce the maximum percentage holding that the Underwriter may acquire by underwriting the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will ensure that no person will acquire, through participation in sub-underwriting the Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

4.9 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	2.01%	5,000,000	10,000,000	1.34%
Shareholder 2	5,000,000	1.00%	2,500,000	5,000,000	0.67%
Shareholder 3	1,500,000	0.30%	750,000	1,500,000	0.20%
Shareholder 4	400,000	0.08%	200,000	400,000	0.05%
Shareholder 5	50,000	0.01%	25,000	50,000	0.01%
Total	497,635,459		248,817,730		746,453,189

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and the Underwriting Agreement is terminated, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. Percentages post-Offer have been calculated on the basis of there being 746,453,189 Shares on issue on completion of the Offer. Refer to Section 5.4 for further details of the Company's capital structure.
2. Please also note, the above table does not include the issue of the Minority Partner Shares (being 32,115,317 Shares) proposed to be issued after the Record Date, which will further dilute holdings. Please refer to Section 5.4 for further details.

4.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02, being the price at which Shares have been offered under the Offer.

Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using BPAY® (refer to Section 4.6 above).

In accordance with the Underwriting Agreement, Shortfall allocation will be given priority as follows:

- (a) firstly, to AngloGold PLC in accordance with its priority sub-underwriting commitments;
- (b) secondly, to Eligible Shareholders applying under the Shortfall Offer (in excess of their Entitlement); and
- (c) lastly, to those persons nominated and determined by the Underwriter in its sole discretion, including sub-underwriters.

After allocating Shortfall in accordance with Section 4.10(a), if there is an insufficient number of Shortfall Shares to satisfy all Shortfall applied for by Eligible Shareholders (in excess of their Entitlement), the allocation of Shortfall Shares under 4.10(b) will be determined at the discretion of the Company in consultation with the Underwriter.

4.11 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.12 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shortfall Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company or by the Company's registrar (Security Transfer Registrars) in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.13 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Singapore and Isle of Man.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares offered have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

If you (or any person for whom you are acquiring the Shares) are in Hong Kong, you (and any such person) warrant by lodging an Application Form that you are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.

Singapore

This document and any other materials relating to the Shares have not been, and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to person in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures ACT, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Isle of Man

No offer or invitation to subscribe for shares may be made to the public in the Isle of Man.

4.14 Application Form

If an Application Form is not completed correctly, the Company, in its absolute discretion, may reject it or treat it as valid. The Company's decision as to whether to accept or reject an Application Form or how to construe, amend or complete it is final.

4.15 Taxation Implications of the Offer

The Directors are unable to provide Shareholders advice on the taxation implications (if any) of investing in the Offer because each Shareholder's circumstances are different. Shareholders should seek advice from a professional taxation advisor before deciding to invest. To the maximum extent permitted by law, the Company and its Directors do not accept any responsibility or liability for any taxation consequences for Shareholders resulting from an investment in the Offer.

4.16 Enquiries

Any questions concerning the Offer should be directed to Joel Ives, Company Secretary, on +61 8 9482 0540.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer and the Prepayment Amount

The purpose of the Offer is to raise \$4,976,355 (before costs of the Offer). Including the Prepayment Amount, the Company will raise in total \$7,976,355.

The proceeds of the Offer, together with the Prepayment Amount, will be allocated towards the costs of the Offer, payment of minority partners, towards recommencement of operations at Cascavel, capital development and exploration and standstill payments to commercial production. The funds will also provide a prudent working capital buffer during the 'commissioning recommencement' phase.

Use of Funds¹

Item	AUD\$	%
Costs of the Offer ²	519,806	6.5%
Payment to Minority Partners ³	1,875,000	23.5%
Additional Mine Development at Cascavel ⁶	715,000	9.0%
Mine Equipment Purchase at Cascavel ⁶	735,440	9.2%
Near Mine Exploration at Cascavel ⁶	208,058	2.6%
Earn in Exploration expenditure ⁷	1,125,000	14.1%
Standstill Payments to Commercial Production ⁴	569,620	7.1%
Working Capital/Overheads ⁵	2,228,431	27.9%
Total funds after completion of the Capital Raising	7,976,355	100.0%

Note:

1. Total use of funds includes funds raised under the Offer and the Prepayment Amount of AUD\$3,000,000 provided by AngloGold under the prepaid earn-in agreement variation announced on 6 September 2017.
2. Refer to Section 9.7 of this Prospectus for further details relating to the estimated expenses of the Offer.
3. On 27 April 2017 the Company announced that it had entered into an agreement to purchase the minority ownership of Mineração Curral de Pedra Ltda (MCP) subsidiary which owns the mineral rights to the Cascavel Gold Project. Under the agreement the Company is to pay minority holders a fee of USD\$1.5 million on 1 September 2017. For further details see ASX announcement dated 27 April 2017. The Company has used a rate of \$0.80 Australian Dollars for every USD\$1.00 in the above calculation as at 6 September 2017.
4. On 5 September 2017 the Company entered into a further variation with its gold stream funding partner, Cartesian. Pursuant to the agreement, the Company is required to pay monthly sums of USD\$150,000 (previously USD\$100,000) until three months after the commissions of the process plant at the Cascavel Gold Project. The monthly payments can be repaid in cash or shares at the Company's election. The Company has used a rate of \$0.80 Australian Dollars for every USD\$1.00 in its calculation as at 6 September 2017. Please refer to Section 8.4 for further details.
5. The Company intends to allocate funds towards the following: additional site costs at the Cascavel Gold Project \$1,091,971, corporate entity administration costs \$915,970 and general working capital \$220,490.

6. Additional funds requirements include additional mine development access to the Mestre orebody, additional load and haul capacity (including the purchase of another Toro LHD), additional rock legs and air drills, increased pumping capacity (for underground water ingress), additional air compressor capacity to provide more volumetric capacity for continuous increased air leg use, additional air extraction capacity, critical first fill spares. In addition, additional near mine exploration is proposed which includes drilling and assay collection and sampling.
7. AngloGold has made a A\$3.0M pre-payment on 31 August 2017 to Orinoco against the US\$9.5M exploration earn-in agreement (Earn-in Agreement) it has with AngloGold at the Faina Goldfields Project (Faina Project), with funds being allocated to the former holders of the minority interests (giving Orinoco 100% ownership, commencement of exploration activities at Sertão Gold Project and ongoing mine development and working capital at the Cascavel Gold Mine.

The above is a statement of current intentions as of the date of this 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.

5.2 Effect of the Offer and the Prepayment Amount

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, and the Prepayment Amount, will be to:

- (a) increase the cash reserves by \$7,456,549 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 497,635,459 as at the date of this Prospectus to 746,453,189 Shares. Please note however, following the issue of the Minority Partner Shares (32,115,317 Shares), the number of Shares on issue would increase to 778,568,506 Shares.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2017 and the unaudited pro-forma balance sheet as at 30 June 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

STATEMENT OF FINANCIAL POSITION
Consolidated - Unaudited

	30-Jun-17	Pro Forma	Full Funding
	\$	Adjustments	
Current Assets			
Cash and cash equivalents	3,752,234	7,456,548 ¹	11,208,782
Other receivables	654,794		654,794
Inventories	662,203		662,203
Other assets	62,749		62,749
Total Current Assets	5,131,980	7,456,548	12,588,528
Non-Current Assets			
Property, plant and equipment	8,513,784		8,513,784
Exploration & evaluation assets	1,220,362		1,220,362
Mine properties & development	20,238,691		20,238,691
Other Non-Current Assets	191,135		191,135
Total Non-Current Assets	30,163,972	-	30,163,972
Total Assets	35,295,952	7,456,548	42,752,500
Current Liabilities			
Trade and other payables	6,547,439		6,547,439
Financial Liability	11,040,858		11,040,858
Other current liabilities	178,734	3,000,000	3,178,734
Provisions	525,438		525,438
Total Current Liabilities	18,292,469	3,000,000	21,292,469
Non-Current Liabilities			
Trade & other payables	3,730,008		3,730,008
Other liabilities	-	-	-
Provisions	480,102		480,102
Total Non-Current Liabilities	4,210,110	-	4,210,110
Total Liabilities	22,502,579	3,000,000	25,502,579
Net Assets	12,793,373	4,456,548	17,249,921
Equity			
Issued capital	54,808,763	4,456,548	59,265,311
Reserves	(5,75,037)		(5,75,037)
Accumulated losses	(36,440,353)		(36,440,353)
Total Equity	12,793,373	4,456,548	17,249,921

Notes:

1. Reconciliation of cash:

	Amount (\$)
Cash at 30 June 2017	3,752,234
Entitlements Issue Offer	4,976,355
Prepayment Amount proceeds	3,000,000
Costs of the Offer	(519,806)
Proforma Cash at 30 June 2017	11,208,783

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is as follows:

Shares

	Number
Shares currently on issue	497,635,459
Shares offered pursuant to the Offer	248,817,730
Total Shares on issue after completion of the Offer	746,453,189¹

Notes:

1. On 27 April 2017, the Company announced that it had entered into an agreement with the Company's minority partners to purchase their 30% interest in the Cascavel Gold Project. In part consideration for the acquisition, the Company has agreed to pay the Minority Partners ordinary shares to the value of USD\$1.35 million by 30 September 2017. The Company has since received shareholder approval to issue these shares and the total amount to be issued (calculated in accordance with the terms of the agreement and prevailing foreign exchange rate) equates to 32,115,317 shares (**Minority Partner Shares**). Please note however, these Minority Partner Shares will not be issued prior to the Record Date and therefore will not be entitled to participate under the Offer.

Options

	Number
Options currently on issue ²	265,342,401
Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	265,342,401¹

Notes:

1. As noted in Section 8.4, as part of the variation to the Cascavel Goldstream Agreement, the Company has agreed, subject to Shareholder approval, to issue Cartesian 4,877,846 new Options to replace its 4,877,846 Options currently held by Cartesian (**Replacement Options**). The terms of the Replacement Options are yet to be agreed between the Company and Cartesian but will be subject to approval by Shareholders.
2. Terms and conditions of Options currently on issue are as follows:

Expiry Date	Exercise Price	Number
-------------	----------------	--------

31 January 2018 (Listed)	\$0.25	30,655,369
31 January 2020 (Listed)	\$0.11	202,458,461
31 October 2017	\$0.16	1,250,000
31 October 2017	\$0.25	12,250,000
30 November 2017	\$0.07	2,678,571
30 April 2018	\$0.15	10,500,000
30 April 2018	\$0.07	500,000
30 June 2018	\$0.07	250,000
14 July 2019	\$0.25	300,000
29 May 2020	\$0.075	750,000
29 May 2020	\$0.0875	750,000
29 May 2020	\$0.09150	1,500,000
29 May 2020	\$0.106746	1,500,000
Total		265,342,401

The capital structure on a fully diluted basis as at the date of this Prospectus would be 762,977,860 Shares and on completion of the Offer (assuming all Entitlements are accepted and no further Options are issued and no Options are exercised prior to the Record Date) would be 1,011,795,590 Shares.

5.5 Details of substantial holders

Based on publicly available information as at 25 August 2017, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
AngloGold Ashanti Holdings PLC ²	85,190,463	17.12%
Jospeh Pinto ¹	66,811,930	13.43%
HSBC Custody Nominees Australia Limited	31,386,875	6.31%

1. Beneficial owner of: Admark Investments Pty Ltd ATF < JS Pinto Super Fund> and ATF <Pinto Family a/c>.
2. Note, AngloGold PLC has agreed to sub-underwrite 50,000,000 Shares under the Offer. The maximum potential increase in voting power of AngloGold PLC on completion of the Offer (on a fully undiluted basis) would be 135,190,463 Shares, being 18.11%.

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. There are a number of risks and uncertainties, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, and/or the value of its securities. In particular, the Company is subject to risks relating to the exploration and development of mineral properties that are not generally associated with other businesses. Many of the circumstances giving rise to these risks are beyond the control of the Company, its Directors and management.

This Section describes key risks associated with an investment in the Company. It is not an exhaustive list of the risks and should be considered in conjunction with other information disclosed in this Prospectus. Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company.

7.2 Company Risks

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 497,635,459 currently on issue to 746,453,189. Furthermore, on completion of the Offer (assuming no Options are exercised prior to the Record Date), and on completion of the issue of the Minority Partner Shares (please refer to Section 5.4), the number of Shares in the Company will increase to 778,568,506. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.049 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Going concern risk

The Company's financial report for the year ended 31 December 2016 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as a going concern. The report notes that: "We draw attention to Note 2 in the financial report, which indicates that the Group generated a comprehensive loss after tax for the year ended 31 December 2016 of \$14,545,893, had a net working capital deficit of \$13,678,920 at 31 December 2016 and experienced net cash outflows from operating activities of \$13,369,111 and net cash outflows from investing activities of \$4,699,217. The Group had a cash balance of \$1,751,800 at 31 December 2016. As disclosed in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern."

Notwithstanding the 'going concern' paragraph included in the 2016 full year financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(c) **Gold Sharing Agreement Repayment Risk**

The Company entered into a gold sharing agreement in May 2015, as varied under the terms of the Cartesian Variation, pursuant to which Cartesian provided funding to the Company in the amount of USD\$8 million towards the costs of development and plant construction for the Company's wholly owned Cascavel Gold Project. In return, Cartesian is entitled to receive 20% of gold produced during the first three years of commercial production subject to a minimum quantity of 17,600 ounces of gold (the gold stream continues until 17,600 ounces of gold has been delivered) and a maximum quantity of 26,400 ounces of gold, at which point the agreement will cease, whether or not three years of production has been completed.

The Cartesian has various security charges over the Company's assets, including share/quota pledges over the subsidiary companies. Failure to comply with certain terms of the Cascavel Goldstream Agreement may result in the Company being in default and failure to remedy such default may result in Cartesian seeking to enforce its rights in such circumstances, including enforcement taking possession of the pledged shares/quotas.

(d) **Mine development risk**

Future development of a mining operation at any of the Company's projects, in particular the Cascavel Gold Project, is dependent on a number of factors including, but not limited to, favourable geological conditions, receiving and retaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding, conducting a mining operation without JORC mineral reserves and resources and contracting risk from third parties providing essential services.

When the Company re-commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(e) **Country risk**

The Company has projects located in Brazil, which is a less developed country than Australia and has associated political, economic, legal and social risks. There can be no assurance that the systems of government and the political systems in overseas countries will remain stable. Further, there can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in Brazil will not be amended or replaced in the future to the detriment of the Company's business and/or projects.

(f) **Tax risk**

The Company acquired the Sertão Gold Project in 2014 by purchasing the Brazilian company (**Sertão Mineração Limitada** or **SML**) from (ASX listed) Troy Resources Ltd (70%) and a private Brazilian company, Amazônia Mineração Ltda (30%). SML was the company that owned and operated the Sertão Gold Mine, which was in production during the years 2001 to 2006.

The following tax matters concern SML:

- (i) PIS/COFINS (federal transaction taxes): SML had PIS/COFINS credits (an asset), derived from supplier invoices. These credits, totalling R\$3.97 million (~AUD\$1.59m) were netted against income tax payable (**Offsets**) in eight quarterly tax returns relating to 2005 and 2006, as allowed under tax regulations. The Federal tax authority (**Receita Federal**) has not approved the Offsets, claiming either there were no operational activities during one quarter (2 cases now before the court) or SML had failed to furnish evidence of the credits (14 administrative processes). Concerning the latter, the information has since been provided (namely the supplier invoices that generate the credits) and the Company still awaits a response from Receita Federal.

The Company believes, and Troy Resources warranted, that SML has validly complied with Brazilian tax regulations concerning this matter and expects to succeed, although it is likely the certain concessions will have to be made (such as accepting that credits arising from certain invoices cannot be claimed). The Company cautions, however, that if it should lose all proceedings in connection to this matter, the tax payable plus penalties and interest (as at June 2017) would total around BRL\$12.6 million (AUD\$5.0 million).

The Company notes that it is receiving assistance in the matter from Troy Resources Limited and Amazônia Mineração Ltda. The Company has sought legal advice that supports the view that the Company has reasonable grounds to seek remedy in the event of an adverse outcome.

- (ii) CSLL (federal income tax): SML also paid R\$2.7 million in CSLL (a component of corporate income tax). However there is an argument that it was not required to do so and therefore that amount should be recognised as credits (asset) which in theory can be carried forward or sold to third parties. Rejection of this position will not result in additional tax or penalties.

- (iii) ICMS (state value added tax): R\$1.1 million (AUD\$0.4m). SML received ICMS credits (asset), derived from supplier invoices. It submitted its supporting documents (i.e. supplier invoices) so the Goias State tax authority (**SEFAZGO**) could validate the ICMS credits however the Authority lost the invoices. In the event the supplier invoices are found, SML can apply to sell the credits to a third party for a discount to the face value of the credits. Failure to locate the records will not result in any additional tax or penalties and the SML will need to consider taking legal action against SEFAZGO.

(g) **Project Delay**

To the extent that the preparation and implementation of the remedial action plan are delayed in relation to the Cascavel Gold Project, this may affect the total remediation costs and the timing and level of proceeds derived from the operation that may have a material adverse effect on the Company.

(h) **Operational and Technical Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulty encountered in mining and extraction, difficulties in re-commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables spare parts, plant and equipment.

(i) **Gold Grade Risk**

Given the nature of the mineral body, the Company has not established JORC mineral reserves or resources at the Cascavel Gold Project. There remain various unknowns in relation to the Cascavel Gold Project, in particular the grade and continuity of the gold contained in the mineral body that is to be mined. These unknowns may affect the economic viability of the Cascavel Gold Project.

(j) **Exploration risks**

The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

(k) **Potential transaction risk**

As announced to the ASX on 7 February 2017, AngloGold subscribed for an investment of AUD\$5.9 million in the Company and agreed to enter

into a regional exploration joint venture at the Faina Goldfields Project whereby AngloGold may earn up to 70% of the project by spending up to USD\$9.5 million in exploration over 3 years (**Strategic Alliance**). AngloGold, has agreed to provide an upfront payment of AUD\$3,000,000 pursuant to a variation to the Strategic Alliance dated 30 August 2017 (refer to section 8.3 for further details). However, to date, the Company and AngloGold are yet to enter into a formal binding joint venture agreement. There remains a risk that no binding agreement will be entered into during the term of the Offer or the Shortfall Offer, or at all, and therefore no investment decision should be based upon any assumption that any binding agreement will be concluded.

(l) **Commodity price and exchange rate fluctuations**

The revenue derived through the sale of gold exposes the potential income of the Company to gold price and exchange rate risks. Gold prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand, forward selling by producers and the level of production costs in major regions. Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional supply and demand factors.

Furthermore, the international price of gold is denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and Brazilian currencies, exposing the Company to the fluctuations and volatility of the rates of exchange between the United States dollar, the Australian dollar and Brazilian reals as determined in international markets.

(m) **Third Party Risks**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors, partners and customers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material adverse impact on the Company's operations and performance. It is not possible for the Company to predict or protect itself against all such risks.

(n) **Community Relations and Landowners**

The Company's ability to undertake exploration and production on its tenements will depend in part on its ability to maintain good relations with the relevant local communities. Any failure to adequately manage community and social expectations with respect to compensation for land access, employment opportunities, impact on local business and other expectations may lead to local dissatisfaction with the Company, which in turn may lead to disruptions in the exploration and production programs on the tenements and potential losses.

(o) **Reliance on Key Personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including those employed on a contractual basis. The loss of the services of such personnel could have an adverse effect on the performance of the Company. In the event that there is a loss of key

personnel, the Company may not be able to locate or employ executives with suitable qualifications and experience.

(p) **Underwriting risk**

The Underwriting Agreement entered into by the Company with the Underwriter is subject to certain terms and conditions (refer to Section 8.1). If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. If the Underwriting Agreement is terminated, then the Offers may not proceed.

(q) **Insurance Risk**

The Company currently has in place insurance policies with respect to its operations and personnel. The Company is intending to obtain new insurance policies to adequately insure its business activities in line with industry practices. Notwithstanding such intention, currently, and following establishment of new insurance policies, there may be certain circumstances where the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered by insurance could have a material adverse effect on the Company. Insurance of all risk associated with the Company's activities may not always be available and where available the costs can be prohibitively high preventing such insurance coverage.

(r) **Directors Involvement in Other Mining Interests**

Certain Directors of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures that are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these Directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

(s) **Future Funding Requirements**

The Company believes its available cash and the net proceeds of this Offer will be adequate to recommence operations and other objectives in the short term as stated in this Prospectus. A remedial action plan has been prepared and its recommendations are being implemented with the objective of ascertaining the optimal way to operate the Cascavel Gold Project in terms of mining and processing methods, scale of operations and other relevant factors. Thus the future funding needs may be revised in the future and there remains the risk that it can't be developed economically.

There can be no assurance that the application of any funds on forthcoming production programs, or subsequent programs, will result in the realisation of the Company's objectives such as profitably operating and growing the size of the Cascavel Gold Project.

In addition, should additional funds be required for the Company's overall activities, there is no assurance that the funding will be available on acceptable terms, or at all. Any additional equity financing will dilute

shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed or complete the total raise contemplated by this Prospectus, it may be required to reduce the scope of its operations and scale back its production program.

7.3 Industry Risks

(a) Resource estimates

The Company does not presently have any JORC Code compliant resources on the tenements and mining concessions in which it has an interest. In the event a resource is delineated this would be an estimate only. Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates will be appropriate when made, but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

(b) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries that may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(c) Mining and development risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management. Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

(d) Title risks

Interests in tenements in Brazil are governed by legislation in their respective jurisdictions and are evidenced by the granting of mining or exploration concessions. Each exploration concession, environmental licence and extraction licence (Guia de Utilização) is for a specific term with the latter also limited to 50,000 tonnes per licence period. Each licence carries with it reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met.

(e) **Environmental risks**

The operations and activities of the Company in Brazil are subject to environmental laws and regulations of that country. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) **Joint venture parties, agents and contractors**

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(g) **Competition**

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

(h) **Theft risk**

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorised access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

7.4 General risks

(a) **Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below the price paid for those Shares. General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) **Issue of Additional Securities**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any

equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(c) **Liquidity risk**

There cannot be any guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. Equity capital market conditions in Australia are currently in a parlous state. There may be relatively few buyers or sellers of shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell Shares held by them. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the Shares.

(d) **Securities investment risk**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(e) **Changes in legislation and government regulation**

Government legislation in Brazil or any other relevant jurisdiction in which the Company may operate in the future, such as changes to the taxation system, foreign investment regulations and the mining regulatory system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(f) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. MATERIAL CONTRACTS

8.1 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to underwrite the Offer for 248,817,730 Shares (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 2% of the total value of the Underwritten Securities plus an underwriting fee of 4% of the value of the Underwritten Securities.

(a) Conditions Precedent:

- (i) **(Due Diligence)** before the Lodgement Date, the Underwriter being satisfied acting reasonably with the Due Diligence Program and the Due Diligence Results;
- (ii) **(Due Diligence Committee Report)** before the Lodgement Date, the Underwriter receiving on or before the Lodgement Date, a copy of the Due Diligence Report contemplated by the Due Diligence Planning Memorandum, which is also to be addressed and expressed to be for the benefit of, each of the members of the Due Diligence Committee and the Underwriter and its representatives and signed by each member of the Due Diligence Committee;
- (iii) **(AngloGold PLC as Sub-Underwriter)** before 7:00am on the Lodgement Date, the Underwriter procuring AngloGold PLC to sub-underwrite the Offer as the Underwriter in its absolute discretion thinks fit;
- (iv) **(Underwriters' consent to be named)** the Underwriter being satisfied (in its sole and absolute discretion) with the form of the prospectus and having given its consent to be named in the Prospectus prior to the Lodgement Date as evidence thereof;
- (v) **(Legal sign-off)** before 7:00am on the Lodgement Date, a legal sign-off letter being provided to the Due Diligence Committee by the solicitors of the Company, (in a form satisfactory to the Underwriter acting reasonably), and addressed to be for the benefit of the Underwriter;
- (vi) **(AngloGold Strategic Alliance Variation)** before 7:00am on the Lodgement Date, the Company and AngloGold entering into a binding memorandum of understanding to vary the Strategic Alliance; and
- (vii) **(Prospectus)** the Prospectus being lodged with ASIC prior to 5:00pm on the Lodgement Date.
- (viii) the Underwriter not being bound to underwrite the Offer unless and until the Company lodges the Prospectus with ASIC.

If any of the conditions precedents set out above are not satisfied by 5:00 pm on the Lodgement Date, the Underwriter may terminate the Underwriting Agreement by notice in writing to the Company.

(b) To determine allocation of Shortfall Securities

- (i) Subject to clause 2.6, the Underwriter shall allocate the Shortfall Securities as follows:
 - (A) firstly, to AngloGold PLC in accordance with its sub-underwriting commitments;
 - (B) secondly, to eligible Shareholders who made Excess Applications, subject to compliance with Corporations Act and the Listing Rules; and
 - (C) finally, to those people nominated and determined by the Underwriter in its sole discretion, including sub-underwriters (if any).

(c) Three Month Moratorium

The Company must ensure that until the date being three months after the liability of the Underwriter under the Underwriting Agreement terminates:

No Relevant Company does any of the following except with the prior written consent of the Underwriter:

- (i) alter its capital structure other than as disclosed in the Prospectus or on conversion of any Options;
- (ii) amend its constitution or any other constituent document except as required by ASX to comply with the Listing Rules, or as required by the Corporations Act;
- (iii) pass or take any steps to pass a resolution under Section 260B of the Corporations Act;
- (iv) dispose or agree to dispose of the whole or a substantial part of its business or property; or
- (v) charge or agree to charge the whole or a substantial part of its business or property; and

No Relevant Company proposes or activates any share buy-back scheme or arrangement or issues or agrees to issue, or indicates in any way that it will or might issue, or grants an option to subscribe for any shares or other securities or securities convertible into shares or other securities except:

- (i) as referred to in the Underwriting Agreement or the Prospectus; or
- (ii) with the prior written consent of the Underwriter.

(d) The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (i) **(Indices fall)**: at any time for a period of two (2) or more consecutive Business Days the S&P ASX 200 Index or the S&P ASX 300 Metals and Mining Index falls to a level that is 10% or more

below the respective levels as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or

- (ii) **(Gold price fall)**: at any time for a period of two (2) or more consecutive Business Days, the USD\$ gold price (US dollars per ounce) is at a level that is 10% or more below its level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (iii) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
- (iv) **(Supplementary prospectus)**:
 - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of a termination occurrence, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (B) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
- (v) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Underwritten Securities; or
- (vi) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (vii) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so; or

- (viii) **(Unable to Issue Securities)**: the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (ix) **(future matters)**: any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe; or
- (x) **(AngloGold Prepayment breach)**: the AngloGold Prepayment is not received before 5:00pm on the Company by the Closing Date; or
- (xi) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (xii) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities by the time required by the Listing Rules, the Corporations Act or any other regulations; or
- (xiii) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (xiv) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (xv) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect; or
- (xvi) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
- (xvii) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (xviii) **(Termination Events)**: any of the following events occurs:
 - (A) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting

Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel;

- (B) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (C) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (D) **(Contravention of constitution or Act)**: a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (E) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (F) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was, misleading or deceptive, materially false or that there was a material omission from them;
- (G) **(Significant change)**: a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (H) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (I) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (J) **(Official Quotation qualified)**: the official quotation is qualified or conditional;

- (K) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (L) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (M) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (N) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (O) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (P) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
- (Q) **(Board and senior management composition)**: subject to as disclosed in the Prospectus, there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (R) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (S) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (T) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (U) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the

Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

- (V) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (W) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified; or
- (X) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

In accordance with the Underwriting Agreement, the Underwriter will ensure that no person will acquire, through participation in sub-underwriting the Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

8.2 Mandate Letter

The Company and Somers entered into a mandate agreement dated 24 August 2017 (as varied), whereby Somers was appointed to act as Lead Manager and Underwriter to the Offer (**Mandate**).

Somers will receive those fees set out in section 8.1 above for services provided pursuant to the Mandate.

In addition, the Company agreed to pay Somers a monthly advisory fee of \$50,000 per month for a period of three (3) months, payable monthly in advance (the last payment of which was made in August) and to pay Somers a fee of 6% of the Prepayment Amount (being \$180,000).

The Mandate may be terminated by either the Company or Somers at any time by giving one (1) months' notice.

Somers will bear any sub-underwriting fees payable to investors and brokers whom the Company seeks to include in the Offer.

The Mandate is otherwise made on standard terms and conditions customary for these types of agreements.

8.3 Amendment to Strategic Alliance with the Company

As announced to ASX on 7 February 2017, the Company entered into a strategic alliance agreement with AngloGold whereby AngloGold subscribed for 85,190,463 Shares in the Company (A\$5,900,000) (**Strategic Alliance**). Pursuant to

the Strategic Alliance, AngloGold may earn up to a 70% interest in the Company's Faina Goldfields Project by spending up to US\$9,500,000 over a three-year period.

In addition to this investment and the earn-in on the Faina Goldfields Project, AngloGold also has the right to negotiate an agreement to earn up to a 50% interest in the Company's Cascavel Gold Project for a period of nine months.

Whilst the general terms of the Strategic Alliance will remain in place, on 30 August 2017, AngloGold agreed to commit a further A\$3,000,000 by 31 August 2017 as a pre-payment against the three year earn-in commitment of US\$9,500,000 (**Prepayment Amount**). AngloGold will remain committed to spend the revised amount of US\$9,500,000 less the A\$3,000,000. By way of example, and based on a conversion rate of 0.80 AUD:USD as at 30 August 2017, the deduction would amount to US\$2,397,900. This would leave the amended exploration spending required to complete the 70% exploration earn-in at US\$7,102,100.

8.4 Variation to the Cartesian Goldstream Agreement

The Company entered into a gold stream financing arrangement in May 2015 pursuant to which Cartesian Royalty Holdings (**Cartesian**) (**Cascavel Goldstream Agreement**) whereby Cartesian agreed to provide USD\$8 million of funding to the Company in return for an entitlement to receive 20% of gold produced during the first three years of commercial production from the Company's Cascavel Gold Project, subject to a minimum quantity of 16,000 ounces of gold delivered to Cartesian.

As announced on 9 December 2016, the Company and Cartesian have put in place certain variations to the gold stream financing arrangement (the **Cartesian Variation**) that:

- (a) replace the previous events of default with new events of default;
- (b) compensate Cartesian for delays (past and future) in receiving its share of gold from the Cascavel Gold Project;
- (c) permit further time to allow the Company to be recapitalised; and
- (d) permit further time to plan a restart of operations at the Cascavel Gold Project.

In accordance with the terms of the Cartesian Variation, the Company:

- (a) issued to Cartesian 2,000,000 Shares. These Shares were issued on 6 December 2016;
- (b) issued to Cartesian 3,428,571 Options. The Options were issued with Shareholder approval on the following terms:
 - (i) 2,678,571 Options exercisable at \$0.07 on or before 30 November 2017;
 - (ii) 500,000 Options exercisable at \$0.07 on or before 30 April 2018; and
 - (iii) 250,000 Options exercisable at \$0.07 on or before 30 June 2018;
- (c) paid USD\$300,000 in Shares (9,542,905 Shares at a deemed issue price of AUD\$0.042) on 16 January 2017; and

- (d) agreed to pay monthly sums of USD\$100,000 commencing on 21 February 2017 and continuing until the earlier of:
- (i) 90 days following the recommencement of operations at the Cascavel Gold Project;
 - (ii) the date that commercial production commences and continues for two consecutive calendar months immediately thereafter; and
 - (iii) three months after commissions of the process plant at the Cascavel Gold Project,
- or such later date as is mutually agreed.
- The monthly payments may be repaid in either cash or Shares; and

In addition, the Cartesian Variation provides for the following:

- (a) Cartesian is entitled to receive 20% of gold production from the Cascavel Gold Project for three years, subject to a minimum quantity of 1,000 ounces of gold per calendar quarter;
- (b) the minimum and maximum gold entitlements Cartesian will receive is increased by 10% to 17,600 ounces and 26,400 ounces respectively;
- (c) the Company must perform various acts within certain timeframes, and has various default scenarios which are further described in the announcement by the Company to ASX dated 9 December 2016; and
- (d) Cartesian is entitled to nominate a director to the Board of the Company. The Company has subsequently appointed Mr Andrew Allan to the Board.

As announced to the market on 5 September 2017, the Company has agreed additional variations to the Cascavel Goldstream Agreement to remove a default trigger under the agreement which had the potential to come into effect on 31 August 2017. In consideration for further variations to the agreement, the Company has agreed to the following:

- (e) an increase in monthly standstill payments under the existing terms from 1 September 2017 until the 'Minimum Delivery Commencement Date' (which the Company expects to occur around 26 November 2017) from US\$100,000 to US\$150,000; and
- (f) subject to shareholder approval, the issue of 4,877,846 new Options to Cartesian to replace Cartesian's 4,877,846 existing Options (**Replacement Options**). The terms of the Replacement Options are yet to be agreed between the Company and Cartesian but will be subject to approval by Shareholders at an upcoming general meeting to be scheduled by the Company.

9. ADDITIONAL INFORMATION

9.1 Litigation

The Company is currently involved in a dispute with a service provider in Brazil, Intertek do Brasil Inspecoes Ltda (**Intertek**), in regards to the recovery of fees paid totalling approximately R\$1.1 million (AUD\$400,000) and cancellation of unpaid invoices totalling approximately R\$300,000 (AUD\$110,000) due to the unsatisfactory quality of work of Intertek in the Company's opinion. The matter is currently awaiting arbitration in Brazil.

The Company is also involved in two legal proceedings concerned with the tax matters in relation to Sertão Mineração Limitada. Please refer to Section 7.2(d) for further information.

Other than these matters, the Directors are not aware of any other legal proceedings pending or threatened against the Company.

9.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
06/09/2017	Underwritten Rights Issue with AngloGold Ashanti Support
06/09/2017	Reinstatement to Official Quotation
05/09/2017	Initial Director's Interest Notice
05/09/2017	Operations & Corporate Update
04/09/2017	Results of Meeting
04/09/2017	Voluntary Suspension
31/08/2017	Trading Halt
08/08/2017	Orinoco Completes Low Cost Modifications to Process Plant
01/08/2017	Notice of General Meeting/Proxy Form
01/08/2017	Quarterly Cashflow Report – June 2017
01/08/2017	Quarterly Activities Report – June 2017
13/07/2017	Company Presentation
11/07/2017	Cascavel Update – Record Mine Development for June
13/06/2017	Maiden High-Grade JORC Mineral Resource for Sertao
06/06/2017	Final Director's Interest Notice
06/06/2017	Cascavel Update
01/06/2017	Independent Testwork Confirms High Gold Grades & Recoveries

31/05/2017	Results of Meeting
31/05/2017	Annual General Meeting Presentation
29/05/2017	Confirmation of CEO Appointment
29/05/2017	Appendix 3B
15/05/2017	Orinoco Announces Management Changes
08/05/2017	Cleansing Prospectus Offers Closed
03/05/2017	Appendix 3B
02/05/2017	Prospectus
02/05/2017	Final Director's Interest Notice
02/05/2017	Initial Director's Interest Notices
28/04/2017	Quarterly Cashflow Report - March 2017
28/04/2017	Quarterly Activities Report - March 2017
28/04/2017	Notice of Annual General Meeting/Proxy Form
28/04/2017	Clarification Statement
27/04/2017	Orinoco Announces Board and Management Changes
27/04/2017	Orinoco to Consolidate 100% Ownership of Cascavel Gold Mine
18/04/2017	Mine Development Re-Commences at Cascavel
07/04/2017	Director Resignation and Final Interest Notice
31/03/2017	Appendix 4G and Corporate Governance Statement
31/03/2017	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.orinocogold.com.au.

9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.064	11 July 2017
Lowest	\$0.035	6 September 2017
Last	\$0.035	6 September 2017

9.4 Interest of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (c) the Offer,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
 - (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
B. Thomas	514,928	539,928	257,464	\$5,149.28
J. Challis	-	-	-	-
N. Revell	20,000	10,000	10,000	\$200
T. Topping	-	-	-	-
H. Guerra	-	-	-	-
A. Allan	-	-	-	-

Remuneration

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$450,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive directors.

Director	FY 2017	FY 2016
B. Thomas ³	\$122,975	\$48,000
T Topping ¹	\$32,404	-
J. Challis	\$67,750	\$48,000
H. Guerra ²	\$32,369	-
N. Revell	\$52,560	\$4,340
A. Allan ⁴	\$16,144	-

Notes:

1. Mr Topping was appointed as a Director on 27 April 2017.
2. Mr Guerra was appointed as a Director on 27 April 2017.
3. Mr Thomas was appointed as Chairman (formerly Non-Executive Director) on 31 May 2017.
4. Mr Allan was appointed as a Director on 31 August 2017.

9.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; or
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- the formation or promotion of the Company; or
- the Offer.

Somers & Partners Pty Ltd has acted as the Underwriter and Lead Manager to the Company in relation to the Offer. The Company estimates it will pay Somers & Partners \$478,581 (excluding GST and disbursements) for these services. During the

24 months preceding lodgement of this Prospectus with the ASIC, Somers & Partners Pty Ltd (formerly GMP Securities Australia Pty Ltd) has been paid fees totalling \$442,200 (excluding GST and disbursements) for services provided to the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$163,429 (excluding GST and disbursements) for legal services provided to the Company.

9.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Somers & Partners has given its written consent to being named as the Underwriter and Lead Manager to the Company in this Prospectus. Somers & Partners has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$519,806 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$2,400
ASX fees	\$13,875
Legal/Corporate fees	\$10,000
Printing and distribution	\$14,950
Lead Manager/Underwriters fees ¹	\$478,581
Total	\$519,806

¹Please refer to Section 8.1 and 8.2 for a summary of terms of the underwriting agreement and lead manager mandate.

9.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9482 0540 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.orinocogold.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Brian Thomas
Chairman
For and on behalf of
Orinoco Gold Limited

11. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AngloGold means AngloGold Ashanti Limited a company incorporated in the Republic of South Africa (Registration number 1944/017354/06) of 76 Rahima Moosa Street, Newtown, Johannesburg 2001, South Africa.

AngloGold PLC means AngloGold Ashanti Holdings Plc, a company incorporated in the Isle of Man of 1st Floor, Atlantic House, 4-8 Circular Road, Douglas IM1 1AG.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Strategic Alliance means the Brazil Strategic Exploration Alliance with the Company as announced on ASX on 7 February 2017 and the subsequent amendment dated 30 August 2017.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Cartesian means Cartesian Royalty Holdings.

Cartesian Variation has that meaning given to it in Section 8.4.

Cascavel Gold Project means the Company's 100% owned gold mine located within the Faina Goldfields in central Brazil.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Orinoco Gold Limited (ACN 149 219 974).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Faina Goldfields Project means the Company's tenements located on the Faina Greenstone Belt in central Brazil, South America.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Lodgement Date means the date specified in the timetable set out at the commencement of this Prospectus.

Minority Partner Shares has the meaning given to that term in Section 5.4.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Offer Price means \$0.02 per Share.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prepayment Amount has the meaning given to it in Section 8.3.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Company means the Company and each Subsidiary.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall or **Shortfall Shares** means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Somers means Somers & Partners Pty Ltd.

Underwriter means Somers & Partners Pty Ltd.

WST means Western Standard Time as observed in Perth, Western Australia.