

6 September 2017

Dear Shareholder

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

As announced on 6 September 2017, Orinoco Gold Limited (ACN 149 219 974) (**Company** or **OGX**) is undertaking a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at 5pm (WST) on 15 September 2017 (the **Record Date**) at an issue price of \$0.02 per Share to raise \$4,976,355 (before costs) (the **Offer**).

The Offer is fully underwritten by Somers & Partners Pty Ltd (**Underwriter**). 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 Share (\$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. The Company must 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.

The proceeds of the Offer, together with the A\$3.0 m received from AngloGold Ashanti Ltd (**AngloGold**) (**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	519,806	6.5%
Payment to Minority Partners	1,875,000	23.5%
Additional Mine Development at Cascavel	715,000	9.0%
Mine Equipment Purchase at Cascavel	735,440	9.2%
Near Mine Exploration at Cascavel	208,058	2.6%
Earn in Exploration expenditure	1,125,000	14.1%
Standstill Payments to Commercial Production	569,620	7.1%
Working Capital/Overheads	2,228,431	27.9%
Total funds after completion of the Capital Raising	7,976,355	100.0%

¹ Includes A\$3.0m received from AngloGold as a Prepayment Amount set against the earn-in joint venture agreement.

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

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 15 September 2017, whose registered address is in Australia, New Zealand, Singapore, Isle of Man or Hong Kong.

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

Following completion of the Offer, the Company will have issued approximately 248,817,730 New Shares resulting in total Shares on issue of approximately 746,453,189.

A copy of the Prospectus is available on ASX's and OGC's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 18 September 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Any Entitlement not taken up pursuant to the Offer will form a shortfall offer (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to the Prospectus and may remain open for up to three months following the closing date of the Offer. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02, being the price at which Shares will be offered under the Offer (**Shortfall Shares**).

Details as to how to participate under the Shortfall Offer is set out in the Prospectus.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Registrars Pty Ltd (**Share Registry**) by no later than 5.00pm (WST) on 28 September 2017, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may apply for Shortfall Shares in addition to your Entitlement. To take up Shortfall Shares you will need to ensure your application money for the Shortfall Shares you wish to take up is received by the Share Registry by no later than 5.00pm (WST) on 28 September 2017, by completing and returning your Entitlement and Acceptance Form to the Shortfall Offer by filling in the number of Shortfall Shares you wish to accept in the space provided on the Entitlement and Acceptance Form to the Shortfall Offer together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form to the Shortfall Offer or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form to the Shortfall Offer (at \$0.02 per Shortfall Share).
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5.00pm (WST) on 28 September 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and

Acceptance Form or by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.02 per New Share).

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

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 Securities are expected to commence trading on ASX may vary.

If you have any queries concerning the Offer, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Joel Ives, OGX's Company Secretary, on +61 8 9482 0540.

Yours sincerely

Brian Thomas
Non-Executive Chairman
Orinoco Gold Limited