



Record Mine Development for June as Orinoco Remains On Track to Resume Operations at Cascavel

Key Points:

- **130m mine development advance achieved for June, a monthly record for Cascavel.**
- **Toro 151 LHD bogger delivered to site.**
- **Australian Airleg Miner on site to provide training.**
- **Key process plant improvements implemented.**
- **Construction works for new on-site assay laboratory well advanced.**

Orinoco Gold Limited (ASX: OGX) (**Orinoco** or the **Company**) is pleased to advise that it continued to make strong progress with its plan to re-commence operations at the 100%-owned Cascavel Gold Mine (**Cascavel**) in Brazil in June, with a key highlight being the achievement of a record development advance as the new mining strategy implemented by the Company begins to deliver solid results. In summary:

- Mine development has continued with a focus on completing the development required to allow larger scale, more efficient mechanised mining equipment to be deployed into the mine;
- The Toro 151 load haul dump “bogger” (**Toro bogger**) has been delivered to site and commissioning has commenced;
- An Australian Airleg miner has been on site to provide training to the local workforce;
- Several process plant improvements have been implemented as recommended by Mining Plus; and
- Construction works for the new on-site laboratory continued during the month with most major construction activities now completed.

Mine Development

Mine development continued during June with a total advance of 130 metres achieved. This compares with 106.4 metres for the month of May and is a record for Cascavel. Development was prioritised towards the addition of new access ramps to allow for the deployment of the Toro bogger into the mine. To this end, the four priority development fronts advanced during the month were:

- **North Decline** (as the primary access into the mine for the Toro bogger) was completed during the month;
- **Mestre Link** to provide a linkage between the North and South sides of the mine independent from the central incline shaft continued during the month. This drive has since been completed on 05 July;

- **Mestre Access** to access the Mestre lode continued. First access to the Mestre ore zone from this drive is expected to occur during the latter part of July; and
- **Central Decline** for continued access to the Cascavel lode down-dip.

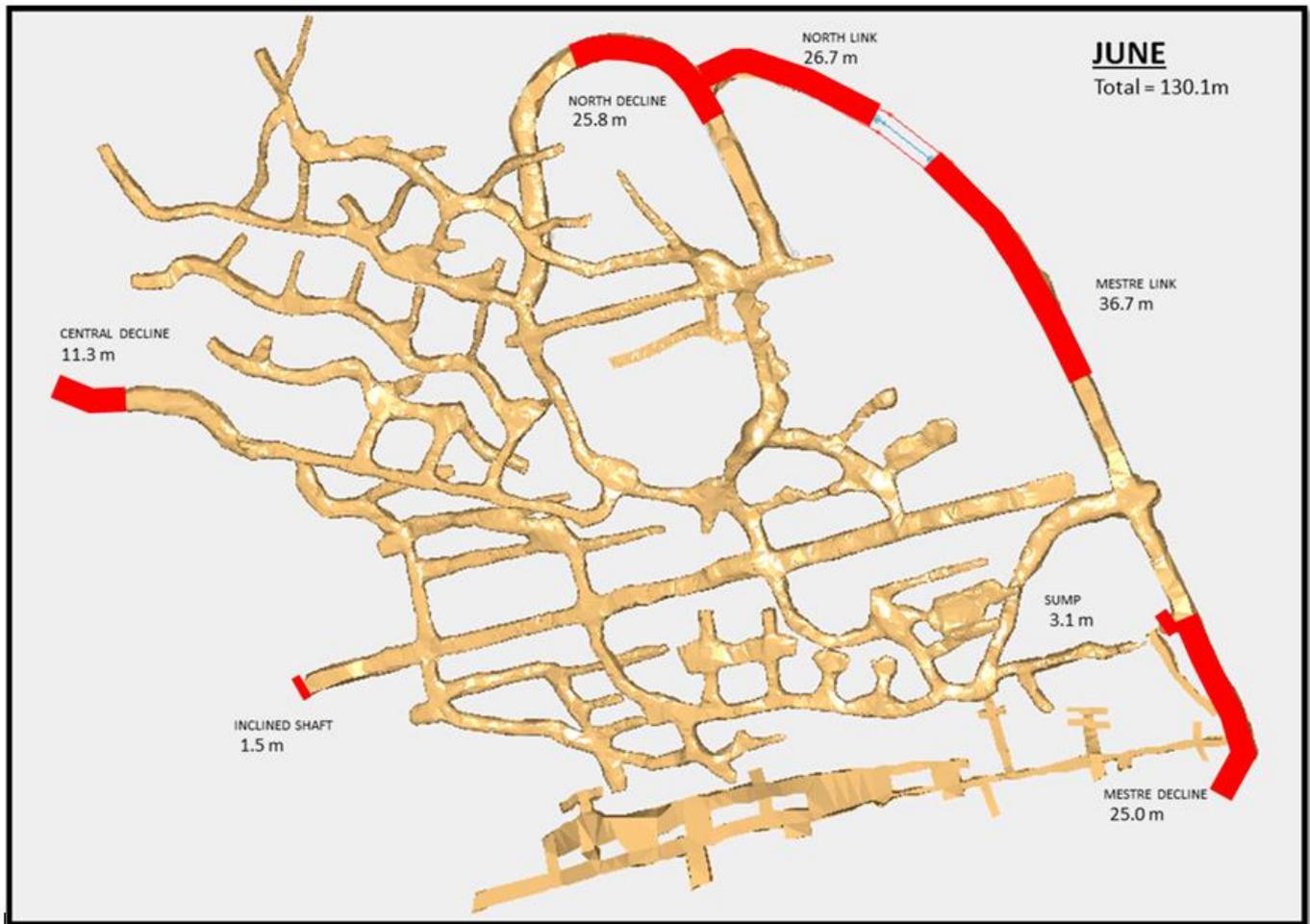


Figure 1: June Development
(Gold: Existing development; Red: June development)

Two (2) shift operations continued during the month with three (3) shift operations now expected to commence in mid-July (following the completion of new employment agreements). July development is expected to be slightly below the June advance due to a combination of the focus shifting away from mine access development required for the Toro bogger to the extension of the Inclined Shaft and Central Decline and a lower number of available headings.

Australian Airleg Miner

An Australian airleg miner spent two weeks during the month at Cascavel providing training and upskilling to the local Brazilian workforce. This training will continue into July. Further training requirements will be assessed at the completion of the current training cycle.

Toro Bogger

The Toro bogger sourced by the Company during April has undergone refurbishment (see Picture 1) and was delivered to Cascavel at the end of the month. Commissioning has commenced (see Picture 2) with early indications being that face bogging times will be substantively reduced. The search for a second Toro bogger has commenced.



Picture 1: Refurbished Toro 151D LHD



Picture 2: Toro 151D LHD exiting Cascavel Portal

Process Plant Improvements

The Company has implemented the following recommendations from the metallurgical review report prepared by Orinoco's metallurgical consultant, Mining Plus:

- Smaller aperture panels for the screen deck have been delivered to site and installed; and
- A Sluice Box has been fabricated and installed into the processing plant tailings stream (see Picture 3 and Picture 4).

Early indications (from a small trial parcel of ore) are that the installation of the smaller screen panels is resulting in a reduction in the overall Particle Size Distribution (**PSD**) being fed to the gravity circuit and that gold (which would previously have been sent to the tailings) is being recovered by the Sluice Box.

Mining Plus has commenced a review of the various processing flowsheet options which they presented in their metallurgical review report, in order to finalise the optimal process plant configuration. This will include making a recommendation about whether or not additional grinding capacity is required.

On-Site Laboratory

Construction works for the on-site laboratory continued during June. The purpose-designed and manufactured laboratory (which will allow for quicker assay turn-around times) has been delivered to Cascavel and installed into its location (see Picture 5 and Picture 6).

Construction works for the laboratory remain on track for completion by the end of July with commissioning expected during the first half of August (depending on the receipt of all required regulatory approvals).



Picture 3: Installed Sluice Box at processing plant



Picture 4: Sluice Box in operation



Picture 5: External Access to Laboratory building



Picture 6: Internal view of Laboratory building

-ENDS-

For further information, please contact:

Craig Dawson
Chief Executive Officer
Orinoco Gold Limited
08 9482 0540
info@orinocogold.com

Nicholas Read
Managing Director
Read Corporate
08 9388 1474

Forward-Looking Statements:

This Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Orinoco Gold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Orinoco Gold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Orinoco Gold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for gold materials; fluctuations in exchange rates between the U.S. Dollar, the Brazilian Real and the Australian dollar; the failure of Orinoco Gold Limited's suppliers, service providers and partners to fulfil their obligations under construction, supply and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Readers are cautioned not to place undue reliance on forward-looking statements. The information concerning possible production in this announcement is not intended to be a forecast. They are internally generated goals set by the board of directors of Orinoco Gold Limited. The ability of the company to achieve any targets will be largely determined by the company's ability to secure adequate funding, implement mining plans and resolve logistical issues associated with mining. Although Orinoco Gold Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. No JORC Mineral Resources or Reserves have been estimated for the Cascavel Gold Mine.