

ORINOCO GOLD LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 149 219 974 (ASX CODE: OGX) (COMPANY) COMPANY AND ITS SUBSIDIARIES (GROUP)

27 April 2020

Following the Deed Administrators' previous updates to shareholders, please find below an update on the status of the Administration of the Company.

MAJOR TRANSACTION

On 8 January 2020, the Company executed a term sheet with Chancery Asset Management Pte Ltd and a confidential Canadian-based party, which set out the indicative terms by which OGX would sell its shares in its 100% owned subsidiary, Orinoco Brasil Mineracao Ltda (**OBM**), which holds the Company's Brazilian assets, including the Cascaval, Sertao and Antena-Xupe projects (**Brazilian Assets**), to a newly incorporated Canadian private company (which was subsequently identified as 1232123 BC Ltd (**BC Ltd**)).

In consideration for the sale of the Company's shares in OBM, the Company is to receive a release from the security held by CRH Purchasing Partner Inc. (**CRH**) and 2,500,000 shares in BC Ltd. It was contemplated that BC Ltd would then subsequently complete a reverse takeover of a TSXV listed entity, following the raise of further funds to update and further commercialise the Brazilian Assets.

It is now understood that Canadian explorer, Pacific Arc Resources Ltd (**Pacific Arc**) (NEX: PAV H) has entered into a letter of intent with BC Ltd for a proposed reverse takeover transaction to acquire OGX's Brazilian gold production and exploration assets (**Transaction**). We refer to the attached announcement issued on the Toronto Stock Exchange (**TSX**) market notices detailing the Transaction.

DELISTING OF OGX

Following successful completion of the Transaction, the Company will significantly reduce its indirect ownership of the Brazilian Assets, as it will be left with approximately 1.5% of the issued share capital in Pacific Arc.

The Deed Administrators had previously anticipated that the Company would then be able to be recapitalised following the release of the CRH security, at conclusion of the sale of the OBM shares to BC Ltd, via a subsequent transaction with a party to be determined following a brief marketing program which would be commenced at or about the time of completion of the Transaction. The subsequent transaction would only be attractive or commercially viable to prospective proponents if the Company were to be granted access to a waiver from ASX Listing Rule 2.1, condition 2 (the '**2 cent waiver**').

The Deed Administrators understand that in the past 6 months, the ASX has significantly reduced its discretion to provide the 2 cent waiver and as a consequence it is now understood that following completion of the Transaction, the Company will be left with insufficient assets to permit it to access the 2 cent waiver. As a consequence, the Deed Administrators have been unable to progress a recapitalisation of the Company and have not utilised the Company's limited resources to continue to maintain the Company's listing on the ASX.

The ASX has recently advised that the Company will now be delisted from the ASX on 1 May 2020 as a result of its failure to comply with its ongoing financial reporting requirements.

LIQUIDATION OF OGX AND ANTICIPATED RETURN TO SHAREHOLDERS

In light of the above developments, the Deed Administrators will be convening a meeting of creditors of the Company in early May 2020 to terminate the Deed of Company Arrangement dated 22 May 2019 (as varied) (and previously advised to shareholders in the Company's ASX announcement dated 22 May 2019) and place the Company into voluntary liquidation.

It is noted that the proceeds generated from the eventual realisation of the Company's shares in Pacific Arc are unlikely to be sufficient to pay the Company's creditors in full and as a consequence, it is presently anticipated that there will be no return of capital to shareholders.

Following the Company's delisting from the ASX and the commencement of its liquidation, it is the Deed Administrators understanding that shareholders may be able to consider declaration of a capital loss on the Company's shares in accordance with section 104-145 of the Income Tax Assessment Act 1997 (Cth), however, we encourage shareholders to seek their own tax advice regarding their ability to declare a tax loss.

BRYAN HUGHES

Joint and Several Deed Administrator

MELBOURNE

+61 3 8610 5000
partners@pitcher.com.au

SYDNEY

+61 2 9221 2099
partners@pitcher-nsw.com.au

PERTH

+61 8 9322 2022
partners@pitcher-wa.com.au

 **PITCHER.COM.AU**

ADELAIDE

+61 8 8179 2800
partners@pitcher-sa.com.au

BRISBANE

+61 7 3222 8444
partners@pitcherpartners.com.au

NEWCASTLE

+61 2 4911 2000
newcastle@pitcher.com.au

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Pacific Arc Resources Enters into Letter of Intent for Proposed Reverse Takeover Transaction to Acquire Brazilian Gold Production and Exploration Assets

April 6, 2020 - VANCOUVER, BC – Pacific Arc Resources Ltd. (NEX: PAV.H) ("Pacific Arc" or the "Company") announces that it has entered into a Letter of Intent ("LOI") dated April 2, 2020 with 1232123 B.C. Ltd. ("**B.C. Ltd.**"), whereby Pacific Arc will acquire all of the issued and outstanding securities of B.C. Ltd. by way of a share exchange, amalgamation or such other form of business combination as the parties may determine. Upon successful completion of the proposed acquisition of the securities of B.C. Ltd. (the "**Transaction**"), it is anticipated that the Company (the "**Resulting Issuer**") will be listed as a Mining issuer on the TSX Venture Exchange ("**TSX-V**"). Prior to the completion of the Transaction, B.C. Ltd. will acquire certain mining assets (the "**Mining Assets**") located in Brazil including the Cascavel, Sertão and Antena-Xupé projects. The Transaction is at arms-length and constitutes a 'reverse takeover' of the Company pursuant to Policy 5.2 of the TSX-V. Pacific Arc and B.C. Ltd. will now work toward negotiating a Definitive Agreement by May 29, 2020.

Cascavel was constructed in 2016 and has an existing fully dewatered underground mine and idled mill that includes an In-Line Pressure Jig, Gekko spinners and a Nelson concentrator. The crushing circuit was provided by Simplex. The tailings were dewatered and dry stacked. In excess of \$20 million has been spent on exploration and development at Cascavel.

The Mining Assets principally comprise a large tenement package, located in the central Brazilian State of Goiás, consisting of 20 tenements representing 137 km², which encompass the Cascavel, Sertão and Tinteiro Projects, as well as numerous other advanced gold exploration targets including Digo, Española, and Antena-Xupé.

The Sertão Gold Project is located 28 km by road from Cascavel. From 2003-2007, Sertão produced 256,000 ounces of gold while under the ownership of Troy Resources at an average mill grade of 29 g/t (open pit). In Q1 2016, ASX listed Orinoco Gold Limited ("**OGX**") completed a 3,035m drilling programme in Q1 2016 which was used for a 2017 JORC-compliant technical report which included a historical estimate (the "**JORC Report**"). Historical drilling completed by the previous owners (Troy Resources) identified material depth and strike extensions to the known mineralisation, which was only mined as a shallow oxide open pit to a depth of approximately 40m.

The historical estimate is based on two (2) domains – Oxide and Sulphide as highlighted in Table 1. A 1 g/t Au cut-off was used in consideration that grades are sufficient for a likely open pit mining method (i.e. Oxide zone). A higher cut-off grade of 3 g/t Au was used in consideration of the likely underground mining scenario (Sulphide zone).

Table 1: Sertão Historical Estimate as at 30 May 2017

Domain	Category	Cut-off (g/t Au)	Tonnage (tonnes)	Grade (g/t Au)	Contained Gold (ounces)
Oxide	Measured	1.0	9,490	3.65	1,114
	Indicated	1.0	24,030	6.96	5,377
	Inferred	1.0	38,979	4.94	6,191
Sulphide	Measured	3.0	-	-	-
	Indicated	3.0	57,824	8.03	14,928
	Inferred	3.0	92,788	7.26	21,658
Total	Measured		9,490	3.65	1,114
	Indicated		81,854	7.72	20,305
	Inferred		131,767	6.57	27,849

A qualified person has not done sufficient work to classify the historical JORC estimate as National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") compliant mineral resources or mineral reserves, and the Company is not representing any historical estimate as mineral resources or mineral reserves. Upon review of the JORC Report, the estimate is considered relevant and reliable to describe the historical estimate for the Sertão Gold Project, but the reader should be cautioned that the data was not prepared under the supervision of a qualified person under NI 43-101. The historical estimate in this release was prepared using data up until the date of the JORC Report (May 2017) and does not include any more recent data available to the Company. Additional work is required to upgrade and verify the historical estimate, if appropriate, to a compliant mineral resource or reserve. The additional work required includes incorporation of more recent drilling results and accompanying data, creating an updated data set, and subsequently the re-calculation of the mineralization by, or under the supervision of, a qualified person under NI 43-101, which will be included in the Technical Report (as discussed below).

The Mining Assets are located south of established greenstone belts, largely occupied by mineral tenements surrounding AngloGold Ashanti's Crixas Mine and Equinox Gold's Pilar Mine. Collectively, Goiás' northern greenstone belts have delivered total past gold production of 5.7 million ounces of gold. However, the host greenstone belt remains largely unexplored. Mineralization hosted on adjacent and/or nearby properties is not necessarily indicative of mineralization hosted on the Mining Assets.

Also included within the portfolio are:

- Tinteiro - a polymetallic prospect. Highlights of the 52 hole drill program include a drill intersection of 17.6m @ 1,292 g/t silver in May 2013, and reported rock chip samples grading up to 4,200 g/t of silver and 7 g/t gold in June 2014 and reported cobalt rock chip samples up to 1.75% in June 2018 in a sampling program consisting of 54 samples.

- The Antena-Xupé cluster of 5 dormant open pits. In March 2018, a drill program consisting of 12 holes included a highlight of 21.7m @ 4.49 g/t at Xupé.

An existing 25 km private haul road runs between Cascavel, Antena-Xupé and Sertão. The processing plant complex includes a fully licensed state-of-the-art modular laboratory with a sample preparation section designed and commissioned by SGS. The laboratory is fully licenced by the CRQ (Conselho Regional de Química) and by the Brazilian military for the storage and usage of cyanide and acids. The laboratory is complemented with the latest computerized analysing technology and will be central to future exploration drilling programmes.

As a condition of the transaction, B.C. Ltd. is currently working to complete a technical report for the Mining Assets pursuant to NI 43-101 (the "**Technical Report**"). The Technical Report is planned to include an updated Mineral Resource estimate for the Mineral Assets.

Transaction Summary

B.C. Ltd. is a party to a term sheet (the "**OBM Acquisition Term Sheet**") dated January 8, 2020 with OGX and Chancery Asset Management Pte. Ltd. ("**Chancery**"). OGX is an ASX-listed Australian company, which is currently subject to a Deed of Company Arrangement and owns subsidiary companies with assets in Brazil. Chancery owns 75% of CRH Purchasing Partner Inc., which holds a gold stream and security package over OGX and all of its assets (the "**Gold Stream**"). B.C. Ltd. acquired its rights, title and interest in the OBM Acquisition Term Sheet from Grand Rock Capital Inc. pursuant to an assignment and assumption agreement dated January 17, 2020.

The OBM Acquisition Term Sheet contemplates, among other things, the sale by OGX's wholly owned Australian subsidiary, Orinoco Resources Pty Ltd., of 100% of the shares of its wholly owned Brazilian subsidiary, Orinoco Brasil Mineração Ltda. ("**OBM**"), to B.C. Ltd. (the "**OBM Acquisition**"). Through its Brazilian subsidiaries, OBM holds all of the Mining Assets. The obligations of the parties to complete the OBM Acquisition are subject to a number of conditions, including but not limited to: the restructuring of the Gold Stream and release of any claims under the Gold Stream against OGX; the extinguishment of all claims against OGX by Chancery and associates; the extinguishment of all secured claims and *Personal Property Securities Act* registrations against OGX; and, cancellation of certain convertible notes of OGX held by Chancery.

Pursuant to the Transaction, Pacific Arc will acquire all of the issued and outstanding shares of B.C. Ltd. in exchange for the issuance of Pacific Arc shares on a one-for-one basis. It is expected that before the effect of any proposed concurrent financing, the holders of B.C. Ltd. shares will hold approximately 89% of the Resulting Issuer's shares, with the remaining 11% held by current Pacific Arc shareholders.

As per the LOI, it is anticipated that prior to or concurrently with the closing of the Transaction, Pacific Arc or B.C. Ltd., as the case may be, will complete a private placement (the "**Offering**") to raise gross proceeds of \$3,500,000, or such other amount as may be agreed by the parties, with a view to

satisfying the minimum listing requirements of the TSX-V with respect to working capital requirements and public distribution applicable to the Resulting Issuer.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Transaction on or before June 30, 2020, with such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature, the completion of satisfactory due diligence investigations, and the approval of the TSX-V and other applicable regulatory authorities.

Trading in Pacific Arc shares will remain halted pending the completion of the Transaction. Further details concerning the Transaction and other matters will be announced, if and, when a Definitive Agreement is reached.

Pacific Arc will provide further details in respect of the Transaction in due course by way of press release. However, Pacific Arc will make available to the TSX-V, all information including financial information as required by the TSXV and will provide, in a press release to be disseminated at a later date, required disclosure.

Information Concerning 1232123 B.C. Ltd.

B.C. Ltd. is a British Columbia company incorporated in 2019.

Management and Board of Directors of the Resulting Issuer

Upon closing of the Transaction, the board of directors of the Resulting Issuer shall consist of five members, including Bill Fisher, (former Chairman Aurelian Resources Inc., and Chairman GoldQuest Mining Corp., TSX-V: GQC) and Chris Stewart (former President/COO McEwen Mining Inc., NYSE: MUX). The remaining officers and board members will be selected in due course prior to the closing of the Transaction.

Shareholder Meeting

The Company does not intend to seek shareholder approval of the Transaction, as the Transaction is not a related party transaction within the meaning of MI 61-101 or the policies of the TSX-V and no other circumstances exist which may compromise the independence of the Company. The Company is a NEX-listed issuer without active operations; the Company is not and will not be subject to a cease trade order and will not otherwise be suspended from trading on completion of the Transaction; and shareholder approval of any aspect of the Transaction is not required under applicable corporate laws or securities laws.

Sponsorship

The Company also intends to apply for a waiver from the requirement to obtain a Sponsor for the Transaction, however, there can be no assurance that a waiver will be obtained. If a waiver from the sponsorship requirement is not obtained, a sponsor will be identified at a later date. An agreement to

act as sponsor in respect of the Transaction should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of its completion.

Name Change

Upon completion of the Transaction, the Company intends to change its name to a new, as yet to be determined name. The parties expect that the TSX-V will assign a new trading symbol for the Resulting Issuer.

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Pacific Arc should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and neither approved nor disapproved the contents of this news release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

ON BEHALF OF THE BOARD OF DIRECTORS PACIFIC ARC RESOURCES LTD.

s/ "John MacPhail"

John MacPhail, President, CEO and Director

For more information please contact:

John MacPhail, President, CEO & Director, Phone: (778) 688-7411

Qualified Person

Bill Fisher, P.Geo, a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and a director of B.C. Ltd., has reviewed and approved the scientific and technical disclosure in this press release.

This news release does not constitute an offer to sell and is not a solicitation of an offer to buy any securities in the United States. The securities of the Company and B.C. Ltd. have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws unless pursuant to an exemption from such registration.

Cautionary Note Regarding Forward Looking Statements

This news release contains certain forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological risks, risks associated with the effects of the COVID-19 virus, the financial markets generally, the results of the due diligence investigations to be conducted by the Company, the ability of the Company to complete the Transaction or the Offering or obtain requisite TSX-V acceptance and, if applicable, shareholder approvals. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.