ORINOCO GOLD LIMITED

ACN 149 219 974

ANNUAL REPORT

for the year ended 30 June 2014

ORINOCO GOLD LIMITED
ACN: 149 219 974

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This Annual Report covers Orinoco Gold Limited ("Orinoco" or the "Company") and its subsidiaries. The financial report is presented in Australian currency.

Orinoco is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Orinoco Gold Limited
Ground Floor, 16 Ord Street
West Perth WA 6005

ORINOCO GOLD LIMITED
ACN: 149 219 974

CORPORATE INFORMATION

Directors
Mr John Hannaford
Non-Executive Chairman

Mr Mark Papendieck
Managing Director

Mr Brian Thomas
Non-Executive Director

Mr Ian Finch
Non-Executive Director

Dr Klaus Petersen
Technical Executive & Alternate Director to Mr Papendieck and Mr Finch

Company Secretary
Mr Phillip Wingate

Home Securities Exchange:
Australian Securities Exchange Limited
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

ASX Code: OGX, OGXO

Share Registry
Security Transfer Registrars Pty Ltd
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APPLECROSS WA 6153

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16 Milligan Street
PERTH WA 6000

Auditor
HLB Mann Judd
Level 4
130 Stirling Street
PERTH WA 6000

Bankers
Westpac Banking Corporation
108 Stirling Highway
NEDLANDS WA 6009

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the financial statements of the Group consisting of Orinoco Gold Limited and the entities it controlled during the period for the financial year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names and details of Directors in office at any time during the financial year are:

Mr John Hannaford – B.Com (UWA), CA, F.Fin.
Non-Executive Chairman – (Appointed 9 February 2011)

EXPERIENCE AND EXPERTISE

Mr Hannaford has broad financial experience from several corporate roles in Australia, Asia and Europe with resources companies. Mr Hannaford is principal and director of Corporate Advisory firms Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd, which specialise in the provision of corporate and financial advice to junior resource companies. Mr Hannaford has also been involved with several ASX listings and has acted as Director, Company Secretary and Financial Controller to several of these companies.

Mr Hannaford graduated from the University of Western Australia with a Bachelor of Commerce degree in 1986 majoring in Finance and Economics. He qualified as a Chartered Accountant in 1990, gaining experience with the Arthur Andersen audit division in Perth and in Hong Kong. He completed a Diploma of Applied Finance and Investment with the Securities Institute of Australia and was admitted as an Associate of the Institute in 2003.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Non-Executive Director – Bone Medical Limited
Non-Executive Chairman – Monteray Mining Group Limited

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Non-Executive Director – Emerald Oil & Gas NL (appointed on 14 June 2006, resigned on 16 July 2012)
Non-Executive Director – Jaguar Minerals Ltd (appointed on 20 November 2011, resigned on 19 August 2013)

Mr Mark Papendieck – Dip. Law, NSW, LPAB
Managing Director – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE

Mr Papendieck has held a range of senior executive roles in Australia and overseas in both the Mining and the financial services industry. He has experience with gold, copper, iron ore and manganese exploration companies at both management and board level and has spent the past six years focusing predominantly on Brazilian resource companies.

Mr Papendieck was the founding Chairman of Centaurus Resources Limited from 2006 and was appointed as the Managing Director in 2008 to oversee the Company's emerging operations in Brazil. A successful merger of Centaurus Resources Limited and Glengarry Resources Limited was completed in early 2010 and Mr Papendieck held the position of General Manager, Commercial for the combined group, which was renamed Centaurus Metals Limited, until August 2011.

Mr Papendieck brings to his directorship a solid understanding of the resources industry gained through his involvement in both the resources and financial services industries and a detailed knowledge of conducting an exploration business in Brazil. In addition to his expertise in iron ore, Mr Papendieck has been involved in the identification, assessment, structuring and management of gold and copper projects in Australia and South America.

Mr Papendieck holds a Diploma of Law from the NSW Legal Practitioners Admission Board (Dip. Law, NSW LPAB). He is also a Non Executive Director of the listed company Southern Crown Resources Ltd and the unlisted Supergene Resources Limited.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Non-Executive Director – Southern Crown Resources Ltd

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Nil

Mr Brian Thomas – BSc, MBA, SAFin, MAusIMM, MAICD
Non-Executive Director – (Appointed 31 March 2011)

EXPERIENCE AND EXPERTISE
Mr Thomas is a geologist and mineral economist with more than 20 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas. This is complemented by 12 years in the Australian financial services sector working in corporate stock broking, investment banking, funds management and with an Australian commercial bank, sourcing mining finance opportunities.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Non-Executive Chairman - Parker Resources NL

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Condoto Platinum NL (appointed 21 May 2008, resigned 23 November 2012)
Charter Pacific Corporation Limited (appointed 24 March 2011, resigned 30 November 2011)
Noble Mineral Resources Limited (appointed 6 April 2010, resigned 20 December 2013)
Potash Minerals Limited (appointed 9 June 2010, resigned 30 June 2014)

Mr Ian Finch – BSc (Hons), AUSIMM, MAICD
Non-Executive Director – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE
Mr Finch's career spans 42 years of mining and exploration. He worked extensively throughout Southern Africa between 1970 and 1981 – from the Zambian Copper Belt and Zimbabwean Nickel and Chrome fields to the Witwatersrand Gold Mines in South Africa.

In 1981 he joined CRA Exploration as a Principal Geologist before joining Bond Gold as its Chief Geologist in 1987. In these roles he was instrumental in the discovery and development of several new gold and copper/gold resources in Australia.

In 1993 Mr Finch established Taipan Resources Ltd, a company which successfully pioneered the exploration for large gold deposits in the Ashburton District of Western Australia – when it discovered a resource of approximately 1.0 million ounces at the Paulsen's Project.

In 1999 Mr Finch founded Templar Resources Limited, now a 100% owned subsidiary of Canadian Listed company Goldminco Corporation. As President/CEO for Goldminco until May 2005, Mr Finch established an extensive exploration portfolio in New South Wales where the Company is actively exploring for large porphyry copper / gold deposits. During his presidency, Mr Finch forged strong strategic ties with major mining houses and financial institutions in Vancouver, Toronto and London.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES
Managing Director – Trafford Resources Limited
Non-Executive Director – IronClad Mining Limited

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS
Nil

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

Dr Klaus Petersen – M.Sc (Mineralogy & Petrology), PhD (Minerology & Petrology,) AusIMM, CREA
Alternate Director to Mr Papendieck and Mr Finch – (Appointed 31 October 2012)

EXPERIENCE AND EXPERTISE

Dr Petersen is a Brazilian national who has over 20 years' experience in the Brazilian resources industry. Dr Petersen has spent the last eight years in management roles at ASX-listed, Brazilian-focused companies, where he was responsible for project generation and exploration.

This has included the last six years in Chief Geologist roles at Centaurus Resources (now Centaurus Metals) where he was one of the co-founders. Before this, Dr Petersen worked with Vale's exploration division on gold targets in Brazil's Iron Quadrangle and later completed his PhD on Anglo Gold Ashantis' Crixas mine in Goiás State, Brazil. In 2003 he moved to Australia to work with the University of Western Australia on the gold mineralization of complex hydrothermal systems in the Western Australian Goldfields.

OTHER CURRENT DIRECTORSHIPS OF LISTED COMPANIES

Nil

OTHER DIRECTORSHIPS HELD IN LISTED COMPANIES IN THE LAST THREE YEARS

Nil

COMPANY SECRETARY

Mr Phillip Wingate – B.Com (Curtin), CA
Company Secretary - (Appointed 9 February 2011)

EXPERIENCE AND EXPERTISE

Mr Wingate holds a Bachelor of Commerce Degree from Curtin University Australia and is an Associate of the Institute of Chartered Accountants in Australia. After graduating from University, he started his career in commercial and management accounting with a large private construction group.

Since 2008 Mr Wingate has been involved in a number of company secretarial positions and ASX junior transactions. Mr Wingate has been closely involved with the mining sector in Western Australia and has a strong financial and management reporting background. Mr Wingate is also Company Secretary of ASX listed companies Bone Medical Limited and Potash Minerals Limited.

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL ACTIVITIES

Orinoco Gold Limited is an Australian company conducting exploration activities on projects located on the Faina Greenstone Belt in central Brazil, South America.

RESULTS

The net loss attributable to owners of the parent entity for the year ended 30 June 2014 is $4,789,464 (2013: $3,115,771). The net loss relates to exploration expenditure written off as incurred (in accordance with the Group's accounting policy) and administration costs in relation to an ASX listed company.

DIVIDENDS

There were no dividends paid or declared during the year.

OPERATING AND FINANCIAL REVIEW

Faina Goldfields Project

Orinoco's Faina Goldfields Project is located in the central Brazilian state of Goiás, approximately 120km southwest of AngloGold's world-class Serra Grande mine and Yamana Gold's Pilar mine. The Project consists of a large tenement package of approximately 200km^2 that encompasses numerous areas of interest including the Company's key Cascavel, Sertão and Tinteiro Projects.

As part of the broader Faina Goldfields Project Orinoco Gold is advancing two sites that host high-grade gold, Cascavel and Sertão, which are located in close proximity to each other.

Despite market conditions being amongst the worst experienced by junior companies in the last decade, the Company has continued to conduct effective exploration, evaluation and corporate programs that have resulted in discoveries and acquisitions that are advancing the Faina Goldfields Project towards the Company's stated aim of early, low cost gold production.

Orinoco aims to develop a high-grade gold mining hub at the Faina Goldfields Project, initially to support a low-cost gravity gold operation. The Company is confident that sites within the broader Faina Goldfields Project such as Cascavel (OGX: 70%) and the Sertão gold mine (OGX: 100%) offer significant resource potential from ongoing exploration and resource definition programmes.

Cascavel continues to demonstrate its potential as a sizeable high grade gold system that remains open along strike and down dip whilst the acquisition of the Sertão gold mine from Troy Resources Limited adds both the potential for additional high grade resources to be delineated and a fully permitted site for the establishment of an initial gold plant at the Faina Goldfields Project. Importantly, the relationship between the mineralisation at Cascavel and Sertão, which are both located on the same shear zone approximately 18km apart, highlights both the size of the mineralising event/s in the greenstone belt and the prospectivity of the shear zone to continue to host new discoveries.

With the greenstone belt never having been previously drill tested for polymetallic mineralisation the Tinteiro Project represents not only a new discovery, but also a potential new mineral province. The size and extent of the geochemical and geophysical anomalies across the breadth of the Company's Faina Goldfields Project point towards a very large mineralising event/s the potential of which is only now beginning to be unlocked.

CASCAVEL

Cascavel is best characterised as an Archean shear hosted Orogenic gold system. The structurally controlled mineralised quartz vein/s, veinlets and related sericite alteration evident in the decline and from drilling are continuous both along strike and down-plunge with some minor off-sets caused by later E-W and N-W striking faults (associated with the Tinteiro mineralisation). Visible offsets are no greater than 1m in the walls of the Company's exploration decline. These late faults also cause a slight rotation between the blocks, slightly altering the dip of the veins.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

The mineralised structure has been intercepted in wide spaced drilling over 1.5km of strike and over 700m down dip (approximately 300m vertical depth below surface) while the observed thickness of the structure varies from 0.5 metres to over 5 metres. The system remains open along strike and down dip, and additional gold lodes parallel to (above and below) the main zone have been evidenced in drilling. As is the case with the Sertão gold mine, the majority of the gold in the system appears to be contained in numerous high grade shoots (**Figure 1**). Orinoco is currently undertaking an exploration decline to delineate these shoots over a relatively small area that is planned to become the initial focus of trial mining activities ahead of further drilling and future mining.

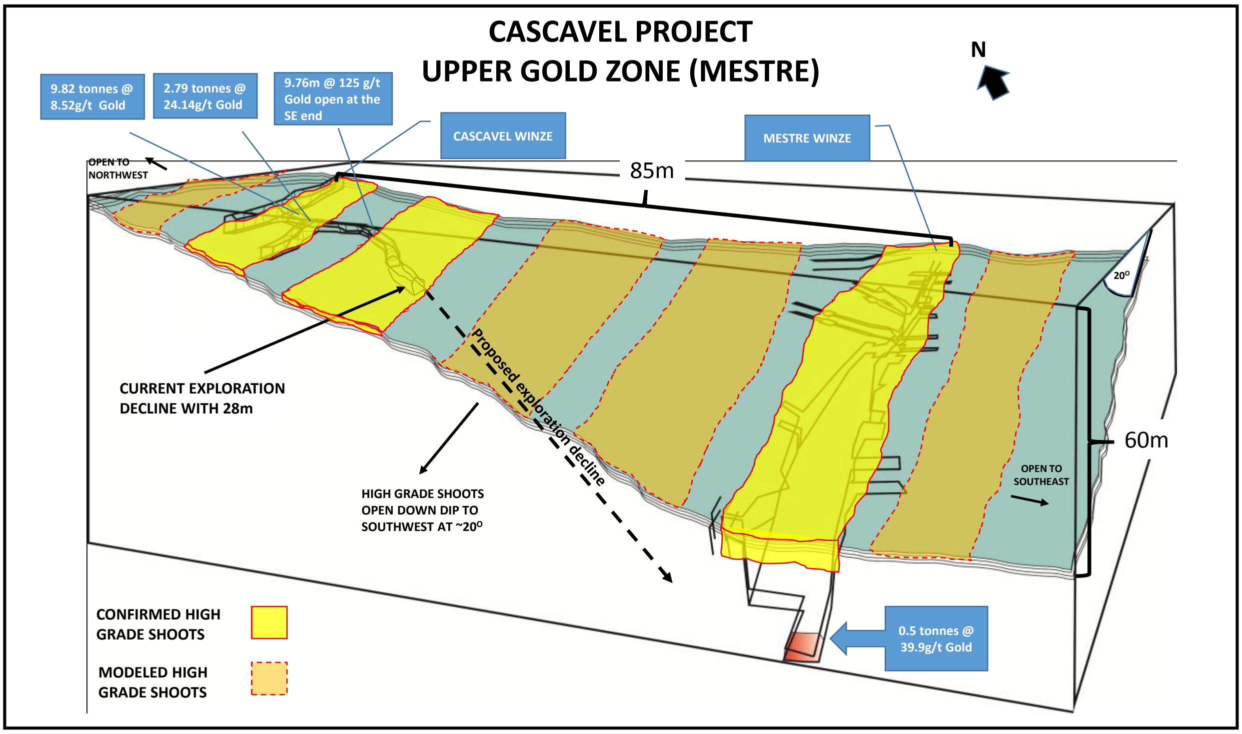


Figure 1. Schematic representation of updated geological model of the area of the exploration decline. The yellow/brown coloured shoots are representations of the confirmed and modelled high grade shoots. Bulk or panel sampling provides confirmation of high grade shoots whilst modelled high grade shoots are determined from drilling results. Note that the second gold level (bulk sample results from Cuca level reported to the ASX on 14 May 2014) is not represented here.

Over the course of the year Orinoco has completed several bulk sampling campaigns, diamond drilling, channel sampling, commenced an exploration decline and undertaken bench and pilot scale metallurgical test work at Cascavel. This work has confirmed both the high-grade nature of the Cascavel mineralisation and its amenability to gravity separation. The geological continuity of the structures hosting the gold allow drilling to be a very effective tool for delineating the geometry of the system whilst the coarse nature of the gold itself means that extraction of bulk samples remains the most accurate method of estimating grade in a coarse gold system such as Cascavel.

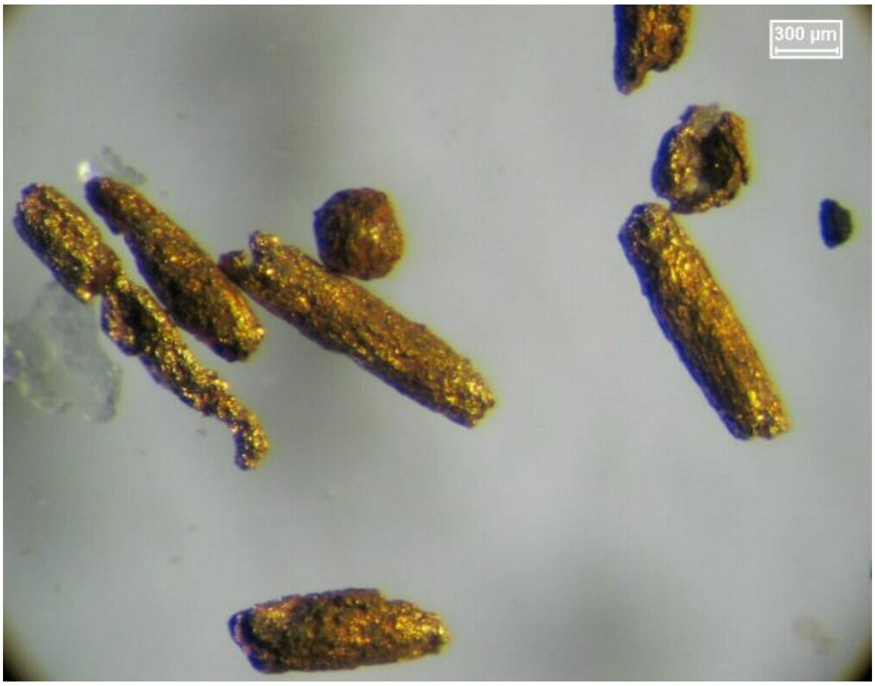
Bench-scale metallurgical testing was completed on a 200-kilogram sample that was collected selectively from the gold-bearing veins in the Cascavel winze during September 2013. Gold recoveries of 94% were achieved from this sample with the ore requiring only a very coarse grind (95% passing 1mm).

The average head grade of the 200-kilogram sample of vein material was 16g/t Au and the reported gravity results were achieved using only shaking tables to recover the gold. The results indicate that a high proportion of the gold at Cascavel is amenable to recovery via gravity methods.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

The high grade nature of the gold and the excellent gravity recoveries and at such a coarse grind size have positive implications for the potential development of a gold operation at Cascavel, with a gravity only operation requiring lower capital and operating expenditure, and having a smaller environmental footprint, than a circuit requiring cyanide to recover the gold.



Microphoto of the +65# fraction of the metallurgical testing showing free gold grains in the form of rods and various rounded octahedra.

As with so many high grade quartz vein hosted Archean gold projects where drilling out a large resource is prohibitively costly, Cascavels' future lies in the definition of a resource just large enough justify to an initial investment in a gravity plant that will enable the company to commence commercial production. The Company can then focus on growing the resource and production profile of Cascavel with prudent, cash flow based resource definition and exploration programs.

Necessarily a relatively small area of the known mineralisation will be the initial focus of these efforts – the area between the Cascavel and Mestre winze (as depicted in **Figure 1**). The Company intends to utilise the information gained to date from the exploration decline in this area to complete resource drilling and to plan and execute a commencement of trial mining in order to provide actual data on mining costs and the head grade of mined ore.

Importantly, in late 2014 Orinoco will commence the process of converting the key Cascavel Exploration lease into a Mining Lease. From lodgement of the application this process is expected to take between 18 and 24 months to complete. Until the Mining Lease is granted, underground mining at Cascavel is permitted to continue under the existing Guia de Utilização (50,000t) and any subsequent renewals however processing of ore on site is not permitted. As such the Sertão Mining Lease is anticipated to be the site of any plant and equipment that the Company may choose to install.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Gold bars, 99.8% purity, produced from a Cascavel bulk sample: ~3oz (left), and ~1.2oz (right).

SERTÃO

During the financial year Orinoco reached an agreement with leading Australian-based international gold producer Troy Resources Limited (ASX: TRY) and their Brazilian partner to acquire the Mining Leases encompassing Troy's former highly successful Sertão gold mine in central Brazil.

Orinoco has acquired 100% of the share capital of Sertão Mineração Ltda (SML), the entity that owns the Sertão and Antena Mining Leases.

The leases, which are located just 5 and 28km by road from Orinoco's high-grade Cascavel Gold Project, form a key part of the Company's Faina Goldfields Project and specifically its plans to fast track development of Cascavel.

Having previously been the site of open cut mining operations and, in the case of the Sertão Mining Lease, the site of a gravity and CIL gold circuit, minimal work is required to return the leases to full operational status.

The Mining Leases complement the Extraction Licence already held by Orinoco at Cascavel, and is the preferred option for siting a future processing plant for material extracted from any future mining activities at Cascavel. The potential cost benefits of locating a plant at the Sertão Mining Lease, to treat Cascavel ore, stem from the fact that the Sertão mine site has existing grid power, haul roads, earth works and licencing. No plant and equipment remains at the site.

In addition to the short-term licensing benefits that the acquisition brings to the Company, drilling undertaken by previous owners discovered material depth and strike extensions to the mineralisation at Sertão. A review of existing drill data from zones outside the Sertão open pit shows that a total of 176 holes were drilled outside of the mined areas at Sertão where previous mining targeted shallow oxide material to a depth of approximately 40m.

The results from these holes show that some oxide ore remains at Sertão as well as highlighting significant extensions of the mineralised zone. A review of historical data and geological interpretations at Sertão indicates very similar structures to those seen at Cascavel, including rod shaped high-grade shoots located within a broader mineralised zone. The mineralized quartz veins at Sertão are hosted by the same low-angle shear zone structure that hosts the Cascavel veins, located approximately 18km northwest along strike.

Previous owners conducted limited wide-spaced, down-dip drilling of the fresh rock mineralisation at Sertão that focused on testing extensions of the known mineralisation. This drilling successfully intersected the extensions of the shallowly mined ore shoots along the plunge, as evidenced in hole GVD080 which intersected what is interpreted as the extension of one of the outcropping high-grade ore shoots almost 700m down-plunge.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Highlights of the limited drilling in fresh rock located down-dip from the existing open pit include:

- 0.33m @ 119.60g/t Au from 259.15m (GVD080)
- 0.70m @ 48.26g/t Au from 72.40 (GVD029)
- 0.62m @ 22.97 g/t Au from 92.26m (SRD14)
- 6.00m @ 2.09 g/t Au from 75m (SRB130)
- 1.00m @ 32.00 g/t Au from 93m (SRC141)
- 3.07m @ 2.62 g/t from 109m (GVD061)
- 3.05m @ 3g/t Au from 72m (SRD13)
- 11.72m @ 2.87 g/t Au from 78m, including 1m @ 28.66g/t (SRD9)

Shallow intercepts are interpreted to reflect remnant oxide mineralisation along strike from, and around, the open pit. These include:

- 2.65m @ 22.43 g/t Au from 6m (GVD185)
- 7.00m @ 4.85 g/t Au from 8m (SRB87)
- 6.00m @ 6.64 g/t Au from 12m (SRC134)
- 4.08m @ 2.51 g/t Au from surface (GVD150)
- 3.76m @ 3.2 g/t Au from 1m (GVD122)
- 3.52m @ 1.83 g/t Au from surface (GVD161)
- 1.9m @ 3.16 g/t Au from 12m (GVD167)
- 2.95m @ 2.1g/t Au from surface (GVD189)
- 4m @ 1.29g/t Au from 18m (SRB108)
- 1m @ 4.99g/t Au from 9m (SRB024)
- 1m@ 3.02 g/t Au from surface (SRC78)
- 5m@ 1.25g/t Au from surface (SRC81)
- 1m@ 7.17 g/t Au from 5m (SRC82)

At the appropriate time, the Company is of the view that a drill program of approximately 8,000m may be sufficient to delineate an initial resource at Sertão. The execution of such a program remains dependent upon both sufficient funding and the appropriate timing for the allocation of funds to drilling at Sertão. Due to the metallurgy of the hard rock ore at Sertão (testing by Troy Resources indicated a gravity recovery of 53%) it is not currently anticipated that any Sertão ore would form part of the first phase of a mine plan for the broader Faina Goldfields Project. It is more likely that the Sertão ore may form part of a second phase of any operations and will require the addition of a Carbon in Leach (or similar) circuit to the gold production process.

TINTEIRO

Tinteiro forms part of Orinoco's Faina Goldfields Project and is located within 4km of the high-grade Cascavel Project and within 20km of the Sertão gold mine. During exploration at Cascavel in 2013 a separate and geologically later, high-grade, polymetallic mineralisation was discovered in the footwall of the gold rich Cascavel gold zone. Further work suggests that the high-grade polymetallic mineralisation is potentially part of a much larger IOCG system first recognised at the Tinteiro Prospect.

The Tinteiro Target is located in the central portion of the Faina Greenstone Belt, just to the south and west of the Cascavel Target. Tinteiro is located at the top of the first sedimentary cycle of the greenstone sequence and is dominated by chemically deposited sedimentary rocks intercalated with quartzite and chlorite schist.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Notable in the central portion of Tinteiro is the presence of a line of gossan outcrops along a trend of about 6-7km along the strike, parallel to the main regional foliation. Multiple late E-W and NE striking faults cut the stratigraphy of the greenstone rocks where widespread hydrothermal alteration assemblages are observed in the rock pile of the Project. These alterations are associated with both the late faults and also along some of the main lithological contacts, taking advantage of the main mechanical and geochemical discontinuities.

The presence of hematite rich breccias in several locations within the target is also related to late E-W and NE-SW faults that cut the rocks of the greenstone belt and are normally positioned in the centre of the alteration package. Importantly, these strong hydrothermal alteration zones carry anomalous grades for a wide range of metals. High grade Gold plus Copper, Nickel, Cobalt, Barium, Silver, Uranium and Iron are the main anomalous metals associated with the Tinteiro system.

An aerial geophysical survey (magnetics and radiometrics) highlighted several structural intersections, regional folds/fold hinges and the late crosscutting regional faults that correspond with large areas of the gossans, multiple hematite-rich breccias and positive rock chip samples. A gravity survey over a small portion of Tinteiro is awaited to assist with drilling the target structures following a brief reconnaissance drilling campaign.

Regional and local field mapping, chip sampling combined with geophysical and soil geochemistry has resulted in the discovery of additional targets within a 20km radius of Tinteiro that contain the same hydrothermal alteration assemblage and metal association as Tinteiro. The size and extent of the mineralisation leads the Company to infer that these new targets form part of the same mineral system as Tinteiro. The new targets are associated with breccias, gossans and strongly altered chemically deposited meta-sedimentary rocks, close to or overlying major regional E-W, NE-SW and NNW-SSE striking faults.

Given the extent of the Tinteiro style mineralisation the Company is currently evaluating several options for the cost efficient advancement of exploration.

14 Mile Well – Western Australia

The Company withdrew from the 14 Mile Well Joint Venture during the year allowing the Company to focus efforts and capital on the Company's flagship Faina Goldfields Project located in Brazil.

Corporate Activities

The Company raised a total of $2,768,543 before costs during the year ended 30 June 2014. $1,147,500 was raised in February 2014 via a Placement and $1,621,043 was raised through a non-renounceable entitlements issue in March 2014. The non-renounceable entitlements issue was offered on a 1 for 3 basis at 10 cents per share.

The Company also issued free attaching options for subscribers in both the Placement and the Entitlements Issue on a 1 for 2 shares subscribed for, exercisable at 25 cents each on or before 31 May 2015. A total of 13,842,756 free attaching options were issued to shareholders who participated in the placement and non-renounceable entitlements issue.

The Company's cash balance at 30 June 2014 was $1,179,783.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company that occurred during the financial year not otherwise disclosed in this report or the financial statements.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 28 July 2014, the Company announced it had received firm commitments from existing shareholders for a share placement comprising 8 million shares at an issue price of 12.5 cents per share to raise $1 million with an attaching 18 month option exercisable at 20 cents each on a 1 for 1 basis. These shares and free attaching options were subsequently allotted on 11 August 2014 and 22 August 2014 after receiving all placement funds.

The Company also entered into a Controlled Placement Agreement with Acuity Capital Investments Management Pty Ltd subsequent to 30 June 2014. The Controlled Placement Agreement provides the Company with up to $2 million of stand-by equity capital over the next 12 months.

The Company signed a contract-mining agreement with Cleveland Mining Company (ASX: CDG) in July 2014 to fast-track development of the 70% owned Cascavel Gold Project predominantly as an open pit mining operation capped at 50,000 tonnes of ore, with ore to be crushed on site and processed at Cleveland's operating Premier Gold Mine and profits to be distributed on a 50/50 basis.

As part of the acquisition of the Sertão gold mine in central Brazil, the Company issued a total of 7,000,000 unlisted options to Troy Resources Limited and their minority partner on 11 August 2014.

ENVIRONMENTAL REGULATION

The Directors believe that the Company has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

The Company's operations are subject to various environmental regulations under the Federal and State Laws of Australia and environmental laws of Brazil. The majority of the Company's activities involve low level disturbance associated with exploration drilling programs. Approvals, licences and hearings and other regulatory requirements are performed as required by the management of Orinoco for each permit or lease in which the Company has an interest.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company has paid a premium of $11,484 (2013: $13,225) to insure the Directors and Secretary of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the Directors in ordinary shares and unlisted options of the Company were:

	Shares		**Performance Shares**		**Options**	
Director	*Held Directly*	*Held Indirectly*	*Held Directly*	*Held Indirectly*	*Held Directly*	*Held Indirectly*
J. Hannaford	66,667	5,698,281	-	-	16,667	3,298,714
M. Papendieck	1,880,000	1,853,500	1,484,211	378,948	1,880,000	740,000
B. Thomas	10,000	370,000	-	-	3,334	755,834
I. Finch	-	500,000	-	394,737	-	500,000
K. Petersen	2,095,000	-	1,484,211	-	1,980,000	-
TOTAL	**4,051,667**	**8,421,781**	**2,968,422**	**773,685**	**3,880,001**	**5,294,548**

DIRECTORS' REPORT (CONTINUED)

MEETINGS OF DIRECTORS

During the financial year, there were 9 meetings of Directors, held with the following attendances:

Directors	Meetings Attended	Meetings Eligible to Attend
J. Hannaford	9	9
M. Papendieck	9	9
B. Thomas	9	9
I. Finch	9	9
K. Petersen	5	9

Two meetings were held by the Audit Committee and one meeting was held by the Remuneration Committee during the year.

REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2014. The information contained in this report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The information provided includes remuneration disclosures that are required under Accounting Standard AASB 124 "Related Party Disclosures". These disclosures have been transferred from the financial report.

This remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the following specified executives in the Company:

Key Management Personnel

Directors:
- Mr John Hannaford (Non-Executive Chairman)
- Mr Mark Papendieck (Managing Director)
- Mr Brian Thomas (Non-Executive Director)
- Mr Ian Finch (Non-Executive Director)

Executives:
- Dr Klaus Petersen (Technical Executive & Alternate Director to Mr Papendieck and Mr Finch)

Remuneration Policy

The Company's performance relies heavily on the quality of its Key Management Personnel. The Company has therefore designed a remuneration policy to align Director and Executive reward with business objectives and shareholder value.

Executive reward is linked to shareholder value by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high calibre management personnel and Directors to run and manage the Company.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Non-Executive Director Remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees per annum that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (currently $250,000).

Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in employee incentive option plans that may exist from time to time.

Executive Remuneration

The remuneration policy has been designed to align Executive objectives with shareholder and business objectives by providing fixed remuneration, in line with market rates, and variable remuneration. The Board of Orinoco believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives to run and manage the Group, as well as create goal congruence between Executives and Shareholders.

Fixed Remuneration

In setting competitive remuneration, the Board compares industry standard and remuneration packages of comparable companies. The Board reviews KMP packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

All Executives receive a base salary (which is based on length of service and experience), and superannuation. The proportion of an executive's total fixed salary package that is paid as superannuation is at the discretion of the Executive, subject to compliance with relevant superannuation guarantee legislation.

The fixed remuneration of the Company's KMP is detailed in the table below.

Variable Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and key management personnel. Currently, this is facilitated through the payment cash bonuses upon specific performance criteria in line with increases in the enterprise value of the Company and the issue of options to key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

Principles used to determine the nature and amount of variable remuneration: relationship between remuneration and company performance

The overall level of Executive reward takes into account the performance of the Company over a number of years, with greater emphasis given to the current and prior year. The main performance criteria used in determining the executive reward remuneration is increasing shareholder value through aligning the Company with high quality exploration assets. Due to the nature of the Company's principal activities, the Directors assess the performance of the Company with regard to the price of the Company's ordinary shares listed on the ASX and the market capitalisation of the Company.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Cash bonuses paid to Executives are based on growth in the enterprise value of the Company. Directors and executives are also issued options to encourage the alignment of personal and shareholder interests. Options issued to Directors may be subject to market based price hurdles and vesting conditions, and the exercise price of options is set at a level that encourages the Directors to focus on share price appreciation. The Company believes this policy will be effective in increasing shareholder wealth. Key Management Personnel are also entitled to participate in the employee share and option arrangements.

On the resignation of Directors any vested options issued as remuneration are retained by the relevant party.

The Board may exercise discretion in relation to approving incentives such as options. The policy is designed to reward key management personnel for performance that results in long-term growth in shareholder value.

The Company does not currently have a policy pertaining to Directors hedging their exposure to risks associated to the Company's securities they receive as compensation.

During the year the Board completed a self-performance evaluation at a Director and Board level.

<u>Service Contracts</u>

Remuneration and other terms of employment for Executives are formalised in executive service agreements. Major provisions of the agreements existing at balance date relating to remuneration are set out below.

Mark Papendieck - Managing Director

- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $200,000 per annum plus statutory superannuation.
- Variable Remuneration – The Company will pay the Executive a performance based bonus of $100,000, upon the enterprise value of the Company exceeding $30 million for 20 consecutive trading days.
- Termination Provisions – The Executive may terminate the agreement without cause by giving 3 months written notice. The Company may terminate the agreement without cause by giving 6 months written notice.

Dr Klaus Petersen - Technical Executive

- Term of Agreement – ongoing subject to annual review.
- Fixed Remuneration – $200,000 per annum plus statutory superannuation.
- Variable Remuneration – The Company will pay the Executive a performance based bonus of $100,000, upon the enterprise value of the Company exceeding $30 million for 20 consecutive trading days.
- Termination Provisions – The Executive may terminate the agreement without cause by giving 3 months written notice. The Company may terminate the agreement without cause by giving 6 months written notice.

Non-Executive Directors

Upon appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of Director.

The key terms of the Non-Executive Director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review.
- Directors' Fees of $30,000 per annum plus statutory superannuation.
- There is no notice period stipulated to terminate the contract by either party.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Remuneration of Key Management Personnel

Details of the remuneration of the Directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures)* of Orinoco Gold Limited are set out in the following table.

Key Management Personnel of Orinoco Gold Limited

2014	Short Term Benefits		Post-Employment Benefits	Share Based Payments		
Key Management Personnel	Salary and Fees $	Non-Monetary $	Super-annuation $	Options $	Total $	% of remuneration performance related
Directors						
J. Hannaford	30,000	-	2,775	-	32,775	-
M. Papendieck	200,000	-	18,500	-	218,500	-
B. Thomas	30,000	-	2,775	-	32,775	-
I. Finch	30,000	-	2,775	-	32,775	-
Total Directors	**290,000**	**-**	**26,825**	**-**	**316,825**	**-**
Executives						
K. Petersen	200,000	-	18,500	-	218,500	**-**
Total	**490,000**	**-**	**45,325**	**-**	**535,325**	**-**

2013	Short Term Benefits		Post-Employment Benefits	Share Based Payments		
Key Management Personnel	Salary and Fees $	Non-Monetary $	Super-annuation $	Options $	Total $	% of remuneration performance related
Directors						
J. Hannaford	30,000	**-**	2,700	-	32,700	-
M. Papendieck	139,333	**-**	12,000	-	151,333	-
B. Thomas	30,000	**-**	2,700	-	32,700	-
I. Finch	20,000	**-**	1,800		21,800	
M. Barron	10,000	**-**	900	-	10,900	-
Total Directors	**229,333**	**-**	**20,100**	**-**	**249,433**	**-**
Executives						
K. Petersen	133,333	-	12,000	-	145,333	**-**
Total	**362,666**	**-**	**32,100**	**-**	**394,766**	**-**

Share-based compensation

There was no share-based compensation for the Directors in either the current or prior year.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Share Holdings of Key Management Personnel

The number of ordinary shares of Orinoco Gold Limited held, directly, indirectly or beneficially, by each Director and key management personnel, including their personally-related entities for the year ended 30 June 2014 is as follows:

Directors	Held at 1 July 2013	Movement during the year	Options Exercised	Held at 30 June 2014
J. Hannaford	4,764,948	1,000,000(1)	-	5,764,948
M. Papendieck	2,733,500	1,000,000(1)	-	3,733,500
B. Thomas	380,000	-	-	380,000
I. Finch	500,000	-	-	500,000
K. Petersen	1,880,000	215,000(2)	-	2,095,000
Total	**10,258,448**	**2,215,000**	**-**	**12,473,448**

(1) Mr Hannaford and Mr Papendieck participated in the Placement in March 2014 which was approved by shareholders on 18 March 2014.

(2) Dr Petersen participated in the non-renounceable entitlements issue and purchased shares on market during the year.

Option Holdings of Key Management Personnel

The number of options over ordinary shares in Orinoco Gold Limited held, directly, indirectly or beneficially, by each Director and key management personnel, including their personally-related entities for the year ended 30 June 2014 is as follows:

Directors	Held at 1 July 2013	Movement during the year	Options Exercised	Held at 30 June 2014	Vested and exercisable at 30 June 2014
J. Hannaford	2,815,381	500,000(1)	-	3,315,381	3,315,381
M. Papendieck	2,120,000	500,000(1)	-	2,620,000	2,620,000
B. Thomas	759,168	-	-	759,168	759,168
I. Finch	500,000		-	500,000	500,000
K. Petersen	1,880,000	100,000(2)	-	1,980,000	1,980,000
Total	**8,074,549**	**1,100,000**	**-**	**9,174,549**	**9,174,549**

(1) Mr Hannaford and Mr Papendieck participated in the Placement in March 2014 which was approved by shareholders on 18 March 2014 which included a free attaching option on a 1 for 2 shares subscribed for basis, exercisable at 25 cents each expiring on or before 31 May 2015.

(2) Dr Petersen participated in the non-renounceable entitlements issue which included a free attaching option on a 1 for 2 shares subscribed for basis, exercisable at 25 cents each expiring on or before 31 May 2015.

Other Related Party Transactions

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Ventnor Capital Pty Ltd, a company of which Mr John Hannaford is a Director, provides the Group with company secretarial services, office accommodation and corporate services in relation to the administration of the Group on normal commercial terms and conditions and at market rates.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED) (CONTINUED)

Other Related Party Transactions (Continued)

A summary of the total fees paid to Ventnor Capital Pty Ltd for the year ended 30 June 2014 is as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Serviced office, company secretarial & CFO services, bookkeeping services, IT support, corporate advisory, general administration and registered office	132,000	144,000
Financial accounting and corporate advisory services	18,688	29,575
Total	**150,688**	**173,575**

The total amount of fees due to Ventnor Capital Pty Ltd as at 30 June 2014 was $25,347 (2013: $12,406).

***********END OF AUDITED REMUNERATION REPORT***********

LIKELY DEVELOPMENTS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Company that were not finalised at the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2014 has been received and can be found on page 24.

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the *Corporation Act 2001*.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

During the year, the auditors did not provide any non-audit services to the Group.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS

Shares under Option

At the date of this report there are 62,242,756 unissued shares under option outstanding.

Date Granted	Expiry Date	Exercise Price	Number of shares under option
11 February 2011	31 May 2015	$0.25	1,500,000
30 March 2011*	31 May 2015	$0.25	3,000,000
30 August 2011*	31 May 2015	$0.25	1,000,000
30 August 2011	31 May 2015	$0.25	3,000,000
23 January 2012	31 May 2015	$0.25	5,201,500
30 January 2012	31 May 2015	$0.25	2,798,500
5 April 2012*	31 May 2015	$0.25	100,000
5 April 2012*	30 November 2015	$0.35	100,000
31 October 2012*	31 October 2017	$0.25	11,000,000
31 July 2013*	31 July 2015	$0.30	1,000,000
31 July 2013*	31 July 2016	$0.30	1,700,000
19 March 2014	31 May 2015	$0.25	4,877,281
24 March 2014	31 May 2015	$0.25	7,237,500
24 March 2014*	31 May 2015	$0.25	1,500,000
2 April 2014	31 May 2015	$0.25	1,561,308
23 April 2014	31 May 2015	$0.25	500,000
15 May 2014	31 May 2015	$0.25	666,667
12 June 2014	31 May 2015	$0.25	500,000
11 August 2014*	31 May 2017	$0.25	7,000,000
11 August 2014*	1 March 2016	$0.20	4,000,000
22 August 2014*	1 March 2016	$0.20	4,000,000
Total			**62,242,756**

* Unlisted options

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Mr John Hannaford
Chairman

Perth
30 September 2014

DIRECTORS' REPORT (CONTINUED)

Competent Person's Statement: *The information in this report that relates to Exploration Results is based on information compiled by Dr Klaus Petersen who is a member of the Australasian Institute of Mining and Metallurgy and CREA and Dr. Marcelo Juliano de Carvalho who is member of the Australasian Institute of Mining and Metallurgy. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho are employees of Orinoco Gold Limited and have sufficient experience, which is relevant to the style of mineralisation under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Klaus Petersen and Dr. Marcelo Juliano de Carvalho consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

Previous Reported Results: *There is information in this report relating to Exploration Results at Cascavel. Full details of the Results were included in the following ASX Release and are available to view on the Company's website www.orinocogold.com:*

1. *7 July 2014 – Bonanza Gold Results up to 27 oz/tonne from Cascavel Exploration Decline*
2. *14 May 2014 - Outstanding Gold Grade from Latest Cascavel Bulk Sample*
3. *30 May 2014 - Orinoco to Drill Test Significant New Tinteiro IOCG Targets*
4. *8 May 2013 – Thick High Grade Silver Discovered at Cascavel*
5. *23 December 2013 – Clarification to Inside Briefing Interview Announcement*
6. *20 January 2014 - Successful Bulk Sampling Highlights the Opportunity for High Grade Development at Cascavel Gold Project.*
7. *8 October 2012 - High-Grade Gold Results Returned From Curral De Pedra Project, Brazil*
8. *12 December 2012 - Hits of up to 193gpt Au confirm mineralisation over 620m down dip*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Exploration Results in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements:
This Report 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 coal and base metal 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, resolve logistical issues associated with mining and enter into any necessary off take arrangements with reputable third parties. 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.

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. Any information relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

CORPORATE GOVERNANCE STATEMENT

Orinoco Gold Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition to the extent that they are applicable to the Company.

Information about the Company's corporate governance practices at 30 June 2014 are set out below.

THE BOARD OF DIRECTORS

The Company's Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

COMMITTEES OF THE BOARD

The Board has established an Audit Committee which consists of only Non-Executive Directors, being Brian Thomas, Ian Finch and John Hannaford. Brian Thomas acts as Chairman of the Audit Committee.

The role of the Audit Committee is to:

(a) Monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgements;

(b) Review the Company's internal financial control systems and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;

(c) Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and

(d) Perform such other functions as assigned by law, the Company's constitution, or the Board.

The Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

COMMITTEES OF THE BOARD (CONTINUED)

The Board has also established a Remuneration Committee. The members of this Committee are Brian Thomas, Ian Finch and John Hannaford. The Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.

INDEPENDENCE

Given the Company's present size and scope, it is currently not Company's policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board has an expansive range of relevant industry experience, financial, legal and other skills and expertise to meet its objectives. All current board members are independent Directors.

When determining the independent status of each Director the board has considered whether the Director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such an employment and serving on the board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided.
- Is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the Company other than as a Director.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Directors' rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

GENDER DIVERSITY

The Company has not adopted an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity.

The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

The Group currently has no female board members or senior executives.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that gold exploration is a business with inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Company executives that promote the highest standards of ethics and integrity in carrying out their duties to the Company.

The Code of Conduct can be found on the Company's website at www.orinocogold.com.

RISK MANAGEMENT SYSTEMS

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value.

Management is responsible for developing, maintaining and improving the Company's risk management and internal control system. Management provides the board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process. The Company has identified and actively monitors risks inherent in the industry in which the Company operates.

The Board also receives a written assurance from the Chairman and Company Secretary that to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the Chairman and Company Secretary can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments 2nd edition with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply:

	ASX Principle	Reference/comment
Principle 2: Structure the Board to add value		
2.2	The chairperson should be an independent Director	As at 30 June 2014 the Chairman, John Hannaford, was not considered an independent Director under the definition in the ASX Corporate Governance Guidelines. The Board believes the alignment of the interests of Directors with those of shareholders as being the most efficient way to ensure shareholders' interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.
2.4	The Board should establish a nomination committee	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening of and appointing of new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
Principle 3: Promote ethical and responsible decision-making		
3.2 – 3.3	The Board should establish a policy concerning diversity	The Company does not have an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.
Principle 8: Remunerate fairly and responsibly		
8.3	Companies should clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives	The Board acknowledges the grant of options to Directors is contrary to Recommendation 8.3 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to be reasonable in the circumstances, given the necessity to attract and retain the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Orinoco Gold Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2014

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Liability limited by a scheme approved under Professional Standards Legislation

ORINOCO GOLD LIMITED
ACN: 149 219 974

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2014

		Consolidated	
	Note	2014 $	Restated 2013 $
Revenue			
Finance income	4	62,796	118,982
Total Revenue		62,796	118,982
Financial administration, insurance and compliance costs		(837,728)	(664,781)
Exploration expenditure written off as incurred	5	(3,296,438)	(2,613,486)
Write off of capitalised exploration expenditure	10	(848,741)	-
Employee expenses	5	(576,699)	(465,958)
Project analysis and due diligence		-	(16,985)
Depreciation	11	(11,263)	(4,547)
Other expenses		(342,779)	(262,291)
Total Expenses		(5,913,648)	(4,028,048)
Loss before income tax expense		(5,850,852)	(3,909,066)
Income tax (expense) / benefit	7	-	-
Loss after income tax for the year		(5,850,852)	(3,909,066)
Other Comprehensive Income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(86,292)	50,396
Total Other Comprehensive (Loss) / Income for the year, net of tax		(86,292)	50,396
Total Comprehensive Loss for the year		**(5,937,144)**	**(3,858,670)**
Loss attributable to:			
Owners of the parent entity		(4,789,464)	(3,115,771)
Non-controlling interest		(1,061,388)	(793,295)
		(5,850,852)	(3,909,066)
Total Comprehensive Loss attributable to:			
Owners of the parent entity		(4,875,756)	(3,065,375)
Non-controlling interest		(1,061,388)	(793,295)
		(5,937,144)	(3,858,670)
Basic and Diluted Loss per share – cents per share	6	(5.48)	(6.07)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	Consolidated 2014 $	Consolidated Restated 2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,179,783	3,822,255
Other receivables	9	142,134	242,358
Total Current Assets		1,321,917	4,064,613
Non-Current Assets			
Property, plant and equipment	11	89,770	77,166
Investments		15,476	15,495
Exploration and evaluation expenditure	10	13,921,883	11,346,721
Total Non-Current Assets		14,027,129	11,439,382
TOTAL ASSETS		**15,349,046**	**15,503,995**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	412,070	349,723
Other current liabilities	13	477,707	-
Total Current Liabilities		889,777	349,723
TOTAL LIABILITIES		**889,777**	**349,723**
NET ASSETS		**14,459,269**	**15,154,272**
EQUITY			
Issued capital	14	18,557,960	14,611,900
Reserves	14	2,182,336	1,999,718
Accumulated losses		(8,602,909)	(3,813,445)
Parent interest		12,137,387	12,798,173
Non-controlling interest		2,321,882	2,356,099
TOTAL EQUITY		**14,459,269**	**15,154,272**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

Restated Consolidated 2013	Note	Issued Capital $	Options Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Total equity at 1 July 2012		2,875,356	612,800	-	(697,674)	-	2,790,482
Total comprehensive loss for the year							
Loss for the year		-	-	-	(3,115,771)	(793,295)	(3,909,066)
Total other comprehensive income		-	-	50,396	-	-	50,396
Total comprehensive loss for the year		-	-	50,396	(3,115,771)	(793,295)	(3,858,670)
Transactions with equity holders:							
Non-controlling share of exploration and evaluation expenditure acquired	10	-	-	-	-	3,149,394	3,149,394
Issue of shares	14	12,025,000	-	-	-	-	12,025,000
Capital raising costs	14	(288,456)	-	-	-	-	(288,456)
Issue of options – share based payments	14	-	1,336,522	-	-	-	1,336,522
Total equity at 30 June 2013		**14,611,900**	**1,949,322**	**50,396**	**(3,813,445)**	**2,356,099**	**15,154,272**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTNUED)

For the year ended 30 June 2014

Consolidated 2014	Note	Issued Capital $	Options Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Total equity at 1 July 2013		14,611,900	1,949,322	50,396	(3,813,445)	2,356,099	15,154,272
Total comprehensive loss for the year							
Loss for the year		-	-	-	(4,789,464)	(1,061,388)	(5,850,852)
Total other comprehensive income		-	-	(86,292)	-	-	(86,292)
Total comprehensive loss for the year		-	-	(86,292)	(4,789,464)	(1,061,388)	(5,937,144)
Transactions with equity holders:							
Non-controlling share of exploration and evaluation expenditure acquired	10	-	-	-	-	1,027,171	1,027,171
Issue of shares	14	4,149,148	-	-	-	-	4,149,148
Capital raising costs	14	(203,088)	-	-	-	-	(203,088)
Issue of options – share based payments	14	-	268,910	-	-	-	268,910
Total equity at 30 June 2014		**18,557,960**	**2,218,232**	**(35,896)**	**(8,602,909)**	**2,321,882**	**14,459,269**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	Consolidated 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		62,796	118,982
Payments to suppliers and employees		(1,319,643)	(1,017,243)
Exploration expenditure		(3,355,375)	(2,918,863)
Net cash used in operating activities	15	**(4,612,222)**	**(3,817,124)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid on acquisition of prospects		(538,421)	(569,362)
Cash acquired on acquisition of subsidiary		-	111,580
Cash paid in relation to acquisition of subsidiary		-	(206,148)
Cash paid on potential acquisition of prospects		(62,653)	(60,185)
Cash paid on acquisition of property, plant & equipment		(20,917)	(80,352)
Net cash used in investing activities		**(621,991)**	**(804,467)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options		2,768,543	6,325,000
Capital raising costs		(86,837)	(298,957)
Net cash provided by financing activities		**2,681,706**	**6,026,043**
Net increase / (decrease) in cash and cash equivalents		(2,552,507)	1,404,452
Cash and cash equivalents at the beginning of the year		3,822,255	2,367,407
Effects of foreign exchange		(89,965)	50,396
Cash and cash equivalents at the end of the year	8	**1,179,783**	**3,822,255**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 1: REPORTING ENTITY

Orinoco Gold Limited (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 comprise the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report which does not form part of this financial report.

NOTE 2: BASIS OF PREPARATION

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*.

The Financial Statements and Notes of the Company comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the Financial Statements and Notes comply with International Financial Reporting Standards.

Orinoco Gold Limited is a company limited by shares. The financial report is presented in Australian currency.

This Financial Report was approved by the Board of Directors on 30 September 2014.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has generated a comprehensive loss after tax for the year ended 30 June 2014 of $5,937,144 (2013: $3,858,670), had a net working capital surplus of $432,140 at 30 June 2014 (2013: $3,714,890) and experienced net cash outflows from operating activities for the year of $4,612,222 (2013: $3,817,124). The Group had a cash balance of $1,179,783 at 30 June 2014 (2013: $3,822,255) and subsequently raised an additional $1 million via a Placement in July 2014.

In addition, the Company announced in July 2014 that it had entered into a Controlled Placement Agreement with Acuity Capital Investments Management Pty Ltd providing up to $2 million of stand-by equity capital over the next 12 months.

The Directors believe that its existing cash reserves, together with the ability to raise additional funds via the Controlled Placement Agreement noted above and other means of equity raisings, will be sufficient to meet the Group's working capital requirements and exploration commitments for a period of at least 12 months from the date of this financial report. Accordingly, the Directors consider the going concern basis of preparation to be appropriate.

Should the Group not be able to raise additional funds sufficient to meet the Group's working capital requirements and exploration commitments for a period of at least 12 months from the date this financial report is signed, there is a material uncertainty that may cast significant doubt whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

A. Basis of Consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of Orinoco Gold Limited ("Company") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Orinoco Gold Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Orinoco Gold Limited.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker – being the board of directors.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in the nature of the minerals targeted.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

C. Foreign Currency Translation

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of the Brazilian subsidiary are translated into the presentation currency of Orinoco Gold Limited at the rate of exchange ruling at the balance date and items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at the weighted average exchange rate for the period.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

D. Income Tax

The income tax expense or benefit for the year is the tax payable on the current year’s taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Income Tax (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

E. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (“GST”), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable. Receivables and Payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

F. Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any impairment losses.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Exploration, Evaluation and Development Expenditure

Exploration and evaluation expenditure incurred is written off as incurred. Costs of acquisition of prospects are capitalised and only carried forward to the extent that rights to tenure of the area of interest are current and at least one of the following conditions is met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit/loss in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

When production commences, the accumulated costs for the relevant area of interest are transferred to development properties and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

H. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the reporting year in which they were incurred.

Depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

• Computer Equipment	3 years
• Software	3 years
• Plant & Equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Impairment of Assets

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset or cash generating unit is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit (group of assets) to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

J. Share-Based Payments

The Group has provided payment to related parties in the form of share-based compensation, whereby related parties render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions is measured by reference to the fair value of the shares or rights at the date at which they are granted. The fair value is determined using the Black & Scholes methodology.

The Black & Scholes option pricing model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimates of the number of options that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year end in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

K. Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Finance Income and Expenses

Finance income comprises interest income on funds invested, gains on disposal of financial assets and changes in fair value of financial assets held at fair value through profit or loss.

Finance expenses comprise changes in the fair value of financial assets held at fair value through profit or loss and impairment losses on financial assets.

Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

M. Issued Capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

N. Earnings per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding at the financial year end.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

O. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are stated at amortised cost, using the effective interest method.

P. Significant Accounting Estimates and Assumptions

<u>Critical Accounting Estimates</u>

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year end are:

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Significant Accounting Estimates and Assumptions (continued)

i) Impairment of capitalised exploration and evaluation expenditure (costs of acquisition of prospects)

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, results and net assets will be reduced in the year in which this determination is made.
In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, results and net assets will be reduced in the period in which this determination is made.

ii) Recoverability of potential deferred tax assets

The Group recognises deferred income tax assets in respect of tax losses to the extent that it is probable that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in significant changes to the deferred income tax assets recognised, which would in turn impact the financial results.

iii) Share-based payment transactions

The Group measures the cost of equity-settled transactions with management and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors using the Black & Scholes valuation method, taking into account the terms and conditions upon which the equity instruments were granted. The assumptions in relation to the valuation of the equity instruments are detailed in Note 17: Share Based Payments. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Q. Parent Entity Financial Information

The financial information for the parent entity, Orinoco Gold Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries are accounted for at cost in the parent entity’s financial statements. Dividends received from associates are recognised in the parent entity’s profit or loss, rather than being deducted from the carrying amount of these investments.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. New Accounting Standards for Application in Future Years

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting year.

It has been determined by the Directors that there is no impact, material or otherwise, of any new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

NOTE 4: FINANCE REVENUE

	Consolidated	
	2014 $	2013 $
Finance Revenue		
Interest revenue	62,796	118,982
Total Finance Revenue	**62,796**	**118,982**

NOTE 5: LOSS

Loss before income tax has been determined after charging the following expenses:

	Consolidated	
	2014 $	2013 $
Exploration expenditure written off as incurred	3,296,438	2,613,486
Write off of capitalised exploration expenditure	848,741	-
Employee benefit expense:		
Wage & Consulting fees	424,039	465,958
Equity settled share based payments (1)	152,660	-
	576,699	465,958

(1) Further details regarding the issue of ESOP Options to employees is disclosed in Note 17: Share Based Payments.

NOTE 6: LOSS PER SHARE

	Consolidated	
	2014 $	2013 $
Basic and diluted loss per share - cents	(5.48)	(6.07)
Loss used in the calculation of basic and diluted loss per share	**(4,789,464)**	**(3,115,771)**
Weighted average number of ordinary shares outstanding during the year used in calculation of basic loss per share	87,413,201	51,340,318
Weighted average number of options outstanding	34,566,128	23,813,187
Less: anti-dilutive options	(34,566,128)	(23,813,187)
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted loss per share	**87,413,201**	**51,340,318**

Options outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

NOTE 7: INCOME TAX

	Consolidated	
	2014 $	2013 $
(a) Income tax expense		
The major components of income tax expense are:		
Current Income Tax		
Current income tax charge	-	-
Deferred income tax		
Relating to movements in temporary differences	-	-
Income tax benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**-**	**-**

(b) Amounts charged directly to equity

There were no amounts charged directly to equity.

(c) Numerical reconciliation between aggregate tax expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Company's applicable income tax rate is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 7: INCOME TAX (CONTINUED)

	Consolidated 2014 $	Consolidated 2013 $
Accounting loss before income tax	(5,850,852)	(3,909,066)
Income tax / (benefit) at the statutory income tax rate of 30%	(1,755,256)	(1,172,720)
Tax effect of expenditure not allowable for tax purposes		
Accruals	48,835	22,177
Share based payments	45,798	-
Write off of capitalised exploration expenditure	254,622	-
Other	(45,230)	(40,020)
Unrecognised tax losses	1,451,231	1,190,563
Movements in deferred tax balances	-	-
Income tax expense / (benefit)	**-**	**-**

Orinoco Gold Limited has unrecognised tax losses arising in Australia which are available indefinitely to offset against future profits of the Company providing the tests for deductibility against future profits are met.

	Consolidated 2014 $	Consolidated 2013 $
Unrecognised Deferred Tax Assets in relation to:		
Tax Losses	1,061,212	1,437,405
Temporary Differences	54,254	56,395

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated 2014 $	Consolidated 2013 $
Reconciliation to Statement of Financial Position		
Cash at bank	1,179,783	3,822,255
Total Cash and Cash Equivalents (1)	**1,179,783**	**3,822,255**

(1) Cash at bank is subject to floating interest rates at an effective interest rate of 2.40% (2013: 5.23%).

NOTE 9: OTHER RECEIVABLES

	Consolidated 2014 $	Consolidated 2013 $
Current:		
Other receivables – GST (Australia)	12,316	44,271
Other receivables – Contribution Taxes (Brazil)	111,755	38,624
Trade receivables	-	5,400
Prepaid expenses	18,063	154,063
Total Other Receivables	**142,134**	**242,358**

The above amounts do not bear interest and their carrying amount is equivalent to their fair value.

NOTE 10: EXPLORATION & EVALUATION EXPENDITURE

	Consolidated 2014 $	Consolidated 2013 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation		
Prospect acquisition costs	13,921,883	11,346,721

Reconciliation:
A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

	2014 $	2013 $
Balance at beginning of the year	11,346,721	442,083
Recognised on acquisition of interest in subsidiaries	-	9,928,617
Acquisition costs incurred during the year (1)	3,423,903	569,363
Other acquisition costs	-	406,658
Write off of capitalised exploration expenditure (2)	(848,741)	-
Total Deferred Exploration Expenditure	**13,921,883**	**11,346,721**

(1) The acquisition costs incurred during the year relate to retention payments made and payable to the vendors of the Curral de Pedra project in Brazil during the year, together with the non-controlling interest's share.

(2) The write off of capitalised exploration expenditure of $848,741 for the year ended 30 June 2014 relates to the capitalised expenditure on the 14 Mile Well Joint Venture tenements in Western Australia and the Brusque and Ipoema Projects in Brazil which were withdrawn from during the year.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment $	Computer Equipment & Software $	Total $
Balance at 1 July 2012	**-**	**1,361**	**1,361**
Additions	60,330	20,022	80,352
Depreciation for the year	(2,269)	(2,278)	(4,547)
Balance at 30 June 2013	**58,061**	**19,105**	**77,166**
Additions	18,986	4,881	23,867
Depreciation for the year	(6,515)	(4,748)	(11,263)
Balance at 30 June 2014	**70,532**	**19,238**	**89,770**
At 30 June 2014			
Cost	77,047	23,680	100,727
Accumulated depreciation	(6,515)	(4,442)	(10,957)
Net book value	**70,532**	**19,238**	**89,770**
At 30 June 2013			
Cost	60,330	21,711	82,041
Accumulated depreciation	(2,269)	(2,606)	(4,875)
Net book value	**58,061**	**19,105**	**77,166**

NOTE 12: TRADE AND OTHER PAYABLES

	Consolidated 2014 $	Consolidated 2013 $
Current:		
Trade payables (1)	170,044	249,614
Amounts payable to:		
- Other related parties (2)	27,882	13,647
Accruals	68,036	20,000
Other payables (3)	146,108	66,462
Total Trade and Other Payables	**412,070**	**349,723**

(1) Trade payables are non-interest bearing and are normally settled on 30-day terms.

(2) Transactions with related parties are non-interest bearing and are normally settled on 30-day terms. Refer Note 16 for details of related party transactions.

(3) Other payables are non-trade payables, are non-interest bearing and have an average term of 3 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 13: OTHER CURRENT LIABILITIES

A final retention payment of USD$450,000 (AUD$477,707 at the 30 June 2014 USD/AUD exchange rate) in cash is payable by October 2014 to the vendors of the Curral de Pedra tenement package in order for the Company to maintain its 70% ownership of the Project.

NOTE 14: ISSUED CAPITAL & RESERVES

Consolidated 2014	# Ordinary	$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	114,412,134	18,557,960
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2013	76,500,001	14,611,900
Issue of shares @ $0.10 each via Placement	11,475,000	1,147,500
Issue of shares @ $0.10 each via Non-Renounceable Entitlements Issue	16,210,429	1,621,043
Issue of shares @ $0.135 each for Acquisition of Interests in Subsidiaries	10,226,704	1,380,605
Capital Raising Costs	-	(203,088)
Balance at 30 June 2014	**114,412,134**	**18,557,960**
(c) Options Reserves		
Share Based Payments Reserve:		
Balance as at 1 July 2013	18,200,000	1,869,172
Issue of Advisor Options(1)	1,000,000	70,800
Issue of ESOP Options(1)	1,700,000	152,660
Issue of Lead Manager Options(1)	3,000,000	45,450
Balance at 30 June 2014	**23,900,000**	**2,138,082**
Options Proceeds Reserve:		
Balance as at 1 July 2013	9,500,000	80,150
Issue of free attaching Placement Options	5,737,500	-
Issue of free attaching Non-Renounceable Entitlements Issue Options	8,105,256	-
Balance at 30 June 2014	**23,342,756**	**80,150**
Total	**47,242,756**	**2,218,232**
(d) Foreign Exchange Reserve		
Balance as at 1 July 2013		**50,396**
Currency translation differences arising during the year		(86,292)
Balance at 30 June 2014		**(35,896)**

(1) The valuation of the issue of these securities is disclosed in Note 17: Share Based Payments.

NOTE 14: ISSUED CAPITAL & RESERVES (CONTINUED)

Consolidated 2013	# Ordinary	$
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	76,500,001	14,611,900
(b) Movements in fully paid shares on issue		
Balance as at 1 July 2012	24,000,000	2,875,356
Issue of shares @ $0.15 pursuant to Entitlements Issue and Placement	18,000,001	2,700,000
Issue of shares @ $0.285 each for Acquisition of Interest in Subsidiaries and Tenements	20,000,000	5,700,000
Issue of shares @ $0.25 each pursuant to Placement	14,500,000	3,625,000
Capital Raising Costs		(288,456)
Balance at 30 June 2013	**76,500,001**	**14,611,900**
(c) Options Reserves		
Share Based Payments Reserve:		
Balance as at 1 July 2012	7,200,000	532,650
Options issued during the year for Acquisition of Interest in Subsidiaries and Tenements	11,000,000	1,336,522
Balance at 30 June 2013	**18,200,000**	**1,869,172**
Options Proceeds Reserve:		
Balance as at 1 July 2012	9,500,000	80,150
Balance at 30 June 2013	**9,500,000**	**80,150**
Total	**27,700,000**	**1,949,322**
(d) Foreign Exchange Reserve		
Balance as at 1 July 2012		-
Currency translation differences arising during the year		50,396
Balance at 30 June 2013		**50,396**

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

As at the year end the Company had a total of 47,242,756 (2013: 27,700,000) unissued ordinary shares on which options are outstanding with a weighted average exercise price of 25 cents (2013: 25 cents). The weighted average remaining contractual life of all share options outstanding at the end of the financial year is 2 years (2013: 3 years).

Nature and Purpose of Reserves

1) Share Based Payments Reserve

The share based payment reserve is used to recognise the fair value of all options issued (but not yet exercised) to executives; consultants; and third parties for acquisition of tenements, including any proceeds received on the issue of these options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14: ISSUED CAPITAL & RESERVES (CONTINUED)

2) *Option Proceeds Reserve*

The option proceeds reserve is used to recognise the proceeds received from the issue of options for consideration or as part of a placement or entitlements issue, other than options issued as share based payments.

3) *Foreign Exchange Reserve*

The foreign exchange reserve is used to record exchange differences arising on translation of the foreign controlled entity, which are recognised in other comprehensive income. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

NOTE 15: OPERATING CASH FLOW INFORMATION

	Consolidated	
	2014	**2013**
	$	**$**
Reconciliation of cash flow from operations with loss after income tax		
Loss for the year	(5,850,852)	(3,909,066)
Less – Non-cash items:		
Share based payments	152,660	-
Depreciation	11,263	4,547
Reclassification of potential acquisition costs from operating activities	63,396	86,486
Write off of capitalised exploration expenditure	848,741	-
Changes in Assets and Liabilities		
Movement in trade creditors and accruals	62,347	186,421
Movement in other debtors	100,223	(185,512)
Cash flows used in operations	**(4,612,222)**	**(3,817,124)**

Non-cash financing and investing activities:

- Acquisition of interests in subsidiaries and tenements by issue of shares and options (Note 14)

NOTE 16: RELATED PARTY TRANSACTIONS

a) Related Party Compensation

Information on remuneration of Directors and other Key Management Personnel is contained in the Remuneration Report within the Directors' Report.

	Consolidated	
	2014	**2013**
	$	**$**
Total remuneration paid to key management personnel during the year is as follows:		
Short-term employee benefits	490,000	362,666
Post-employment benefits	45,325	32,100
Total	**535,325**	**394,766**

NOTE 16: RELATED PARTY TRANSACTIONS (CONTINUED)

b) Other Related Party Transactions

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Ventnor Capital Pty Ltd, a company of which Mr John Hannaford is a Director, provides the Group with company secretarial services, office accommodation and corporate services in relation to the administration of the Group on normal commercial terms and conditions and at market rates.

A summary of the total fees paid to Ventnor Capital Pty Ltd for the year ended 30 June 2014 is as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Serviced office, company secretarial & CFO services, bookkeeping services, IT support, corporate advisory, general administration and registered office	132,000	144,000
Financial accounting and corporate advisory services	18,688	29,575
Total	**150,688**	**173,575**

The total amount of fees due to Ventnor Capital Pty Ltd as at 30 June 2014 was $25,347 (2013: $12,406).

NOTE 17: SHARE-BASED PAYMENTS

Share-based Payment Transactions

Share-based payment transactions recognised during the year were as follows:

	Consolidated	
	2014	**2013**
	$	**$**
Share-based payments:		
1,000,000 Options issued for Lead Manager Services (i)	70,800	-
1,700,000 Options issued to employees under ESOP	152,660	-
3,000,000 Options issued for Lead Manager Services (i)	45,450	-
19,000,000 Ordinary shares issued to the shareholders of Orinoco Resources Limited	-	5,415,000
1,000,000 Ordinary shares issued to Centaurus Metals Limited	-	285,000
10,000,000 Options issued to the shareholders of Orinoco Resources Limited	-	1,214,864
1,000,000 Options issued to Centaurus Metals Limited	-	121,658
	268,910	**7,036,522**

(i) Classified as capital raising costs and netted off against equity.

NOTE 17: SHARE-BASED PAYMENTS (CONTINUED)

Fair Value of options granted during the year

1) *Unlisted Options issued to Lead Manager in July 2013 (Canaccord Genuity (Australia) Limited)*

The options issued to Canaccord Genuity (Australia) Limited in July 2013 were issued on the following terms and conditions:

Date Granted	Expiry Date	Exercise Price	Issued During the year
31 July 2013	31 July 2015	$0.30	1,000,000

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 31 July 2015 and are not subject to an escrow period or vesting conditions.

The details of the options issued to Canaccord Genuity (Australia) Limited are as follows:

2013								
Granted	**Terms & Conditions**						**Vested**	
#	**Grant Date**	**Fair Value at Grant Date**	**Exercise Price per Option**	**Expiry Date**	**First Exercise Date**	**Last Exercise Date**	**Yes**	**%**
1,000,000	31/07/13	$0.0708	$0.30	31/07/15	31/07/13	31/07/15	1,000,000	100%

Fair value of options granted

The fair value of options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

The table below summarises the model inputs for options granted during the period:

Model Inputs	
1. Options granted for consideration of services	1,000,000
2. Exercise price (cents):	30
3. Valuation date:	31 July 2013
4. Expiry date:	31 July 2015
5. Underlying security spot price at grant date (cents):	14
6. Expected price volatility of the Company's shares:	130%
7. Expected dividend yield:	0%
8. Risk-free interest rate:	2.38%
Black & Scholes Valuation per Option (cents)	7.08

NOTE 17: SHARE-BASED PAYMENTS (CONTINUED)

2) *Unlisted Options issued to employees under the Employee Share Option Plan in July 2013*

The options issued to employees of the Company under the Employee Share Option Plan (ESOP) were issued on the following terms and conditions:

Date Granted	Expiry Date	Exercise Price	Issued During the period
31 July 2013	31 July 2016	$0.30	1,700,000

There are no voting rights attached, the options are not transferable and they may be exercised at any time until 31 July 2016. The options are subject to a vesting condition of one year continued employment with the Company and are not subject to an escrow period.

The details of the options issued to employees of the Company under the Employee Share Option Plan (ESOP) are as follows:

2013								
Granted	**Terms & Conditions**						**Vested**	
#	**Grant Date**	**Fair Value at Grant Date**	**Exercise Price per Option**	**Expiry Date**	**First Exercise Date**	**Last Exercise Date**	**No**	**%**
1,700,000	31/07/13	$0.0898	$0.30	31/07/16	31/07/13	31/07/16	1,700,000*	100%

* Options subsequently fully vested subsequent to year end following satisfaction of the vesting condition of one year continued employment with the Company in July 2014.

Fair value of options granted

The fair value of options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

The table below summarises the model inputs for options granted during the period:

Model Inputs	
1. Options granted for consideration of services	1,700,000
2. Exercise price (cents):	30
3. Valuation date:	31 July 2013
4. Expiry date:	31 July 2016
5. Underlying security spot price at grant date (cents):	14
6. Expected price volatility of the Company's shares:	130%
7. Expected dividend yield:	0%
8. Risk-free interest rate:	2.38%
Black & Scholes Valuation per Option (cents)	8.98

NOTE 17: SHARE-BASED PAYMENTS (CONTINUED)

3) *Unlisted & Listed Options issued to Lead Manager in March 2014 (Canaccord Australia Limited)*

The options issued to Canaccord Australia Limited in March 2014 were issued on the following terms and conditions:

Date Granted	Expiry Date	Exercise Price	Issued During the year
18 March 2014	31 May 2015	$0.25	3,000,000

There are no voting rights attached, the options are freely transferable and they may be exercised at any time until 31 May 2015 and vest on the following conditions:

(a) 1,500,000 Listed Options vest immediately; and
(b) 1,500,000 Unlisted Options vest upon the successful placement of no less than the total shares available under the shortfall offer under the non-renounceable entitlements issue completed by the Company in March 2014.

The details of the options issued to Canaccord Australia Limited are as follows:

2014								
Granted	**Terms & Conditions**						**Vested**	
#	**Grant Date**	**Fair Value at Grant Date**	**Exercise Price per Option**	**Expiry Date**	**First Exercise Date**	**Last Exercise Date**	**Yes**	**%**
3,000,000	18/03/14	$0.0303	$0.25	31/05/15	18/03/14	31/05/15	1,500,000*	50%

* Canaccord Australia was unable to place 100% of the shortfall available under the non-renounceable entitlements issue within 3 months of the closing date of the offer.

Fair value of options granted

The fair value of options issued has been determined using a Black & Scholes option pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the non-tradeable nature of the options, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield and the risk-free interest rate for the term of the options.

The table below summarises the model inputs for options granted during the period:

Model Inputs	
1. Options granted for consideration of services	1,500,000*
2. Exercise price (cents):	25
3. Valuation date:	18 March 2014
4. Expiry date:	31 May 2015
5. Underlying security spot price at grant date (cents):	9.5
6. Expected price volatility of the Company's shares:	133%
7. Expected dividend yield:	0%
8. Risk-free interest rate:	2.38%
Black & Scholes Valuation per Option (cents)	3.03

* In accordance with AASB 2, only 1,500,000 options have been recognised in the Black & Scholes calculation for services provided as only 1,500,000 options will vest.

NOTE 18: AUDITOR'S REMUNERATION

The auditor of Orinoco Gold Limited is HLB Mann Judd.

	Consolidated	
	2014 **$**	**2013** **$**
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the Company	32,750	34,734
Other services in relation to the Company	-	-
	32,750	**34,734**
Amounts received or due and receivable by a network firm of HLB Mann Judd for:		
An audit or review of the financial report of the overseas subsidiary	12,000	13,375
	12,000	**13,375**

NOTE 19: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks that includes market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by Company Management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating foreign exchange and interest rate and credit risks.

a) Market Risk

Price Risk

The Group is not directly exposed to any price risk.

Interest Rate Risk

The Group is exposed to interest rate risk on cash balances held in interest bearing accounts. The Board regularly monitors its interest rate exposure and attempts to maximise interest income by using a mixture of fixed and variable interest rates, whilst ensuring sufficient funds are available for the Group's operating activities. The Group's net exposure to interest rate risk at 30 June 2014 approximates the value of cash and cash equivalents.

Foreign Currency Risk

As a result of significant operations in Brazil, the Group's undertakes certain transactions in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying value of the Group's foreign currency denominated monetary assets and monetary liabilities as at balance date are as follows:

	Assets		Liabilities	
	2014 **$**	**2013** **$**	**2014** **$**	**2013** **$**
Brazilian Real	253,226	1,943,745	190,232	239,311
Total	**253,226**	**1,943,745**	**190,232**	**239,311**

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign Currency Sensitivity

The Group is exposed to Brazilian Real (BRL) currency fluctuations.

The following table details the Group's sensitivity to a 5% change in the Australian Dollar against the BRL. 5% is the sensitivity calculated based on the analysis of the change of the exchange rate over the 2014 financial year as compared to the average exchange rate across the period and the rate in effect at the balance date and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated items and adjusts their translation at year end for a 5% change in foreign currency rates.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the BRL, and for a weakening Australian Dollar there is an equal and opposite impact on the profit and other equity, shown as a negative number.

Consolidated Risk Variable	Sensitivity*	Effect On: Results 2014 $	Effect On: Equity 2014 $	Effect On: Results 2013 $	Effect On: Equity 2013 $
BRL Balances	+ 5%	3,150	3,150	85,222	85,222
	- 5%	(3,150)	(3,150)	(85,222)	(85,222)

b) Credit Risk

The Group has no significant concentrations of credit risk.

c) Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained for the coming months. Upcoming capital needs and the timing of raisings are assessed by the Board at each Meeting of Directors.

The maturity of the Company's payables is disclosed in Note 12.

(a) Cash Flow and Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are disclosed in Note 8. Only cash is affected by interest rate risk as cash is the Group's only financial asset exposed to fluctuating interest rates.

In accordance with AASB 7 the following sensitivity analysis has been performed for the Group's Interest Rate risk:

Consolidated Risk Variable	Sensitivity*	Effect On: Results 2014 $	Effect On: Equity 2014 $
Interest Rate	+ 1.00%	11,798	11,798
	- 1.00%	(11,798)	(11,798)

* It is considered that 100 basis points is a 'reasonably possible' estimate of potential variations in the interest rate.

NOTE 19: FINANCIAL RISK MANAGEMENT (CONTINUED)

Consolidated Risk Variable	Sensitivity*	Effect On: Results 2013 $	Effect On: Equity 2013 $
Interest Rate	+ 1.50%	23,866	23,866
	- 1.50%	(23,866)	(23,866)

* It is considered that 150 basis points is a 'reasonably possible' estimate of potential variations in the interest rate.

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital includes ordinary share capital and convertible performance shares, supported by financial assets.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

NOTE 20: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the nature of the mineral being targeted and the country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Reportable segments requiring disclosure are operating segments that meet either of the following thresholds:

- Segment loss greater than 10% of combined loss of loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

In accordance with AASB 8, the reportable segments are based on aggregated operating segments determined by the similarity of the minerals targeted, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an all other segments reporting segment. In accordance with AASB 8 Segment Reporting corporate and administration activities are to be included in the all other segments reporting segment.

Description of Operating Segments

Mineral Exploration

Orinoco Gold Limited has acquired a 70% interest in the Curral de Pedra Project, which is located in Goiás State in Central Brazil. The Curral de Pedra Project is the most advanced of the Group's Brazilian prospects. These tenements are prospective for gold mineralisation.

NOTE 20: SEGMENT REPORTING (CONTINUED)

Orinoco Gold Limited also has a 70% interest in the Eliseo Project which is also a gold project in Brazil. The details of these tenements can be found in the Schedule of Mining Tenements.

During the year Orinoco Gold Limited withdrew from its 80% interest in a number of tenements located near Leonora in Western Australia and its 100% interest in the Brusque and Ipoema projects in Brazil. These tenements were prospective for gold mineralisation.

Accounting Policies and Inter-Segment Transactions

The accounting policies used by the Group in reporting segments internally is the same as those contained in Note 3 to the financial statements.

Information about Reportable Segments

CONSOLIDATED	**Mineral Exploration Segment $**	**All Other Segments $**	**Total $**
Year ended 30 June 2014			
Segment Revenue	-	62,796	62,796
Segment Loss after Tax	(4,154,976)	(1,695,876)	(5,850,852)
Interest revenue	-	62,796	62,796
Other non-cash expenses	858,538	154,127	1,012,665
Segment Assets	13,963,908	1,385,138	15,349,046
Segment Liabilities	(569,072)	(320,705)	(889,777)
Cash Flow Information			
Net cash flow from operating activities	(3,355,375)	(1,256,847)	(4,612,222)
Net cash flow from investing activities	(538,421)	(83,570)	(621,991)
Net cash flow from financing activities	-	2,681,706	2,681,706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 20: SEGMENT REPORTING (CONTINUED)

CONSOLIDATED	Mineral Exploration Segment $	All Other Segments $	Total $
Year ended 30 June 2013			
Segment Revenue	-	118,982	118,982
Segment Loss after Tax	(2,747,570)	(1,161,496)	(3,909,066)
Interest revenue	-	118,982	118,982
Other non-cash expenses	751	3,796	4,547
Segment Assets	11,531,441	3,972,554	15,503,995
Segment Liabilities	(185,389)	(164,334)	(349,723)
Cash Flow Information			
Net cash flow from operating activities	(2,918,864)	(898,260)	(3,817,124)
Net cash flow from investing activities	(647,327)	(157,140)	(804,467)
Net cash flow from financing activities	-	6,026,043	6,026,043

Geographical Information

The following table presents the geographical information from the Group's two geographical locations, Brazil and Australia.

CONSOLIDATED	Brazil $	Australia $	Total $
30 June 2014			
Revenue from external customers	-	-	-
Non-current assets	14,024,969	2,160	14,027,129
CONSOLIDATED			
30 June 2013			
Revenue from external customers	-	-	-
Non-current assets	10,993,236	446,146	11,439,382

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 21: PARENT ENTITY DISCLOSURES

Financial Position

	2014 $	2013 $
Assets		
Current Assets	1,054,289	2,086,007
Non-current Assets	8,657,903	7,674,721
Total Assets	**9,712,192**	**9,760,728**
Liabilities		
Current Liabilities	221,511	74,112
Non-Current Liabilities	477,707	-
Total Liabilities	**699,218**	**74,112**
Equity		
Issued Capital	18,557,960	14,611,900
Reserves		
Share-based Payments	2,218,232	1,949,322
Accumulated Losses	(11,763,218)	(6,874,606)
Total Equity	**9,012,974**	**9,686,616**

Financial Performance

	2014 $	2013 $
Loss for the year	(4,888,612)	(6,176,932)
Other comprehensive income	-	-
Total Comprehensive Loss	**(4,888,612)**	**(6,176,932)**

The parent entity had no commitments or contingent liabilities at balance date

NOTE 22: INTERESTS IN CONTROLLED ENTITIES

The Company has the following subsidiaries:

Name of Subsidiary	Country of Incorporation	Class of Shares	Percentage Held 2014	Percentage Held 2013
Orinoco Resources Pty Ltd	Australia	Ordinary	100%	100%
Orinoco Brasil Mineração Ltda [(1)]	Brazil	Ordinary	100%	100%
Curral de Pedra Mineração Ltda [(2)]	Brazil	Ordinary	70%	70%
Rio do Ouro Mineração Ltda [(2)]	Brazil	Ordinary	60%	60%

[(1)] Investment in this subsidiary is held by Orinoco Resources Pty Ltd.

[(2)] Investment in this subsidiary is held by Orinoco Brasil Mineração Ltda.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2014

NOTE 23: PRIOR YEAR ERROR

The financial statements for the year ended 30 June 2013 did not account for the non-controlling interest share in the Brazil subsidiaries Curral de Pedra Mineração Ltda and Rio do Ouro Mineração Ltda. The Group has a 70% interest in Curral de Pedra Mineração Ltda which holds the Company's Curral de Pedra project in central Brazil. The Group also has a 60% interest in Rio do Ouro Mineração Ltda Brazil subsidiary which holds the Edem projects in Brazil. Previously the Company recognised a 100% interest share in these subsidiaries.

In accordance with *AASB 127: Consolidated and Separate Financial Statements*, an adjustment has occurred to recognise the non-controlling interests' share of the exploration and evaluation expenditure on acquisition, together with the non-controlling interests' share of the loss for the year.

As a result the consolidated financial statements for the year ended 30 June 2013 require restatement as follows:

Consolidated Statement of Financial Position:		**$**
- Exploration and evaluation expenditure	increase by	3,149,394
- Non-current assets	increase by	3,149,394
- Total assets	increase by	3,149,394
- Accumulated losses	decrease by	793,295
- Non-controlling interest	increase by	2,356,099
- Total equity	increase by	3,149,394
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
- Loss attributable to:		
- Owners of the parent entity	decrease by	793,295
- Non-controlling interest	increase by	793,295
- Total Comprehensive Loss attributable to:		
- Owners of the parent entity	decrease by	793,295
- Non-controlling interest	increase by	793,295

The 30 June 2013 comparatives in these financial statements have been restated to reflect the above.

NOTE 24: SUBSEQUENT EVENTS

On 28 July 2014, the Company announced it had received firm commitments from existing shareholders for a share placement comprising 8 million shares at an issue price of 12.5 cents per share to raise $1 million with an attaching 18 month option exercisable at 20 cents each on a 1 for 1 basis. These shares and free attaching options were subsequently allotted on 11 August 2014 and 22 August 2014 after receiving all placement funds.

The Company also entered into a Controlled Placement Agreement with Acuity Capital Investments Management Pty Ltd subsequent to 30 June 2014. The Controlled Placement Agreement provides the Company with up to $2 million of stand-by equity capital over the next 12 months.

The Company signed a contract-mining agreement with Cleveland Mining Company (ASX: CDG) in July 2014 to fast-track development of the 70% owned Cascavel Gold Project predominantly as an open pit mining operation capped at 50,000 tonnes of ore, with ore to be crushed on site and processed at Cleveland's operating Premier Gold Mine and profits to be distributed on a 50/50 basis.

As part of the acquisition of the Sertão gold mine in central Brazil, the Company issued a total of 7,000,000 unlisted options to Troy Resources Limited and their minority partner on 11 August 2014.

NOTE 24: SUBSEQUENT EVENTS (CONTINUED)

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 25: CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities that may arise from the Company's operations as at 30 June 2014.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes set out on pages 25 to 57 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001,* including:

i. giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and

ii. complying with Australian Accounting Standards, Corporations Regulations 2001 and other mandatory professional reporting requirements;

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2014.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

Mr John Hannaford
Chairman

Perth
30 September 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Orinoco Gold Limited

Report on the Financial Report

We have audited the accompanying financial report of Orinoco Gold Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Orinoco Gold Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the Group will need to seek additional funding in the coming year in order to meet its working capital requirements and exploration commitments for a period of at least 12 months from the date this financial report is signed. Should the Group not be able to raise these additional funds, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Orinoco Gold Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
30 September 2014

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS

The issue capital of the Company at 17 September 2014 is 122,412,134 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 17 SEPTEMBER 2014

		No. of Shares Held	% Held
1	TRAFFORD RESOURCES LTD*	12,362,876	10.10%
2	ADMARK INVESTMENTS PTY LTD <PINTO S/F A/C>*	10,400,000	8.50%
3	MR WALID KHAOULE	7,158,692	5.85%
4	MR JOHN HANNAFORD*	5,764,948	4.71%
5	WESTORIA RESOURCE INVESTMENTS	3,825,000	3.12%
6	MR MARK PAPENDIECK*	3,733,500	3.05%
7	GREGARACH PTY LTD	3,285,815	2.68%
8	MR DIMAS MARTINS FILHO	3,068,012	2.51%
9	PETER W + M J TAYLOR <GOOD OIL S/F A/C>	2,233,334	1.82%
10	MR KLAUS JUERGEN PETERSEN*	2,095,000	1.71%
11	HSBC CUSTODY NOMINEES	2,000,000	1.63%
12	KAS DEVELOPMENTS PTY LTD	1,801,077	1.47%
13	IMPULZIVE PTY LTD <DAWSON S/F A/C>	1,666,667	1.36%
14	GREGORACH PTY LTD <GRIGOR S/F A/C>	1,466,667	1.20%
15	MR WALTER SCOTT WILSON*	1,433,334	1.17%
16	MR TONY PALASOVSKI	1,289,500	1.05%
17	J P MORGAN NOMINEES AUSTRALIA	1,108,000	0.91%
18	MR MARCELO J DE CARVALHO	1,065,100	0.87%
19	ALIMATT PL	1,000,000	0.82%
20	CENTAURUS METALS LTD	1,000,000	0.82%
		67,757,522	**55.35%**

* Denotes merged holders

Shares Range	**No. of Holders**	**No. of Shares**
1 – 1,000	14	2,884
1,001 – 5,000	82	293,372
5,001 – 10,000	126	1,131,392
10,001 – 100,000	427	15,517,515
100,001 and over	148	105,466,971
	797	**122,412,134**

Number holding less than a marketable parcel at $0.10 per share	81	221,256

Shareholders by Location	**No. of Holders**	**No. of Shares**
Australian holders	780	121,514,034
Overseas holders	17	898,100
	797	**122,412,134**

ASX ADDITIONAL INFORMATION (CONTINUED)

VOTING RIGHTS

In accordance with the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank pari passu with the then existing issued fully paid ordinary shares.

SUBSTANTIAL SHAREHOLDERS AS AT 17 SEPTEMBER 2014

		No. of Shares Held	% Held
1	TRAFFORD RESOURCES LTD*	12,362,876	10.10%
2	ADMARK INVESTMENTS PTY LTD <PINTO S/F A/C>*	10,400,000	8.50%
3	MR WALID KHAOULE	7,158,692	5.85%

* Denotes merged holders

OPTION HOLDINGS

The Company has the following classes of options on issue at 17 September 2014 as detailed below. Options do not carry any rights to vote.

Class	Terms	No. of Options
OGXO	Exercisable at 25 cents each, expiring on or before 31 May 2015	29,342,756
A	Exercisable at 25 cents each, expiring on or before 31 May 2015	4,100,000
B	Exercisable at 35 cents each, expiring on or before 30 November 2015	100,000
C	Exercisable at 25 cents each, expiring on or before 31 October 2017	11,000,000
D	Exercisable at 30 cents each, expiring on or before 31 July 2015	1,000,000
E	Exercisable at 30 cents each, expiring on or before 31 July 2016	1,700,000
F	Exercisable at 25 cents each, expiring on or before 31 May 2017	7,000,000
G	Exercisable at 20 cents each, expiring on or before 1 March 2016	8,000,000
		62,242,756

LISTED OPTIONS

As at 17 September 2014 the Company has 29,342,756 listed options on issue.
Listed Options do not carry any voting rights.

ORINOCO GOLD LIMITED
ACN: 149 219 974

ASX ADDITIONAL INFORMATION (CONTINUED)

TOP 20 OGXO HOLDERS AS AT 17 SEPTEMBER 2014

		No. of Options Held	% Held
1	CG NOMINEES (AUSTRALIA) PTY*	3,423,334	11.67%
2	MR JOHN HANNAFORD*	2,065,381	7.42%
3	ADMARK INVESTMENTS PTY LTD <PINTO S/F A/C>*	2,000,000	6.82%
4	LIFESAVER INVESTMENTS PTY LTD	1,980,431	6.75%
5	HSBC CUSTODY NOMINEES	800,000	2.73%
6	DREAMLINER PTY LTD	774,673	2.64%
7	GREGORACH PTY LTD <GRIGOR S/F A/C>	683,334	2.33%
8	KAS DEVELOPMENTS PTY LIMITED	666,570	2.27%
9	OCTOPI ENTERPRISES PTY LTD	660,664	2.25%
10	PROSPERO CAPITAL PTY LTD <PROSPERO GROWTH FUND>	652,634	2.22%
11	SKYE EQUITY PTY LTD*	639,200	2.18%
12	PETER W + M J TAYLOR <GOOD OIL S/F A/C>	616,667	2.10%
13	MRS ROSEMARY VALDEZATE	500,000	1.70%
14	MRS ANNETTE MARY PAPENDIECK*	500,000	1.70%
15	GREGORACH PTY LTD	491,121	1.67%
16	IMPULZIVE PTY LTD <DAWSON S/F A/C>	483,334	1.65%
17	MERRIWEE PTY LTD <MERRIWEE S/F A/C>	411,667	1.40%
18	ALL INVESTMENTS PTY LTD	400,000	1.36%
19	ALBERGA ANTONIO	395,003	1.35%
20	BENATAR RONNIE + LOUANNE < BENATAR S/F A/C>	379,998	1.30%
		18,524,011	**63.13%**

* Denotes merged holders

Options Range	**No. of Holders**	**No. of Options**
1 – 1,000	23	13,957
1,001 – 5,000	118	360,630
5,001 – 10,000	48	355,083
10,001 – 100,000	108	3,980,498
100,001 and over	50	24,632,588
	347	**29,342,756**

Option holders by Location	**No. of Holders**	**No. of Options**
Australian holders	343	29,160,198
Overseas holders	4	182,558
	347	**29,342,756**

ASX ADDITIONAL INFORMATION (CONTINUED)

UNLISTED OPTIONS

Options Range	Unlisted Options No. of Holders	Unlisted Options No. of Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	14	1,110,000
100,001 and over	37	31,790,000
	51	**32,900,000**
Option holders by Location		
Australian holders	45	28,150,000
Overseas holders	6	4,750,000
	51	**32,900,000**

The following Option holders hold more than 20% of a particular class of the Company's Unlisted Options.

Holder	Unlisted Options Class A	Unlisted Options Class B	Unlisted Options Class D	Unlisted Options Class E
JAEK HOLDINGS PTY LTD	1,250,000	-	-	-
CANACCORD AUSTRALIA LIMITED	1,500,000	-	-	-
SIMON OMOTOSHO	-	100,000	-	-
CG NOMINEES (AUSTRALIA) PTY LTD	-	-	1,000,000	-
MARCELO DE CARVALHO	-	-	-	1,000,000
THIAGO VAZ ANDRADE	-	-	-	500,000

Holder	Unlisted Options Class F	Unlisted Options Class G
TROY RESOURCES LIMITED	4,900,000	-
AMAZONIA MINERACAO LTDA	2,100,000	-
GREGORACH PTY LTD	-	1,600,000
ADMARK INVESTMENTS PTY LTD	-	1,800,000

No single Option holder holds more than 20% of Class C Unlisted Options.

SCHEDULE OF MINERAL TENEMENTS

As at the date of this report, Orinoco Gold Limited has an interest in the following tenements:

Brazil

Project	Tenement	Location	Interest Held	Granted / Application
Cascavel	860.167/2007	Faina	70%	Trial Mining / Exploration
	860.480/2009	Faina	70%	Exploration
	861.586/2009	Faina	70%	Exploration
	860.185/2011	Faina	70%	Exploration
Faina Goldfields Project	860.284/2010	Faina	*	Exploration
	860.968/2010	Faina	*	Exploration
	860.434/2010	Faina	*	Exploration
	860.435/2010	Faina	*	Exploration
	861.288/2009	Faina	*	Exploration / Application for Extension
	860.436/2010	Faina	*	Exploration / Application for Extension
	861.277/2010	Faina	70%	Exploration
	860.600/2011	Faina	70%	Exploration
	862.520/2011	Faina	*	Exploration
	860.185/2012	Faina	*	Exploration
	861.347/2012	Faina	*	Exploration
	860.157/2013	Faina	*	Exploration
	860.051/2012	Faina	70%	Exploration Application
	860.188/2012	Faina	70%	Exploration Application
	860.856/2012	Faina	70%	Exploration Application
	860.404/2013	Faina	70%	Exploration
	860.863/2006	Faina	*	Tender Application
	861.340/2008	Faina	*	Tender Application
	861.590/2009	Faina	*	Tender Application
	861.341/2008	Faina	*	Tender Application
	861.229/2005	Faina	*	Tender Application
	861.258/2003	Faina	*	Tender Application
	861.445/2010	Faina	*	Tender Application
	860.336/1990	Faina	70%	Tender Application
	860.337/1990	Faina	70%	Tender Application
	861.796/2007	Faina	70%	Tender Application
	861.918/2013	Faina	70%	Exploration Application
	861.917/2013	Faina	70%	Exploration Application
	860.699/2013	Faina	*	Exploration
	860.368/1995	Sertão	100%	Mining Lease
	860.096/1986	Sertão	100%	Mining Lease
	760.742/1996	Sertão	100%	Mining Lease Application

* Orinoco is farming in to the tenements to earn 60% through exploration over 30 months and making milestone payments after 18 and 30 months. An additional 15% can be purchased by Orinoco at an agreed rate based upon agreed metrics.