



23 December 2015

Dear Shareholder

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

As announced on 23 December 2015 Orinoco Gold Limited (ACN 149 219 974) (**Company** or **OGX**) is undertaking a 1:7 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 31,081,370 fully paid ordinary shares (**New Share**), together with one free Option exercisable at \$0.25 on or before 31 January 2018 for every three (3) new Shares subscribed for and issued under the Offer (**New Options**), to raise approximately \$5,283,833. The price of New Shares under the Offer is \$0.17 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 23 December 2015.

The proceeds of the Offer, together with the \$1,111,150 raised pursuant to the placement announced to the ASX on 17 December 2015 (**Placement**), will be firstly allocated towards the costs of the Offer, then to cover enhancements made to the existing plant and mine development currently underway, then to develop a second ore haulage point from the mine and to purchase additional capital equipment to allow the development and subsequent mining of additional underground headings and associated regulatory approvals. The funds will also provide a prudent working capital buffer during the plant assembly and commissioning phases.

	A\$
Plant & Equipment	2,480,000
Mine Development including associated permitting costs	2,140,000
Costs of the Placement and the Offer	106,000
Working Capital	1,668,983
<b>Total funds available after completion of the Placement and the Offer</b>	<b>\$6,394,983</b>

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

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5.00pm (WST) on 13 January 2016, whose registered address is in Australia, New Zealand or Hong Kong.

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

Following completion of the Offer, the Company will have issued approximately 31,081,370 New Shares and 10,360,457 New Options resulting in total Shares on issue of approximately 248,650,957 and the total Options on issue of approximately 135,111,323.



### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia, New Zealand and Hong Kong (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand and Hong Kong compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

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

Yours sincerely

**John Hannaford**  
**Non-Executive Chairman**  
**Orinoco Gold Limited**