



March 2015 Quarterly Report

Highlights

- **Orinoco Secures Funding Package of up to A\$14M for Development of the High Grade Cascavel Gold Project.**
- **Following execution of the finance documents and Orinoco Shareholder approval - being sought on May 7 – the drawing down of the finance will commence.**
- **Works have commenced to prepare access to the mine Portal at Cascavel.**
- **Sinking of the Incline Shaft at Cascavel to commence in May.**
- **Ordering of equipment for the Plant to commence in May, for commissioning of the Plant in Quarter 4, 2015.**

Orinoco has a detailed development strategy aimed at bringing a low-cost, standalone mining and processing operation into production at its high grade Cascavel Gold Project (OGX 70%) in central Brazil.

The development strategy is based on establishing an underground mining operation that will feed material to a 40,000tpa (15 tonnes per hour) gravity circuit, to be located on the Company's existing Mining Lease at the nearby Sertão Gold Mine, ~28km by road, and processing high-grade ore from Cascavel.

Orinoco is now making the all-important transition from explorer to producer, and is well placed to pursue its longer-term goal of growing a high-grade resource inventory and developing a substantial gold production centre within its broader Faina Goldfields Project in the State of Goiás in central Brazil.

NOTE: *No specific gold production targets for Cascavel can currently be quoted as Cascavel does not have a resource statement completed in compliance with the JORC 2012 code. This is due to the very coarse nature of the gold at Cascavel making it difficult to estimate Mineral Resources through drilling.*

During the quarter Orinoco agreed to terms for a financing package of up to A\$14 million to finance the construction and development of its high-grade Cascavel Gold Project in Brazil, putting it firmly on track to join the ranks of gold producers within 12 months.

The financing package comprises;

1. a completed A\$1 million share placement,
2. a non-renounceable rights issue to raise up to an additional A\$2.7 million,
3. and a gold sharing arrangement of US\$8 million.

An upcoming shareholders meeting scheduled for May 7 will seek approval from shareholders of a 1.5% establishment fee payable in shares and options to the finance provider, Chancery Asset Management. Following the expected approval of this condition and the completion of financing documents which is expected to occur prior to the shareholder meeting, funds drawdown will be able to commence immediately enabling the placing of orders for the necessary plant and equipment and the commencement of mine development.

Site preparations for the commencement of mine development are well advanced, with the site of the Portal selected, cleared and prepared to access the outcropping mineralisation. Mining personnel are scheduled to mobilise to site for the initial phase of mine development - the commencement of the Incline Shaft (2.5 X 2.5m) - during May. Once the incline shaft is sufficiently advanced (approximately 30m) the development of the first access level, emergency access and ventilation will progress while the shaft is continually deepened. The current mining schedule envisages that the initial development phase will last approximately seven months with stoping of the high grade ore shoots to commence immediately afterwards. All development at Cascavel including the incline shaft and the levels will be completed in the mineralised zones. This material will be stockpiled for processing during the commissioning of the gravity circuit.



Figure 1. The area of the Cascavel Portal being prepared for the development of the incline shaft.

A final process circuit for the recovery of gold has been designed and agreed and contracts are currently being finalised with suppliers. The planned circuit will recover gold solely through gravity processes and no cyanide is required. Previous testwork completed by Orinoco has demonstrated gravity gold recoveries in excess of 85%.

Corporate

During the quarter Orinoco raised \$1M through a share placement to new and existing sophisticated and professional investors comprising 14.5M shares at an issue price of \$0.07 per share, representing 10% of the Company's issued capital, with a free attaching option, exercisable at 11 cents (with an 18 month term), to be issued on a 1-for-1 basis subject to shareholder approval to be sought on May 7th, 2015.

-ENDS-

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Competent Person's Statement: The information in this presentation 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. Dr Klaus Petersen is an employee of Orinoco Gold Limited and has 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. 28 November 2014 - Low Cost Development & Exploration Upside Highlight Cascavel Opportunity
2. 23 October 2013 – Cascavel: More Bonanza Results Extend Current High Grade Zone to 15m @ 88g/t Au
3. 14 May 2014 - "Outstanding Gold Grade from Latest Cascavel Bulk Sample"
4. 7 July 2014 – Bonanza Gold Results up to 27 oz/tonne from Cascavel Exploration Decline
5. 14 May 2014 - Outstanding Gold Grade from Latest Cascavel Bulk Sample
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 Announcement includes "forward-looking statements" as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond Orinoco Gold Limited's control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Orinoco Gold Limited's future expectations. Readers can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "plan," "potential," "predict," "project," "risk," "should," "will" or "would" and other similar expressions. Risks, uncertainties and other factors may cause Orinoco Gold Limited's actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the failure to complete and commission the mine facilities, processing plant and related infrastructure in the time frame and within estimated costs currently planned; variations in global demand and price for 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.

Interests in Mining Tenements:

Project/Tenements	Type of Tenement	Location	Held at end of Quarter	Acquired during the quarter	Disposed of during the quarter
<u>Cascavel</u> 860.167/2007	Extraction Licence and Mining Lease Application	Faina - Brazil	70%	-	-
860.480/2009	Exploration		70%	-	-
861.586/2009	Exploration		70%	-	-
860.185/2011	Exploration		70%	-	-
861.796/2007	Tender Application		70%	70%	-
<u>Faina Regional / Tinteiro</u> 860.284/2010	Exploration	Faina - Brazil	*	-	-
860.968/2010	Exploration		*	-	-
860.434/2010	Exploration		*	-	-
860.435/2010	Exploration		*	-	-
861.288/2009	Exploration/ Application for Extension		*	-	-
860.436/2010	Exploration / Application for Extension		*	-	-
861.277/2010	Exploration		70%	-	-
860.600/2011	Exploration		70%	-	-
862.520/2011	Exploration		*	-	-
860.185/2012	Exploration		*	-	-
861.347/2012	Exploration		*	-	-
860.157/2013	Exploration		*	-	-
860.051/2012	Exploration Application		70%	-	-
860.188/2012	Exploration Application		70%	-	-
860.856/2012	Exploration Application		70%	-	-
860.404/2013	Exploration		70%	-	-
860.863/2006	Tender Application		*	-	-
861.340/2008	Tender Application		*	-	-
861.590/2009	Tender Application		*	-	-
861.341/2008	Tender Application		*	-	-
861.229/2005	Tender Application		*	-	-
861.258/2003	Tender Application		*	-	-
861.445/2010	Tender Application		*	-	-
860.336/1990	Tender Application		70%	-	-
860.337/1990	Tender Application		70%	-	-
861.796/2007	Tender Application		70%	-	-
861.918/2013	Exploration Application		70%	-	-
861.917/2013	Exploration Application		70%	-	-
860.699/2013	Exploration		*	-	-
<u>Sertão</u> 860.368/1995	Mining Lease	Faina - Brazil	100%	-	-
860.096/1986	Mining Lease		100%	-	-
760.742/1996	Mining Lease Application		100%	-	-

Interests in Farm-in/Farm-out agreements:

For those tenements above marked with an *, 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.