



## Underground Mine Development to Commence at Cascavel Gold Project

### Key Points:

- Board approval received for commencement of underground mine development and construction of gravity circuit.
- Formal Decision to Mine follows recent completion of due diligence by Orinoco's funding partner, Chancery Asset Management.
- Development of main incline shaft scheduled to commence on 4 May 2015.

**Orinoco Gold Limited (ASX: OGX) is pleased to announce that its Board has formally approved the commencement of underground mine development** at its high-grade Cascavel Gold Project in central Brazil.

The mining team engaged for the excavation and development of the main incline shaft, which will provide access to the high-grade ore zones, is scheduled to mobilise to site on 4 May 2015, marking a key milestone in Orinoco's progress towards gold production.

The formal Decision to Mine follows the successful completion of due diligence last month by the Company's funding partner, Singapore-based private mining investment company Chancery Asset Management, clearing the way for the provision of a US\$8 million gold sharing arrangement (see *ASX Announcement – 25 March 2015*).

This underpins the overall A\$14 million funding package for the development of Cascavel, which is based on an estimated capital outlay of US\$6.6 million to establish a standalone initial 40,000tpa operation using a simple gravity circuit to process high-grade underground ore.

Orinoco's Managing Director, Mr Mark Papendieck, said the start of underground mine development at Cascavel represented a significant milestone in the Company's history. "Making the transition from explorer to producer is a big step for any company, and this marks the beginning of that transformational process for Orinoco," he said.

"We look forward to providing further details in the near future about our overall construction timetable and contractor arrangements," Mr Papendieck said.

**-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.*

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*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.*