



## Orinoco to Commence Cascavel Exploration Decline Following Successful \$2.1 M Capital Raising

*Next key phase of evaluation of high-grade gold project begins*

### *Key Points*

- A total of \$2.1M has been received under the previously announced share placement and entitlement issue with Canaccord currently arranging placement of the shortfall:
  - *\$1.14M placement at 10 cents per share plus a free attaching option for every 2 shares issued; and*
  - *\$975,000 raised under the 1-for-3 Entitlement Issue on the same terms.*
- The lead manager, Canaccord, is currently arranging for the placement of up to \$1.87M, representing the remaining shortfall under the entitlement issue.
- The funds raised will enable Orinoco to immediately commence the development of an exploration decline into the mineralised zone at Cascavel.

Orinoco Gold Limited (ASX: OGX) (the **Company**) is pleased to announce that it has successfully raised a total of **\$2.1 million** through its recently announced share placement and entitlement issue.

The funds raised comprise \$1.14 million received from the previously announced share placement at 10 cents plus a free attaching option on a 1-for-2 basis and a further \$975,000 raised through the 1-for-3 entitlement issue (see full details of the entitlements issue below).

The proceeds will primarily be used to progress the ongoing exploration and development of Orinoco's high-grade **Cascavel Gold Project**, part of its flagship Faina Goldfields Project in central Brazil. In particular, the funds will be used to facilitate the immediate commencement of an exploration decline into the high-grade mineralised zone at Cascavel.

Ordering of the necessary equipment for the exploration decline has commenced and first ore is expected to be removed from the exploration decline in mid April.

### ASX Release

14 March 2014

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### Issued Capital

85,975,001 Ordinary Shares

15,000,000 Performance Shares

12,500,000 Listed Options

17,900,000 Unlisted Options

### ASX Code

OGX (Ordinary Shares)

OGXO (Listed Options)



The cost of the 2 x 2.5 metre decline will be approximately A\$2,020 per metre advanced, including ventilation lighting and rock bolting (where necessary). Additional costs will be incurred for the assaying of gold-bearing material and the utilisation of a crushing and screening unit.

The exploration decline will commence from the Cascavel winze and will progress across strike and down-dip towards the end of the Mestre winze (Figure 1, 2 and 3) where the mineralised zone appears to thicken and a 500kg bulk sample grading 39.3g/t was taken from a high grade shoot.

Stoping into high-grade gold shoots will be undertaken from the main decline as the opportunity arises. Material extracted from the exploration decline will initially be crushed and stockpiled pending assays and prioritisation of processing options.

The focus of this exploration campaign at Cascavel is an initial resource area of approximately 250 x 300m. In-fill drilling in this area, including underground drilling from the exploration decline is planned to commence once the remaining shortfall from the entitlement issue has been placed.

The Cascavel system is known to be open down-plunge (with visible gold returned in the deepest drilled hole 700m down-dip from surface) and along strike.

Bulk sampling is currently underway at the Cuca winze, which is located approximately 400m north of the Mestre winze and is located in the second gold zone beneath both the gold zone in which the exploration decline will be located and the impure limestone unit that carries the silver/copper mineralisation.

The funds raised will also be used to secure the Company's 70% interest in the Curral de Pedra Project by paying the remaining cash portion of the final retention payment, being US\$650,000 (currently due April 2014) and to progress the next phase of exploration and evaluation of the Company's other Brazilian exploration projects in the Faina Goldfields.

Proceeds will also be used to fund the costs of the issue and for general working capital purposes.

Orinoco's Managing Director, Mr Mark Papendieck, said: "The proceeds from this capital raising will enable us to immediately commence development of the exploration decline at Cascavel, which will allow us to fully evaluate the high-grade gold zone and pave the way for scoping studies and estimation of a JORC compliant Mineral Resource.

"This is an exciting time for the Company as we commence the next important phase of evaluation of the Cascavel Project and move it towards a Scoping Study and assessment for economic development. I would like to take this opportunity to thank both existing and new investors who have supported us in this capital raising, which represents a great outcome considering the current challenging market conditions."

### **Full details of the Entitlements Issue**

Of the 28.5 million shares offered under the entitlements issue, a total of 9,754,486 shares were subscribed for by existing shareholders, resulting in a shortfall of 18,749,637 shares (Shortfall). Major shareholder Trafford Resources was unable to participate in the rights issue, but has indicated its desire to participate in the shortfall.

The Company advises that the despatch date under the Entitlements Issue has been amended to 19 March 2014.

The lead manager of the offer, Canaccord Australia, is currently arranging the placement of the remaining Shortfall Shares. The Company has 3 months from the Closing Date of the Entitlements Issue to arrange for the placement of the Shortfall.

**-ENDS-**

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**Competent Person's Statement:** *The information in this announcement 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 consents 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 Bulk Sampling Exploration Results at the Cascavel Project. 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](http://www.orinocogold.com):*

1. 21 November 2012 – 1 Tonne Bulk Sample Returns Average Head Grade of 22.1g/t Au.
2. 13 December 2013 – Orinoco Signs Toll Treatment Agreement with Cleveland Mining
3. 23 December 2013 – Clarification to Inside Briefing Interview Announcement
4. 20 January 2014 – Successful Bulk Sampling Highlights High Grade Opportunity
5. 31 January 2014 – Quarterly Activities Report

*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.*





Figure 1. Plan view of initial stage of exploration decline.

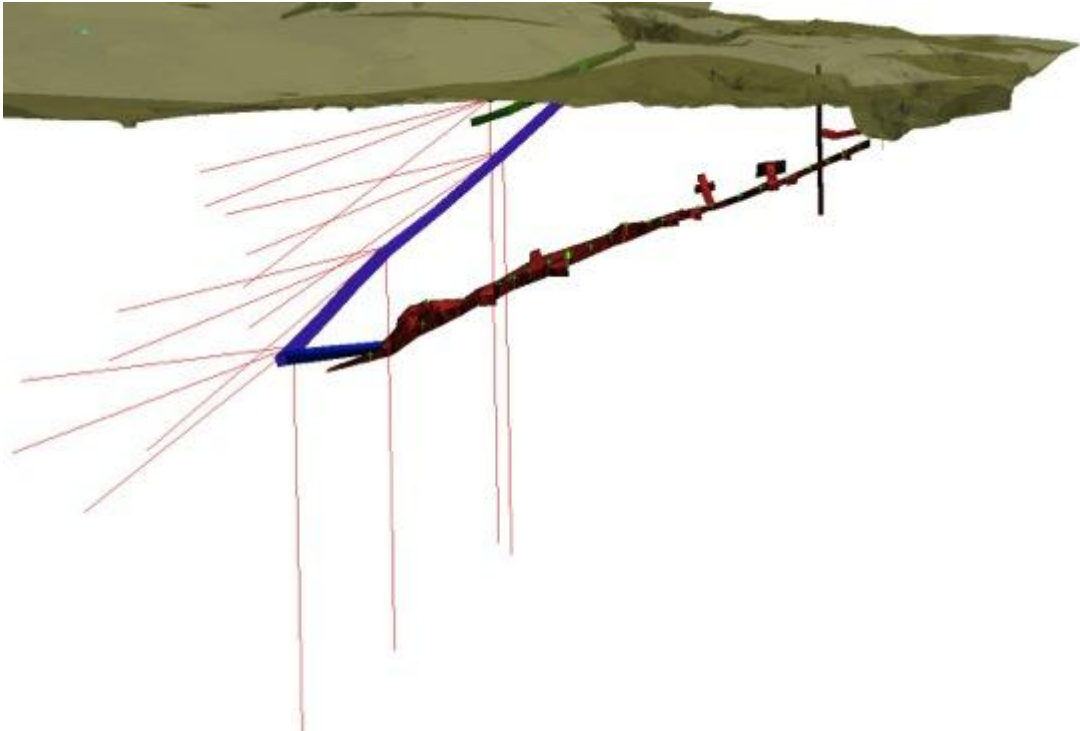
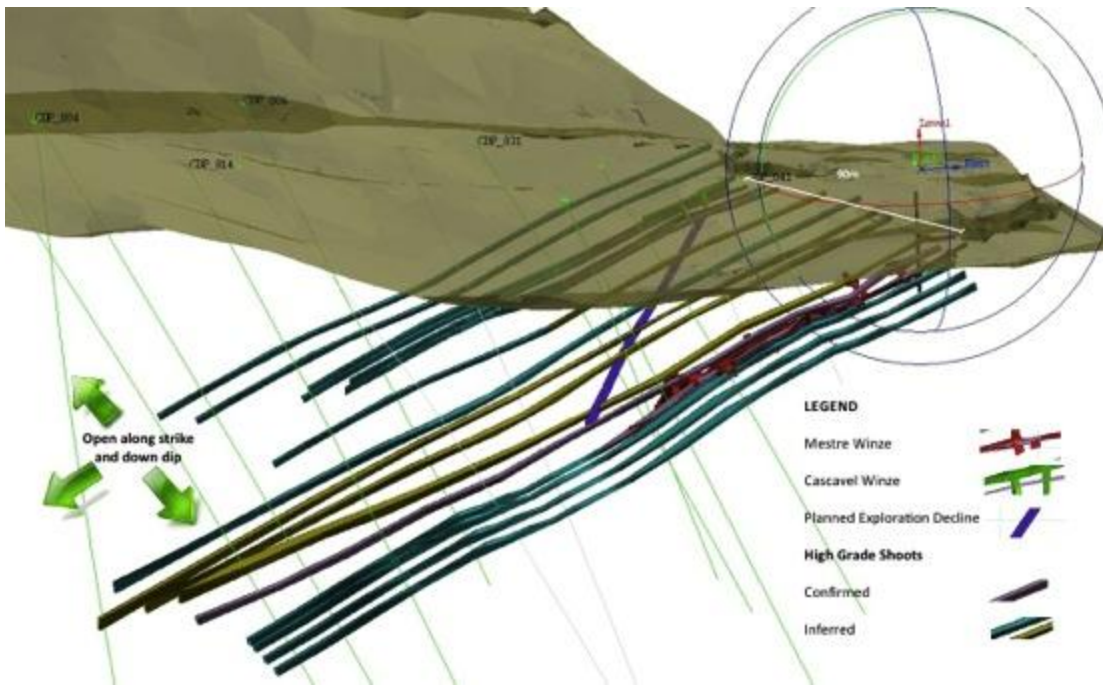


Figure 2. Three dimensional view of the exploration decline between the Cascavel and Mestre winzes. The diagram shows the location of planned but un-scheduled underground drilling.



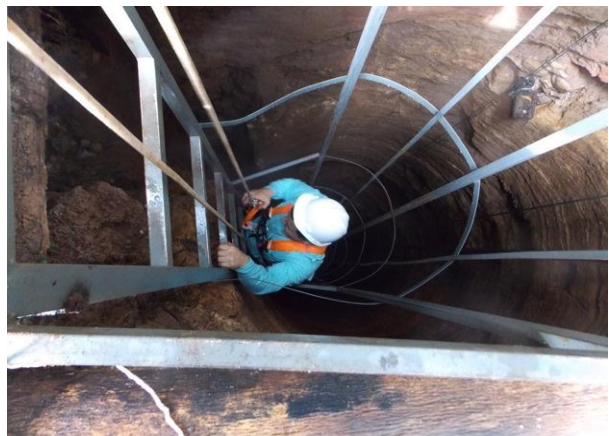
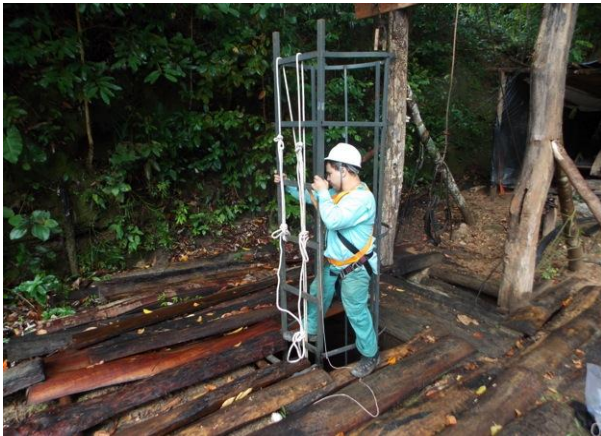
**Figure 3.** The exploration decline shown against confirmed and inferred high grade gold shoots within the mineralised zone. These shoots represent opportunities to stope into high grade material from the main decline.





Figure 4. Location of the Cuca, Mestre and Cascavel winzes.





**Figure 5.** Bulk sampling at the Cuca winze, approximately 400m north of the planned exploration decline.