

Bonanza Gold Results up to 27 oz/tonne from Cascavel Exploration Decline

Bumper grades from shallow depths highlight potential for high-grade, low cost gold project

Highlights

- Bonanza grade nature of Cascavel confirmed following receipt of outstanding assay results from very shallow depths from the recently commenced exploration decline at Cascavel.
- Highest grade results from contiguous ~0.5m x 0.5m panel samples on the wall of the decline (along the strike of the mineralisation) to date include:
 - **5.73m @ 113.3 g/t gold (3.6 ounces from metre 12.43 to 18.16m of decline)** at approx. 21m from surface and currently open to SW including:
 - 2.46m @ 239.4 g/t gold (7.7 ounces from metre 15.m to 18.16m of decline)
 - The highest grade panel sample returned in this batch was 0.5m @ 842g/t (27 ounces from metre 17.34 to 17.72m of decline).
- The last panel that was sampled in this reported batch returned 282g/t Au with significant gold encountered in subsequent metres sampled but not yet assayed (see Figure 1).
- Current results are from an area 70m north along strike from the previously known zone of thickest and highest grade mineralisation at Cascavel, towards which the decline is currently progressing.



Figure 1. High-grade sample from approximately 1.5m further along strike than the last panel for which assays are reported in this announcement.

Orinoco Gold Limited (ASX: **OGX**) is pleased to advise that it has received outstanding first assay results from contiguous panel sampling undertaken within the recently commenced exploration decline at its **Cascavel Gold Project** in central Brazil. Cascavel forms part of Orinoco's 70%-owned Faina Goldfields Project.

The results – when combined with previous drilling, underground bulk and channel sampling – provide further strong evidence of the potential for significant, structurally controlled shear zone hosted gold mineralisation from very shallow depths at Cascavel, highlighting the opportunity to develop a high-grade, low-cost gold project.

The mineralisation appears to increase in thickness and grade along strike to the south of the Cascavel winze (towards the Mestre winze – Figure 6). The results from the exploration decline demonstrate the shallow nature of the high-grade mineralisation at Cascavel, while previously announced drilling which returned visible gold from significant down-dip extensions (including CdP_002: 0.5m @ 2.54g/t gold from 326m down hole or approximately 700m down dip) show the continuity of the gold mineralisation at depth.

Orinoco continues to develop the exploration decline along strike at Cascavel to further delineate additional high-grade shoots and evaluate the optimal development and mining method for Cascavel, including the potential for an open pit to extract the shallow mineralisation. Detailed mapping and sampling is conducted after each blast while all material removed from the decline continues to be stockpiled. Visible gold continues to be evident past the point of the reported assays, as shown in Figure 1.



Figure 2. The strong (predominantly sericite) alteration around the high-grade shoots is strongly mineralised and results in a fine-grained mud that forms on the exploration decline floor (Inset). The panning of this mud reveals the strong mineralisation hosted in the alteration around the quartz veins/veinlets.

Orinoco's Managing Director, Mr Mark Papendieck, said the exploration decline was proving to be very effective in providing accurate information to enable the Company to rapidly progress the Cascavel Project to a mining scenario.

"These results, together with the information we have gained from drilling and bulk sampling support our view that Cascavel is a substantial high-grade gold system with outstanding near-term development potential," he said.

"We continue to be pleasantly surprised by the extent of the high-grade mineralisation so close to surface which may be amenable to extraction via low-cost gravity methods. In addition to continuing to evaluate potential underground mining scenarios possible with our existing licencing arrangements, the exploration decline is showing that there is plenty of potential for an open pit at Cascavel.

"Importantly, on a broader scale we know from our earlier drilling that the unit which hosts these high-grade mineralised quartz veins has an extensive strike. The fact that we can continue to discover new high-grade gold shoots in an area in which we had already conducted some drilling gives us a lot of encouragement about the potential for further coarse gold discoveries in the ~20km long Sertão – Cascavel corridor."

Overview of Mineralisation and Sampling

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. Figure 1 shows a late brittle fracture filled with oxidised sulphides that is interpreted to be related to the Tinteiro mineralisation). Visible offsets are no greater than 1m in the walls of the decline. These late faults also cause a slight rotation between the blocks, slightly changing the dip of the veins.

Repetition of ore shoots along the strike has been confirmed visually – with visible gold up to 10mm in size evident in the walls as the decline crosses a high grade shoot – and now with the assays reported in this announcement.



Figure 3. Cascavel provides the unique opportunity to see substantial amounts of visible gold in the walls of the exploration decline and hand samples. Left photo shows a nugget close to the decline floor and on the left side gold nuggets in the quartz vein.

The frequent presence of visible gold permits the Company's geologists to view very precisely the relevant structures that carry the mineralisation, enhancing the knowledge required for targeting further high-grade ore shoots in the Cascavel area, and more broadly between Sertão and Cascavel.

The gold at Cascavel is associated with the two main foliations. The intersection between those two foliations forms the lineation that controls the high-grade shoots, plunging gently to the West. The direction of the shoots has been confirmed to be that of the original geological interpretation which is along the intersection lineation. A hand sample (Figure 4) shows the positioning of gold nuggets exactly at the intersection of the two structures in a micro scale that mimics the deposit scale geometry.



Figure 4. Hand sample collected from a high-grade shoot in the exploration decline. Two different foliations, both carrying gold in this sample, form gold nuggets at their intersection. This intersection is interpreted as been the regional intersection lineation in the Cascavel Target area.

Panel sampling has been undertaken along the mineralised vein/s, veinlets and alteration. Panels measuring approximately 0.5m x 0.5m are being cut contiguously along one wall of the decline (the southern wall) with the sample from each panel being composed of chips from the entire area of each panel. The panel samples have been collected continuously along the southern wall of the exploration decline of the mineralised zone (quartz veins and sericite alteration) and thus represents a section sub-parallel to the strike and almost perpendicular to the dip (the decline cross-cuts sections of the high-grade ore shoots that dip to the SW).

Where a vertical height of more than 0.5m is assessed as requiring sampling, contiguous panels will be cut below or above a panel. Each panel sample (approximately 4-11kg in weight) is crushed/milled/homogenised and split to obtain a 1kg sample in the laboratory and that 1kg sample is submitted for a screen fire assay.

This assay procedure is both more expensive and time consuming than an ordinary fire assay as the laboratory must screen hundreds of kilograms of samples instead of simply splitting fractions as in an ordinary fire assay procedure. Several of the low-grade panel samples will be re-screened in their entirety (4-11kgs) to obtain a check sample given effect of the coarse gold.

In addition to the panel sampling, channel sampling from floor to ceiling of the exploration decline has been undertaken every three metres to maintain control on the potential mineralisation of the host rock away from the visible ore zone (mineralized quartz vein/s and sericite alteration).



Figure 5. Location of Cascavel exploration decline. The proposed exploration decline (represented here in light blue) is a total of 90m in length. The results reported in this announcement represent the first 20m of that decline.



Figure 6. Schematic representation of geological model of the area of the exploration decline. The dark red, rod shaped shoots, are representations of high grade shoots. Note that the second gold level (bulk sample results reported 14 May 2014) is not represented here, and the schematic representation has not been updated to reflect actual exploration results including widths of the high-grade shoots.

-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 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 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:

- 8 May 2013 Thick High Grade Silver Discovered at Cascavel 1
- 2. 23 December 2013 – Clarification to Inside Briefing Interview Announcement
- 3. 20 January 2014 - Successful Bulk Sampling Highlights the Opportunity for High Grade Development at Cascavel Gold Project.
- 4. 5. 8 October 2012 - High-Grade Gold Results Returned From Curral De Pedra Project, Brazil
- 12 December 2012 Hits of up to 193gpt Au confirm mineralisation over 620m down dip
- 6 14 May 2014 - Outstanding Gold Grade from Latest Cascavel Bulk Sample

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, project," Trisk," "should," activements to differ materially from those expressed or implied by the forward looking attempts (and forward-looking actual results, performance, project," Trisk, "the forward looking attempts (and forward-looking attempts)." 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.

About the Faina Goldfields Project

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

Sertão is a fully licensed gold mine located 18km along strike (28km by road) on the same mineralised shear zone as Cascavel, which in turn is currently licensed for underground ore extraction.



TABLE 1. PANEL SAMPLE RESULTS

Panel sample coordinates mark the centre of each panel. Missing sample number are due to Standards or Blancs

SAMPLE	Х	Y	Z	AU_PPM
CAS-P-001	561508.59	8288142.47	543.71	4.31
CAS-P-002	561509.10	8288142.19	543.62	0.00
CAS-P-003	561509.55	8288141.85	543.49	0.51
CAS-P-004	561510.14	8288141.44	543.36	0.10
CAS-P-005	561510.18	8288141.02	543.15	3.04
CAS-P-007	561509.67	8288140.69	542.93	4.77
CAS-P-009	561509.71	8288140.28	542.45	1.62
CAS-P-010	561509.55	8288140.02	542.30	0.00
CAS-P-011	561509.53	8288139.79	542.15	0.00
CAS-P-012	561509.83	8288139.42	541.88	40.80
CAS-P-013	561510.10	8288138.90	541.64	0.32
CAS-P-014	561509.92	8288138.48	541.44	4.93
CAS-P-015	561509.74	8288138.12	541.27	3.31
CAS-P-016	561509.93	8288137.16	541.10	2.47
CAS-P-017	561510.10	8288136.62	540.91	0.08
CAS-P-018	561510.41	8288136.18	540.94	0.42
CAS-P-019	561510.44	8288135.62	541.05	0.00
CAS-P-020	561510.58	8288135.24	540.89	0.00
CAS-P-021	561510.55	8288134.63	540.75	0.46
CAS-P-023	561510.80	8288133.97	540.55	0.08
CAS-P-024	561510.78	8288134.01	540.57	1.17
CAS-P-033	561511.65	8288129.81	539.35	0.00
CAS-P-034	561511.56	8288129.41	539.33	0.00
CAS-P-036	561511.37	8288128.95	539.15	0.00
CAS-P-037	561510.93	8288128.78	539.05	3.34
CAS-P-038	561510.92	8288128.49	538.85	18.05
CAS-P-039	561510.87	8288127.99	538.53	2.25
CAS-P-040	561510.70	8288127.77	538.25	18.65
CAS-P-041	561510.49	8288127.34	538.01	2.35
CAS-P-042	561510.27	8288126.90	537.86	2.85
CAS-P-044	561509.91	8288126.53	537.62	3.86
CAS-P-045	561509.55	8288126.27	537.45	233.00
CAS-P-046	561509.39	8288125.75	537.24	54.40
CAS-P-047	561509.14	8288125.25	537.15	842.00
CAS-P-048	561508.75	8288124.82	536.99	282.00

Reported Panel Sample Composite

COMP	5.73 @ 113.25 g/t Au (12.43 to 18.16m)
inc	2.46m @ 239.43 g/t Au (15.70 to 18.16m)

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	 Panels are being sampled only the alteration and quartz veins. Panels are about 50 cm x 50 cm and the sample is composed by chips from the entire area of each panel. Each sample, if greater than 1kg, is divided in 1kg samples in the lab, for total screening. Screen fire assay is run for each of the 1kg sample and those results are combined to give the final result of the panel. Channel are being cut every 3m, in the entire section of the decline and includes vein, alteration and host rock. Panel sampling has been undertaken along the mineralized vein and alteration and screen fire assay with special care to screen the entire sample has been used to obtain correct grades of each panel. This assay procedure is not only more expensive but needs more time for the lab to screen several kilograms of samples instead of splitting fractions in an ordinary assay procedure. Channel sampling on the entire height of the exploration decline has been done every three metres to maintain control on the potential mineralization of the hostrock (not visually recognizable) All data is stored in the database following appropriate QA/QC procedures.
Drilling techniques	No drilling is reported in this announcement.
Drill sample recovery	No drilling is reported in this announcement.
Logging	 All chip samples have a brief description recorded in the database and are preferentially used to recognize geochemical anomalies. The geological description is recorded on a card brochure and lodged on the sampling table in the data base; The core samples are geologically logged in an appropriate level of detail for future potential mineral resources, mining studies and metallurgical studies, where the main lithology and kind of alteration is described and the alteration minerals, veins, fractures, faults identified. Main Hydrothermal Alteration minerals are logged quantitatively in the logging spreadsheet.
Sub-sampling techniques and sample preparation	 Chip samples went sent to the laboratory without drying or splitting. Blanks and standards are inserted into panel samples batches;
Quality of assay data and laboratory tests	 In the lab, all samples are dried at 100°C and crushed to 9 mesh in a jaw crusher. The samples go to a Jones or Rotary splitter and 500g of material is separated and powdered to 150 mesh. The 150# pulp is quartered and an aliquot of 50g is obtained. This aliquot is analysed by Fire Assay in non-ore samples. Metallic Screen Fire Assay is applied if the sample is considered ore. Selective samples are analysed in ICP-MS (Inductively Coupled Plasma Atomic Emission Spectrophotometry), with a multi-acid digestion for 32 elements.
Verification of sampling and assaying	 Standards: (insertion of different standards in each 30 samples approximately): If less than 10% are outside of the mean + 2x Std. Dev, the results are validated. If less than 10% is outside the Mean + 3x Std. Dev, but there are standards between the first and these two points - the results are validated, but the Lab is notified. If more than 10% is outside the Mean + 3x Std. Dev, the batch (40 samples) is rejected, an investigation is required and a re-analysis of the batch is made; Blanks (insertion in each 30 samples approximately): If less than 5% are above 5x the detection limit of the Lab, the results are validated. If more than 5% is above 5x the detection limit, the Lab is notified and the batches with failure are re-analysed; Duplicates (insertion in each 20 samples – Bias control): Project Duplicates are core quarter and Lab duplicates are Gravel and Pulp Duplicates.

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Criteria	Commentary
Location of data points	 The topographic survey on the exploration decline has been done with the help of a Total Station (RUIDE), model RTS 822R³. The survey use prisms for the coordinate transport (UTM) and laser for the location of channels, panels and decline walls and decline sections. The grid system used is UTM South American 1969 - Zone 22 S; The topography crew uses local landmarks to guarantee the quality of their surveying.
Data spacing and distribution	• Panel samples are approximately 0.5 x 0.5 metres and continuous on the ore zone.
Orientation of data in relation to geological structure	The data orientation is intended to cover the ore zone approximately along strike.
Sample security	 Samples are stored in plastic sample bags, stored in the core shed on site prior to transport to the lab. All laboratory pulps are stored in the core shed in boxes supplied by the labs, stacked in dry places.
Audits or reviews	 No audit or review has been undertaken regarding the results reported in this announcement.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	 The Faina Goldfield project is 70% owned by Orinoco do Brasil Mineração Ltda, which in turn is 100% owned by Orinoco Gold Ltd. The 30% partners are free carried during the exploration stage until a decision to mine. The Sertão and Antena mining leases are being acquired 100% by Orinoco, but the acquisition remains subject to previously announced conditions precedent. Some locations within the Cascavel project have archaeological sites that are required to be mapped and photographed prior to removal of the sites. The key Tinteiro tenements are granted exploration leases. The key Cascavel tenement has a granted trial mining licence for 50.000 tonnes ROM for underground operation and granted Environmental/Archaeological licences.
Exploration done by other parties	• Exploration for oxide gold deposits was well developed through the belt during the last 20 years, in different cycles and by different companies, however no exploration of IOCG systems is recorded to have taken place. A reasonable amount of surface exploration has been carried out. Soil, stream sediments and chip sampling (for gold) are widespread along and around both belts. Those surface surveys detected several gold and arsenic anomalies (about 64 anomalies are described). Some of those anomalies were tested with drilling, frequently with positive results. However drilling was generally very shallow RAB drilling.

Criteria	Commentary
Geology	 Gold mineralisation is widely distributed on the Faina Greenstone Belt, occurring on the ultramafics, felsic and mafic volcanics, on the clastic metasedimentary sequence and particularly at the chemical metasedimentary rocks; Golden trends seem to be very continuous also along the strike, mostly associated with the main regional scale shear zones; Mineralisation style is also varied on the belt. Most of the gold mineralisation can be classified as Orogenic, mainly hosted in chemical and volcanoclastic sedimentary units. The following models are considered relevant: Shear Hosted (Orogenic) associated with carbonaceous/BIF hosts, mafic volcanic and volcanoclastic units. Paleo-Placer/Conglomerate Hosted: associated with meta-conglomerates within the Proterozoic (Paleo?) transgressive clastic sequence. Au rich VHMS: hosted by younger Meso-Proterozoic intrusives in the volcanosedimentary rocks sequence in the Goiás Block, potentially in the Faina greenstone. The silver-tungsten-copper mineralisation at Cascavel has been interpreted as a carbonate replacement deposit due to the strong relationship to the impure limestone unit and crosscutting faults. Tinteiro Target shows features so far interpreted as being related to a IOCG system. Polymetallic mineralisation at Tinteiro: silver/tungsten/copper is interpreted as a carbonate replacement mineralization and represents the most distal expression of the Tinteiro system. Closer to the core of the Tinteiro system gold, copper, barium, cobalt, uranium anomalies occur with hematite, potassic and sodic alteration together with structural features like fold hinges and crosscutting faults that are interpreted as a potential IOCG target. The mineralization of copper/gold/silver and other metals at Tinteiro is associated with zones of mainly hydrothermal sericite, hematite and magnetite alteration that are associated with regional and potentially deep crustal faults systems showing several nondeformed mafic alkaline to felsic intrusio
Drill hole Information	No drill holes are reported in this announcement.
Data aggregation methods	• To composite the panel samples the results where threated similarly to a drill core section. One section for composites where identified: panels 37 to 48. The coordinates of the middle point at the left edge of each panel and vector data of azimuth and dip angles of a middle line in the panels was precisely surveyed. Those lines where used for the from/to data on the assay table. To give the correct weight for the grades in the panels due to minor differences in the length, 0.5 metres was considered 100% and all grades went normalized to this length. The normalized intervals where used to obtain the composite grade for the section.
Relationship between mineralisation widths and intercept lengths	Reported rock chips are single point, selective samples of outcropping lithologies.
Diagrams	Diagrams are attached to the current announcement.
Balanced reporting	This announcement is a comprehensive report of the results covered by this announcement.
Other substantive exploration data	Only assays for rock chips are reported in this announcement.
Further work	Drilling is required to test the identified targets at depth.

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