



Orinoco to raise up to \$4M to accelerate exploration & development of Brazilian Gold and Polymetallic Projects

Key Points

- Firm commitments received for Orinoco's full 15% placement capacity:
 - \$1.14M placement at 10 cents per share plus a free attaching option for every 2 shares issued to institutional and high net worth clients of Cannacord Genuity (Australia) Limited.
- Orinoco to undertake a non-renounceable 1-for-3 Entitlement issue on the same terms.
- The funds raised from the Entitlement Issue and Placement will be used to advance the Cascavel Project towards a maiden JORC resource, including development of an exploration decline into the mineralised zone and infill drilling, the commencement of a Scoping Study and making the final retention payment on the Cascavel and Tinteiro Projects.

Orinoco Gold Limited (ASX: OGX) (the **Company**) is pleased to announce a capital raising of up to \$4 million to underpin the next key phase of exploration and development of its flagship **Faina Goldfields Project** in central Brazil, including plans to advance its high-grade Cascavel Gold Project.

The capital raising comprises a Placement under ASX Listing Rule 7.1 and a non-renounceable Entitlement Issue to shareholders. Fully paid ordinary shares in the capital of the Company (**Shares**) will be offered at 10 cents per Share under the Placement and Entitlement Issue and subscribers will receive one (1) free attaching option (**Option**) for every two (2) Shares subscribed for under each issue.

Placement

The Company has received firm commitments for a placement of 11,475,000 Shares at 10 cents each to raise approximately **\$1.14 million before costs (Placement)** to underpin the retention payment of US\$950,000 in relation to the Curral de Pedra Project.

The Placement is being undertaken predominantly to institutional and high net worth clients of the Lead Manager, Canaccord Genuity (Australia) Limited (**Canaccord**).

The Company will issue 9,475,000 Shares at \$0.10 each within the Company's existing 15% placement capacity under ASX Listing Rule 7.1 (**Tranche 1**).

ASX Release

6 February 2014

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Issued Capital

76,500,001 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)



Subject to shareholder approval at a meeting to be held in March 2014, two Directors of the Company will subscribe for 2,000,000 Shares at \$0.10 cents each under the Placement (**Tranche 2**).

Subject to shareholder approval at a meeting to be held in March 2014, each subscriber in the Placement will also receive one (1) new OGXO Option for every two (2) Shares subscribed for under the Placement, resulting in the issue of 5,737,500 new OGXO Options exercisable at 25 cents and expiring on 31 May 2015.

Other Key Terms of the Placement

- The Shares to be issued in Tranche 1 will be placed with institutional and high net worth investor clients of Canaccord;
- The Company has agreed to pay Canaccord a fee of up to 6% of any funds introduced by Canaccord in relation to the Placement together with 3 million OGXO Options exercisable at 25 cents and expiring on 31 May 2015 (Options subject to shareholder approval and 1.5 million subject to a vesting condition that Canaccord place 100% of any shortfall under the Entitlement Issue);
- Settlement of Tranche 1 of the Placement is expected to occur by Wednesday February 12, an Appendix 3B will be lodged at this time; and
- Settlement of Tranche 2 of the Placement will occur following the shareholders meeting in March 2014.

Entitlement Issue

In conjunction with the Placement, the Company plans to proceed with a non-renounceable Entitlement Issue to Shareholders on the same terms as the Placement (**Entitlement Issue**).

The Entitlement Issue will offer shareholders who are registered at the Record Date one (1) Share for every three (3) existing Shares held, at an issue price of \$0.10 each. Subscribers to the Entitlement Issue will also receive one (1) free attaching OGXO Option for every two (2) Shares subscribed for under the Entitlement Issue. The attaching Options will be on the same terms and conditions as the currently quoted OGXO Options which are exercisable at 25 cents and expiring on 31 May 2015. Application will be made to list these Options on the ASX.

The Entitlement Issue will be open to holders of Shares in the Company with registered addresses in Australia or New Zealand who are registered at the Record Date.

Further details regarding the Entitlement Issue including a timetable and offer document will be released in the coming days.

Use of Funds

The funds raised will be used to secure the Company's 70% interest in the Curral de Pedra Project by paying the cash portion of the final retention payment, being US\$950,000 (due April 2014), progress the next key phase of exploration, evaluation and project development activities at the Company's Brazilian exploration projects located in the Faina Goldfields, as well as to fund the costs of the issue and for general working capital purposes.

The Company's Managing Director, Mr Mark Papendieck, said he was pleased with the strong level of interest received from investors in the share placement, which would result in the introduction of a number of new institutional and high net worth investors to the Company's share register.

"Despite continuing difficult market conditions for junior resource companies, we have received strong interest and support from investors, enabling us to complete this placement in a timely fashion to address our immediate funding needs.

"At the same time, we are offering all shareholders the opportunity to participate in this capital raising on the same terms. This provides our existing investors with the ability to increase their holdings on attractive terms as the

Company moves ahead with plans to accelerate the next stage of development of the high-grade Cascavel Project including the commencement of an exploration decline and Scoping Study and completion of a maiden JORC compliant Mineral Resource.”

“We look forward to updating the market on our plans moving forward at Cascavel in the coming weeks, as well as our exploration plans for 2014 to progress the exciting new polymetallic discoveries at Tinteiro and continue to unlock the potential of our broader asset base in the Faina Goldfields region,” he added.

Notice of Meeting

The Company is currently finalising a Notice for a meeting of shareholders to be held in early March to approve the issue of Shares to Directors under Tranche 2 of the Placement, the issue of Options under the Placement and to Canaccord as well as the equity portion of the retention payment to the Vendors of the Curral de Pedra Project. The Notice of Meeting will be released in the coming days.

Other Activities

The Company is currently conducting negotiations with parties regarding mineral rights in the immediate vicinity of the Cascavel and Tinteiro projects. In some instances these negotiations include mining leases. Negotiations currently involve predominately non-cash offers, however consideration, among other potential deal terms, is still subject to negotiations. These negotiations are incomplete and there is no certainty that any transactions will necessarily result from current negotiations.

-ENDS-

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