



Empire Capital Partners
Corporate Advisors | www.empireequity.co.uk | +618 9388 9230

6th, March 2018

ORINOCO GOLD (OGX)

Analyst | Peter Bird

Quick Read

Orinoco Gold Limited (**ASX:OGX**) ("**Orinoco**" or the "**Company**") has recently emerged as one of the most exciting junior gold producers and explorers on the ASX, in Empire Capital Partners ("**Empire**" or "**ECP**") view. OGX is an ASX-listed, Brazilian gold company that is focused on mining the Cascavel gold mine (**Cascavel**) as well as unlocking the potential of its Faina Goldfields Project (**Faina Project**) located in the central Brazilian State of Goiás. The Company presents a unique and rare proposition due to the size and number of its tenements as well as the high grade of its resource. Orinoco is ramping up production at Cascavel on what we believe could be one of the highest-grade gold deposits in the world with what has been described as possessing a 'truly unique geology'. The management realizes they have something very special and strongly thinks the Faina Project possesses the potential to have multiple world class deposits, one of which being the highly prospective Antena target. This belief appears to be also held by Brazil's largest gold producer, AngloGold Ashanti (**ASX:AGG**, "**Anglogold**"), who purchased an effective 19.6% (including options) holding in the company's share register last year. The project has been referred to as a 'journey of discovery' by the new board and management as they move to turn 2 years of underperformance into the very real success story that Empire believes OGX is.

Key Points

Cascavel Mine: Cascavel is OGX's operational, narrow vein, high-grade gold mine. Recent results, from the newly commissioned hammer mills have returned average **mining grades of >30 g/t Au**, making Cascavel a potential tier 1 high-grade underground gold operation. Prior drilling holes 1.6km away from the mine center, which have intersected narrow gold veins originating from Cascavel, support the company's belief that Cascavel has an extensive network of underground gold veins. Cascavel has also reported one of the richest silver intersections ever discovered in Brazil at a width of **17.56m @ 1,282 g/t Ag, with rock chip samples of 4,000 g/t Ag**, as well as **Cobalt samples in excess of 1%**.

OGX has recently implemented a 'Back to Basics' approach at Cascavel, which has seen the installation of 3 hammer mills (with a 4th on the way) to grind the ore finer, liberating more gold, as well as multiple other improvements to mining processes and cost cutting initiatives. Although it's still early days for the OGX, this has been a significant milestone for the Company with results coming back of a recovery rate of around 95% from the hammer mills.

Eliseo: Eliseo is OGX's 85% owned conglomerate gold target located 40km to the North of Cascavel and forms part of the proposed 70/30 MOU JV with AngloGold. OGX is in pursuit of unlocking the potential at Eliseo as it contains the characteristics of a multi-million-ounce world-class gold deposit. The Company recently completed 9 trial pits along a 2km portion of Eliseo's 16km strike and expects to announce the results shortly.

Antena: Antena is OGX's potential satellite open pit gold project which was previously left by Troy resources Limited (**ASX:TRY**, "**Troy**") with 5 shallow pits in their infancy. Recent sampling in 1 of the 5 pits graded nearly **14 g/t Au**, illustrating this could potentially deliver both high grade sizeable ounces at minimal capex. Orinoco has recently initiated a \$350,000 preliminary drilling program to further understand the resource. Antena also forms part of the proposed 70/30 MOU JV with AGG.

Tailings Stockpile: OGX recently extracted 5 samples from random one-tonne batches in the company's tailing stockpile to recover a total of 46.37 grams of gold with an average grade of 9.27 g/t. ECP places a conservative estimate on the total size of the tailings stockpile at around **30,000 tonnes** based on the material milled by the imported systems gravity circuit during operation in 2016-2017. At an average grade of 9 g/t and recovery rate of 90%, **Empire places an approx. valuation of \$11.3M for 8,570oz (contained gold)** on the stockpile. We believe the stockpile could be at least double this number but remain conservative at this stage.

Regional Exploration Potential: The Faina Project consists of a large tenement package of over 50 tenements – approx. 200km² in the region surrounding Cascavel, including Eliseo, Antena, Sertaõ (JORC contained 49,269oz @ 6.9g/t Au) and what could be the very impressive Tinteiro Project, which hosts these exciting gold, silver, nickel, cobalt and Copper rock chip samples.

Recommendation: OGX presents a speculative buy with major developments coming into fruition in 2018. The company remains focused on the ramp up of operations at the Cascavel mine, led by Mr. Richard Crew, along with a focus on a short-term tailings operation and pursuing further exploration and drilling targets within the Faina Project to unlock the potential of this region. Recent news flow regarding positive advances made by the company have seen the share price increase by approx. 630% in the last 3 months and OGX expects this upward trend to continue as the Company is steered into a game changing 2018 by the new board and management. ECP estimates a price target of \$0.25.

OGX.asx

Share price	*\$0.12
52 Week High/Low	0.019-0.125
52 Week Avg. Volume	2,070,040
52 Week Avg. Turnover	\$1.84M
Recommendation	Speculative Buy
Price Target	\$0.25

Brief Company Description:

Orinoco Gold limited is a gold focused mining and exploration company located in the Brazilian state of Goiás. Orinoco possesses the rights to world class and historically gold rush famous tenement area.

Board of Directors:

Mr. Jeremy Gray (Managing Director)
Mr. Nicholas Revell (Non-Exec Director)
Mr. Terry Topping (Non-Exec Director)
Mr. Helcio Guerra (Non-exec Director)
Mr. Andrew Allan (Non-exec Director)
Mr. Joseph Pinto (Chairman)

Company Address:

Suit 2 33 Cedric St, Stirling
Perth, WA 6021

Company Contact:

Telephone: +61 8 9482 0540
Facsimile: +61 8 9482 0505
Email: info@orinocogold.com

Issued Capital	900.5M
-fully diluted	1,222.2M
Market Cap	*\$116M

OGX LTD 1 Year Share Price Chart*



*Price at 06/03/2018





Summary Model

Orinoco Gold OGX		Share Price \$0.12	06-MAR-2018 Speculative Buy			
Key Market Information			Directors			
Share Price		\$0.12	Mr. Jeremy Gray (Managing Director)	Suit 2 33 Cedric St, Stirling		
Market Capitalization		116M	Mr. Nicholas Revell (Non-Exec Director)	Perth, WA 6021		
Net Cash		2.9M	Mr. Terry Topping (Non-Exec Director)			
Listed Investments (est.)		0	Mr. Helcio Guerra (Non-exec Director)			
Shares on Issue		900.5M	Mr. Andrew Allan (Non-exec Director)	+61 8 9482 0540		
Options – listed		233.1M	Mr. Joseph Pinto (Chairman)	http://orinocogold.com/		
Options – unlisted		88.6M				
Issued Capital (fully dil. all options)		1,161M				
Stock total return		41.2%				
Price Target		\$0.20				
Projects			Top Shareholders			
	Interest	Location	Commodity	m shs	%	
Cascavel	100%	Brazil	Gold	AngloGold Ashanti Holdings Plc	135,190,463	14.60
Elesio	85%	Brazil	Gold	ADMARK INV PL (PINTO S/F A/C)	70,836,750	7.65
Sertão	100%	Brazil	Gold	HSBC Custody NOM AUST Ltd	40,768,259	4.40
Antena	100%	Brazil	Gold	ADMARK INV PL (PINTO FAM A/C)	27,503,012	2.97
Española	100%	Brazil	Gold			
P&L			Investment Summary			
	2016	2015	Orinoco has rights to explore and mine the Faina Goldfields within the Brazilian State of Goiás, a 200km ² area consisting of 50 individual tenements. Orinoco owns 100% of its gold producing Cascavel Mine site.			
Net Revenue	26,143	27,730	Date			
Net Loss	14,545,893	9,932,231	News flow			
Total Assets	15,052,635	12,831,382	Location			
Total Liabilities	13,154,979	11,716,438	Q1 CY18			
Total Equity	1,897,656	1,114,944	- Spectacular Gold Grades Continue from Pilot Hammer Mill			
			- Orinoco Delivers 380 ounces to Cartesian Royalty Holdings			
			- Further High Grades Processed Through the Hammer Mills			
			- Orinoco Confirms Outstanding Grades of Gold Tailings			
			- Mestre Assays Show Further Bonanza Grades Up To 185 g/t			
			- Bonanza Grades Continue at Cascavel			
			- RIU Investor Presentation			
			- Cuca Assays Show Bonanza Grades			





Figure 1: Project Location / Brazil

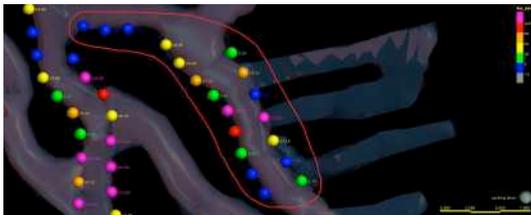


Figure 2: Most recent sample locations & grades at Cascavel mine



Figure 3: Cascavel gold samples

Investment thesis

Cascavel, the Forgotten High-Grade Gold Story

Assay results taken from Cascavel show an average grade of 36.17 g/t across 35, one-tonne, samples and comprising of over 100 panel samples (refer ASX announcement – 19 February 2018). A sample of OGX's highest grading samples include 265 g/t, 185 g/t, 178.5 g/t, 72 g/t, 227 g/t and 254 g/t. Rather than drilling, OGX has utilized their 'Back to Basics' method by taking 1 tonne samples from various parts the mine and using the smaller hammer mills to grade control, in order to better understand the dynamic of the ore body.

The recent high-grade results from Cascavel do not come as a surprise to the OGX board and management. Sample results dating back to July'14 showed 0.5m @ 842 g/t (27oz from metre 17.34 to 17.72m of decline) and 2.46m @ 239.4 g/t Au (7.7oz from metre 15 to 18.16m of decline) (refer ASX announcement – 7 July 2014). In essence, this is not a new story for the board and management; it's just a forgotten story, whereby the potential for Cascavel got lost in amidst of its operational start-up problems back in 2016-17. Cascavel could potentially be one of highest grading gold mines in the world.

New Direction for Cascavel Mine

Management has been focused on turning the Cascavel mine operation around as it steams towards a more sustainable and profitable production in 2018. Mining of high-grade stope ore has commenced and is being stockpiled for processing upon commissioning of the 25t/hr (3rd) hammer mill. We expect the company to announce results on the third hammer mill shortly. OGX has also scheduled the delivery of a 4th 50t/hr hammer mill during mid-March. Grades from the most recent batch of 35 samples continue to support the notion that Cascavel has the potential to be a high-grade low-cost mine. With mining on the Northern zone restarted and panel samples (35) at Cuca pointing to a 30+ g/t operation, OGX could potentially have four sources of high grade underground feed for its much larger hammer mill(s) by the 2nd quarter of 2018.

Unlocking the Potential at Cascavel

Cascavel Mine is comprised of narrow veined gold shoots, typically, these mines do not have long life reserves, but in general have significant resource bases with high potential to increase resource size. The OGX board is confident that the Cascavel Mine resource will be expanded into a potentially multi decade mine as operations progress. This notion was also supported by previous management who, via a drill hole, discovered a 2m vein originating from Cascavel, 1.6 km away and at a depth of 600m. No follow up drilling was ever scheduled by the management and this finding was long forgotten. The new board and management have scheduled 6-8 drill holes during March to further understand the extent of the Cascavel system. The Cascavel Mine has been compared to the narrow-veined Norseman Mine in Western Australia, which has been in almost continuous operation for some 130 years but is understood to have rarely had more than 2 years reserve life.

Gold Recovery from Tailings

OGX recently confirmed that the recoveries being achieved from the pilot hammer mill are in the high 90% region with the 'Back to Basics' approach being on track. Five samples were extracted in random one-tonne batches and processed through the 400kg per hour Hammer Mill 2 (refer ASX announcement – 31 January 2018). The samples recovered a total of 46.37 grams of gold with an average grade of 9.27 g/t. The grades recovered from each one-tonne sample were 4.75 g/t, 11.90 g/t, 10.14 g/t, 9.86 g/t and 9.72 g/t. Based on the initial material processed through OGX's imported systems gravity circuit during operation in 2016 (100-140ktpa), Empire places a conservative estimate on the total size of the tailings stockpile of around 30,000 tonnes. At an average grade of 9 g/t and recovery rate of 90%, Empire places an approx. valuation of \$11.3M for 8,570oz (contained gold) on the stockpile with room for this figure to increase as exact figures are finalized. We believe the stockpile could be at least double this number but remain conservative at this stage.



Investment thesis Cont.

Revitalized Mining Methodology & Improved Mining Equipment

OGX made a number of improvements to its Cascavel Gold Mine in 2017 to improve production efficiency and capacity. Improvements were made to drilling practices, blasting practices, shaft haulage and processing. OGX also underwent the construction of an on-site laboratory to provide significant improvements in the turnaround of assays. The Company has recently received its cyanide assay laboratory license, which Orinoco has been waiting 2 years to receive. The presence of an onsite laboratory at Cascavel will dramatically decrease the turnaround time for assay results.



Figure 4: Overview of the Cascavel mine site

Projected Economics

Empire conducted conservative revenue forecasts for OGX relative to the project economics, nature of the deposit and resource size. Based on a mine throughput of 100 tonnes per day, operating 6 days per week at an average grade of 20 g/t Au, Empire forecasts US\$8.3M a year in free cash flow, including processing and operating costs. For a throughput of 200 tonnes per day, based on the same premises as above, Empire forecasts US\$16.6M a year in free cash flow and US\$39.8M a year for a throughput of 500 tonnes per day. These figures take into account a recovery and dilution factor of 70%, US\$1,300oz Au and cash costs of US\$500 per oz. Empire realizes these figures are conservative and the throughput of 31,200, 62,400 and 156,000 tonnes per year, respectively, leaves a lot of room for future growth.

Strategic Alliance

Global gold miner AngloGold Ashanti became a significant shareholder in OGX during Q1 2017, whereby AGG made a AU\$5.9M cornerstone investment at AUD\$0.07 per share in return for a 15% stake in OGX. OGX has also entered into a conditional MOU with AGG, whereby AGG can also earn up to a 70% interest in OGX's Faina Goldfields (not the existing mine or tailings) Project in Brazil, through a staged exploration expenditure of US\$9.5M. The terms of the MOU are currently under discussion. The last 12 months have seen AGG move to become a 19.6% stakeholder in OGX.

Revitalized Board and Management Team

OGX recently strengthened its board with the appointing of Jeremy Gray as managing Director. Mr. Gray has been involved in mining for 23 years. Prior to this role he worked as a Director of Cartesian Royalty Holdings in Singapore. Mr. Gray also sits on the boards of Axiom Mining and White Rock Minerals that both trade on the ASX. The management team also was revitalized with the recruitment of Helcio Guerra, Terry Topping Craig Dawson (CEO), Albert Longo (CFO), Richard Crew (GM-Cascavel) and Alessandro Dotta (Group Mining Engineer). Remuneration for the new management is based on performance as part of Orinoco's new Back to Basics' approach. Management has set monthly gold production targets and if the Company fails to meet these targets, the management is not remunerated.

Historical Gold Rush Location

The Goiás region was the site, in the 1700's, of the 2nd Brazilian gold rush after that at Ouro Preto. Current major gold producers include Yamana Gold Inc. ("**Yamana**") and Anglogold Ashanti Ltd. Past producers and explorers include Western Mining Corporation ("**WMC**") and Troy Resources Limited. The region is estimated to have produced some 3 million ounces of gold during the 1700's.



Figure 5: Brazilian made 25-30tph hammer mill





Cascavel Goldmine / Overview

The high-grade Cascavel Gold Mine lies within Orinoco’s Faina Goldfields Project in the State of Goiás in central Brazil. The Cascavel mine is OGX’s flagship operational gold mine that has been consistently returning high-grade assay results of an average 36.17 g/t across 35 one-tonne batches. This places Cascavel as a potential top 10 high-grade underground gold operation (see figure 11). OGX is confident that the Cascavel system expands downwards into a potentially massive resource. This belief is supported by prior drill holes positioned 1.6km away from the Cascavel Mine and intercepted the Cascavel vein system with a vein width of 2m. OGX has recently implemented a ‘Back to Basics’ approach, which has seen the installation of multiple hammer mills to grind the ore finer to liberate more gold. The installment of 3 operating hammer mills will allow for simultaneous processing of high-grade ore, waste rock stockpiles and tailings stockpiles. The Cascavel Mine also encompasses the Cuca, Española and Tinterio targets, which have been proven to possess high-grade silver, cobalt and nickel deposits.

Cascavel mine is 100% owned by Orinoco subject to 2 final payments to the minority holders of Cascavel. The first payment being due on September 1st, 2018 consisting of US\$1.5M and insurance of USD 1.35M shares of OGX. The last payment being due on March 1st, 2019 being a 3% NSR or a once off US\$6M payment of part cash and part stock. This agreement also encompasses Orinoco’s Española target.

History

The Cascavel area has a history of mining going back approximately 300 years, when it was worked by the Portuguese in very shallow (~5m) open cut operation. More recently, three winzes have been opened by modern garimpeiros and landowners. The mine history to date is listed below:

- **Q4 2015:** Mine development initially commenced.
- **Q3 2016:** Processing plant commenced production – Capable of 90-100ktpa.
- **Q4 2016:** Mine development and processing suspended.
- **Q2 2017:** Mine development re-commenced along with 100% OGX ownership secured.
- **Q1 2018:** Hammer mill 3 commissioned and Hammer Mill 4 expected to commission mid-March.
- **Q1 2018:** Commercial production restarted.

Resource

Cascavel hosts high-grade, structurally-controlled coarse gold shoots within a broad mineralised quartz vein system, where underground sampling has returned high grades including 265 g/t, 119 g/t, 254 g/t & 227 g/t. Bulk samples from the Cuca winze (350m north of Cascavel portal) and the nearby Mestre winze (90m south of Cascavel portal) have recorded grades of 27g/t Au (from a 2.8 tonne sample) and 39g/t Au (from a 500 kg sample) respectively.

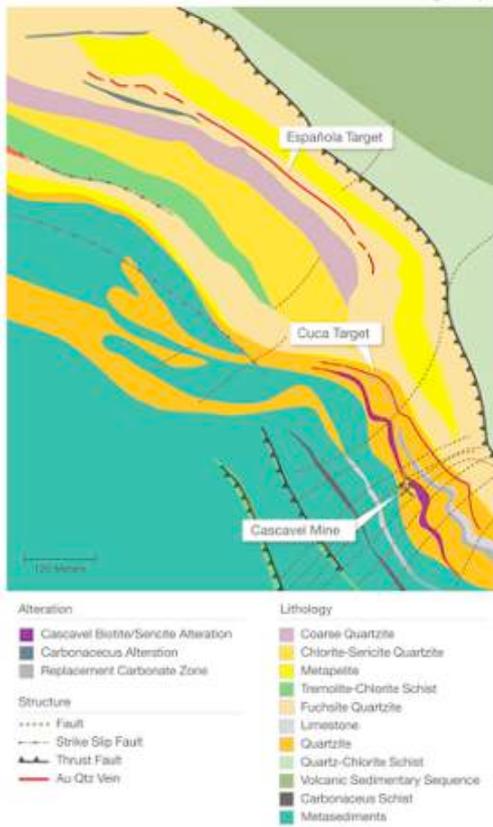


Figure 6: Cascavel Mine overview with Cuca & Española targets

Mine	Country	Major Owner	Au grade, g/t
Fire creek	United States	Klondex Mines	44.1
Cascavel	Brazil	Orinoco Gold	36.1
Macassa	Canada	Kirkland Lake Gold	22.2
Kedrovka	Russia	Zapadnaya Gold	22
Turquoise Ridge	United States	Barrick Gold	16.9
Toguraci	Indonesia	Newcrest Mining	16
Orcopampa	Peru	Buenaventura	15.8
Dvoinoye	Russia	Kinross Gold	15
Pinson	United States	Atna Resources	13.8
Midas	United States	Klondex Mines	12.9

Figure 7: The top 10 highest-grade underground gold operations

Domain	Category	Cut-off Grade (g/t Au)	Tonnage (tonnes)	Grade (g/t Au)	Contained Gold (ounces)
Cascavel Lode	Inferred	0	7,000	10.2	2,300
	Inferred	1	5,800	12.1	2,300
	Inferred	2	4,900	14.3	2,200
	Inferred	3	4,500	15.4	2,200
	Inferred	4	4,100	16.3	2,200
	Inferred	5	3,700	17.8	2,100

Figure 8: Cascavel MRE at varying cut-off grades

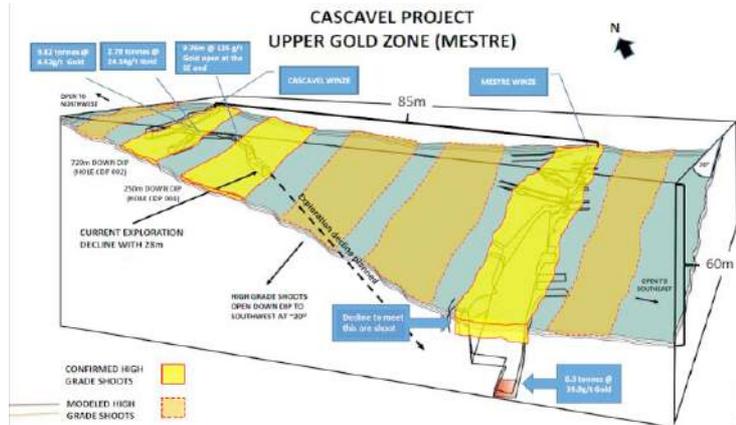


Figure 9: Mestre Gold Zone Geometry at Cascavel





Cascavel Cont.



Figure 10: Cascavel processing infrastructure

Cascavel Silver Zone / Tinteiro

Cascavel has been identified to host a high-grade silver, nickel, cobalt and copper zone, named Tinteiro, sitting 10's of metres between the Cascavel and Cuca gold zones and returning grades of up to 4,000 g/t Ag. Tinteiro is referred to as the mother lode of the Cascavel narrow veined system, with Cascavel just been the entrance into the much larger Tinteiro system. OGX plans to explore this region's potential with more drilling scheduled for this area over the course of 2018. Tinteiro was discovered in May 2013, when OGX discovered high-grade silver and base metal mineralisation in the footwall of the Mestre zone and over the hanging wall of the Cuca zone at Cascavel. OGX has planned further exploration of the silver system, focusing on detailed mapping and sampling of the main faults, in order to figure out a potential size and grade of a potential resource over the course of the next 12 months.

This zone is marked by coincident geological, geochemical and geophysical anomalies, with the geochemistry being multi-element, including Cu-Au-Ag-Co-Ba-W, and includes a number of drill ready prospects. This is interpreted as possibly being part of a large scale IOCG system, with later cross cutting structures and the main greenstone trends and contacts controlling fluid flow and hence anomalous surface geology (including gossans and iron rich breccias) and geochemical anomalism. Broad scale, potassic/sericitic and calcic/sodic alteration is also present throughout the area. It is also postulated that the carbonate replacement mineralisation at Cascavel may be a distal, silver rich part of the same system.

Significant silver and base metals assays announced previously from drilling around the Cascavel area include:

- CDP_025: 25.0m @ 39.2g/t Ag; including 3m @ 97.2g/t Ag from 114m
- CDP_031: 4.4m @ 760.3g/t Ag; including 1.05m @ 2,510g/t Ag from 157m
- CDP_014: 4.7m @ 58.6g/t Ag; including 0.85m @ 236g/t Ag from 162m
- CDP_021: 17.6m @ 1,292g/t Ag & 11m @ 0.25% Cu, 16.41m from 101m

		Aug	Sept	Oct	Nov
Ore Processed	Dry metric tonnes (t)	572	2,563	2,281	3,597
Throughput Rate	tonnes per hour (tph)	21.9	21.9	22.3	20.3
Head Grade	g/t Au	1.6	1.7	2.1	2.0
Tail Grade	g/t Au	0.35	0.52	0.45	0.48
Recovery	%	78	73	80	76
Gold Recovered	Ounces	23	105	121	173
Gold Sold	Ounces	0	0	0	442

Figure 11: Mine development overview



Figure 12: OGX COO Richard Crew identifying 1.4m vein at Cascavel

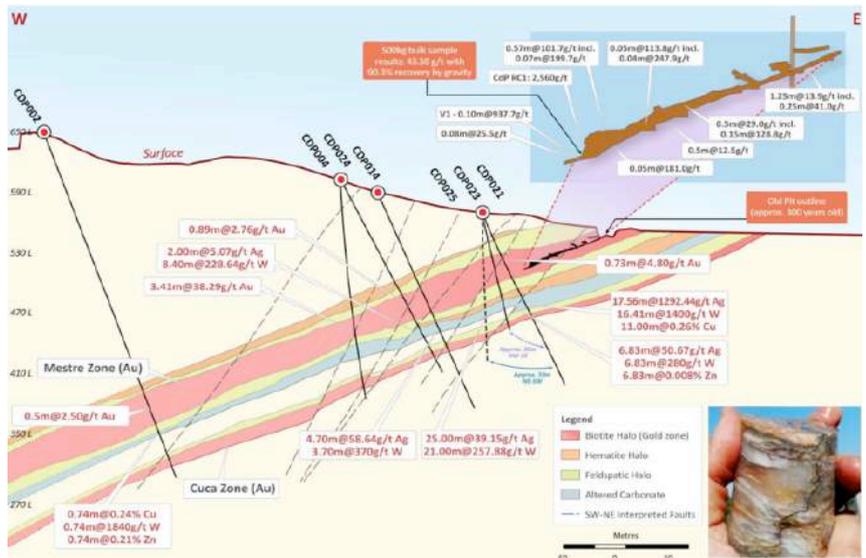


Figure 13: Cross-section view of Cascavel showing mineralisation and various drilling results

Subsequent geological mapping in the Cascavel exploration decline has shown that the high-grade silver and base metal mineralisation is related to the intersection of a series of northeast trending faults and a dolomitic unit in the footwall of the main Cascavel gold structure.





Cascavel Cont.

Drilling and exploration along the Cascavel strike indicates that the gold-bearing structures have considerable continuity, with gold mineralisation shown to be occurring at multiple points over more than 3km immediately along strike from Cascavel, and on the same generation of mineralised shear zones 18km to the south at Sertão. Similarly, the down-plunge continuity of the gold-bearing structures has been demonstrated in drilling at both Cascavel and Sertão to over 600m down-dip – and remains open. Regionally, this high level of continuity is a common feature of the shear zone hosted gold deposits in the greenstone belts, with both AngloGold and Yamana having multi-million ounce resources in similar structures. The evidence for mineralisation in and around the Cascavel area gives the Company great confidence that it can rapidly grow the potential of the Faina Project.



Figure 14: OGX's 25t/hr hammer mill in operation

Faina Goldfields Project, Brazil / Overview

The Faina Project is a highly prospective 200km² ground position encompassing the majority of a greenstone belt which has had virtually no modern exploration, located in the central Brazilian State of Goiás. The Faina Project encompasses the Cascavel, Sertão and Tinteiro Projects, as well as numerous advanced gold exploration targets including Española, Elisio, Antena and Xupe.

The Faina Project is located south of established north greenstone belts, largely occupied by AngloGold Ashanti's 3.6Moz Crixas Mine and Yamana Gold's 2.3Moz Pilar Mine. Collectively, Goiás northern greenstone belts have delivered total gold production of 5.7 million ounces of gold. However, the Faina greenstone belt, located in southern Goiás, remains largely unexplored. OGX controls the majority of the Faina greenstone belt, which has all the hallmarks of an emerging mining hub, potentially with multiple world-class deposits.

History

The region had an estimated production of 3Moz gold during the Colonial period, which made the city of Goiás the first capital of the Goiás state. It was founded by the famed Bandeirante explorer Bartolomeu Bueno da Silva, nicknamed the Anhangüera, and was called in colonial times Vila Boa de Goyaz ("Goyaz nice town" in archaic Portuguese). Given its historical importance, the historical center of Goiás was included on UNESCO's World Heritage list in 2001. It was the old state capital of Goiás until 1937, when the government seat was transferred to the recently built Goiânia.



Figure 15: Improved haulage system at Cascavel

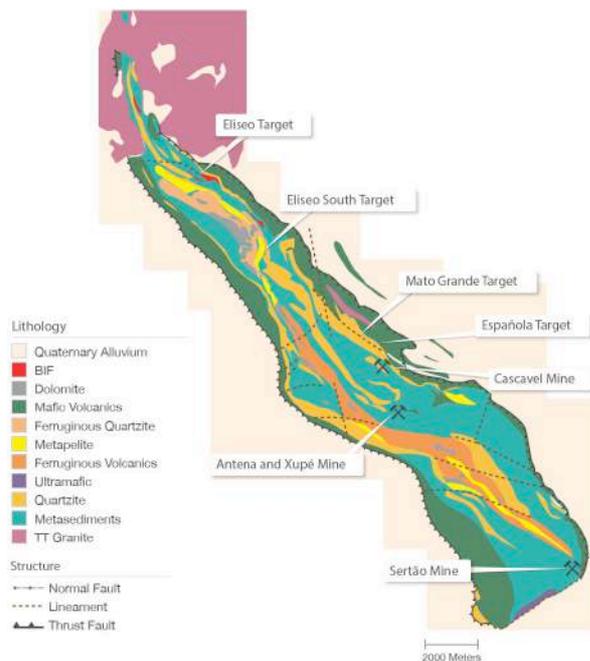


Figure 16: Faina Goldfields overview showing encompassing prospects





Eliseo / Overview

The Eliseo prospect is a large gold anomaly (16km), with gold mineralisation associated with conglomerate packages, located 40km to the north of Cascavel over 8 tenements. The prospect hosts strong coincident geochemical and geophysical targets. OGX strongly believes Eliseo has the potential to be a world-class gold deposit and is in pursuit to unlock its potential. The Company recently completed 9 trial pits along a 2km portion of Eliseo’s 16km strike and expects to announce the results shortly. OGX believes Eliseo has the characteristics of a potential world-class deposit. In order to further understand the deposit, the Company has scheduled a further 20 swimming pool pits to be conducted in the near future. Eliseo also forms part of OGX’s proposed 70/30 MOU JV with AGG.



Figure 17: Swimming pool pit at Eliseo



Figure 18: View of Eliseo

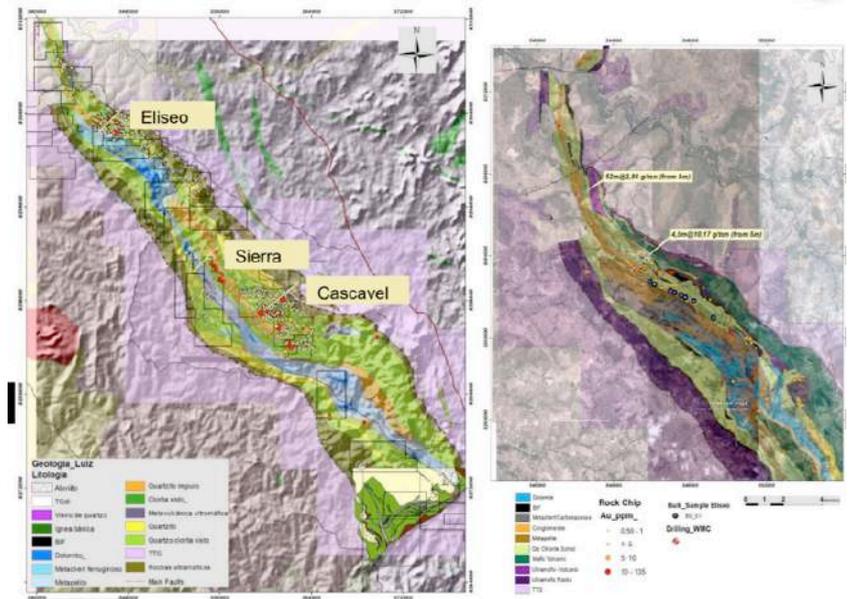


Figure 20: Eliseo geological overview showing location relative to Sierra and Cascavel

Prior rock chip sampling at Eliseo returned grades of up to 22g/t Au, and historical drilling conducted by previous owner, Troy Resources, returned intercepts including 33m @ 4.22g/t Au, 52m @ 2.82 g/t (from 8m) and 28m @ 3.96g/t Au. Two additional anomalies have also been identified related to the same conglomerate at Eliseo North and Sierra, where rock chip sampling has returned grades of up to 45g/t Au.

The Eliseo area offers strong potential for the delineation of large-scale bulk tonnage open pit resources.



Figure 19: Swimming pool pit at eliseo



Figure 21: Digger at Eliseo





Figure 22: Drilling activities ready to commence at Antena

Antena & Xupe / Overview

Antena is OGX’s 100% owned potential satellite open pit gold project. The Antena/Xupe targets are located 8km from Cascavel Gold Mine, and represent shallow extensions to old open pits. Initially, the tenements belonged to Troy, who left the pits in their infancy stage. The project requires a relatively low capex as the open pits are ready for mining; however, more work is required from Orinoco to further understand the grade and structure before formulating a mine plan. OGX recently started an extensive \$350,000 preliminary drilling program at Antena, on the 26th Feb (view for completion end of March), with the aim deliver the market with a 'inferred' resource, and not the highly expensive 'Proven & probable' JORC resource. Thus, maximizing the Company’s drilling dollars and allowing for the costs to be self-funded by OGX’s gold production. The Company is confident this could be a potential world class deposit with a recent 70kg sample taken from the wall of the Antena south pit returned 13.97 g/t Au and rock chip sampling returning values up to 54.9 g/t Au (refer to Appendix Figure 5 for more chip sampling results). Shallow intercepts from these areas include:

- 44m grading 1.48g/t Au from 11m below surface, including 23m grading 2.4g/t Au from 16m; and
- 6m grading 4.48g/t Au from 33m depth located 440m down-plunge from the old Xupe pits in an eroded anticline.

Antena/Xupe offers the opportunity to add near-term Mineral Resources and become Orinoco’s third gold production centre after Cascavel and Sertão. Antena/Xupe also form part of OGX’s proposed 70/30 MOU JV with AGG that is currently under discussion.

Domain	Category	Cut-off (g/t Au)	Tonnage (tonnes)	Grade (g/t Au)	Contained Gold (ounces)
Oxide	Measured	1.0	9,490	3.6	1,114
	Indicated	1.0	24,030	7.0	5,377
	Inferred	1.0	38,979	4.9	6,191
Sulphide	Measured	3.0	-	-	-
	Indicated	3.0	57,824	8.0	14,928
	Inferred	3.0	92,788	7.3	21,658
Total	Measured		9,490	3.6	1,114
	Indicated		81,854	7.7	20,305
	Inferred		131,767	6.6	27,849
	Total		223,111	6.9	49,268

Figure 23: Sertão JORC resource estimate

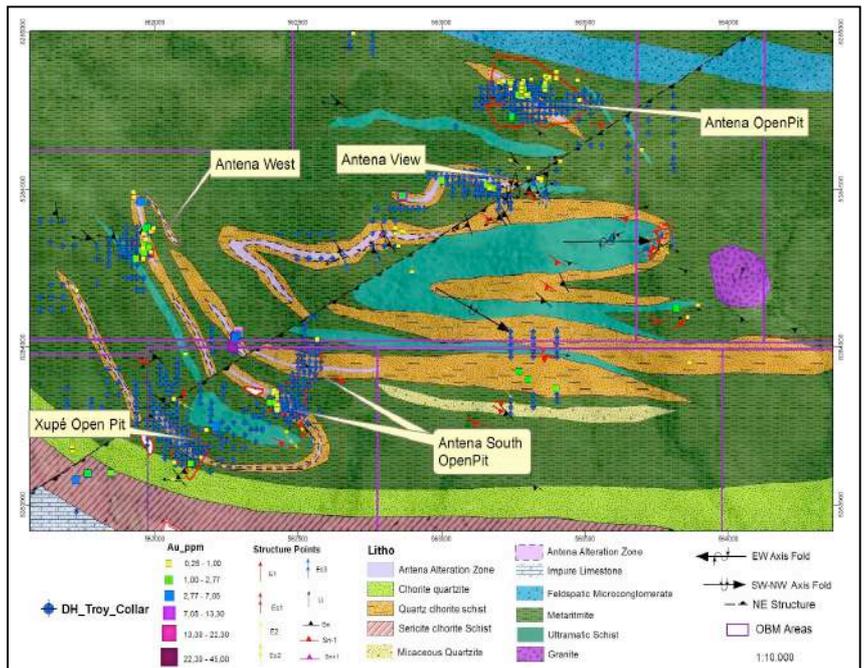


Figure 25: New geological map for Antena – Xupe and location of the old open pits along the same mineralized folded sequence



Figure 24: Sertão ariel overview

Sertão / Overview

Sertão is a gold project, 100% owned by OGX and located near its Cascavel Gold Mine in Goiás State, central Brazil. Sertão, which is located just 28km by road from Cascavel, forms part of OGX’s broader Faina Project. The Sertão deposit was previously mined (2003-2006) as a shallow open pit by Troy with historical production of 256koz at an average grade of 24.95 g/t Au. Sertão also forms part of OGX’s proposed 70/30 MOU JV with AGG that is currently under discussion.





Sertão Cont.

Resource:

During Q3 2017, OGX completed a maiden high-grade JORC 2012 compliant Mineral Resource estimate for its Sertão Gold Project. The JORC 2012 compliant Mineral Resource Estimate (MRE), the Company’s first-ever JORC mineral resource statement, comprises 223,111 tonnes at an average grade of 6.9 g/t Au for 49,268 ounces of contained gold (see Figure 23). The Mineral Resource was prepared by OGX’s Brazilian-based geological team in accordance with the requirements of the JORC 2012 Code.

Geology

The Sertão deposit lies on the same shear zone as the Cascavel deposit and, given its strategic location, strong production history and brownfields status (located on a granted Mining Lease) offers excellent potential for the development of future synergies between the two mining hubs. OGX completed a 3,035m drilling program at Sertão in Q1 2016, which formed the basis for its MRE. Historical drilling completed by the previous owners (Troy) identified material depth and strike extensions to the known mineralisation, which was only mined as a shallow oxide open pit to a depth of approximately 40m.



Figure 26: Antena/Xupe rock body

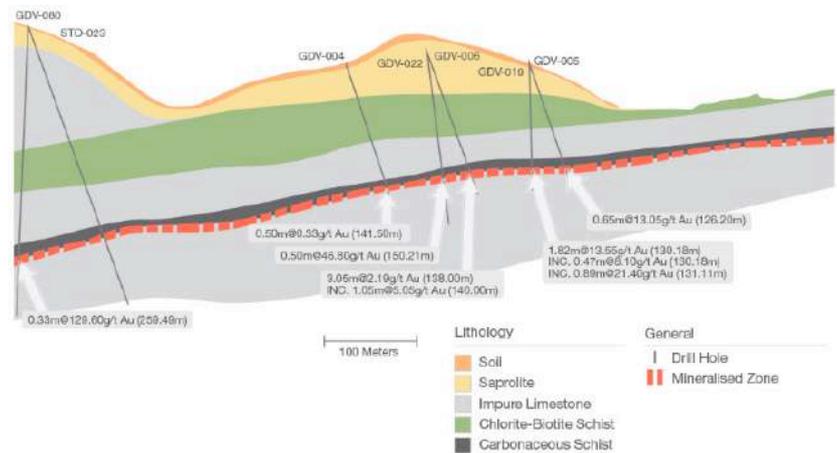


Figure 28: Sertão Project Geological Cross Section STO-005 to STO-023

Mineralization remains open down-dip with extensions to be targeted by OGX’s upcoming drilling program. Geological and geophysical work is currently being undertaken at the neighboring Antena/Xupe projects to refine drill targets on known mineralisation extensions. Considerable work has been carried out to date by the highly regarded OGX exploration team, reinterpreting previous geological data and re-logging historical drill core – resulting in the development of a new geological model for the project.

Espanola Prospect / Overview

In October 2014, OGX materially increased the size of the Faina Project after securing a 70% interest in the highly prospective Española Prospect – a tenement with known gold mineralisation. Española also forms part of OGX’s proposed 70/30 MOU JV with AGG. Española is 100% owned by OGX subject to the two final payments outlined on page 10.

The tenement is situated immediately to the north of both the Cascavel Gold Mine and the Central Tinteiro IOCG (iron oxide, copper, gold) prospect. The tenement contains significant northwest extensions of both the Cascavel and Tinteiro geological trends, extending the known Cascavel structure by 60% to approximately 4km of strike.

The addition of this tenement not only significantly extends the strike of the Cascavel structure and confirms the repetition of mineralised horizons almost 1.4km to the northwest but also highlights the prospectivity of the shear zones along (and beyond) the underexplored 20km long Sertão – Cascavel corridor.



Figure 27: Espanola overview





Corporate

Board of Directors

MR JEREMY GRAY | MANAGING DIRECTOR

Mr. Gray has been involved in mining for 23 years. He started his career at Credit Suisse in Melbourne in 1994 as a Mining Research Associate before moving to London to run the Mining Equity research team at Morgan Stanley. In 2001 he joined Sthenos Capital as a founding partner of a Hedge Fund with focus on Mining and Basic Materials trading. In 2005, Mr. Gray returned to Credit Suisse in London to run the Mining team. In January 2009, he joined the world's largest cobalt producer at the time in DRC before it was acquired by ENRC in September 2009.

In 2010, Mr. Gray joined Standard Chartered in Hong Kong to run the Mining team and in 2014 he became a founding partner of Chancery Asset Management in Singapore. For the last 3 years he has also worked as a Director of Cartesian Royalty Holdings in Singapore. Mr. Gray sits on the boards of Axion Mining and White Rock Minerals that both trade on the ASX.

MR NICHOLAS REVELL | NON-EXECUTIVE DIRECTOR

Mr. Revell has over 25 years' experience as an exploration/mine geologist specializing in gold and iron ore and has held senior roles with operating miners including Crescent Gold Ltd (formerly Apollo Gold Mining Ltd), Auriongold Ltd (formerly Goldfields Limited), North Limited, Renison Goldfields Limited and St Barbara Limited (formerly St Barbara Mines Limited). He has also held roles as a Technical Director with several junior ASX- and TSX-listed companies. Mr. Revell is currently the Technical Director at Tyranna Resources Limited.

MR TERRY TOPPING | NON-EXECUTIVE DIRECTOR

Mr. Topping has 30 years' experience in the mining industry and has over 20 years' experience in the management of listed public companies on ASX and TSX. Mr. Topping has experience in corporate finance, mergers and acquisitions and also a mining and exploration geologist in Australia and overseas.

Mr. Topping is a member of the Australasian Institute of Mining & Metallurgy and the Australian Institute of Geoscientists. He is currently Executive Chairman of Kairos Minerals Limited.

MR HÉLCIO GUERRA | NON-EXECUTIVE DIRECTOR

Mr. Guerra, a Metallurgical Engineer, has over 30 years' experience in the Brazilian resources industry. His prior roles include as Vice-President of AngloGold Ashanti's operations in the Americas and several senior roles with Brazilian giant Vale including as Director of Vale's Industrial Minerals and Precious Metals Department.

He is a current member of several Brazilian business and industry bodies including the Brazilian Mining Association Advisory Board (IBRAM) and has built extensive networks in both government and non-government entities.

MR ANDREW ALLAN | NON-EXECUTIVE DIRECTOR

Mr. Allan is a geologist and independent consultant specializing in business strategy, commercial evaluation and technical assessments. He has over 30 years of experience in the mining industry with experience in diamonds, gold and other minerals. He is currently employed by Cartesian Capital as an independent technical consultant providing commercial, technical and strategic input to a variety of investments in the portfolio, in particular Cartesian Royalty Holdings which includes the Orinoco Cascavel Mine.

MR JOSEPH PINTO | CHAIRMAN

Mr. Pinto has been a major shareholder and supporter of the Company for some years, and is also a major shareholder and non-executive Chairman of, Tyranna Resources Limited, which is a cornerstone investor in Orinoco.

Mr. Pinto operates his own legal practice in Sydney, NSW. He has been a practicing Solicitor and Barrister of the Supreme Court of NSW since 1983 as well as having been admitted as a Solicitor of the High Court of Australia. He holds a Bachelor of Laws and a Bachelor of Commerce.





Risks

Empire Capital Partners have identified a number of potential risks in regard to OGX's operations:

- **Gold Stream Liability:** OGX currently has 17,100oz Au outstanding debt to its gold streaming partner, Cartesian Royalty Holdings (**CRH**). The agreement specifies OGX to pay a minimum of 1,000oz per quarter, dependent on OGX's production levels, as well as 20% of the gold production through Cascavel for the first 3 years, up to a maximum 24,000oz. However, any project development outside of Cascavel is untouched by the CRH stream, i.e. if Orinoco build a new mill at Antena, CRH will not be eligible to receive any of that gold. OGX recently reached a significant milestone in Q1 2018 by making its first payment totaling 380 ounces of gold with the next minimum payment under the streaming arrangement due on April 30th, 2018 or earlier depending on the gold production levels during Q1 2018. OGX's partnership with CRH began in May 2015 and CRH have since been committed to seeing OGX become a high-quality mining operation. Please note, the projected economics presented on page 4 take into account OGX's gold streaming arrangement with CRH. CRH own effectively 30M shares in Orinoco
- **Resource:** Empire recognises a key risk for Orinoco is with regard to providing an approximate estimate of its resource. Due to Cascavel being a narrow vein underground gold mine, it is both near impossible and highly expensive, to provide a JORC-compliant resource on the deposit. Bulk sampling at Cascavel, and other operations in the region indicate that there is a good chance that Cascavel could potentially be a world-class deposit.
- **Untried:** Orinoco is still in its infancy steps with regards to moving into a full-scale production. The Company risks running into potential technical and operating difficulties after the complete overhaul of its previous processing equipment, and the commissioning of new hammer mills and mining processes.
- **Commodity Price:** Future revenues generated by OGX are inadvertently impacted by the movement of the US\$ gold price and the AUDUSD exchange rate. The movement of these two factors could significantly impact Orinoco's financial results. This is a key risk for any resources project, and one which the Company has little or no control over. Given the high-grade and expected low costs, Cascavel is robust and well cushioned against USD denominated gold price movements. The Brazilian Real has stabilized against and US Dollar, after falling considerably between 2011 and 2016 to approx. 0.307/USD.
- **Exploration:** There is always an innate risk associated with exploration. Orinoco understands that they cannot guarantee extensions to their current resource will be defined. However, drilling results to date throughout Orinoco's tenement package indicate an excellent chance for exploration success.
- **Sovereign Risk:** Even though Brazil is one of the biggest global players in the mining sector with a well-understood and stable mining jurisdiction, it is currently ranked 125 (out of 190) on the World Bank's 'Doing Business' model. It is however, ranked within the top 50 for protecting investors, enforcing contracts and getting electricity. ECP recognises the mining operations in a country such as this may pose a higher sovereign risk.

Summary

Orinoco Gold limited is a gold focused mining and exploration company located in the Brazilian state of Goiás. The company presents a solid investment opportunity as a speculative buy with 2018 shaping up to be the most profitable year for the company as yet. The company has scheduled a significant ramp up of operations at Cascavel upon the commissioning of its 4th hammer mill along with an objective to increase its resource size across its tenement areas through exploration and drilling. The low-cost nature of these exploration activities means that OGX can further evaluate and pursue the increased gold potential without detracting from its other activities at Cascavel. The past 2 months have seen OGX's share price increase approx. 520% from 1.9c to 10c following ASX announcements regarding the company's unusually high grades of gold as well as major improvements to mining methodologies. OGX is expecting the share price to increase further over the coming months as the company continues along a realistic pathway to be the leading g/t gold producer in the world.





Empire Capital Research Recommendation

Care has been taken to define the level of risk to return associated with a particular company. Our recommendation ranking system is as follows:

Buy	Companies with 'Buy' recommendations have been cash flow positive for some time and have a moderate to low risk profile. We expect these to outperform the broader market.
Speculative Buy	We forecast strong earnings growth or value creation that may achieve a return well above that of the broader market. These companies also carry a high to very high level of risk.
Hold	A sound well managed company that may achieve market performance or less, perhaps due to an overvalued share price, broader sector issues, or internal challenges.
Sell	Risk is high and upside low or very difficult to determine. We expect a strong underperformance relative to the market and see better opportunities elsewhere.

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Appendix

Antena

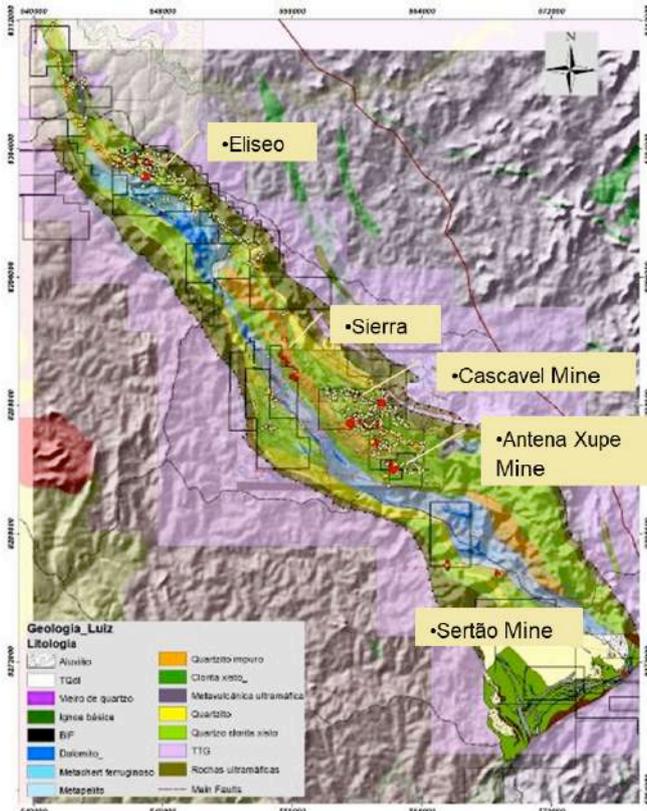


Figure 1: Regional Map and location of the main targets, note Antena, Cascavel, Eliseo and Sertao positions

Figure 2: Drilling operations at Antena



Figure 3: One of the 5 Antena pits



Figure 4: Rock sample taken from the face of Antena pit





ID_Conf	X	Y	Z	Au(ppm)
1010	563144	8284550	764	7,28
1018	562291	8284046	579	22,4
1039	561767	8283599	520	7,56
1042	562415	8283858	559	4,23
1043	562415	8283858	559	5,7
1044	562415	8283858	559	4,45
1050	563271	8283921	723	3,38
1897	561977	8284380	723	14,3
1898	591960	8284373	723	10,5
1908	561927	8284476	726	1
1936	563303	8283897	720	4,03
1951	563271	8283921	723	1,09
14954	562273	8284003	582	54,9
14956	561767	8283599	520	4,76
15617	561976	8284379	717	1,47
15618	561968	8284376	717	1,51
15654	562289	8284039	581	5,78
15655	562280	8284031	582	9,35
15692	563246	8284730	758	1,7
15778	562863	8284480	724	4,88
15837	562863	8284479	728	9,96
15838	563247	8284732	760	4,43
15853	561726	8283580	524	3,63

Figure 5: Best chip sample results from the Antena - Xupe area



Eliseo



Figure 6: View from Eliseo



Figure 7: Mineral sample from Eliseo



Figure 8: Mineral sample from Eliseo showing visible gold



Figure 9: Team at Eliseo