

25 June 2012

CHUMINGA PROJECT CHILE

Update on Drilling Operations

Highlights

- **Hole SD2 intersects 48 metres of 0.78% Cu and 0.09 g/t Au**
- **Four key diamond core holes drilled on four sections (A, B, C and D) have returned significant copper-gold intersections**

Oro Verde Limited (ASX:OVL) ("the Company or OVL") is pleased to announce the results of the fourth diamond drill hole in the Chuminga Project, SD2, that intersected 60.6 metres of visual copper mineralisation.

As per the ASX announcement of 12 June 2012, fourth diamond drill hole SD2, on Section D, (7268785mN 343560mE, 680m ASL elevation, a vertical hole) targeted the same copper-iron oxide breccia mineralisation seen in the first diamond core hole SB1 on Section B, 41 metres to the north of SD2, which assayed 61 metres @ 0.90% Cu, 0.15 g/t Au and was noted to be thickening down dip from surface to the east, refer attached plan and sections of drilling to date.

SD2 was completed at 133.45 metres depth on Friday 1 June 2012 and intersected 60.6 metres of copper and iron oxide breccia mineralisation in a highly altered granodiorite from 48 metres to 108.6 metres depth. All split 1 metre core interval samples over the interval, 45 to 118 metres, with inserted external standard samples to monitor laboratory precision and accuracy, were sent to Activation Laboratories in Coquimbo, Chile for analysis for; Au by fire assay/AAS on a 30gm sample weight and Ag, Cu, Pb, Zn by AAS following a 4 acid "total" digestion.

The only elements of significance from the received assay results for SD2 are copper (Cu) and gold (Au), refer summary Table 1 below of elemental value ranges encountered in the significant 48 metre mineralised interval, 54 to 102 metres, at >0.5% Cu cut off. Copper values range from 0.16% to 1.69% Cu, and gold values range from <0.01g/t to 0.26g/t Au.

#Element	Minimum Content	Maximum Content
Cu %	0.16	1.69
Au g/t	<0.01	0.26
Ag g/t	0.50	3.60
Pb ppm	2	24
Zn ppm	17	103

Elemental ranges in the 48m significant mineralised interval, 54 to 118 metres at >0.5% Cu cut off.

Table 1. Summary Elements in SD2 mineralised core.



2.

Table 2 below provides a summary of the significant results of the analysed SD2 core at various Cu cut off grades.

Cu cut off	From (m)	To (m)	Interval	Cu %	Au g/t
>0.50%	54	102	48	0.78	0.09
	105	109	4	0.86	0.20
>0.75%	62	63	1	0.93	0.06
	72	76	4	0.98	0.14
	78	85	7	0.96	0.11
	88	102	14	0.98	0.12
	106	108	2	1.00	0.27
>1.00%	72	73	1	1.18	0.26
	75	76	1	1.46	0.14
	80	85	5	1.13	0.13
	91	95	4	1.12	0.16
	97	98	1	1.19	0.17
	100	102	2	1.35	0.10
	106	107	1	1.10	0.33

Table 2. Significant results of SD2 analysed core at various Cu cut off grades.

The results in Table 2 reflect only the significant, copper and iron oxide breccia mineralisation intervals at various Cu cut off grades in the previously reported 60.6 metres of visual mineralisation intersected in hole SD2 from 48 metres to 108.6 metres depth. The most significant of these intervals is at the 0.50% Cu cut off grade; the 48 metres of 0.78% Cu and 0.09 g/t Au over the down hole interval, 54 to 102 metres.

Four key holes have now been drilled at Chuminga as vertical holes on four sections (A, B, C and D). Significant intersections in each of the four holes at 0.5% Cu cut off are as follows;

SA-1 - from 98 to 116 metres; 18 metres of 0.98% Cu; 0.13 g/t Au

SB-1 - from 65 to 126 metres; 61metres of 0.90% Cu; 0.15 g/t Au

SC-1 - from 75 to 109 metres; 34 metres of 0.61% Cu; 0.08 g/t Au

SD-2 - from 54 to 102 metres; 48 metres @ 0.78% Cu; 0.09 g/t Au

A further two angle holes are planned on each of these sections subject to a change out of the current drilling rig to achieve this and an analysis of the results of the four holes drilled to date, refer attached plan and sections. An infill stream sediment program is current following up previously delineated anomalies and the alteration features delineated by ASTER satellite imagery.

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Summary Overview of Chuminga Project

- Oro Verde Limited ("OVL") has a current 20% interest with a right to acquire a 100% interest in the advanced Chuminga Copper-Gold Project, in the Second Region of Chile, through an agreement with the owners of SCM Compania Minera Chuminga, a member company of a group of companies controlled by a branch of the well known Chilean mining family, Errazuriz Hochschild.
- Chuminga is a well mineralised hydrothermal copper-gold stock work breccia developed at a coastal location, approximately 120km south of Antofagasta. It lies on the western contact of a granodiorite stock on a mountain side at 600m to 700m above sea level. Expectation based on prospecting to date by previous exploration companies is an exploration target of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9 to 1.0% Zn[#]. The mineralized body is generally tabular, dipping 60° to 70° to the east, and from various reports has the following dimensions; a width of 60m to 150m and a 800m to 1,200m strike in a north-south direction.(Refer Note at end of below).
- Sericite-chlorite-amphibole-magnetite-haematite-tourmaline alteration forms a halo around a central copper mineralized core. Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. These sulphides have been oxidized to both iron oxides (haematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which occurs in fracture fillings.
- The project has been prospected by historical and recent surface trenching on an immediate outcrop area measuring 250m by 100m between 550m to 650m above sea level. The weighted average results of the three historical cross strike trenches being 1.21% Cu and 0.41g/t Au and the recent strike trenching being 190m @ 1.07% Cu and 0.20 g/t Au. Most of the recognized mineralized strike of the body is scree covered as rock debris is continually moving down a 40° mountain slope. The historical trenching results led to prospecting of the mineralised breccia below the outcrop area by tunnels at 630m and 543m above sea level. These tunnels did not transect the full width of the mineralised breccia. Weighted average sampling results returned were 115m @ 0.90% Cu and 0.48 g/t Au for the upper level. Subsequent historical re-sampling has indicated an increase in weighted mean values for the body to 1.4% Cu, 0.40 g/t Au and 1% Zn.
- The current first phase 12 hole / 2,140 metres drilling program is testing an approximate strike of 300m of the mineralised breccia exploration target on 4 sections in the environs of the surface trenching and exploratory tunnels transecting the mineralised body with the aim of establishing the true nature of the conceptual target previously identified, in particular the true width, grade and depth potential of the mineralisation leading to the determination of the bulk tonnage potential of the breccia mineralisation at this location.
- First core hole in the program, SB2, returned 61m @ 0.90% Cu, 0.15 g/t Au for the copper and iron oxide breccia mineralisation intersected over the interval 65 to 126 metres. The mineralisation appears to be thickening down dip from the surface.
- Second core hole in the program, SA-1, returned 18m of 0.98% Cu, 0.13 g/t Au for the copper and iron oxide breccia mineralisation intersected over the interval 98 to 116 metres.
- Third core hole in the program, SC-1, returned 34m of 0.61%Cu, 0.08 g/t Au for the copper and iron oxide breccia mineralisation intersected over the interval 75 to 109 metres.
- Fourth core hole in the program, SD2, intersected 48m of 0.78%Cu, 0.09 g/t Au for the copper and iron oxide breccia mineralisation over the interval 54 to 102 metres.
- Four key holes have now been drilled at Chuminga as vertical holes on four sections (A, B, C and D). A further two angle holes are planned on each of these sections subject to a change out of the current drilling rig to achieve this and an analysis of the results of the four holes drilled to date, refer attached plan and sections.

The potential quantity and grade of the target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Note: The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Geo Geol, MSc, PhD, a consultant to the company. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australian Institute of Mining and Metallurgy).

