

FAST TRACK GEOPHYSICAL PROGRAMS CONFIRM LARGE TARGET POTENTIAL OF TIMON PROJECT, CHILE

HIGHLIGHTS

- Results of fast track infill IP and magnetic programs confirm large target potential of the recently acquired Timon Project.
- Target is a porphyry copper deposit associated with the Domeyko Fault Zone system similar to other large deposits on trend such as El Salvador and Escondida in the southern portion of the giant porphyry copper belt of northern Chile.
- Immediate exploration target is a north-south trending, highly leached lithocap which is the surface expression of a significant and substantial porphyry copper system at depth.
- The lithocap has a large, IP chargeability anomaly (1km wide, 3.5km long extending to >800m depth) coincident with anomalous copper in stream sediments, litho-geochemistry and mineralogy.

Oro Verde Limited (ASX:OVL) ("the Company or OVL") is pleased to announce to shareholders the completion of fast track geophysical surveys over the Timon ridge porphyry copper target within the recently acquired Timon Project which lies on the eastern margin of the southern extension of the Late Eocene to Oligocene giant porphyry copper belt of Chile, refer Figure1.

The Induced Polarisation (IP) data at Timon has outlined a substantial chargeability anomaly centred on Timon ridge that is at least 1km wide, 3.5km long extending to greater than 800m depth, which importantly is coincident with a stream sediment copper anomaly over the ridge, refer Figure 2.

Managing Director, Dr Wolf Martinick commented, ***"We are very excited by the results of our fast track geophysical program on the Timon ridge porphyry copper target within our recently acquired Timon Project area. The large IP chargeability anomaly with associated stream sediment copper and historical mineralogical anomalies (chalcopyrite and chalcocite) now provides a walk up drill target that we will test as soon as possible. All available data suggests that the Timon porphyry copper target has the potential to be very substantial in size."***

In addition, the project is close to established infrastructure of water, power and sealed roads with established tracks providing good access into the various project areas whilst the terrain lends itself to low cost construction of additional tracks and drill pads."

The June 2013 quarterly report outlined Oro Verde Limited's fast track exploration of the Timon ridge porphyry copper target for early drilling. Since the acquisition of the project on 11th June 2013, detailed geophysical programs have been completed by geophysical consultants, Argali Geofisica E.I.R.L., and geological mapping with further geochemical sampling is current. Detailed ground magnetic coverage of 30km² of the ridge and environs has been completed as 306 line km of continuous magnetic profiling on 100m line spacing as well as an infill program of IP to close off the current open anomaly (in all some 27 line km of IP as four dip lines and a strike line have been completed). The results are extremely favourable. A prominent area of demagnetisation, a typical

magnetic response over a porphyry system, is coincident with the lithocap. The IP data at Timon outlines a strong chargeability anomaly that is at least 1km wide and 3.5km long. Depending on topography, the chargeability anomaly commences from 50-150m depth and appears to extend to depths of at least 800m, the limit of the IP survey.

The IP anomalies observed on Timon ridge are considered to be consistent with expected anomalies over a leached lithocap over a copper or copper-gold porphyry system at depth in this geologic belt with the probable chargeable source being primary sulphide mineralisation (pyrite-chalcopyrite) underlying a possible supergene blanket of secondary chalcocite. Argali Geofisica E.I.R.L. commented in their report that "In recent years, few new substantial anomalies have been discovered in this belt, and all known anomalies have been explored in detail and drilled, with some substantial discoveries. As an undrilled and relatively unexplored prospect, this project warrants additional exploration." Oro Verde Limited is currently planning a first pass drilling program to test the Timon ridge porphyry copper target in the December 2013 quarter. The attachment outlines the background to the Timon Project.

*** ENDS ***

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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 Eco 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).



Late Eocene-Early Oligocene belt,
along the Domeyko Range.

Paleocene-Early Eocene belt,
along the Western Depression.

● porphyry copper deposit

■ epithermal deposit

Background to Timon Project

An ASX announcement of 11th June 2013 outlined the acquisition of the 50km² Timon Project area located 75km southeast of the city of Copiapo in Region 2 of Chile, refer Figure 3. It now comprises 17 Exploitation Concessions.

Regionally, the Timon Project area lies on the eastern margin of the southern extension of the Late Eocene to Oligocene giant porphyry copper belt, refer Figure 1. It is underlain by a sequence of folded and faulted Triassic to Eocene volcanics and sediments intruded by Palaeocene and Eocene intrusive complexes (refer Figure 2), just west of the bounding, northeast trending fault components of the Domeyko Fault system, a similar setting to other large deposits on trend to the north such as El Salvador and Escondida.

Two substantial porphyry targets are present in the project area, refer Figure 2. The primary target of interest is the central 4km long portion of the north-south trending Sierra El Timon ridge at 3,200m elevation, which has a moderate to strongly leached lithocap, lying within an argillic and silica altered area of rhyodacite tuffs of the Upper Cretaceous Sierra La Dichosa Formation. Lithocaps are leached “gossanous iron oxide” caps that usually define and overlie the shallow oxide parts of porphyry copper sulphide systems typically above the main Cu-(Au/-Mo) zone). The secondary target of interest lies in the southeast project area where two 1.5 to 2km² circular features of advanced argillic alteration with iron oxides are present in an area of general alteration over the Triassic La Terna Formation equivalent volcanics and sediments, refer Figures 2, 4 and 5. These targets are also possibly the expression of buried intrusives of similar age to the main ridge target.

The project owner vendor with past associates has held the Timon Project area for ~20 years. It is known that a number of companies over the years have examined the Timon Project area, specifically the lithocap, with little progression of status of the project to a drillable situation until very recently. The reason for this is there is no visible Cu mineralisation in the area and the tenor of the Cu and Mo litho-geochemical patterns are low in comparison with other known porphyry systems in the belt. Notwithstanding this, clay alteration mineralogy of samples collected by Billiton PLC in year 2000 suggested a high temperature hydrothermal system being present and the Cu and Mo litho-geochemical patterns of the lithocap results, albeit of a low order due to the highly acid leached environment, appear to relate to the model for porphyry Cu-Au-Mo mineralisation. Similar Cu and Mo litho-geochemical patterns were also evident from a more extensive litho-geochemical sampling program over the lithocap by the Chilean subsidiary of North Limited in 1998. This company also flew the area with heli-mag and an area of demagnetisation, a typical magnetic response over a porphyry system, was reported by Billiton to be coincident with the lithocap. Billiton also carried out mineragraphic studies on 12 leached, iron oxide, lithocap samples, taken from mainly the western side of the ridge over at least 4km of strike. Six samples revealed the presence of scarce to trace remanent, fine grained copper sulphide minerals (chalcopyrite and occasional secondary chalcocite) within the iron oxides (Figure 2). Billiton negotiated an option to drill Timon ridge with the current vendor in year 2000, but withdrew from further exploration of the property in 2001 on the merger with BHP Limited.

The vendor, in January 2013 acting on geological advice, commissioned well regarded geophysical consultants, Argali Geofisica, to carry out a 10.2 line kilometre, reconnaissance Induced Polarisation (IP) survey over the ridge lithocap target. Two east-west lines of 4,800m and 5,400m, separated by a north-south distance of 1,000m were laid out in the central portion of the 5km long ridge target and time-domain IP data was acquired to “see” to a vertical depth of 800m. The resulting IP data outlined a strong, western dipping, chargeability anomaly that was over 1,000m wide and greater than 1,000m long, open in both the south and north directions. Moderate chargeabilities flanked the southern line, generating a total anomaly width here of approximately 2,000m.

Subsequent to the IP survey OVL carried out a stream sediment sampling program over the ridge area as part of its project diligence, and a Cu anomaly was found to be present over the ridge (refer Figure 2), specifically coincident over the area of the central IP anomaly. This information was instrumental in OVL entering into an option to acquire Timon with the vendor. Since the acquisition of the project on 11th June 2013, further detailed geophysical programs have been completed by geophysical consultants, Argali Geofisica E.I.R.L., and geological mapping with further geochemical sampling is current. Detailed geophysical programs entailed ground magnetic coverage of 30km² of

the ridge and environs as 306 line km of continuous magnetic profiling on 100m line spacing as well as an infill program of IP to close off the open IP anomaly. In all some 27 line km of IP as four dip lines and a strike line have been completed. The results are extremely favourable. A prominent area of demagnetisation, a typical magnetic response over a porphyry system, is coincident with the lithocap. The IP data at Timon outlines a strong chargeability anomaly that is at least 1km wide and 3.5km long. Depending on topography, the chargeability anomaly commences from 50-150m depth and appears to extend to depths of >800m, the limit of the IP survey. Figure 6 outlines the IP chargeability at 2600m elevation with proposed drill hole intersection points within the chargeability anomaly. Note the strike line was not plotted because of the introduction of bias into the geophysical algorithm used. The chargeability anomaly on the northern margin of the plan is closed off 600m north in the strike line.

The presence of secondary chalcocite noted by Billiton is important within the highly leached lithocap environs as the noted low-resistivity conductive layer present in the IP immediately above the chargeable zone may represent the geophysical expression of an enrichment blanket of chalcocite over primary sulphides underlying the leached cap and overlying primary sulphide mineralisation (pyrite-chalcocopyrite), refer Figure 7.

The IP anomalies observed on Timon ridge are considered to be consistent with expected anomalies over a leached lithocap over a copper or copper-gold porphyry system at depth in this geologic belt with the probable chargeable source being primary sulphide mineralisation (pyrite-chalcocopyrite) underlying a possible supergene blanket of secondary chalcocite. But, given the relatively high, over 20mv/v chargeabilities in the core of the anomalies, it is very probable that pyrite is present and possibly dominant over copper sulphides in the primary sulphide mineralised zone of the porphyry. This is supported by the nature of the leached cap at surface and lithogeochemical results to date. How much chalcocopyrite is present with pyrite is a point that can only be determined by drilling as copper sulphides in general are less chargeable than pyrite and could be present within any of the chargeable areas on the profiles.

The main lithocap ridge is now a substantial porphyry Cu target with the possibility of a significant chalcocite enrichment blanket over primary sulphides. Oro Verde Limited is currently planning a first pass drilling program to test the Timon ridge porphyry copper target in the December 2013 quarter.

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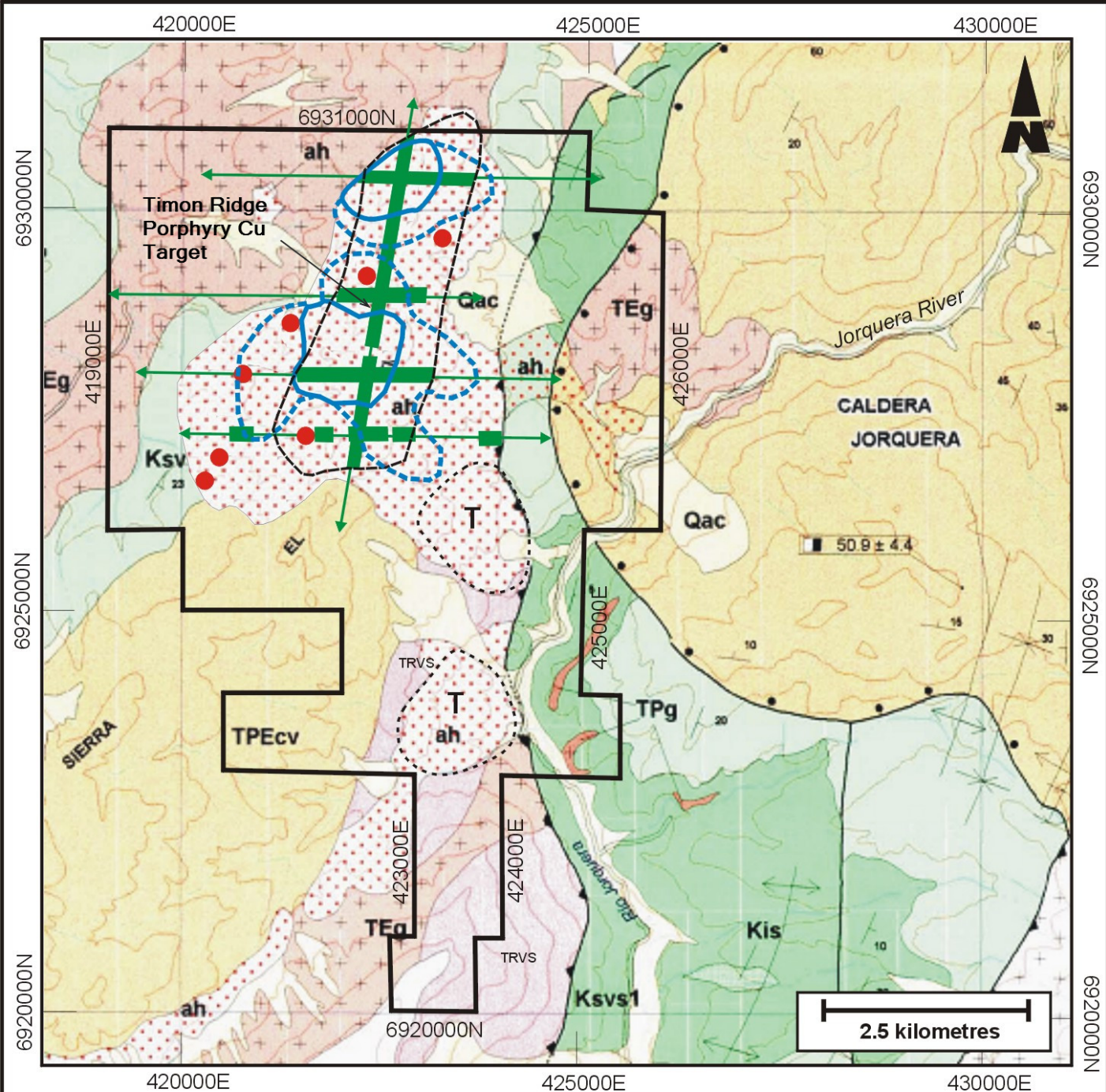


Late Eocene-Early Oligocene belt,
along the Domeyko Range.

Paleocene-Early Eocene belt,
along the Western Depression.

● porphyry copper deposit

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STRATIGRAPHY AND INTRUSIVES **Timon Geology Summary**

TPEcv	Palaeocene - Eocene andesites, sediments
Ksvs1	Cretaceous Superior - Formation Quebrada Seca volcanics
Ksvs2	Cretaceous Superior - Formation Sierra La Dichosa tuffs, andesites
Kis	Cretaceous Inferior - Formation Quebrada Monardes clastics.
TRvs	Triassic - Formation La Ternera equiv. volcanics and sediments
TEg	Eocene - Pluton El Gato equiv. (40-46Ma) granodiorites.
TPg	Paleocene - Pluton Cabeza de Vaca equiv. (65-55Ma) monzonites.

-
- Cpy±Cc in Fe Oxides
 - IP Line with Anomaly
 - Alteration
 - Leached Lithocap Target
 - Other Targets
 - Cu 100+ ppm Stream Sediments
 - Cu 80+ ppm Stream Sediments

Figure 2

Portion 1:100,000 La Guardia Map

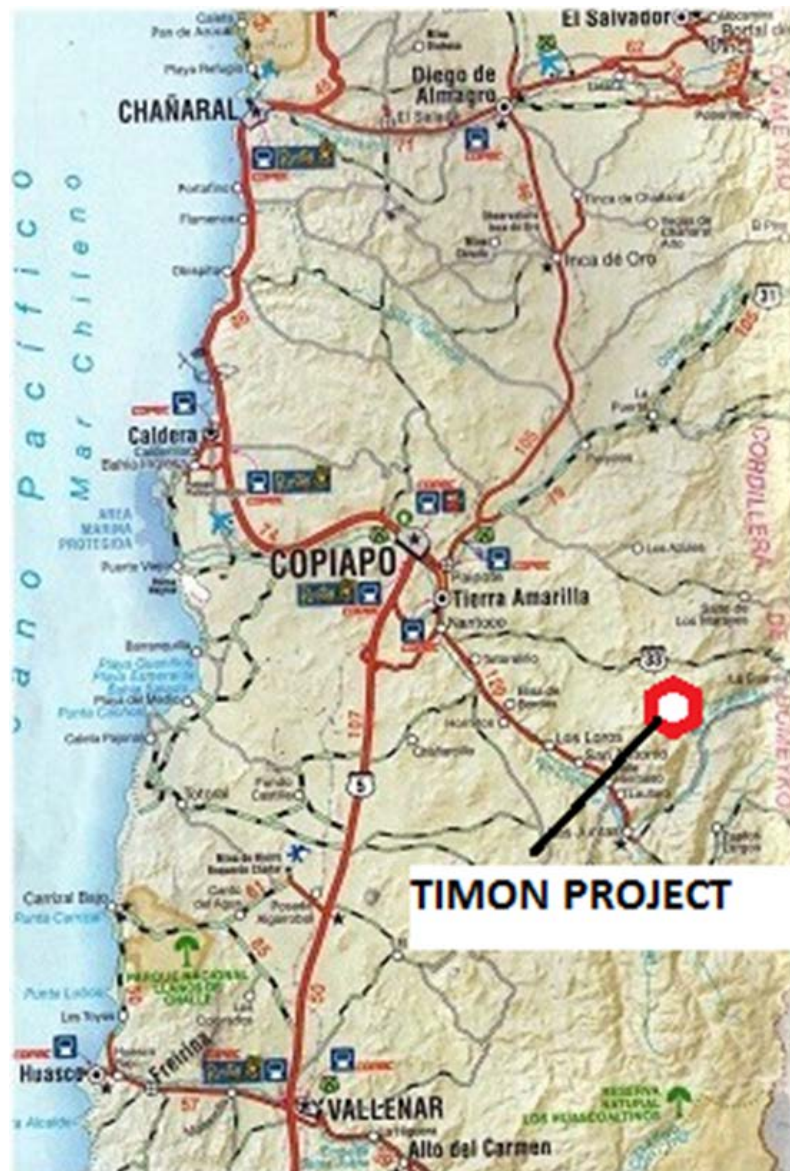


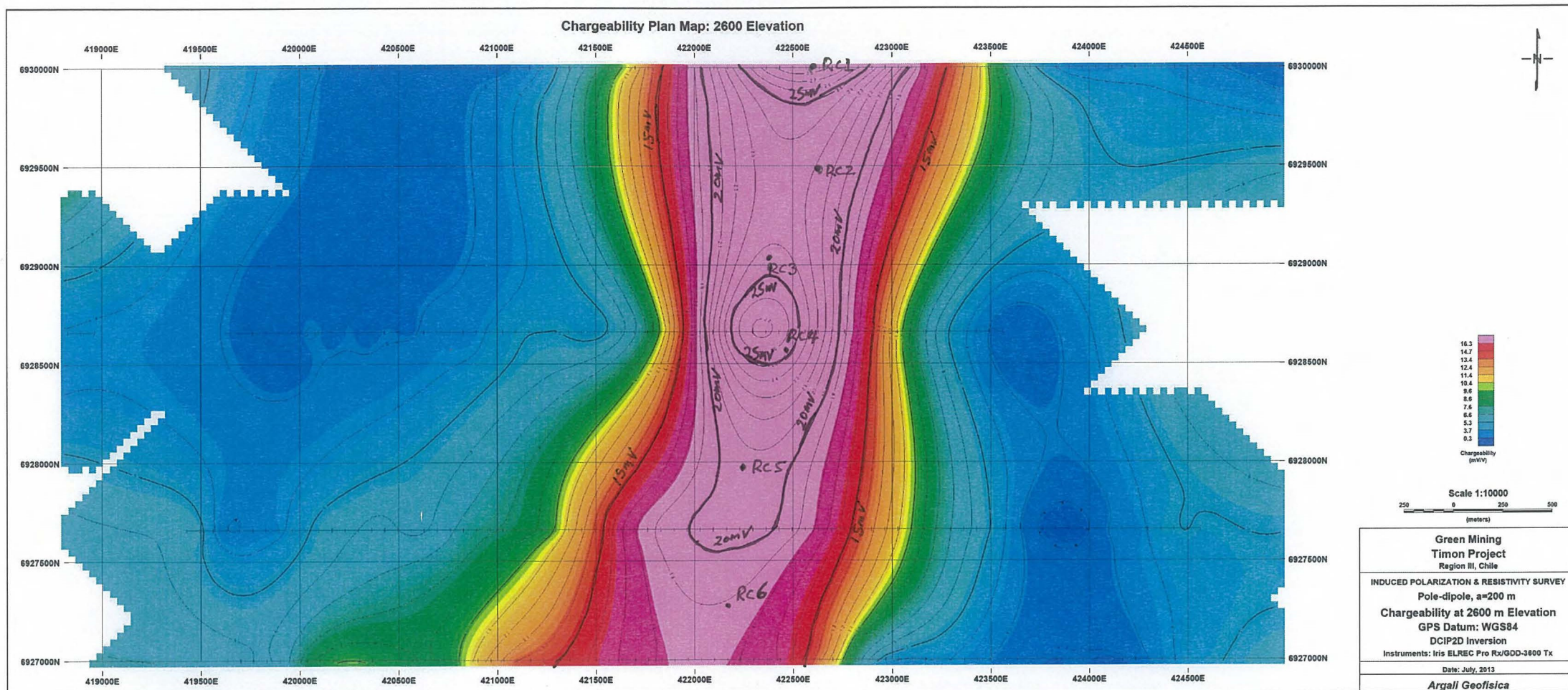
Figure 3. Location Timon Project.



Figure 4. Timon central area looking south along the main target, the prominent lithocap ridge with alteration (argillic, silicification and iron oxides). In the valley of the Rio Jorquera in the southwest foreground are secondary targets (refer below).



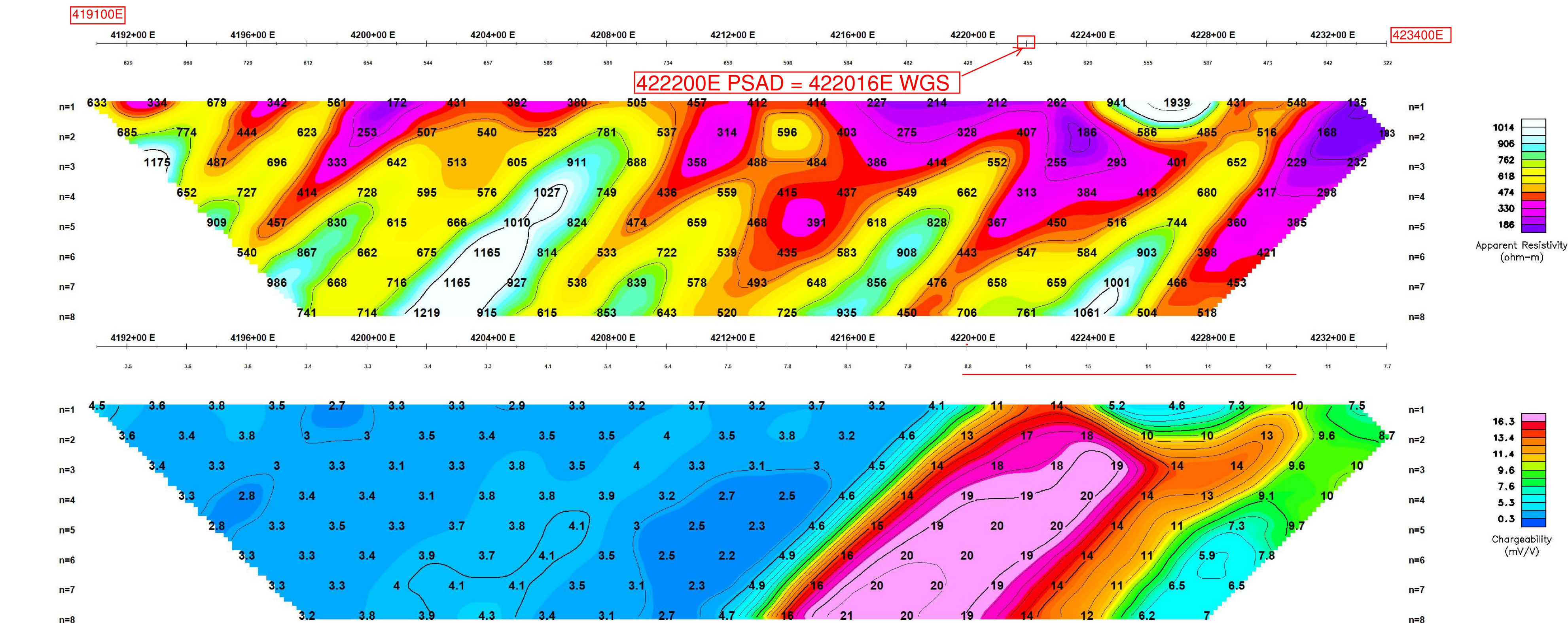
Figure 5. Timon Project, southeast in the valley of the Rio Jorquera looking north, secondary exploration target prominent alteration (argillic with iron oxides) in Triassic volcanics representing a buried intrusive porphyry.



Notes

1. Chargeability anomaly on northern margins of plan has been closed off by strike line 600m north.
2. Strike line has not been plotted on plan, because of introduction of bias into plotting algorithm for chargeability section.

Figure 6 Proposed drill holes on IP chargeability at 2600 elevation between 6927000mN and 6930000mN.



Timon Project

PSAD **Line 6929000N**

WGS Line 6928626N

Pole-Dipole Array

a = 200 M

plot point

Figure 7. IP Section 6928626mN

showing leached cap and position of possible chalcocite enrichment blanket over primary sulphide zone.

SURVEY SPECIFICATIONS

Instruments: GDD 5000 Watt Tx, EIREC-Pro Rx

Input waveform: 0.125 Hz Time Domain

Pole-dipole array: 200 m dipoles

GPS Datum: PSA56 mean

DATA PRESENTATION

Pseudosections and Inversions

Resistivity: semilogarithmic (ohm-m)

Chargeability: 2 mV/V contours

Integration: 400 to 1840 msec

Infinity: 418507E, 6931668N

INVERSION

DCIP2D version 3.2

(University of British Columbia)

Scale 1:10000

100 0 100 200 300 400 500 600

(metres)

Minera Timon

IP & Resistivity Survey and Inversion

Timon Project

Line 6929000N PSAD

Region III, Chile

Date: January 2013

Argali Geofisica EIRL