

# ORO VERDE LIMITED (ASX: OVL)

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## Nicaragua – A New Golden Frontier



February 2015

# New Direction for Oro Verde



- Since August 2014 OVL has been consolidating its position in Nicaragua
- Now established with two attractive gold projects in Nicaragua
  - ✓ Option over **Topacio Gold Project** (340,000 oz gold resource) - announced by OVL on 11 November 2014<sup>1</sup>
  - ✓ 100% of **San Isidro Gold Project** adjacent to 2.3 Moz Au resource (La India)
- Restructured Board and Management with extensive Latin American experience
- We have attracted a high quality in country team – in January appointed David Turner - an outstanding local geologist as Country Manager

# Corporate



OVL 12 Month Chart - ASX

## Oro Verde Ltd - Capital Structure

Since December 2011

ASX Code:	OVL
Issued Shares:	360m
Options:	2.5m @ \$0.20 (Jan '16) 1.0m @ \$0.04 (Mar '16) 71.0m @ \$0.01 (Sep '17) 71.0m @ \$0.05 (Sep '19)
Market Cap (undiluted):	\$3.6m (at 1.0c)



## Board & Management

<b>Dr Wolf Martinick</b>	– Non exec Chairman
<b>Mr Trevor Woolfe</b>	– Managing Director
<b>Mr Brett Dickson</b>	– Finance Director
<b>Mr Tony Rovira</b>	– Non exec Director
<b>Dr Brad Farrell</b>	– Non exec Director

## Major Shareholders (after acquisition)

Brad Farrell	11.7%
Wolf Martinick	11.3%
Berenes Nominees PL	8.9%
Tony Rovira	5.6%
<b>Top 20</b>	<b>58.9%</b>

# Nicaragua Snapshot

- Located in Central America
- Incredible turnaround of fortunes during the past 25 years
- Following the famous revolutionary period of the 1970s and 1980s, stable democracy was returned to Nicaragua in 1990.
  - Democratically elected governments for >20 years
  - Rated as the **safest country** in Central America
- Nicaragua is now a country of untapped potential
- Strengthening economy, stable politics and is safe
- **GDP:** **+4.6% in 2013**
- **Unemployment:** **5.9%**
- **Inflation:** **5.7%**



Data provided by ProNicaragua

# Nicaragua Snapshot

<b>Location:</b>	Central America
<b>Area:</b>	30,000km <sup>2</sup> (2 x Tasmania)
<b>Capital:</b>	Managua
<b>Access:</b>	Direct flights from USA
<b>Languages:</b>	Spanish, English & Indigenous
<b>Population:</b>	6.2 million
<b>Currency:</b>	Cordoba (US\$1 = C\$27)
<b>Stable currency:</b>	5% pa devaluation vs USD
<b>Major exports:</b>	Textiles, auto parts, <b>gold</b> , meat and coffee

Data provided by ProNicaragua



# Why explore in Central America?

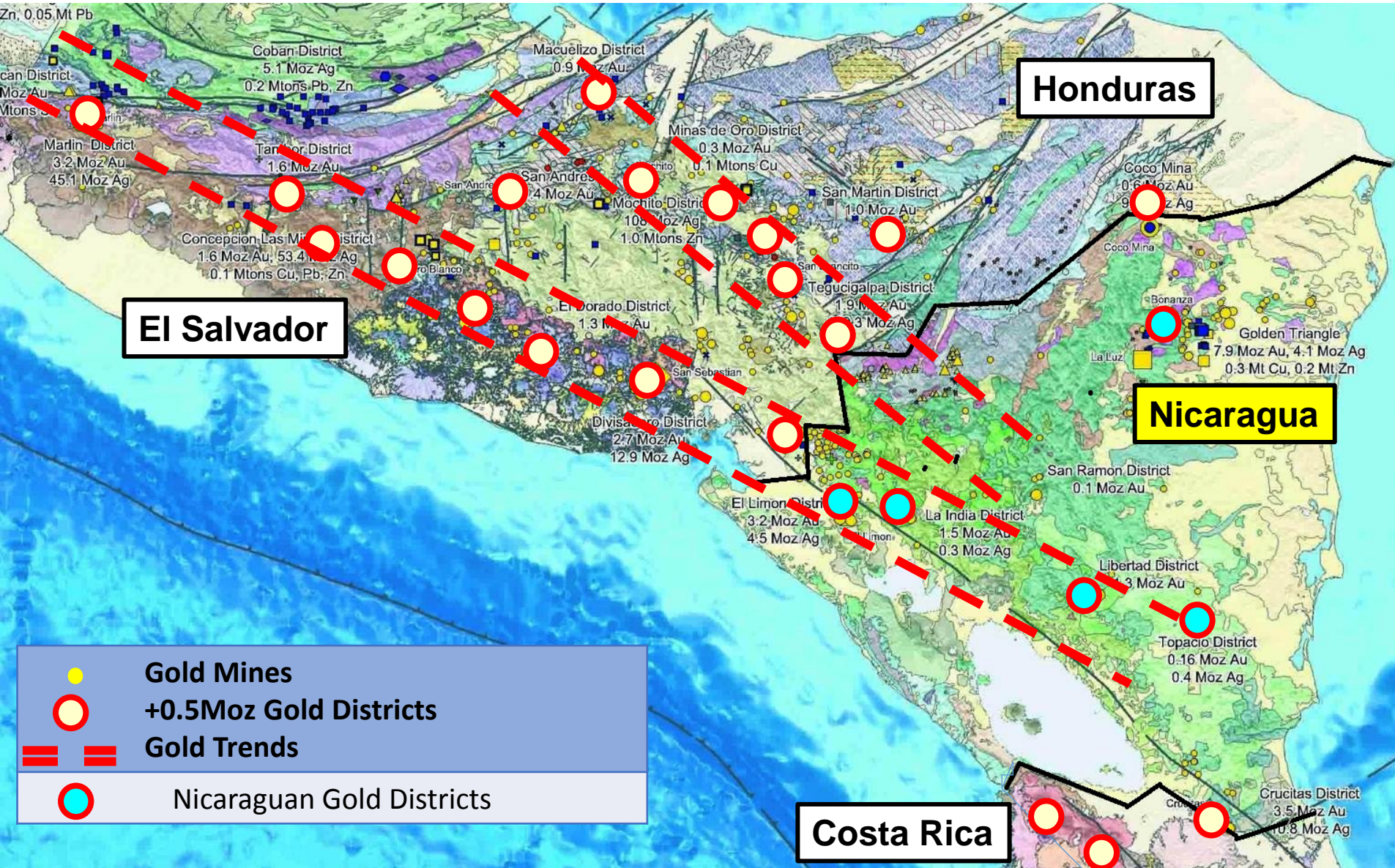


- Overall Central American mineral production:
  - 34 Moz Gold
  - 276 Moz Silver
  - 15 Mt Copper
- Numerous gold mines in the countries surrounding Nicaragua
- Nicaragua has a strong gold mining history – 14Moz produced to date

Gold Production in Central American Countries		
Country	Gold Production	Gold Districts >0.5 Moz
<i>Nicaragua</i>	<i>14 Moz</i>	<i>4</i>
Honduras	10 Moz	10
El Salvador	4 Moz	4
Costa Rica	4 Moz	4

- Four large (>1Moz) gold mining districts identified to date in Nicaragua

# Gold Mining in Central America



# Mining Profile – Nicaragua



Nicaragua Gold Districts	Gold Production + Resources
Golden Triangle (Bonanza/Rosita/Siuna)	+7.9 Moz *
El Limon	+3.5 Moz
La India	+2.9 Moz
La Libertad	+1.8 Moz
<b>TOPACIO</b>	<b>+0.3 Moz</b>

\* production only, current resources unknown

# Mining Profile – Nicaragua



Nicaragua Major Gold Projects	Ownership	2013 Gold Production <sup>2</sup>	2013 Production Costs <sup>2</sup>
Bonanza	HEMCO/Mineros	65,000 oz	U\$700-800 /oz
El Limon	B2Gold	48,000 oz #	U\$652 /oz
La India	Condor Gold	PFS	PFS
La Libertad	B2Gold	150,000 oz #	U\$563 /oz

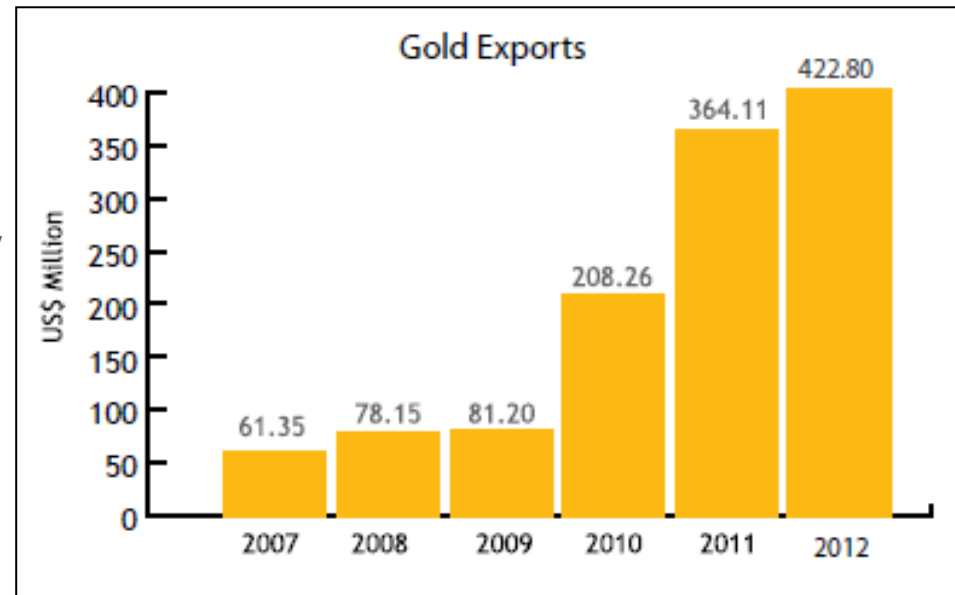
<sup>2</sup> Company reports

# 2014 results

- 3 major gold mines currently operating (2 companies)
- 2013 gold production: 310,000 oz
- Nicaragua is a country with a track record of **low cost gold production**
- Artisanal mining is widespread throughout Nicaragua
- **Uncertainty of existing regulations:** Lowest quartile, ahead of Qld, Tas, NSW, Vic (Fraser 2013)
- **Uncertainty over environmental regs:** Lowest quartile, ahead of all Aust states (Fraser 2013)

# Mining History – Nicaragua

- Gold mining in Nicaragua since early 1500s
- Nicaragua was in the world's top 10 gold producers in the 1950s
- BUT – mining was reduced significantly in 1979 for > 20 years when Sandinista Government nationalised and closed many mines
- Nicaragua missed out on the 1980's/1990's gold mining & exploration boom which surged in surrounding countries El Salvador, Honduras & Costa Rica
- **Recent resurgence of interest in Nicaraguan gold mining**
- **B2Gold is major producer (150kozpa)**



# Mining Legal Framework

- ✓ Single title type: Mining Concession
- ✓ Maximum area: 50,000 hectares
- ✓ Valid for 25 years with 25 year extension
- ✓ Concession holder has exclusive rights for exploration and exploitation of all minerals
- ✓ Escalating annual concession payments by area
- ✓ 3% Mining Royalty

# New Acquisition

## - Topacio Gold Project

- Inferred Mineral Resource: 340,000 oz Au (NI 43-101)\*
  - 2.72 million tonnes at 3.90g/t Au
- Option to Purchase Agreement signed late October
- 4 month due diligence now complete – **POSITIVE RESULT**
- OVL Board has **accepted the Option Agreement**
- Conditions:
  - US\$2m spend over 3 years
  - 6 x US\$40,000 payments each 6 months to Vendor
  - US\$1.5m to acquire 100%
  - Plus either
    - i) 2%royalty, or
    - ii) US\$1/oz Au (in measured and indicated resources)

\*Refer Disclaimer

# Topacio Gold Project

## - Good Access






- Located in the southeast of Nicaragua, just 250km from Managua
- Adjacent to the regional highway

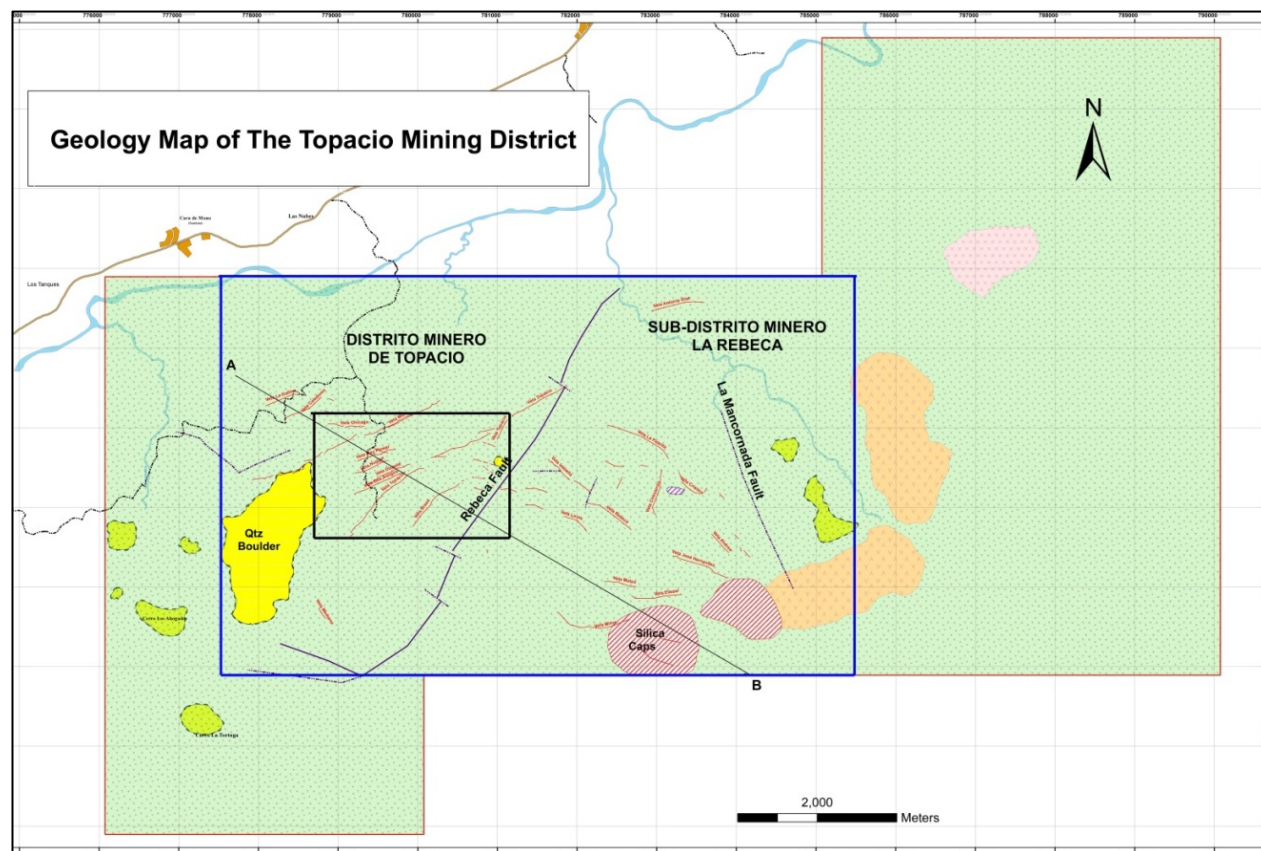


# Topacio Gold Project

## – Under-explored

- A 93 km<sup>2</sup> concession in cattle farming country

-  Resource area
-  Explored area
-  Under-explored area



# Topacio Gold Project

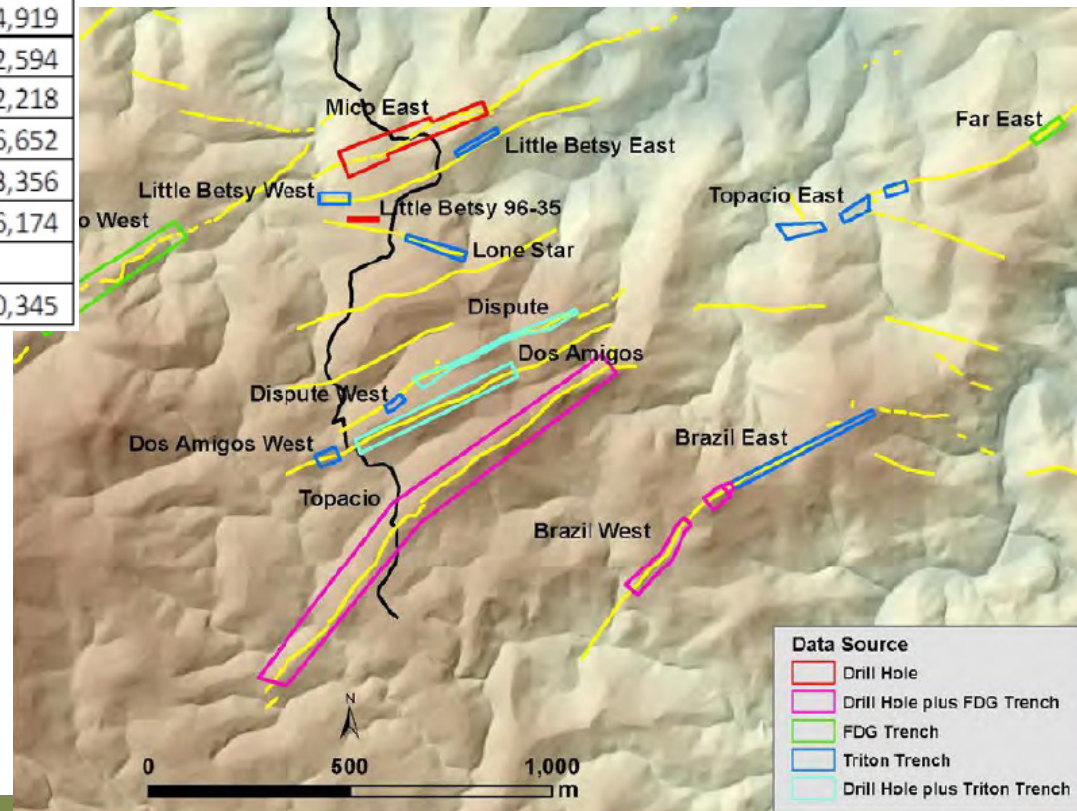
## – Attractive gold grades



- Multiple veins
- Epithermal system
- Steeply dipping, from surface

Summary @1.5 g/t	Tonnes	Au grams	Au g/t	Au oz
Topacio	1,009,117	4,307,098	4.27	138,476
Topacio East	127,683	294,660	2.31	9,474
Topacio Far East	5,760	24,134	4.19	776
Mico West	109,516	426,409	3.89	13,709
Mico East	492,912	1,928,297	3.91	61,996
Little Betsy East	185,760	1,086,113	5.85	34,919
Lone Star	13,820	80,695	5.84	2,594
Dispute	284,014	691,057	2.43	22,218
Dos Amigos	307,751	1,139,992	3.70	36,652
Brazil West	118,813	415,426	3.50	13,356
Brazil East	61,031	192,020	3.15	6,174
Total	2,716,176	10,585,901	3.90	340,345

- Current resource focuses on 11 separate veins
- E-NE trending veins
- Veins outcrop at surface



# Topacio Gold Project

## – Advanced Project

- Opportunity for early gold production with mobile plants
- Remainder of concession is under-explored
- Highly prospective for additional gold discoveries
- Previous modern exploration focused on limited (~5 km<sup>2</sup>) area of the current concession, carried out by:
  - 1984 CPRM (Brazil)
  - 1995-96 Triton Mining Co. (Canada)
  - 2011-13 FDG Mining/Tango Gold (Canada)
- OVL aims to:
  - expand the resource by additional drilling and new discoveries; and
  - upgrade resource to JORC standard

# San Isidro Gold Project

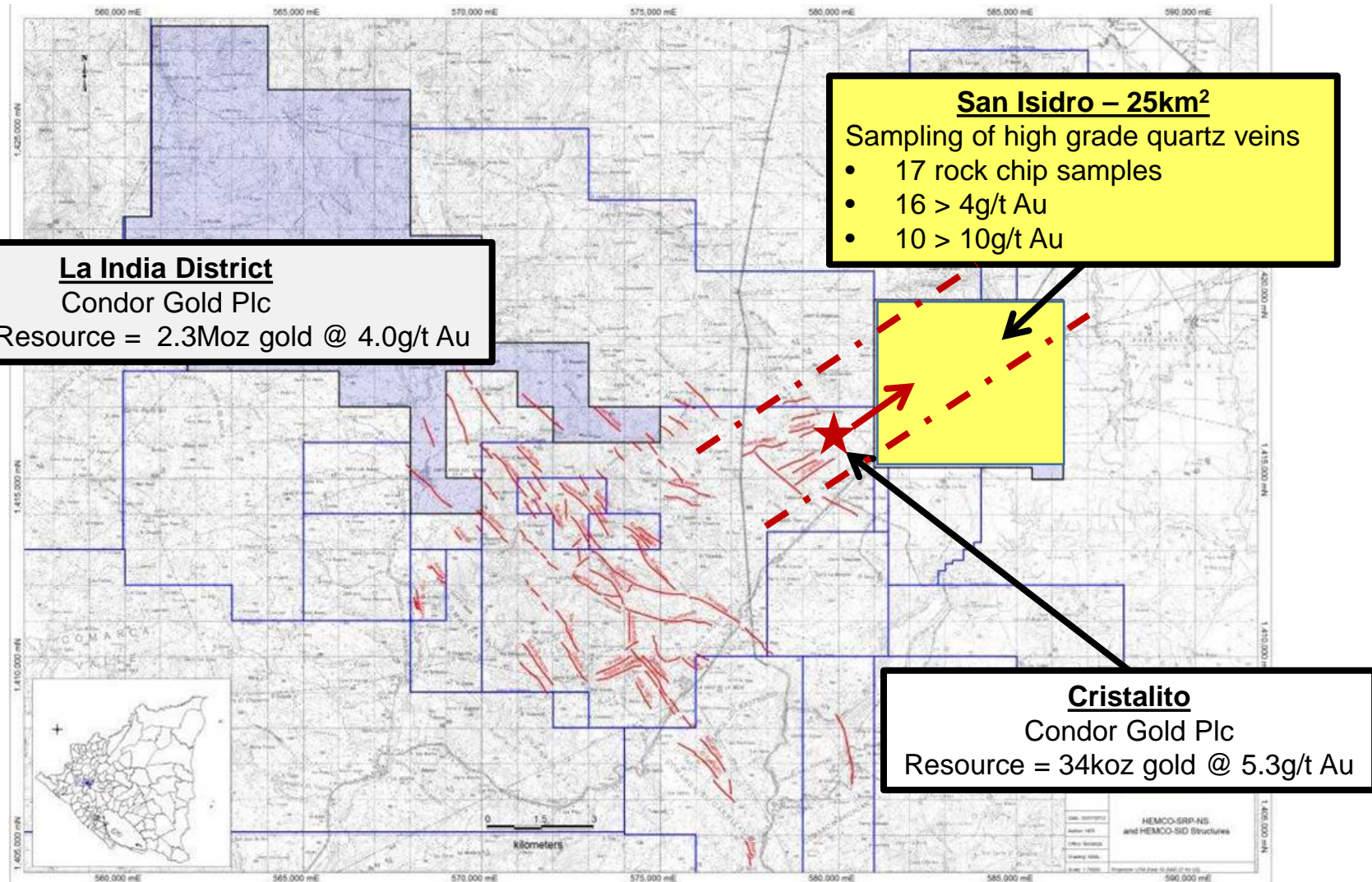


- adjacent to 2.3Moz La India gold resource

- 100% OVL
- 2,520 ha
- Early stage
- Vein type
- Epithermal style



# La India District – San Isidro Project



# Key messages

- Nicaragua is a new direction for Oro Verde
- Nicaragua has untapped potential in a stable and safe environment
- OVL has acquired a top quality gold project in Topacio
- OVL has strong Board and Management with extensive Latin American expertise
- OVL has an experienced in-country team
- 2015 will see a significant increase in OVL news flow

# Disclaimer

- **Forward Looking Statements** *This report contains forecasts, projections and forward looking information. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of Oro Verde's control. Actual results and developments will almost certainly differ materially from those expressed or implied. Oro Verde has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. To the maximum extent permitted by applicable laws, Oro Verde makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.*
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- *The information in this document that relates to Foreign Mineral Resource Estimates is extracted from the report entitled "High Grade Gold Project Acquired" created on 11 November 2014 and available to view on [www.asx.com](http://www.asx.com). The Company confirms that it is not in possession of any new information or data relating to the foreign estimates that materially impacts on the reliability of the estimates or the Company's ability to verify them as mineral resources in accordance with the JORC Code. The information included in the original market announcement continues to apply and has not materially changed. This is a foreign estimate and is not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify the estimate as mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and further exploration work that the estimates will be able to be reported as mineral resource s in accordance with the JORC Code*

<sup>1</sup> Refer to ASX announcement dated 11 November 2014 "High Grade Gold Project Acquired"



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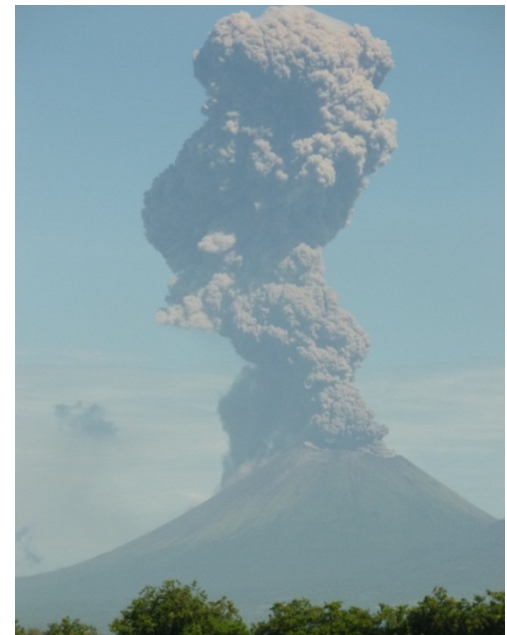
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**Eruption of San Cristobal  
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