**ASX Announcement** **7 December 2016**

# DRILLING OF REBECA ZONE PLANNED - GOLD POTENTIAL ENHANCED BY INFILL SOIL RESULTS

## HIGHLIGHTS

- **Infill soil geochemistry enhances the prospectivity of the Rebeca-Sahino Zone at Topacio**
- **Anomalous pathfinder elements confirm potential for a buried epithermal gold system at the Rebeca-Sahino Zone**
- **Newcrest recently agreed to fund initial drill testing of Rebeca-Sahino Zone targets**
- **Planning is well advanced for drilling of the highest priority targets**

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**Oro Verde Limited (ASX: OVL)** ("Oro Verde" or "the Company") is pleased to announce that infill soil sampling results have enhanced the potential of the Rebeca-Sahino Zone hosting a significant buried epithermal gold (Au) system at the Topacio Gold Project, located in southeastern Nicaragua (Figure 9).

The geochemically and geologically fertile Rebeca-Sahino Zone (Figure 3) has been identified as **a high priority target area** with the potential to host a multi-million ounce gold resource.

The infill soil sampling was included in the first year Stage 1 exploration program of the Farm-In Agreement between Newcrest International Pty Ltd, a wholly owned subsidiary of **Newcrest Mining Limited (ASX: NCM)** ("Newcrest"), and Oro Verde that was executed at the end of November 2015[1].

Soil sampling has returned anomalous gold (up to 751ppb) and thallium (Tl) results from veined areas in the northwest of the infill soil grid, where the Rebeca and La Palmita veins are exposed at surface. Where these veins are covered by the Sahino silica-clay cap further to the southeast, the Au-Tl values decrease, which is consistent with the view that **gold targets may be concealed beneath the cap** (Figure 1).

Encouragingly, infill soil geochemistry over the Sahino silica-clay cap was anomalous in low temperature **indicators of buried epithermal systems**, including coincident high levels of arsenic (As), antimony (Sb) and tungsten (W) [Figures 2(a) to (c)].

Oro Verde's Managing Director, Mr. Trevor Woolfe, commented ***"The infill soil results from the Rebeca-Sahino Zone continue to impress. The latest results have enhanced the prospectivity and importance of the area, which appears to represent the upper levels of a buried epithermal vein system. After Newcrest's recent decision to fund initial drilling, our geologists are completing preparations for drilling of this target, which I expect to commence early in the New Year."***

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[1] *Refer to ASX announcement dated 30 November 2015 "Newcrest Signs A$11M Farm-in Agreement with Oro Verde"*

**INFILL SOIL PROGRAM**

The initial 400m x 400m soil sampling grid undertaken earlier this year[2] highlighted the Rebeca-Sahino Zone as the priority area of interest. The **infill soil sampling program** was designed to cover this zone, which is approximately 3km x 4km in area, located 2km to the southeast of the main Topacio resource area and contains a number of veins (including Rebeca, Isabella, Andres, La Palmita and Chocorron) predominantly striking NW-SE and flanking the overlying silica cap of El Sahino (Figure 3).

A review of the key infill soil geochemistry results indicates that gold (Figures 1 and 4) is anomalous in the north and northwest of the Rebeca-Sahino Zone, where the Rebeca, La Palmita and other veins are better exposed at surface. Thallium displays a similar pattern (Figure 5). Thallium can be a diagnostic trace element in gold exploration and is a favourable pathfinder element for epithermal mineralisation. Both Au and Tl have similar characteristics in low temperature solutions and therefore can be transported together.

Low temperature epithermal indicators – arsenic, antimony and tungsten – are all anomalous within the northern half of the Sahino silica cap [Figures 2(a) to (c)], including above the strike extension of the Rebeca Vein. The prospectivity of the Rebeca-Sahino Zone is enhanced by the coincidence of strong arsenic and antimony anomalism, as shown in Figure 2. These elements can be representative of "upflow" or "outflow" zones from a buried source in an epithermal system.

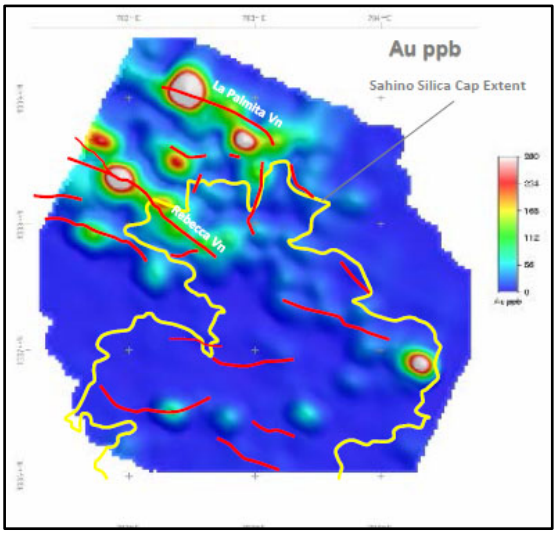


**Figure 1 Rebeca-Sahino Zone – Infill soil geochemistry: Gold**

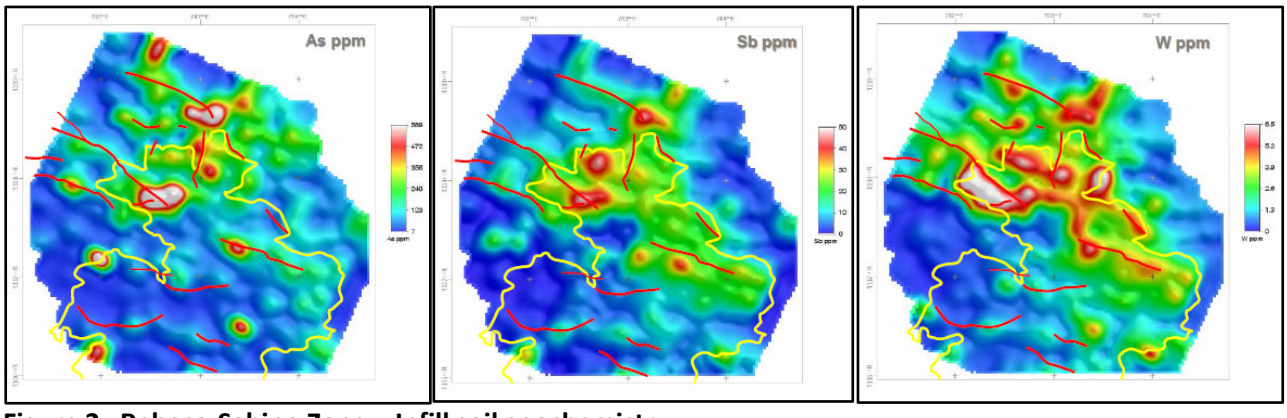


**Figure 2 Rebeca-Sahino Zone – Infill soil geochemistry**
**(a) Arsenic (b) Antimony (c) Tungsten**

*Note: Individual sample locations and relative grades for the Rebeca-Sahino Zone infill soil program can be seen in Figures 4 to 8. The grade ranges applied may vary between diagrams for display purposes – refer to individual legends.*

[2] *Refer to ASX announcement dated 18 August 2016 "Strong Gold Anomalies in Soils at Topacio"*

The historical Topacio gold resource has been identified as a low sulphidation epithermal vein system, estimated to contain over 340,000 ounces of gold[4], with veins exposed at surface and in a number of artisanal workings. In contrast, the Rebeca-Sahino Zone (Figure 3) has fewer artisanal workings and they are concentrated at the northwestern end where the Rebeca vein is well exposed.

Importantly, veins from the Rebeca-Sahino Zone have typically recorded lower average rock chip gold grades than the veins further northwest, which is often characteristic of a higher level within the epithermal system. The surface expression of the Rebeca Vein decreases in a southeasterly direction due to the presence of the Sahino silica cap which is interpreted to conceal the strike extension of the mineralised vein. Our recent airborne geophysical survey (magnetics) also supports the sub-surface continuity of the Rebeca Vein[3].

Within the Rebeca-Sahino Zone, the infill soil grid was oriented perpendicular to the predominant NW-SE strike of the main vein sets. The grid lines were reduced to 200m spacing with sample points along each grid line 50m apart across the majority of the grid, with some samples spaced at 100m apart in the periphery of the infill grid. The orientation and location of infill sample points can be seen in Figures 4 to 8. A total of 665 locations were sampled on the infill grid and were sent to the laboratory, along with 101 QA/QC samples, for multi-element analysis. All results have now been received.

The results from the infill soil geochemistry reinforce the model that suggests that the Rebeca-Sahino Zone has potential for buried low sulphidation epithermal gold mineralisation, in addition to the gold resources already estimated on the nearby Topacio veins. It indicates that the broader Topacio epithermal vein system has a significant footprint nearing 7km x 4km in area (Figure 3).

**DRILLING OF KEY TARGETS**

Planning is advanced for the first phase of drilling within the Rebeca-Sahino Zone, expected in early 2017. Oro Verde already holds a current environmental permit allowing drilling on the concession. Drill locations, program logistics and water sources for drilling are currently being finalised.

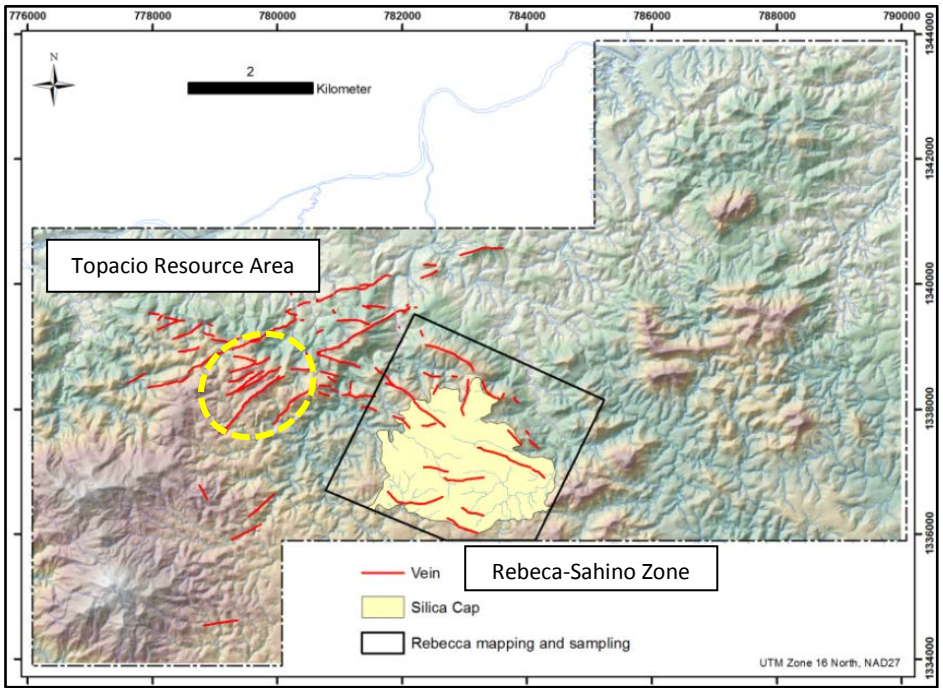


**Figure 3 Topacio: Target zone – Rebeca Zone and Sahino Silica Cap**

[3] *Refer to ASX announcement dated 5 September 2016 "Geophysics Highlights New Gold Targets at Topacio"*

**Table A Topacio soil geochemistry – Au (ppb) [only Au results >50 ppb]**

| Sample Number | Easting (m) | Northing (m) | Au (ppb) FA 130 | Sample Number | Easting (m) | Northing (m) | Au (ppb) FA 130 |
|---|---|---|---|---|---|---|---|
| 74997 | 781,590 | 1,338,201 | 54 | 75662 | 782,531 | 1,338,298 | 86 |
| 74998 | 781,630 | 1,338,295 | 61 | 75666 | 782,656 | 1,338,570 | 52 |
| 74999 | 781,755 | 1,338,328 | 54 | 75669 | 782,788 | 1,338,834 | **160** |
| 75001 | 781,742 | 1,338,460 | 51 | 75671 | 782,835 | 1,338,930 | **171** |
| 75503 | 781,809 | 1,338,651 | **335** | 75713 | 782,532 | 1,337,853 | **260** |
| 75509 | 782,072 | 1,339,190 | 75 | 75722 | 782,708 | 1,338,212 | 81 |
| 75521 | 781,682 | 1,337,933 | **205** | 75728 | 782,879 | 1,338,563 | 55 |
| 75526 | 781,854 | 1,338,294 | **203** | 75729 | 782,921 | 1,338,664 | **551** |
| 75527 | 781,901 | 1,338,385 | **661** | 75773 | 782,712 | 1,337,765 | 78 |
| 75536 | 782,256 | 1,339,102 | **152** | 75775 | 782,756 | 1,337,855 | 99 |
| 75554 | 781,883 | 1,337,891 | 69 | 75776 | 782,778 | 1,337,900 | **132** |
| 75559 | 782,059 | 1,338,251 | **194** | 75784 | 782,931 | 1,338,215 | 63 |
| 75564 | 782,234 | 1,338,610 | 95 | 75786 | 783,019 | 1,338,394 | **187** |
| 75568 | 782,431 | 1,339,015 | **710** | 75788 | 783,107 | 1,338,574 | **107** |
| 75569 | 782,475 | 1,339,105 | **547** | 75789 | 783,150 | 1,338,664 | **202** |
| 75571 | 782,519 | 1,339,195 | **182** | 75791 | 783,194 | 1,338,754 | 72 |
| 75596 | 782,107 | 1,337,893 | 58 | 75802 | 782,322 | 1,336,509 | **179** |
| 75599 | 782,173 | 1,338,028 | 92 | 75833 | 782,915 | 1,337,723 | 56 |
| 75601 | 782,195 | 1,338,073 | 56 | 75838 | 783,021 | 1,337,949 | **109** |
| 75602 | 782,217 | 1,338,117 | 52 | 75854 | 783,376 | 1,338,665 | 97 |
| 75603 | 782,238 | 1,338,164 | **403** | 75856 | 783,418 | 1,338,756 | 55 |
| 75606 | 782,347 | 1,338,387 | 51 | 75903 | 783,226 | 1,337,906 | 74 |
| 75607 | 782,393 | 1,338,478 | **376** | 75912 | 783,401 | 1,338,263 | 53 |
| 75611 | 782,523 | 1,338,748 | 55 | 75929 | 782,747 | 1,336,469 | **113** |
| 75612 | 782,566 | 1,338,837 | 79 | 75953 | 783,186 | 1,337,366 | 57 |
| 75613 | 782,611 | 1,338,927 | 64 | 75957 | 783,274 | 1,337,547 | 76 |
| 75614 | 782,655 | 1,339,017 | **147** | 76014 | 783,475 | 1,337,504 | 54 |
| 75643 | 782,177 | 1,337,581 | **170** | 76026 | 783,804 | 1,338,179 | 57 |
| 75646 | 782,221 | 1,337,671 | 78 | 76097 | 783,416 | 1,336,475 | **153** |
| 75652 | 782,332 | 1,337,895 | 52 | 76189 | 784,103 | 1,336,973 | 99 |
| 75653 | 782,355 | 1,337,945 | **211** | 76623 | 784,306 | 1,336,873 | **751** |
| 75654 | 782,373 | 1,337,986 | **164** | 76624 | 784,307 | 1,336,930 | **122** |
| 75657 | 782,431 | 1,338,123 | **140** | | | | |

*Co-ordinate system UTM Zone 16 and datum NAD27 Central*

Note: The majority of samples in this infill soil sampling program (600 samples or 90.2% of total samples collected) reported gold grades between 1ppb (the minimum detection level for the analytical method used) and 50 ppb Au. These values are not considered significant by the Company at this stage and hence are not reported individually here. The distribution of the individual samples and their relative gold results can be observed in Figure 4 of this report.

While Figures 1 and 2 display gridded/contoured geochemical data for each key element within the Rebeca-Sahino infill area, the following diagrams (Figures 4 to 8) display the combined Topacio soil sampling grid covering the entirety of the Presillitas concession. Results at each sample point are displayed by colour based on grade intervals for each of the elements discussed in this report and deemed to be of significance by the Company for the sampling program undertaken and the style of mineralisation being explored. The point data for each element has then been gridded/contoured using the same colour grade intervals.

These figures also demonstrate that, while both the Topacio resource area and the Rebeca-Sahino Zone are part of a large epithermal system, the variability in the geochemical response suggests that the two areas represent different parts of the epithermal system.

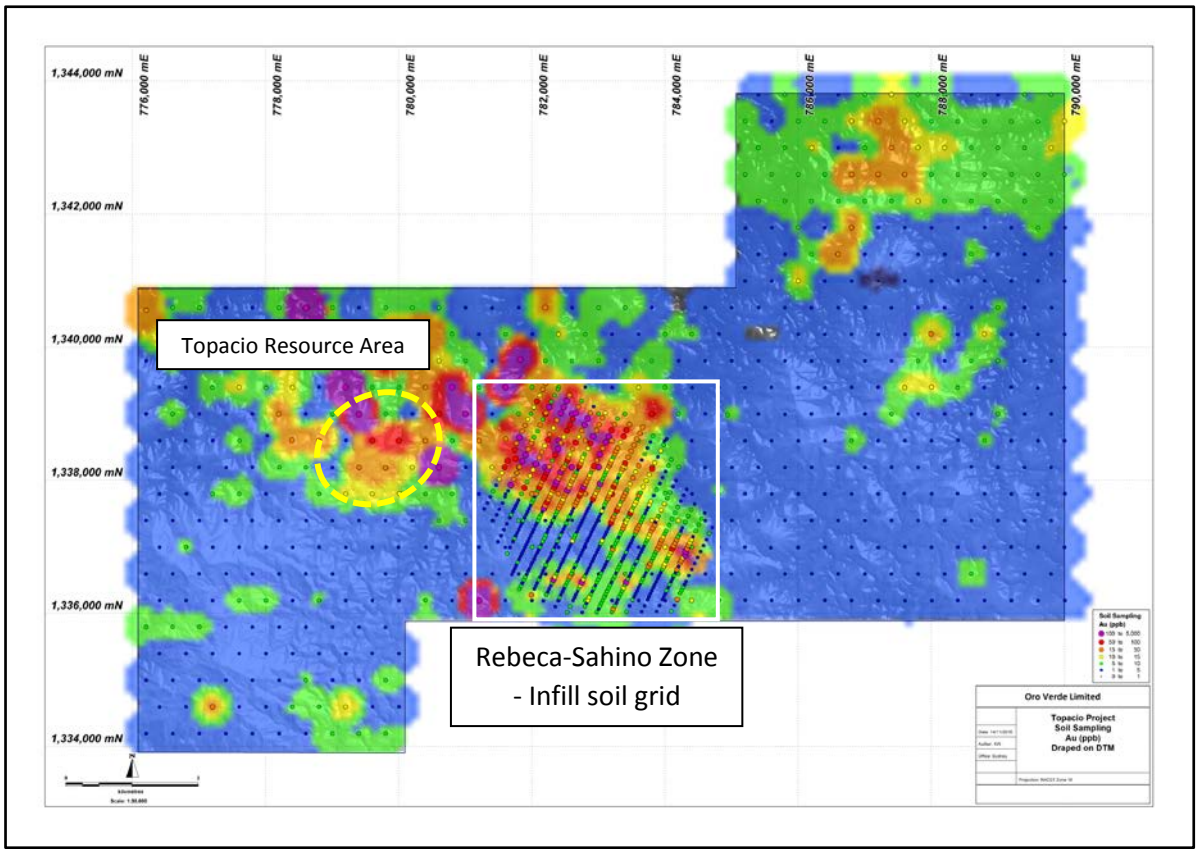


**Figure 4 Topacio Gold Project - Soil geochemistry: Gold**

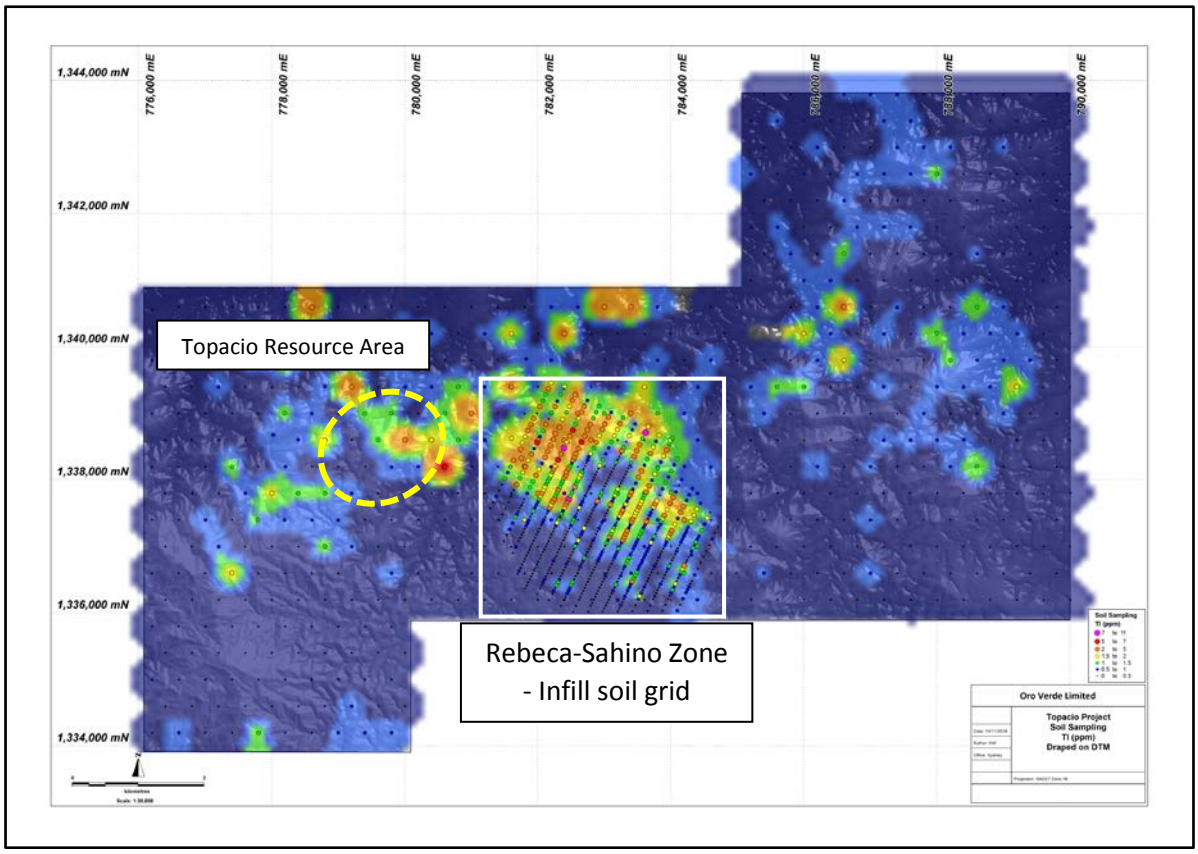


**Figure 5 Topacio Gold Project - Soil geochemistry: Thallium**

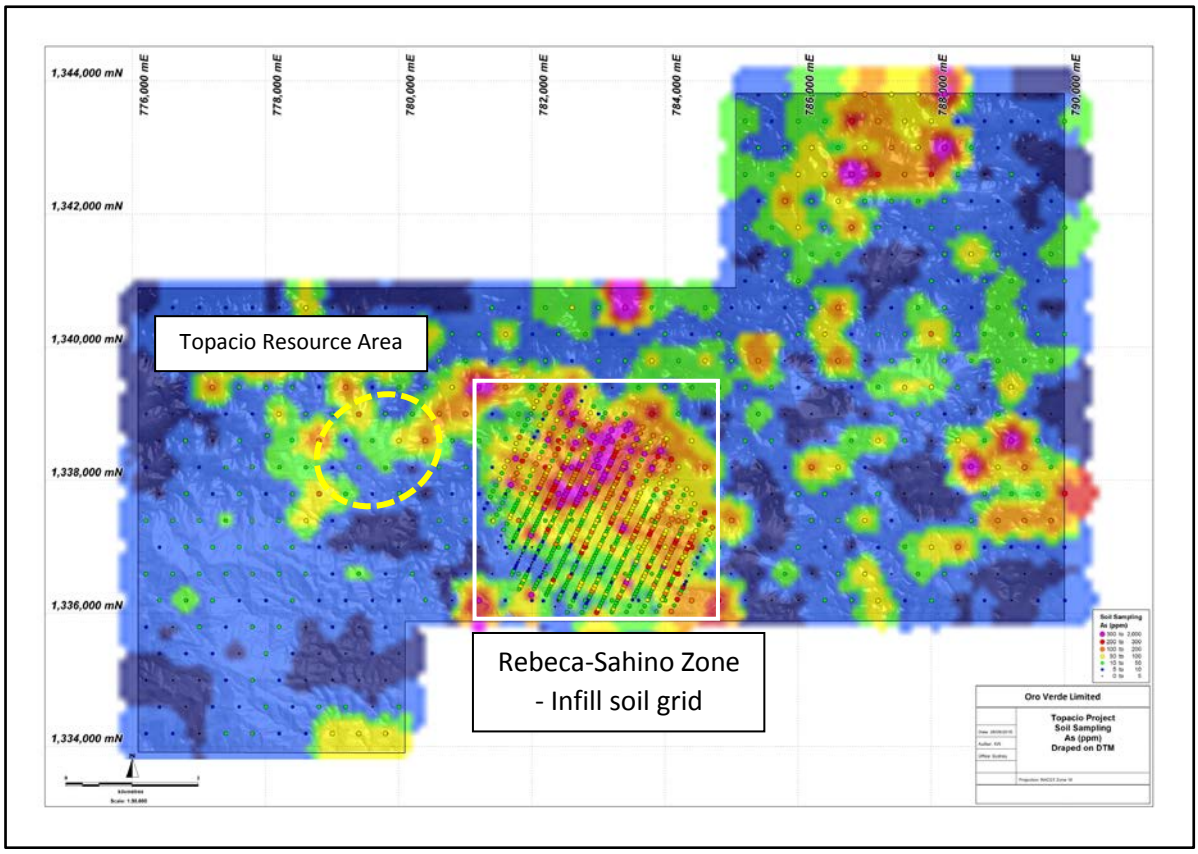


**Figure 6 Topacio Gold Project - Soil geochemistry: Arsenic**

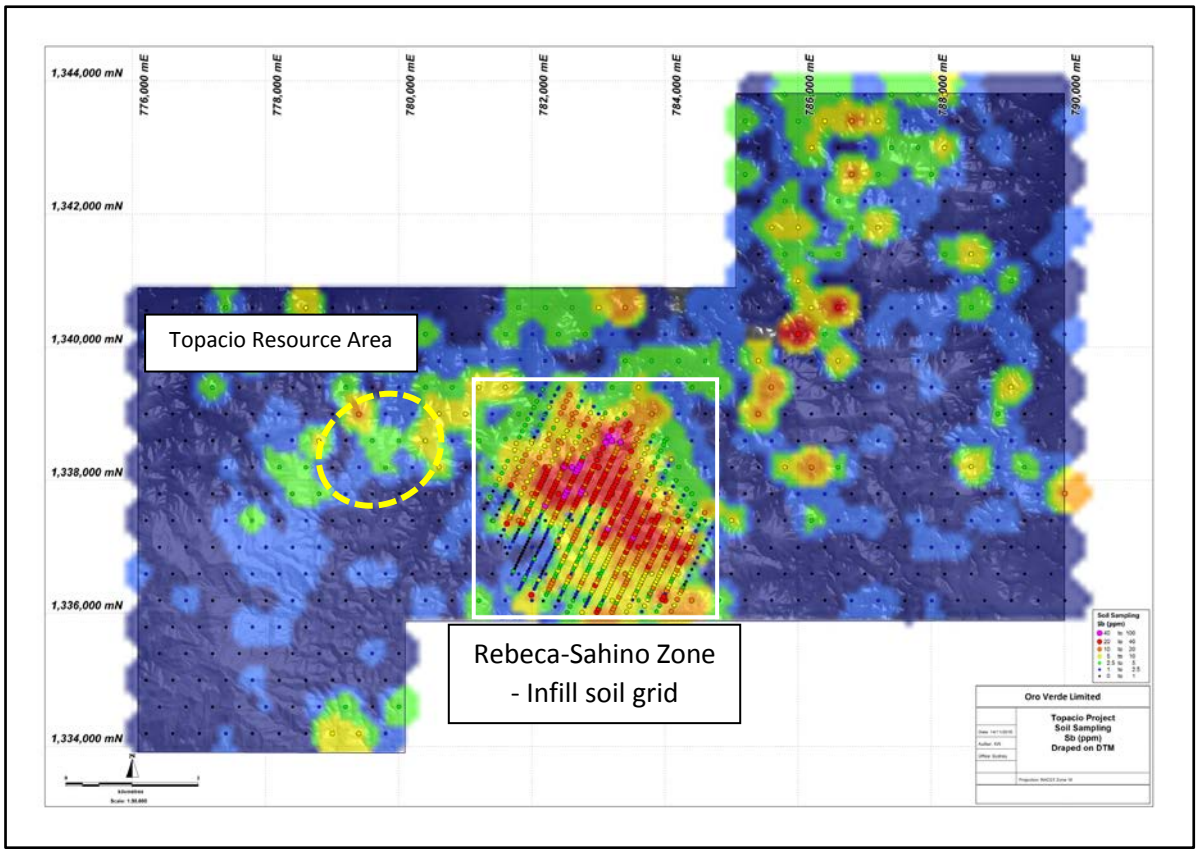


**Figure 7 Topacio Gold Project - Soil geochemistry: Antimony**

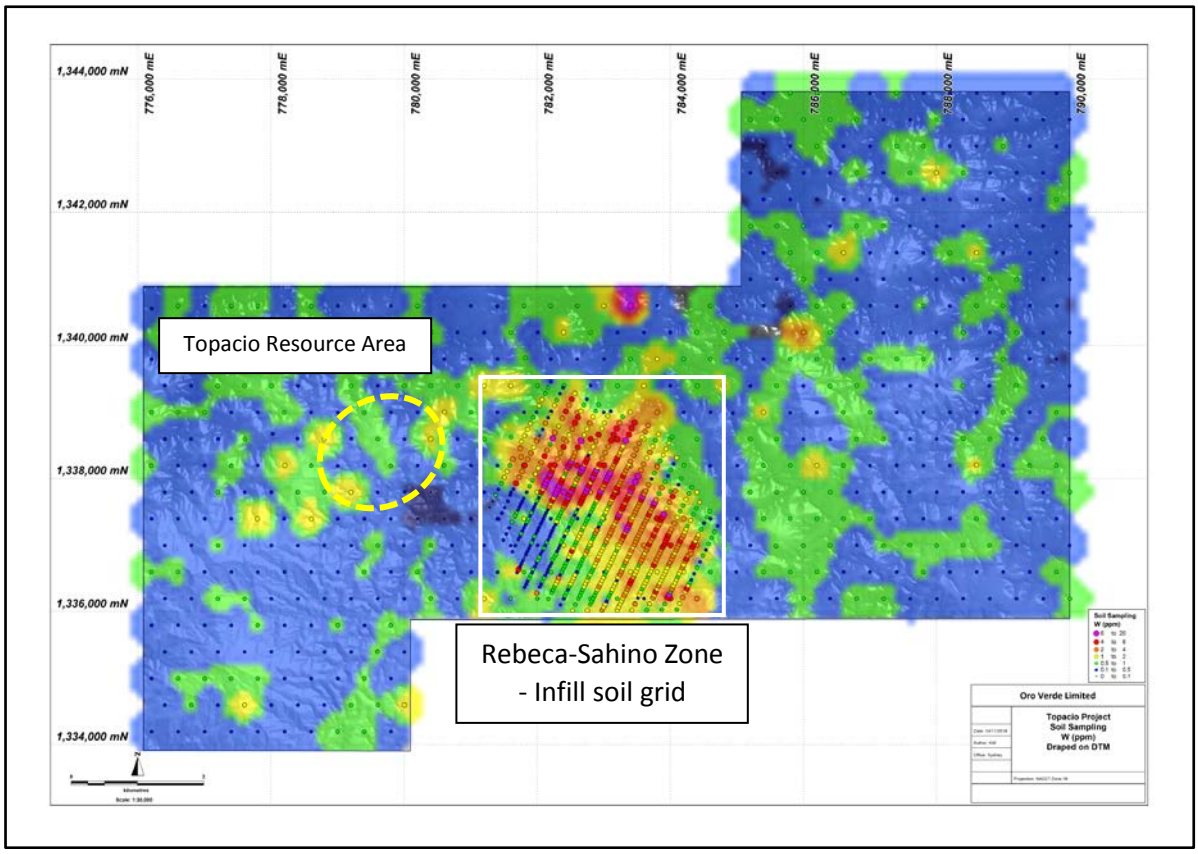


**Figure 8 Topacio Gold Project - Soil geochemistry: Tungsten**

**TOPACIO PROJECT BACKGROUND**

Oro Verde holds an Option to Purchase Agreement over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 9). Details can be found in the announcement to the ASX dated 27 February 2015[4]. The project contains a historical NI 43-101 (Canadian standard, similar to JORC) compliant Inferred Resource of:

2,716,176 tonnes at 3.9 g/t gold, containing 340,345 ounces of gold, at a 1.5 g/t gold cut-off

National Instrument 43-101 ("NI 43-101") is a national instrument for the Standards of Disclosure for Mineral Projects within Canada and as such this estimate is a foreign estimate and is not reported in accordance with the JORC code (Australia). A competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC code and it is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources in accordance with the JORC code.

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[4] *Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"*

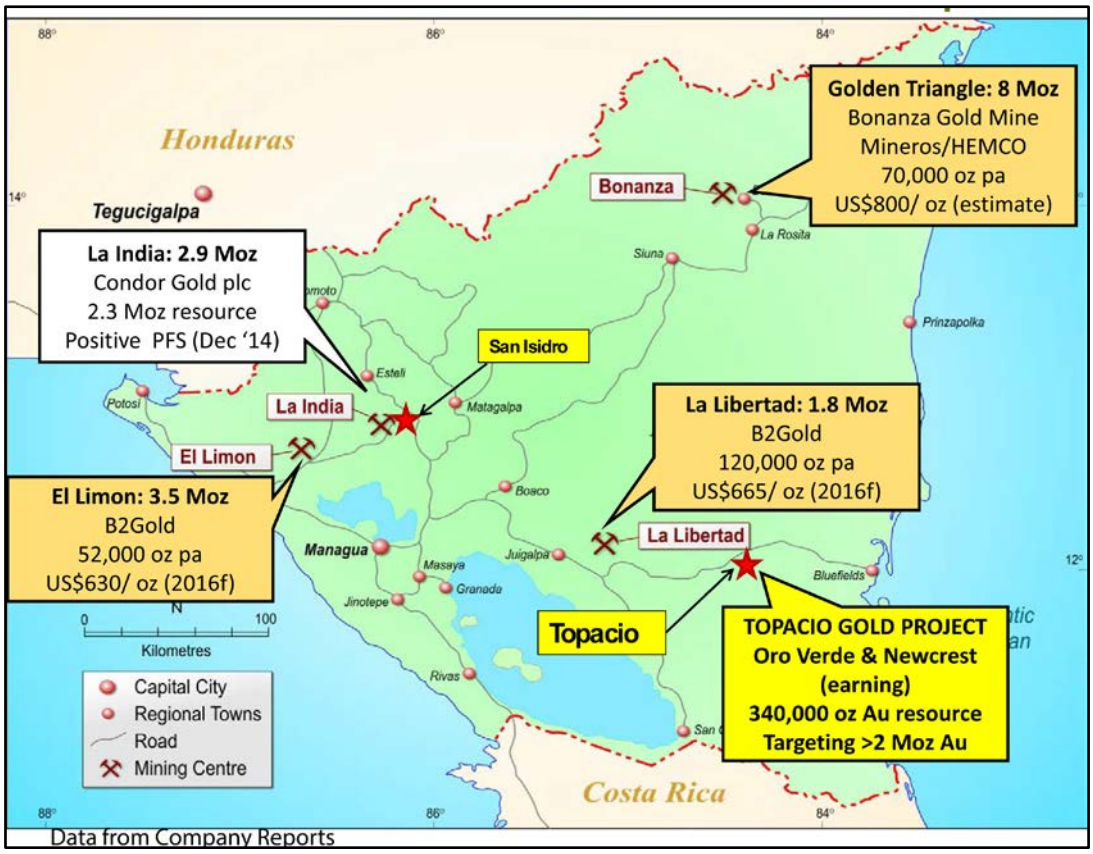


**Figure 9 Major Nicaraguan gold deposits and the Topacio Gold Project**

**About Oro Verde Limited:** *Oro Verde Ltd is a mineral exploration company focused on identifying and developing significant gold projects in Central America, particularly Nicaragua. Oro Verde holds an Option to Purchase Agreement to acquire 100% of the Topacio Gold Project in Nicaragua that contains a NI43-101 compliant Inferred Mineral Resource of 340,000 ounces of gold. A US$7.9 million 5 year farm-in agreement was signed on November 25, 2015 with a subsidiary of global gold major - Newcrest Mining Limited (ASX: NCM) – to jointly explore for multi-million ounce gold deposits at Topacio. Oro Verde also holds 100% of the early stage San Isidro Gold Project, also in Nicaragua, located adjacent to the 2.3 million ounce La India gold project.*

## COMPETENT PERSON STATEMENTS

The information in this document that relates to Exploration Results is based on information compiled by Mr Trevor Woolfe BSc Hons (Geol), who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Woolfe is the Managing Director and a shareholder of the Company, and is employed through consultancy Shordean Pty Ltd. Mr Woolfe 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 to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woolfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to Historical Mineral Resources is extracted from the report entitled "Acquisition of High Grade Gold Project" created on 11 November 2014 and available to view on www.asx.com. The Company confirms that it is not in possession of any new information or data that materially impacts on the reliability of the estimates in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## JORC Code, 2012 Edition – Table 1 (Completed by Oro Verde Limited)

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | • Soil sampling is undertaken by utilising a hand held auger of approximately 1.2m total length with a sample collection length of 0.2m at a time. Each sample run is extracted from the hole and laid out and the different soil horizons identified by the geologist. Target horizon is the top of the C horizon, well below the transported surface material, testing the top levels of in situ weathered bedrock. Samples are not sieved at site due to moisture content. [Note: Prior to commencement of the program, four test pits to approximately 1.5m depth were dug in different parts of the concession for the geologists to observe the visual variability in different horizons of the soil profile and collect samples at different intervals vertically down each pit to test the geochemical variability of the different horizons.]<br>• In the soil sampling program, the Individual sample volume was generally in the range 1.5 to 2.5kg after coarse and organic material was removed.<br>• During the sample collection phase a spoonful of material was extracted from each sample in the grid and stored separately in plastic RC chip trays as a library sample and for possible follow up analysis by other multi-spectral methodologies. No additional analysis of these library samples has yet been undertaken.<br>• Sampling was initially undertaken on a systematic 400m x 400m offset grid pattern across the entire concession, however the infill soil grid discussed in this report focused on a selected zone (as described in other parts of this report). Samples were located by GPS. Sample locations were amended at the geologist's discretion if the planned sample location was inaccessible. Sample locations were rehabilitated immediately after collection of the sample.<br>• Throughout the soil sampling campaign, samples were dried to 60 degrees C, and then sieved to produce 100gm of material passing through -80 mesh. A 30g charge was used for fire assay fusion analysis of Au Pt Pd by ICP-MS, while 0.25g was used for 4 acid digestion analysis of 45 elements by ICP-MS. |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | • No drilling was undertaken in the current program |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | • No drilling was undertaken in the current program |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • Soil samples were logged for their regolith features however will not be used in any Mineral Resource estimation or advanced studies.<br>• Logging is considered to be qualitative given the nature of soil sampling. Photographs of the samples and their locations have been taken.<br>• Not relevant as no drilling in current program |
| ***Sub-sampling techniques and sample preparation*** | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • No drilling was undertaken in the current program.<br>• Soil samples were generally humid and hence were subjected to drying to 60 degrees C at the sample preparation stage in the laboratory.<br>• Sample prep techniques used by the laboratory were considered appropriate for regional and infill style soil samples.<br>• Field duplicates were submitted each 20th sample in the sequence. The laboratory also conducted internal repeats at variable intervals between each 10 to 20 samples (average was every 16 samples). Both field duplicates and laboratory repeats were within acceptable ranges. A number of samples were selected from the first batch of soil samples and inserted every 30th sample within subsequent batches to determine the consistency of analyses between batches.<br>• A sample size of 1.5 to 2.5kg was collected and considered appropriate and representative for the grain size and style of mineralisation being explored. |
| ***Quality of assay data and*** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF* | • ACME Laboratories (Bureau Veritas) (Managua and Vancouver) were used for all analysis work carried out on the soil samples. The laboratory techniques below are for all samples submitted to ACME and are considered appropriate for the style of |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***laboratory tests*** | *instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | mineralisation expected at the Topacio Gold Project:<br>o Dry at 60degC<br>o SS80 – dry at 60degC sieve 100g to -80 mesh<br>o SLBHP – sort label and box pulps for delivery to Vancouver<br>o FA130 - Fire assay fusion Au Pt Pd by ICP-MS (30g)<br>o MA200 – 4 Acid digestion ICP-MS analysis of 45 elements (0.25g)<br>• No other analytical tools used in the current program<br>• **Field duplicates** were submitted every 20 samples. Selected samples from the **first batch** of soil analyses were re-submitted with each subsequent batch to maintain control over the variability of analyses in different batches. 60g packets of two separate commercial **standards** were purchased from ORE Pty Ltd (Melbourne) and inserted alternately in the sample string each 10 samples.<br>• The lab undertook **duplicate analysis** at a ratio averaging 1 in 16 samples. Where **over range results** were obtained, it was not deemed necessary to repeat the individual samples with alternative methodologies for more accurate readings. The lab undertook tests on in-house standards and blanks. Results were deemed to be within the expected accuracy levels. No external laboratory checks have yet been undertaken. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Significant results have been reviewed by company technical personnel. Selected significant results may be subjected to follow up soil sampling on a closer spaced grid at a later date.<br>• No drilling was undertaken in the current program, hence twinned holes are not relevant.<br>• Descriptions of each sample location and each sample were recorded by the geologist and technician in the field. This data was transferred daily from field notebooks and GPS devices into an Excel database. Analytical data has been uploaded directly from laboratory files into a GIS system for verification of data and locations.<br>• No adjustments of assay data were undertaken. |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Garmin Oregon 600 and Garmin eTrex Vista HCx hand-held GPS units were used to define the location of the samples. The GPS was left at the sample point for a minimum period of 2 minutes to obtain a steady reading. Sample locations are considered to be accurate to within 5m.<br>• Grid system used is UTM Zone 16 with datum NAD27 Central.<br>• A good topographical base has been produced using orthorectified aerial photos with 5m contours. Any variability in GPS elevation measurements during sampling can be projected onto the topographical base. |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.*<br>• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*<br>• *Whether sample compositing has been applied.* | • Data spacing (sample spacing) for the initial sampling was at 400m x 400m on an offset grid and considered appropriate for an initial regional soil program. The follow-up infill program was undertaken on a selected area and lines were oriented perpendicular to the strike of the key veins and structures. Sample lines were 200m apart with most samples at 50m spacing along lines, however a small number of samples were at 100m spacing on the periphery of the infill grid. The sample locations are displayed in figures 4 to 8 of this report.<br>• This sampling method is not appropriate for resource estimation<br>• No sample compositing was undertaken nor appropriate |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | • For the regional scale soil sampling program a regular 400m x 400m offset grid was considered to be unbiased and hence appropriate for an initial understanding of the structures across the entire concession. By orienting the infill soil grid lines perpendicular to the main structures and veins, the results are expected to provide the most appropriate and unbiased results for the style of mineralisation<br>• No drilling was undertaken in the current program. No sampling bias is considered to have been introduced in the program. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | • The chain of custody is managed by the senior Company representative who places plastic sample bags in polyweave sacks. Up to 10 calico sample bags are placed in each sack and sealed with ziplock ties. Each sack is clearly labelled with:<br>• Company name<br>• Name of laboratory<br>• Sample number range<br>• Samples were delivered by senior Company personnel directly to the ACME Laboratory in Managua. Detailed records are kept of all samples that are dispatched.<br>• The laboratory maintains its own secure sample custody when transporting prepared samples or pulps form the Managua sample preparation laboratory to the Vancouver analytical |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | laboratory. |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | • A sampling protocol was introduced by Newcrest technical staff prior to the commencement of the program. The protocol was then taught to each of the Oro Verde sampling personnel and managed by the geologist on each sampling team. |

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*<br>• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | • The Topacio Gold Project is a Nicaraguan mining concession, known as Presillitas, held by Topacio S.A, and located approximately 200km east of Managua. Oro Verde Limited (OVL) holds an Option to Purchase Agreement over the concession through its 100% owned subsidiary Minera San Cristobal SA (MSC).<br>• In November 2015, OVL/MSC signed a farm-in agreement with Newcrest International Pty Ltd (Newcrest) (a subsidiary of Newcrest Mining Ltd of Australia) whereby Newcrest can earn up to 75% in the Topacio Gold Project through staged investments into the project. Newcrest and MSC will jointly explore the project, however MSC will continue to manage exploration activities on the project. Newcrest has the option to take over management of the project once it has reached 51% equity in the project, subject to expenditure milestones and other conditions.<br>• The concession is in good standing and no known impediments exist (see map elsewhere in this report for locations). |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | • Previous exploration of the Topacio Gold Project has consisted of mapping, stream sampling, rock chip sampling, soil sampling, trenching, diamond drilling and feasibility studies in 3 main periods:<br>1980s – CPRM (Brasil)<br>1990s – Triton Mining (Canada)<br>2010-2013 – FDG Mining/Tango Gold (Canada)<br>The latter group has produced resource estimates that are consistent with NI 43-101 (Canadian) standards.<br>• CPRM activities were undertaken at a time when compliance with standards such as JORC (Australian) and NI 43-101 (Canadian) did not exist. The quality of the data is thus difficult to appraise. Core samples from that phase of drilling are not known to be in existence.<br>• Triton activities were undertaken during the mid 1990's when quality control and QA/QC procedures and reporting standards were in the process of significant improvements. Information and data provided in Triton reports appears to be of reasonable quality, however OVL has not undertaken any specific checks, as trenches have been rehabilitated and core samples are not known to be in existence.<br>• FDG /Tango activities were undertaken under NI 43-101 guidelines and standards and are considered to be of reasonable quality. Core from FDG drilling is being stored in a secure location near the project area and is in reasonable condition.<br>• Oro Verde commenced exploration activities in February 2015 with initial data compilation and review, update of permits to operate, geological mapping, reconnaissance rock chip sampling and new target generation.<br>• With the introduction of Newcrest, Oro Verde's exploration activities in 2016 consisted of detailed vein and alteration mapping/sampling, soil sampling and airborne geophysical surveys. |
| | • *Deposit type, geological setting and style of mineralisation.* | • The Topacio Gold Project is a low sulphidation epithermal gold-(silver) vein type system (along with stockworks and brecciation) set in a sequence of tertiary volcanics – essentially of andesitic and basaltic composition. The project is located in the SE of Nicaragua in the province known as RACCS (South Caribbean Coast Autonomous Region).<br>• The main veins are NE striking and dipping steeply and variably to the NW and SE. Other veins in the broader concession strike NW and are also steeply dipping. Veins are generally up to 3m wide but in places may blow out to widths of more than 20m. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>o *easting and northing of the drill hole collar* | • No drilling was undertaken in the current program |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>o *dip and azimuth of the hole*<br>o *down hole length and interception depth*<br>o *hole length.*<br>• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No data aggregation methods have been applied |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | • This is not relevant to the current regional scale soil sampling program.<br>• As mentioned previously, the known gold bearing veins are generally <10m in thickness. The infill soil sampling grid is 200m x 50m and oriented perpendicular to the main veins/structures to best test the variability across these mineralised features. |
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate maps relevant to the current sampling program are available in the body of this report. A table of key gold results is also included. |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | • Reporting of Oro Verde Limited results in this report is considered balanced. The prime objective is to observe the variability of gold results in the soil geochemistry. No other elements are considered significant, unless stated in the text of the report. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | • In addition to the current soil geochemistry program, other technical work completed by OVL on the Topacio project includes reconnaissance rock chip sampling, geological mapping and airborne geophysics (magnetics and radiometrics). Where relevant in the context of the geochemical sampling program, these other programs are referred to in this report |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • The Company is currently reviewing all available data on the project and formulating its ongoing work program in the context of results received from recent geological mapping, soil geochemistry and an airborne geophysical survey. The activities are designed to provide sufficient information to define and prioritise targets for drill testing.<br>• The data review may conclude that more detailed geological mapping/sampling and/or infill closer spaced soil geochemistry sampling is required to better define some targets.<br>• Once areas for follow up activities including drilling have been confirmed, these will be reported to the market. |