

## QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2017

### ORO VERDE LIMITED (ASX code: OVL)

*An emerging resource  
company  
focused on Nicaragua*

#### KEY PROJECTS - Nicaragua

Topacio Gold Project  
San Isidro Gold Project

#### BOARD OF DIRECTORS

##### Executive

Trevor Woolfe - MD  
Brett Dickson - Finance Dir

##### Non-Executive

Wolf Martinick - Chairman  
Tony Rovira  
Brad Farrell

#### MANAGEMENT - NICARAGUA

David Turner - Country Mgr  
Jacques Levy - Legal Rep.

#### REGISTERED OFFICE

Level 1, 34 Colin St,  
West Perth, WA 6005  
AUSTRALIA  
+61 (0) 8 9481 2555

#### WEBSITE

[www.oroverde.com.au](http://www.oroverde.com.au)

#### TWITTER

@MDOroVerde

### HIGHLIGHTS

- ❖ Oro Verde funds Phase 2 activities at Topacio resource area
- ❖ Trenching intersects very high grade gold veins:
  - 1.1m at 53.10 g/t Au (Dispute Vein)
  - 2.05m at 17.06 g/t Au (Mico West Vein)
  - 2.7m at 10.44 g/t Au (Mico West Vein)
- ❖ Phase 2 drilling focused on high grade vein targets
- ❖ Phase 1 Rebeca drilling campaign confirms epithermal system with gold results up to 5.16 g/t

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to provide its quarterly report for the period ending 30 June 2017. The June quarter saw Oro Verde and farm-in partner **Newcrest Limited (ASX: NCM)** (Newcrest) continue their drilling program on the Topacio Gold Project in southeastern Nicaragua (Figure 6).

An epithermal gold system was intersected at the Rebeca Vein with grades **up to 5.16 g/t gold (Au)**. Phase 1 drilling focused on testing the previously undrilled Rebeca Vein, which was identified by farm-in partner, Newcrest, as its highest priority target to discover a new multi-million ounce gold deposit. The grilling followed earlier detailed geological, geochemical and airborne geophysical studies covering the Topacio concession. Further work is required to refine the target with the maiden drill program covering a 3km strike length with only seven drill holes.

Phase 2 activities were directed at drill testing high grade gold vein targets previously identified by Oro Verde around the Topacio resource area. Surface trenching was undertaken on selected veins to confirm their geometry and grade for drill planning. Very high grade gold results were returned from some of the trenches – up to **1.1m at 53.10 g/t Au**. Drilling and trenching under Phase 2 was sole-funded by Oro Verde under agreement with Newcrest. Final results from Phase 2 drilling, below the high grade trench intersections, are awaited.

## TOPACIO GOLD PROJECT

### PHASE 1 DRILLING

The 3km long Rebeca Vein (Figure 1) was identified by farm-in partner, Newcrest, as its highest priority target for the discovery of a new multi-million ounce gold deposit. Low temperature mapped vein textures, combined with favourable geophysical features and characteristic geochemical signatures from soil sampling indicate that the Rebeca Vein could contain an extensive, low sulphidation, epithermal gold system, concealed beneath a broad, but thin, silicified cap.

The Rebeca Vein drill program was the first ever on that target area and totalled 1,767.2 metres of diamond core from seven drill holes (Table 3)<sup>1</sup>. The program focused on key locations along the 3km long vein to test the epithermal deposit model (Figure 2).

The Rebeca Vein was intersected in drill hole MTD-17-004 (Figure 7). Additionally, unexpected quartz veining and quartz breccias were intersected in the upper levels of drill holes MTD-17-005 (Figure 8) as well as -001 and -003A, indicating the presence of another, previously unknown, vein subparallel to the Rebeca Vein. Best gold intercepts from the Phase 1 program are shown in Table 1.

**Table 1 Phase 1 - Rebeca Drilling Program: Significant gold intervals (>0.5g/t Au)**

Drill hole Number		From (m)	To (m)	Intercept Length (m)	Au (g/t)
MTD-17-001		22.65	23.40	0.75	0.52
		25.60	26.85	1.25	0.89
MTD-17-002		-	-	NA	NA
MTD-17-003A		14.05	14.35	0.30	0.55
MTD-17-004		127.70	129.50	1.80	1.05
MTD-17-005		5.45	8.85	3.40	3.07
	including	5.45	6.95	1.50	5.16
		12.00	13.30	1.30	0.98
		111.90	113.00	1.10	1.28
MTD-17-006		-	-	NA	NA
MTD-17-007		-	-	NA	NA

*Note: 0.5 g/t Au cutoff, maximum 1m internal dilution, NA = no values above cutoff grade, Intercept Length is downhole length.*

The Rebeca Vein drilling intersected a volcanic suite of rocks predominantly of andesitic to basaltic composition. The geology consists of intercalated lavas and volcanoclastic units, whilst in the southeast of the Rebeca target zone (Figure 2), drill holes MTD-17-006 and MTD-17-007 intersected horizontal silica cap zones consisting of intercalated siliceous volcanic sediments and volcanoclastics overlaying the lava/volcanoclastic pile. Agglomerates, breccias and tuffaceous units make up much of the volcanoclastic rocks, with interstitial pores of the agglomerates and block and ash tuffs infilled by calcite and/or quartz vein matrix.

The vein system at depth was not as extensive as modelled. A review of the logging and multi-element analytical data will be undertaken to better understand the geological controls and geochemical vectors toward a possible feeder zone, along with the distribution of favourable lithologies to host broader high grade mineralisation.

Rebeca is just one vein within 35km of mapped veins on the project, of which only 4km of veins have been incorporated into the existing Topacio NI 43-101 compliant historical resource (see Background, page 6).

<sup>1</sup> Refer to ASX announcement dated 21 June 2017 "Drilling Confirms Rebeca Epithermal System"

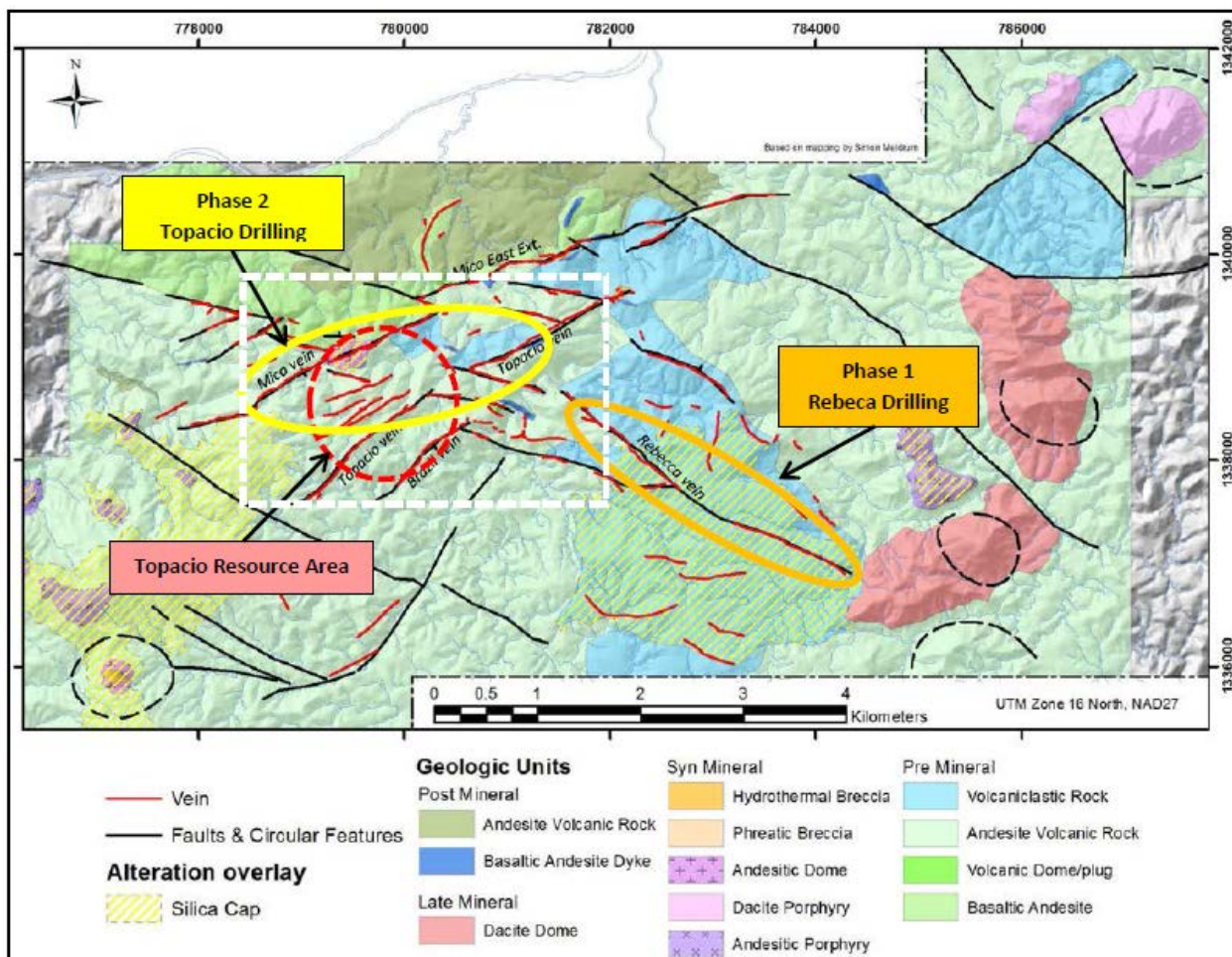


Figure 1 Topacio Gold Project: Oro Verde 2017 drill areas

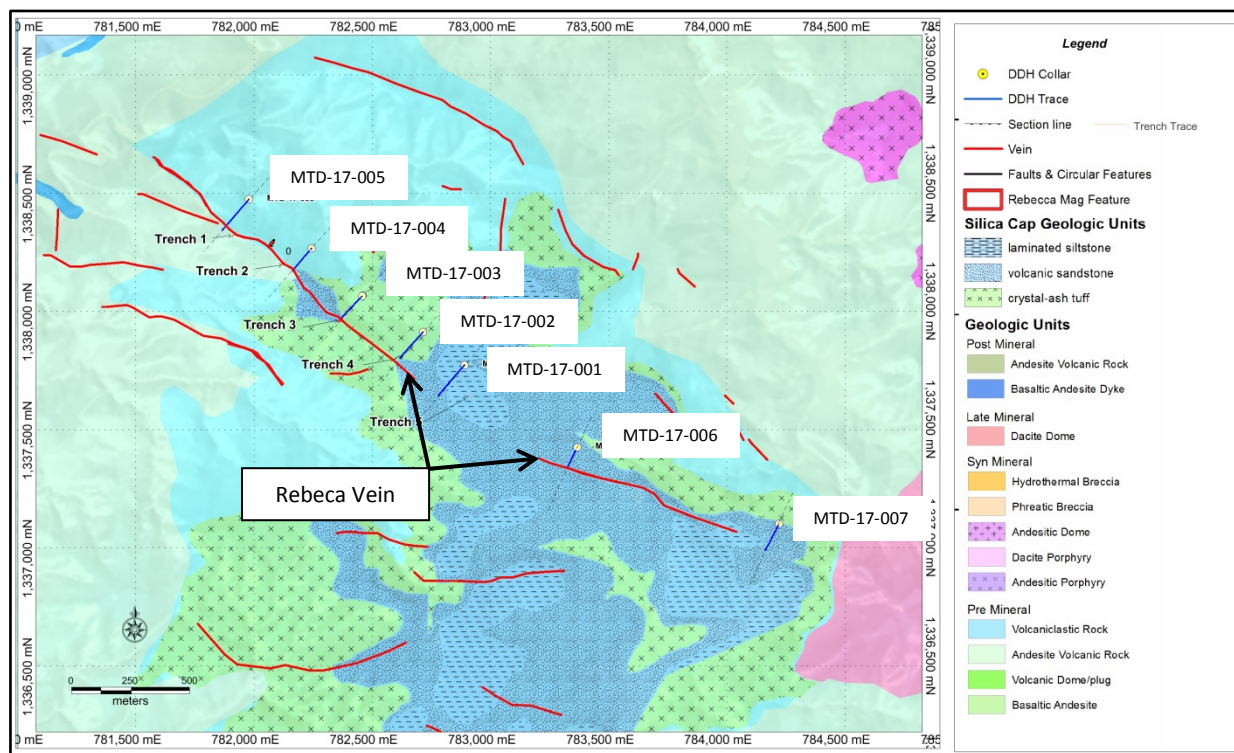


Figure 2 Rebeca Vein: Drill hole locations and geology



The Phase 1 drilling at Rebeca was part of the second year 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<sup>2</sup>, to explore for multi-million ounce gold deposits on the Topacio Gold Project. Newcrest is now considering its position based on the drill results received from the priority Rebeca Vein target.

Further details on Phase 1 drilling can be found in ASX announcement dated 21 June 2017<sup>1</sup>.

## PHASE 2

In June 2017<sup>3</sup>, Oro Verde announced the commencement of Phase 2 drilling to test for extensions to the 340,000oz Topacio gold resource (Figure 1). This second phase of drilling aimed to explore high grade gold vein targets generated by Oro Verde through its surface mapping and sampling campaigns within 500m of the Topacio resource area (Figure 3), including:

- Su Majestad Vein - rock chip samples up to 16.9 g/t Au
- Topacio East Extension - artisanal workings with samples up to 52.4 g/t Au
- Dispute Vein - 1m channel sample of 92.9 g/t Au
- Mico West Vein - rock chip samples up to 21.5 g/t Au

## Surface Trenches

In anticipation of the Phase 2 drill program, a total of eight surface trenches (Figure 3) were excavated in May across a number of surface vein exposures above potential drill locations to determine the dip of the veins and, hence, the most appropriate drill orientation. While the main objective was geological, our field team took advantage of the fresh exposures to undertake continuous channel sampling from the trenches for geochemical analysis. Quartz veins were intersected in all eight trenches, which were orientated perpendicular to the strike of the veins.

Some excellent gold grades were achieved from the surface trenches<sup>4</sup>, as shown in Table 2.

**Table 2 Topacio Trenches: Significant gold intervals (>0.5g/t Au)**

Trench	Vein		From (m)	To (m)	Interval width (m)	Interval grade (g/t Au)
TSM1701	Su Majestad		7.25	10.0	2.75	1.45
		including	7.25	8.5	1.25	2.59
TSM1702	Su Majestad					NA
TSM1703	Su Majestad		0.8	1.6	0.8	0.95
			2.6	3.4	0.8	0.53
TTNE1701	Topacio East Extension		2.3	4.1	1.8	0.71
RCD1701	Dispute		3.6	4.7	1.1	53.10
			5.8	6.8	1.0	1.62
TTS1701	Topacio		0.0	12.9	12.9	1.11
		including	3.95	4.4	0.45	5.43
OPMW1701	Mico West		0.0	7.5	7.5	5.39
		including	4.35	6.4	2.05	17.06
TMW1702	Mico West		2.1	8.3	6.2	5.16
		including	3.1	5.8	2.7	10.44

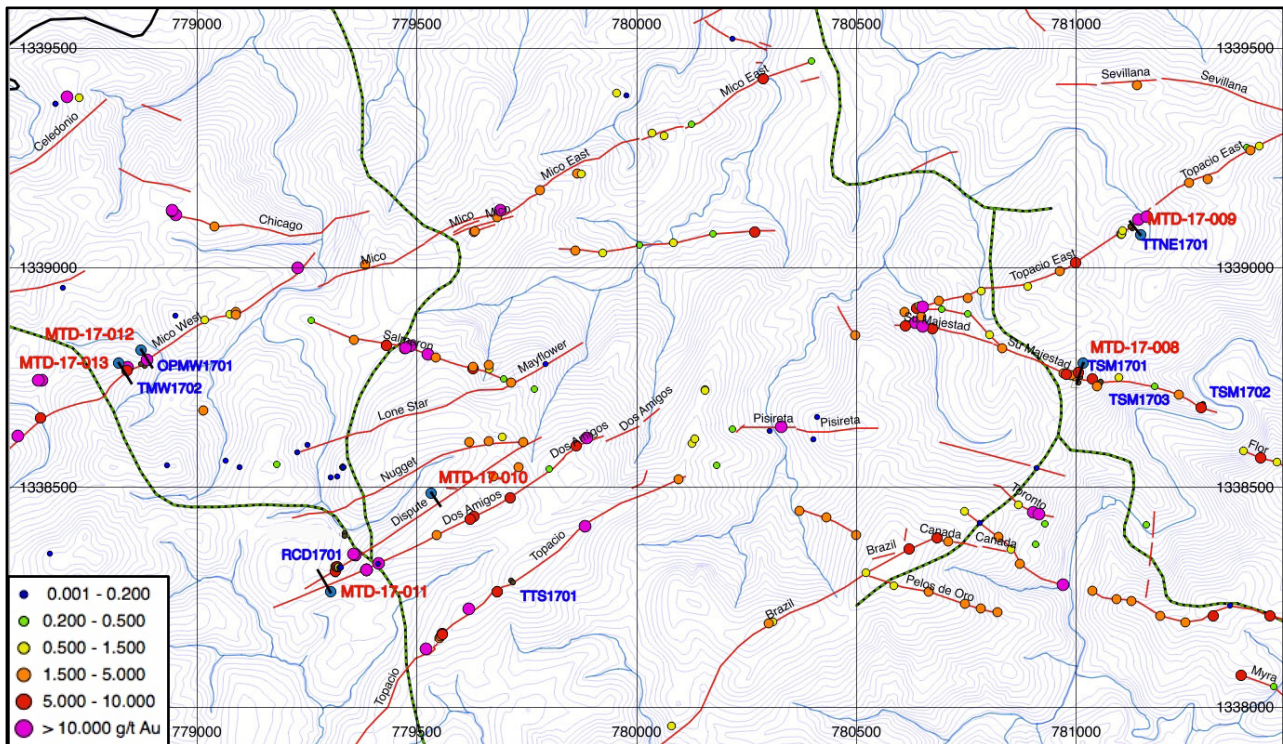
*Note: Intervals are weighted averages based on 0.5 g/t Au sample cutoff and maximum 1m internal dilution.*

*NA = no values above cutoff grade*

<sup>2</sup> Refer to ASX announcement dated 30 November 2015 “Newcrest Signs A\$11M Farm-in Agreement with Oro Verde”

<sup>3</sup> Refer to ASX announcement dated 5 June 2017 “Drilling of High Grade Targets Commences at Topacio Gold Project”

<sup>4</sup> Refer to ASX announcement dated 20 July 2017 “High Grade Trench Results at Topacio”



**Figure 3 Topacio trench locations (blue titles), OVL drill holes (red titles) and previous rock chip results**

### Drilling High Grade Veins

The Phase 2 drill program consisted of 402.16 metres of diamond drilling (Table 3), testing below high grade trenching (see above) and rock chip gold results on four key targets – the Su Majestad Vein, Topacio (Vein) East Extension, Dispute/Dos Amigos Vein and the Mico West Vein (Figure 3). The holes were relatively shallow to assess the continuity of the high grade veins approximately 30-50 metres below surface.

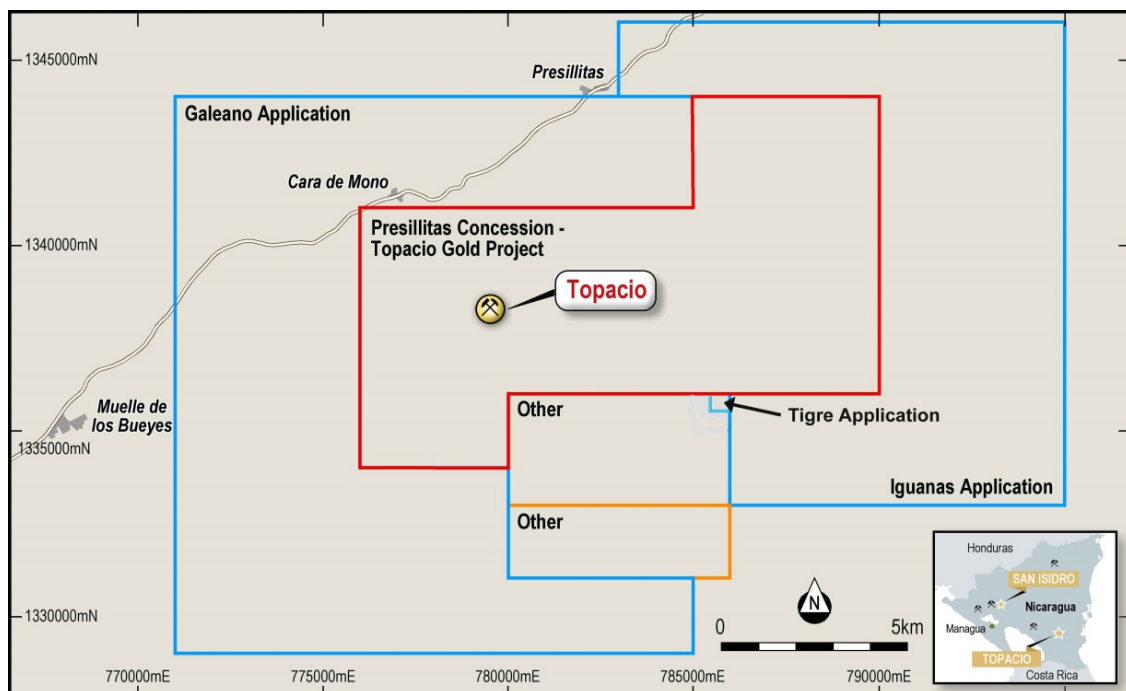
The Phase 2 drilling was completed in June and results are imminent.

The Phase 2 trenching and drilling has been funded by Oro Verde, under agreement with Newcrest, which has the option to reimburse and include the Phase 2 expenditure in its second year expenditure requirement under the Farm-In Agreement.

### NEW CONCESSIONS

Over the past two years, applications have been submitted for ground covering the land adjacent to the Topacio Project under the Iguanas, Galeano and Tigre applications (Figure 4). The Nicaraguan Ministry of Mines and Energy (MEM) has accepted these applications but has not yet approved grant of the concessions.

If Oro Verde is successful in having all three of its applications approved, the ground position in the Topacio region will increase by approximately 240% from 93km<sup>2</sup> to 316km<sup>2</sup>.



**Figure 4 Topacio Project and OVL concession applications – Iguanas, Galeano and Tigre**

## TOPACIO PROJECT BACKGROUND

On 27 February 2015<sup>5</sup>, Oro Verde announced the positive completion of due diligence and acceptance of an Option to Purchase Agreement (“the Option”) over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 6). The project boasts 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<sup>6</sup>**

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. 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.

Newcrest and Oro Verde entered a farm-in Agreement in November 2015<sup>2</sup>. To earn the right to 51% equity in the Project, Newcrest must first spend U\$2.2 million on exploration between November 2016 and 25 August 2017, and then satisfy a number of other financial requirements.

Oro Verde is managing the project and exploration activities (until Newcrest satisfies all conditions required to earn its 51% interest in the project) and receives a management fee from Newcrest. Newcrest is providing technical assistance to the Oro Verde team during this phase.

## SAN ISIDRO GOLD PROJECT (OVL 100%)

The San Isidro Gold Project, located in northwestern Nicaragua (Figure 6), consists of a 25km<sup>2</sup> mining concession held by Minera San Cristóbal S.A. (MSC), a 100% owned Nicaraguan subsidiary of Oro Verde.

San Isidro is located adjacent to the La India Gold Project which contains a 2.3 million ounce gold resource and is held by UK company Condor Gold plc, which released a positive PFS study in December 2014 with the

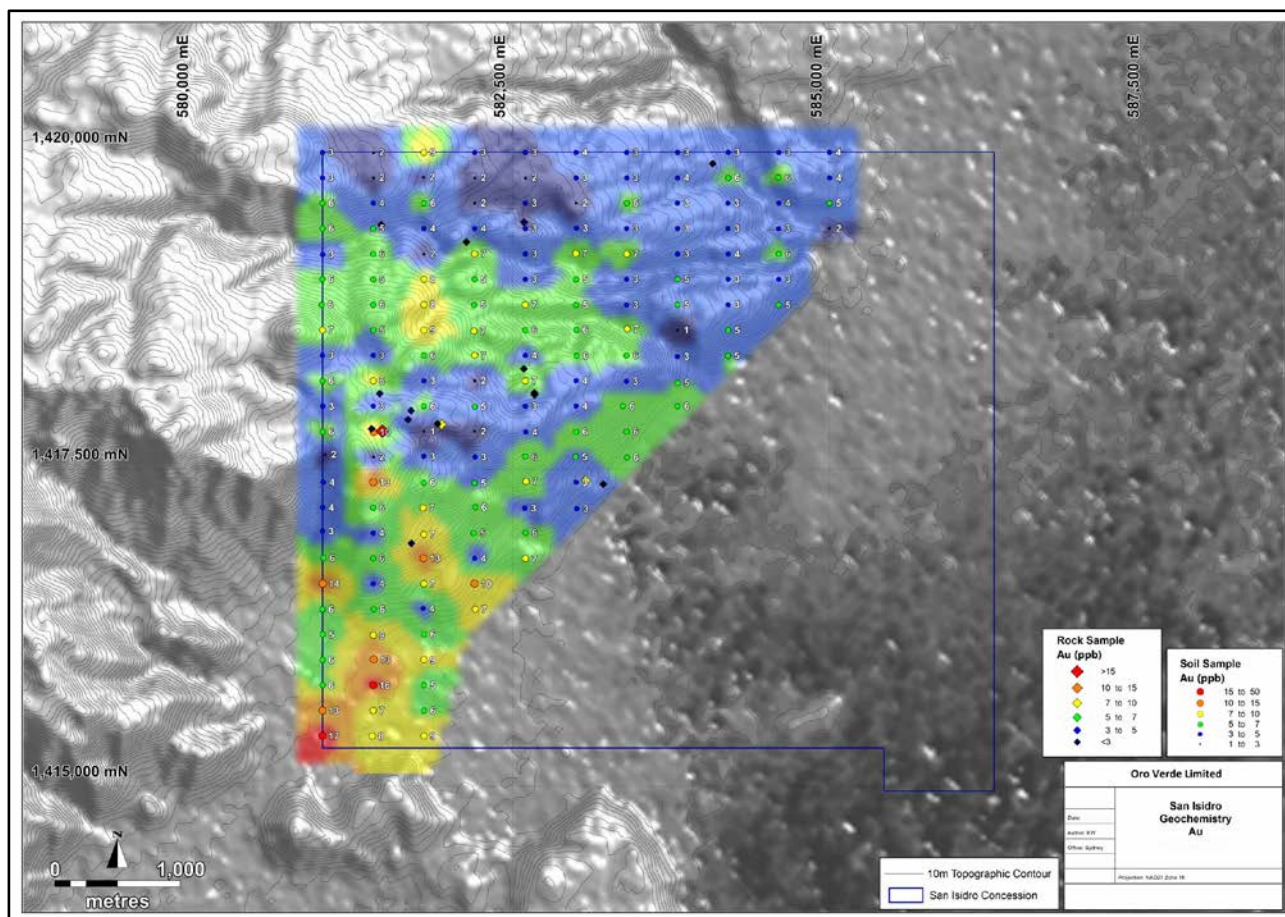
<sup>5</sup> Refer to ASX announcement dated 27 February 2015 “Oro Verde Proceeds to Acquire Topacio Gold Project”

<sup>6</sup> Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”



potential for both open pit and underground mine development. Oro Verde's San Isidro Gold Project has the potential to contain La India-style vein-hosted epithermal gold mineralisation.

Due to Oro Verde's focus on drilling at Topacio during the June quarter, no field activities were undertaken at San Isidro. Results of the soil sampling program (Figure 5) conducted in the previous quarter were reviewed and interpreted, with planning underway for follow up activities to be undertaken during the September quarter.



**Figure 5 San Isidro Gold Project – Gold in soil geochemistry contours**

## CORPORATE

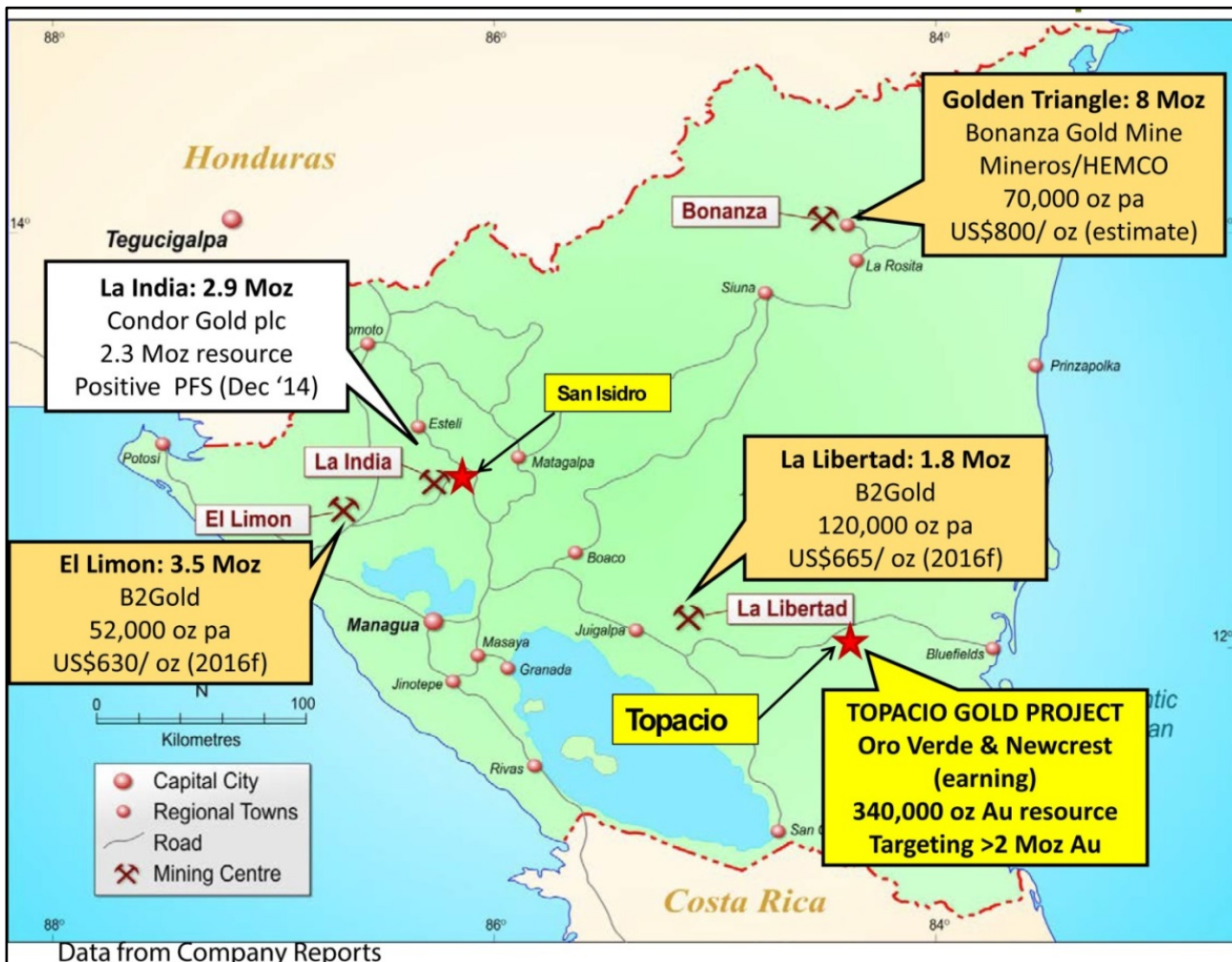
Oro Verde continues to review **gold-silver-copper opportunities** in search of quality projects to enhance the existing portfolio. To date, suitable transactions have not been achieved on preferred projects. Discussions and reviews are ongoing as the Company aims to add shareholder value through the quality team and connections that it has assembled within Nicaragua and the region.

In line with the Farm-in Agreement over the Topacio Gold Project, announced on 30 November 2015<sup>2</sup>, the majority of **exploration expenditure** during the quarter was funded by Newcrest as exploration activities continued.

As at 30 June 2017, Oro Verde held cash and cash equivalents to the value of \$542,000 of which \$154,000 was previously advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project (see Appendix 5B).

## Schedule of Mining Tenements Owned

Common concession name	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<b>HEMCO-SID (San Isidro) – 1351</b>	Nicaragua	Owned	100%	100%
<b>Presillitas (Topacio) - 39</b>	Nicaragua	Option	0%	0%
<b>Iguanas</b>	Nicaragua	Application	0%	0%
<b>Galeano</b>	Nicaragua	Application	0%	0%
<b>Tigre</b>	Nicaragua	Application	0%	0%



**Figure 6 Major Nicaraguan Gold Projects and the Oro Verde projects (yellow)**

For enquiries contact:

Mr Trevor Woolfe  
Managing Director  
+61 411 127 837

Mr Brett Dickson  
Company Secretary  
+61 8 9481 2555





**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 currently 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 30, 2015 with global gold major Newcrest Limited (ASX: NCM) – to jointly explore for multi-million ounce gold deposits on the Topacio Gold Project. 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 STATEMENT

The information in this document that relates to earlier Exploration Results referred to throughout the text is extracted from reports completed under Mr Trevor Woolfe as Competent Person and available to view on [www.asx.com](http://www.asx.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 announcements.

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](http://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.

**Table 3 Topacio Drilling 2017 - drill hole details**

Diamond Hole	Easting (m)	Northing (m)	RL (mASL)	Azimuth (deg)	Dip (deg)	Depth (m)	Vein
MTD-17-001	782,890	1,337,773	236.5	218	-45	254.10	Rebeca
MTD-17-002	782,714	1,337,912	230.7	218	-53	320.05	Rebeca
MTD-17-003A	782,458	1,338,066	230.7	222	-45	256.00	Rebeca
MTD-17-004	782,243	1,338,266	196.0	220	-45	182.80	Rebeca
MTD-17-005	781,978	1,338,474	180.8	219	-45	243.80	Rebeca
MTD-17-006	783,367	1,337,425	213.9	203	-45	260.55	Rebeca – SE
MTD-17-007	784,220	1,337,100	189.4	203	-45	249.90	Rebeca - SE
MTD-17-008	781,016	1,338,782	203.9	197	-45	66.90	Su Majestad
MTD-17-009	781,146	1,339,074	166.2	323	-45	53.15	Topacio East Extension
MTD-17-010	779,534	1,338,486	242.7	145	-45	50.32	Dispute
MTD-17-011	779,304	1,338,261	239.2	330	-45	89.97	Dos Amigos
MTD-17-012	778,874	1,338,812	198.5	148	-45	65.57	Mico West
MTD-17-013	778,823	1,338,782	215.8	148	-45	76.25	Mico West

Co-ordinate system UTM Zone 16 and datum NAD27 Central







## Appendix 5B

**Name of entity**
**ORO VERDE LIMITED**
**ABN**
**84 083 646 477**
**Quarter ended ("current quarter")**
**30 June 2017**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(612)	(1,586)
(b) development		
(c) production		
(d) staff costs	(89)	(454)
(e) administration and corporate costs	(6)	(236)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other - JV Advances	33	1,281
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(673)</b>	<b>(957)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(2)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(2)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>3. Cash flows from financing activities</b>			
3.1	Proceeds from issues of shares	-	1,045
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(48)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>997</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>			
4.1	Cash and cash equivalents at beginning of period	1,235	543
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(673)	(957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	997
4.5	Effect of movement in exchange rates on cash held	(19)	(39)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>542*</b>	<b>542*</b>

\* Note that cash at the end of the quarter includes approximately \$154,000 which has been advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project.

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	509	1,202
5.2 Call deposits	33	33
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>542</b>	<b>1,235</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	63
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes \$36,500 in fees to executive directors; \$22,500 in fees to non-executive directors; and \$3,800 in superannuation payments

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50
9.5 Administration and corporate costs	20
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>220</b>



10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-			

Refer to Annexure 1 for full list of mining tenements

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 28 June 2017

Print name:

Brett Dickson