



MAKUUTU RARE EARTHS PROJECT

GOOD PROGRESS ON INITIAL DRILLING PROGRAM

ORO VERDE LIMITED (ASX code: OVL)

An emerging resource company focused on defining a world-class Rare Earths project

KEY PROJECTS –

Uganda

Makuutu Rare Earths Project

Nicaragua

San Isidro Gold Project

BOARD OF DIRECTORS

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Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to provide an update on drilling activities being undertaken at the Makuutu Rare Earth Elements (REE) project.

The Makuutu project, located in Uganda, is significant in size, already drilled by over 100 RAB holes and is understood to be potentially one of the largest ionic clay deposits outside of China with an exploration target of target of **530 million tonnes grading 0.04 – 0.1% TREO (ASX: 4 September 2019)***.

*This Exploration Target is conceptual in nature but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource

The Company has acquired a 20% interest in the project and may acquire up to a further 40% interest bringing its total interest to 60%.

Core Drilling Program

On 26 September 2019 the Company announced commencement of a 750 metre core drilling program. To date, 19 holes have been drilled, for a total of ~350 metres drilling which equates to approximately 46% of the total drill program being completed.

Initial delays were encountered retrieving core due to the slippery nature of the clay core. These issues have since been overcome and core quality and core recovery are meeting expectations.

The first batch of core samples (some 330 metres) are currently being prepared to be freighted to Australia for chemical analysis and metallurgical testing.

The project team remains on-track to complete the Company’s first drilling program by the end of October.

Percussive Windowless Sampling Rig

To further assist the Company in quick and accurate resource definition a *Dando Terrier* windowless sampling rig was mobilised to site and evaluated for applicability for definition programs. A total of approximately 40 metres of core was produced from 3 holes. It was found that once the surface “hardcap” layer was penetrated, the sampling of clay horizon was quick with high-quality core samples collected.

An advanced version of the *Dando Terrier* rig, which has a rotary drilling fitting to allow timely penetration of hard-cap layers typically above the clay layers, is considered to be a viable and cost-effective option for the upcoming resource definition drill programs.

Site Visit by Ugandan DGSM

The Ugandan Department of Geological Survey and Mines (DGSM) visited the project site to gain familiarity with the project and review the drilling program. The DGSM delegation, led by Mr Zachary Baguma, the Commissioner of the Geological Survey and Mines Department, reviewed the program currently underway. The DGSM has been very supportive of this project and their presence at the project area has been a substantive benefit for the company in demonstrating to local stakeholders that it is operating correctly and with full support of the DGSM.

Commenting on the progress of the drilling program, Oro Verde Executive Director Marc Steffens said: *“We have completed nearly half of our initial drilling program, and importantly are obtaining drill core that is of high quality and with a high core recovery. The drilling and geological teams are working diligently and, with the initial teething issues now resolved, are looking forward to shortly completing this drill program, with samples to be dispatched for analysis and metallurgical testing.”*

Addendum 1: Photograph of fresh drill core collected by core drilling at Makuutu.

Addendum 2: Photograph of Dando Terrier sampling rig being evaluated at Makuutu.

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Competent Person Statement

Information in this report that relates to previously reported Exploration Targets and Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Oro Verde Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.



Figure 1. Photograph of fresh drill core collected by core drilling at Makuutu.



Figure 2. Photograph of Dando Terrier sampling rig being evaluated at Makuutu.