



ASX Announcement

9 September 2019

# INITIAL 20% INTEREST IN MAKUUTU RARE EARTHS PROJECT ACQUIRED

## \$750,000 Capital Raising Successfully Completed

On 5 July 2019 **Oro Verde Limited (ASX: OVL)** (“Oro Verde” or “the Company”) announced it had entered into an agreement to acquire up to a 60% interest in the Makuutu Rare Earths project (**Makuutu**). The Company is pleased to advise that it has now acquired an initial 20% interest in Ugandan company Rwenzori Rare Metals Limited (**Rwenzori**) which holds 100% of the Makuutu Rare Earths project (**Makuutu**).

The Makuutu project geology is similar to the southern China ionic clay-type deposits, which are the cheapest and most readily accessible source of heavy Rare Earth Oxides (**HREO**) that are extracted through rudimentary mining and processing methods. Ionic clay Rare Earth Projects vary markedly from hard rock Rare Earth projects in that, typically, rare earths can be recovered from ionic clay mineralisation using mild leaching conditions and generally present practical processing and cost advantages.

The Company recently release an Exploration target for Makuutu of (ASX: 4 September 2019):

**270 – 530 million tonnes grading 0.04 – 0.1 % TREO\***

\*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.

In order to complete its next milestone and increase its interest in the project to 31%, Oro Verde is required to contribute US\$650,000 to exploration (see ASX announcement of 5 July 2019). To assist in meeting this commitment the Company has secured funding of approximately A\$750,000 (before costs) through a share placement to clients of Paterson’s Securities Limited and Sixty Two Capital Pty Ltd. A total of 120 million fully paid ordinary shares will be issued at a price of \$0.006 utilising the Company’s existing placement capacity pursuant to Listing Rule and 7.1A.

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For enquiries contact:

Dr Marc Steffens  
Director  
+61 8 9481 2555

Mr Brett Dickson  
Company Secretary  
+61 8 9481 2555

