

17 February 2012

## UPDATE ON CHUMINGA PROJECT, CHILE

- **First core hole intersects 99m of mineralization; 69m of well developed “core” copper and iron oxide breccia mineralisation within 30m of disseminated mineralisation.**
- **Second core hole underway to confirm a down dip wedge of thickening copper-gold breccia mineralisation.**
- **Applications lodged for 11 new Exploration Concessions surrounding the Chuminga Mining Exploitation Concessions .**

Oro Verde Limited (ASX: OVL) (“the Company or OVL”) is pleased to announce;

### **Continuing Drilling Operations on the Chuminga Copper-Gold Project**

The first core hole SB2, on Section B (270<sup>0</sup> azimuth, -90<sup>0</sup> declination) was terminated at 155m depth in a mylonite zone in unmineralised highly altered, fractured, granodiorite. Copper mineralisation has been found 125m down dip from outcrop on drill section. The overall “form” of the mineralisation is similar to that seen in the underlying upper tunnels transecting the mineralisation.

Some 99m of mineralisation was intersected over the interval 50m to 149m. 69m of well developed “core” copper and iron oxide breccia mineralisation was intersected in a highly altered granodiorite over the interval 60m to 129m. This 69m of “core” breccia mineralisation was surrounded by disseminated mineralisation in altered, fractured granodiorite over the intervals 50m to 60m (10m) and 129m to 149m (20m). All samples are currently enroute to Activation Laboratories in Coquimbo for analysis. Results are expected in the next few weeks.

Second core hole SB3, on Section B (090<sup>0</sup> azimuth, -60<sup>0</sup> declination, planned depth 330m) has commenced to confirm the observation on Section B drill section that the copper-gold breccia mineralisation is wedge like in form and appears to be thickening down dip from outcrop. The hole will hopefully extend mineralisation 325m down dip from outcrop on the drill section.

### **New Exploration Concessions Surrounding Core Mining Concessions**

Applications have been lodged for eleven new Exploration Concessions totaling 33km<sup>2</sup>, surrounding the 9km<sup>2</sup> core Chuminga Mining Exploitation Concessions, to cover prominent alteration anomalies in the underlying batholith which are present in Aster satellite imagery



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that warrant geological and geochemical follow up investigations in the near future (refer attached plan).

A photo compilation of current Chuminga core, Aster anomalies and a summary of the Chuminga Project is appended to this announcement.

OVL's Executive Chairman, Dr Wolf Martinick, said:

***"I am delighted that the first hole has been successfully completed at Chuminga and the second is underway to test what appears to be a thickening wedge of copper breccia mineralisation extending down dip from outcrop and the first hole.***

***The new exploration concessions covering significant Aster alteration anomalies will be followed up with stream sediment sampling in the near future, and is another significant and important step in the development of Oro Verde Limited's Chuminga Copper-Gold Project. "***

ENDS

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#### Note

The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the company. Dr Farrell has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australian Institute of Mining and Metallurgy).

## CHUMINGA DRILLING

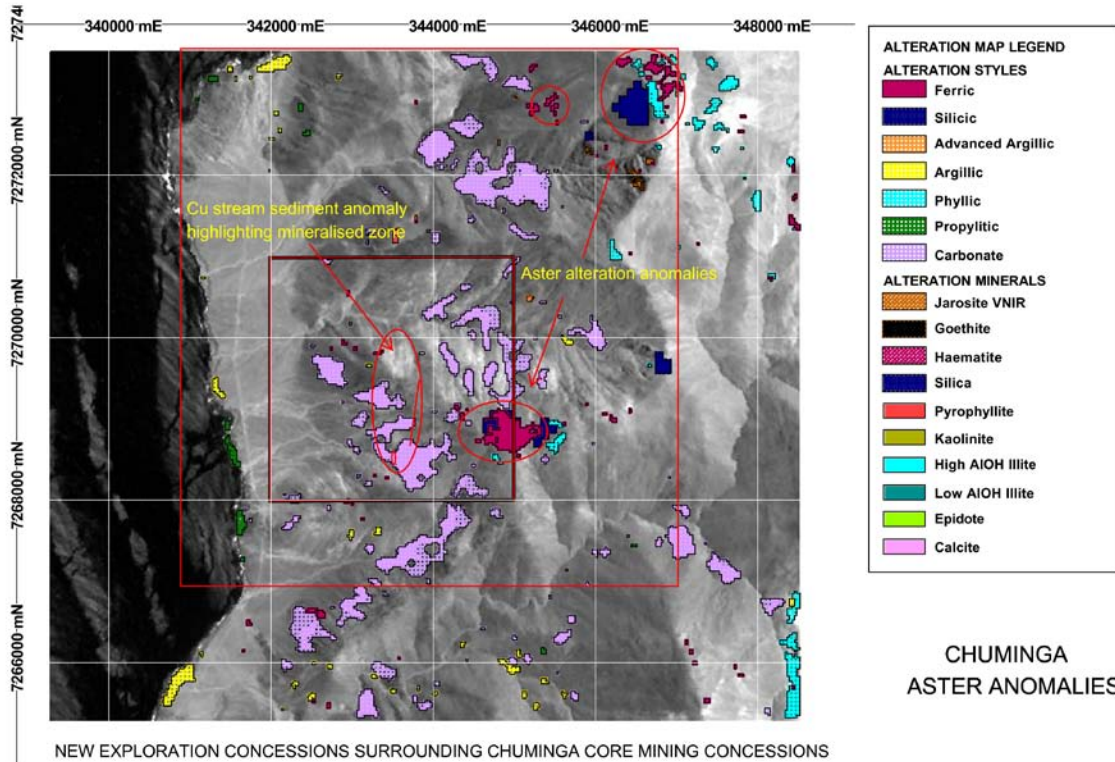


Current drilling on Platform B in which current diamond drill hole SB2 has intersected copper and iron oxides in core over a 99 metre interval (50 to 149 metres down hole).

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## CHUMINGA NEW EXPLORATION CONCESSIONS COVERING ASTER ANOMALIES



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## Summary Overview of Chuminga Project

- Oro Verde Limited (“OVL”) has a current 20% interest with a right to acquire a 100% interest in the advanced Chuminga Copper-Gold Project, in the Second Region of Chile, through an agreement with the owners of SCM Compania Minera Chuminga, a member company of a group of companies controlled by a branch of the well known Chilean mining family, Errazuriz Hochschild.
- Chuminga is a well mineralised hydrothermal copper-gold stock work breccia developed at a **coastal location, approximately 120km south of Antofagasta. It lies on the western contact of** a gabbro-diorite stock on a mountain side at 600m to 700m above sea level. Expectation based on prospecting to date by previous exploration companies is an exploration target of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9 to 1.0% Zn (The potential quantity and grade of the target is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource). The mineralized body is generally tabular, dipping 60° to 70° to the east, and from various reports has the following dimensions; a width of 60m to 150m and a 800m to 1,200m strike in a north-south direction.(Refer Note at end of above announcement).
- Sericite-chlorite-amphibole-magnetite-haematite-tourmaline alteration forms a halo around a central copper mineralized core. Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. These sulphides have been oxidized to both iron oxides (haematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which occurs in fracture fillings.
- The project has been prospected by historical and recent surface trenching on an outcrop area measuring 250m by 100m between 550m to 650m above sea level. The weighted average results of the three historical cross strike trenches being 1.21% Cu and 0.41g/t Au and the recent strike trenching being 190m @ 1.07% Cu and 0.20 g/t Au. Most of the recognized mineralized strike of the body is scree covered as rock debris is continually moving down a 40° mountain slope. The historical trenching results led to prospecting of the mineralised breccia below the outcrop area by tunnels at 630m and 543m above sea level. These tunnels did not transect the full width of the mineralised breccia. Weighted average sampling results returned were 115m @ 0.90% Cu and 0.48 g/t Au for the upper level. Subsequent re-sampling has indicated an increase in weighted mean values for the body to 1.4% Cu, 0.40 g/t Au and 1% Zn.
- The current first phase 10 hole / 1,950 metres drilling program is testing an approximate strike of 300m of the mineralised breccia exploration target on 3 sections in the environs of the surface trenching and exploratory tunnels transecting the mineralised body with the aim of establishing the true nature of the conceptual target previously identified, in particular the true width, grade and depth potential of the mineralization leading to the determination of the bulk tonnage potential of the breccia mineralisation at this location.

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