ACQUISITION OF ALMA PROJECT, CHILE

HIGHLIGHTS

• Alma Project acquired, located in the highly prospective Coastal Cordillera Copper Belt of northern Chile.
• Project targets an Iron Oxide Copper Gold ("IOCG") deposit associated with the Atacama Fault Zone system similar to Manto Verde, 85km south of Alma.
• Exploration target is a NW trending, 3km by 2km, unexplored aeromagnetic anomaly lying under cover.
• Copper oxides have been discovered in some pits in caliche cover within the main magnetic anomaly thought to be sourced from underlying intrusives.

Oro Verde Limited (ASX:OVL) ("the Company or OVL") is pleased to announce to shareholders the acquisition of the Alma Project by its Chilean operating subsidiary Green Mining Ltda ("GML"). The Alma Project, an area of 14km², is located in the southern part of the Second Region of Northern Chile. It lies approximately 250km to the south of the main city and port of the region, Antofagasta, and 40km east of the coastal city of Taltal, where there is a deep sea port and a government owned (ENAMI) mineral processing plant which is currently toll treating local miner’s copper and gold ores. Infrastructure in the region is excellent with the project nearby the Pan American Highway and the national electricity grid, refer Figure 1.

Project Acquisition Details

The project area comprises five Exploration Concessions. Four are granted, and are under an Option to Purchase Agreement between GML and the owner-vendor, Edith Urrutia Araya, and one is a pending Exploration Concession in GML’s name. Table 1 below summarises the Option to Purchase Agreement. GML obtains 100% ownership of the concessions after making progressive annual payments that total $US1.75 million over a 48 month period and granting the owner-vendor a residual 1.5% NSR that GML can buy for US$3.062 million until the 5th year of mine production. GML has no exploration expenditure commitments on the project area only the obligation to maintain the concessions in good legal standing for the period of the option.

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Regional Setting of Alma Project

The project is situated within what is known as the Coastal Cordillera Copper Belt of northern Chile which contains significant copper, gold and iron deposits related to the development of the Jurassic-Lower Cretaceous magmatic arc coring the Coastal Cordillera and the Atacama Fault Zone (“AFZ”) system. The AFZ runs from Iquique to La Serena, approximately 1,000km, parallel to the coast of Chile, refer Figure 2, and has a strong structural control on mineralisation. Important deposits in the belt, for example, Manto Verde, a large IOCG deposit (620 mt @ 0.56% Cu, 0.12 g/t Au) some 85km south of Alma, occur in dilatational structural settings related to strike-slip movement on the major faults and also subsidiary splays of the AFZ system.

Project Geology

The general regional project area is affected by the AFZ system and is underlain by rocks belonging to Palaeozoic basement metasediments and Jurassic La Negra Formation volcanics on the western side, and in the middle and eastern side, by sedimentary and volcanic rocks belonging to the Lower Cretaceous Aeropuerto Formation. These units are in contact with various age intrusive suites of the central zone of the Coastal Cordillera, ranging from the Upper Palaeozoic Cifuncho Suite and the Upper Jurassic Manticilla Suite in the west and the Lower Cretaceous Cerro del Pingo Suite in the east, refer Figure 3.

On a local scale, the project area lies within the central portion of the Lower Cretaceous Cerro del Pingo Batholith, a major body, 110km long and up to 40km in width, composed of a number of stocks of diverse composition, ranging from diorites to granites. The Cerro del Pingo Suite Intrusives are associated with copper-gold, copper-gold-iron and iron mineralisation, refer Figure 3. The immediate project area is underlain by diorites which lie in the western portion of a larger mafic intrusive body intruding a more granitic unit of a larger Cerro del Pingo intrusive. The diorite intrusives rise up to 300m above the subdued, alluvium, colluvium and caliche covered granitic unit to hilly topography at 1450 to 1690m in elevation with a lesser cover of calcrete and wind-blown loess, refer Figure 4.

Structurally the project lies between two northeast trending fault structures which are orthogonal to the AFZ system. This structural trend and the characteristic north northwest and northwest trends of the AFZ system are evident on satellite imagery and ground magnetic data over the project area, refer Figures 4 and 5.

Project Exploration Targets

The Alma area encompasses alluvium, colluvium and caliche covered granodiorites and diorites that hosts a northwest trending aeromagnetic anomaly, measuring 3km by 2km, that to date has not been explored for IOCG deposits. Recently, a major portion of the project has been detailed by a ground magnetic survey which has broken down the aeromagnetic anomaly into a 2km by 1km
magnetic high, separated from a smaller northern high by a magnetic low, refer Figure 5. Copper oxides have been discovered in some pits in caliche on weathered diorite on the western margins of these magnetic anomalies, refer Figure 5 and photo Figure 6.

A colour anomaly is present on satellite imagery within calcrete covered diorites on the northern nose of the regional aeromagnetic anomaly in the northern pending GML Exploration Concession which has yet to be detailed by ground magnetics, refer Figures 4 and 7. A recent geological examination of this area by OVL staff has explained the colour anomaly by the discovery of a prospective concealed, felsic intrusive into diorite expressed by mineralised (disseminated copper oxides after sulphides) felsic float within calcrete. It is proposed to complete the detailed ground magnetic survey of the whole project area and carry out electrical geophysics (IP) on defined targets before commencing a drilling program in the next 6 months.

Managing Director, Dr Wolf Martinick commented, “we are excited with the acquisition of the Alma Project as it lies in the heart of a very prospective part of Chile where there are numerous large copper-gold deposits. It is our intention to commence exploration immediately with drilling expected to commence later this year. “

Ongoing New Project Development

OVL is continuing to evaluate new mineral exploration and development opportunities in Chile. For enquiries contact:

Dr Wolf Martinick                Brett Dickson
Chairman / Managing Director    Company Secretary
0614 179 4266                  61 8 9481 2555

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 mineralisation 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).
Figure 1. Location Alma Project
ATACAMA FAULT ZONE (AFZ) ASSOCIATED DEPOSITS, BETWEEN 22° AND 26° LAT. SOUTH NORTHERN CHILE
Figure 3. Regional Geology Alma Project Area
Figure 4. Alma Project Satellite Image Structural Interpretation
Figure 5. Alma Project Ground Magnetics (reduced to Pole) Interpretation
Figure 6. Pit in caliche covered diorite with copper oxides in caliche profile

Figure 7. Colour anomaly in caliche covered diorite, north Alma, refer Figure 4.