

26 June 2013

ACQUISITION OF SAN PEDRO PROJECT, CHILE

HIGHLIGHTS

- **San Pedro Project acquired that lies in the giant porphyry copper belt of northern Chile.**
- **Project targets a porphyry Cu deposit associated with a south east splay fault to the Domeyko Fault Zone system, a similar structural setting to other porphyry deposits, such as Abra and Conchi to the southwest.**
- **The immediate exploration target is a 1km by 1.5km area of strong hydrothermal alteration associated with intrusives and minor polymetallic vein mineralisation within a caldera feature which is the surface expression of a probable mineralised porphyry system at depth.**

Managing Director, Dr Wolf Martinick commented, *“we are excited with the acquisition of the San Pedro Project. Strong hydrothermal alteration in the project area is suggestive of a substantial mineralised intrusive system at depth which will be detailed by geophysics in the next 6 months to be followed up with drilling to ascertain its potential.”*

Oro Verde Limited (ASX:OVL) (“the Company or OVL”) is pleased to announce to shareholders the acquisition of the San Pedro Project by its Chilean operating subsidiary Green Mining Ltda (“GML”).

The San Pedro Project is located in the Second Region of Northern Chile, 100km northeast of the city of Calama, and 3km north of International Route 21 to Bolivia. It lies in the altiplano of the eastern Cordillera to the Andes at an average altitude of 3,700m, refer Figure 1. Infrastructure in the region is excellent, with Calama, a large mining city servicing a number of major mines nearby such as Chucquimata, Spence and El Abra, refer Figure 2.

Project Acquisition Details

Four pending Exploration Concessions, Volcan San Pedro 1 to 4, comprise the 12km² San Pedro Project area, refer Figure 3. All concessions are under an Option to Purchase Agreement between GML and the owner-vendor, Pablo Antonio Galleguillos. Table 1 below summarises the Option to Purchase Agreement. GML obtains 100% ownership of the concessions after making progressive annual payments that total \$US700,000 over a 36 month period and granting the owner-vendor a residual 1% NSR. 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.

Table 1. Summary Details of the San Pedro Project Option to Purchase Agreement.

Month	0	12	24	36	Total
US\$ Payment	\$0	\$100,000	\$200,000	\$400,000	\$700,000

Regional Setting of San Pedro Project

The project is situated within the northern portion of the Eocene to Early Oligocene Copper Belt of northern Chile which contains significant porphyry Cu deposits from approximately 28° to 20° south latitude. Northwards from Calama, is a cluster of giant porphyry Cu (Mo) deposits, from south to north; Mina Mansa, Mina Sur (Exotica) Chuquicamata, Radomiro Tomic, El Abra, Quebrada Blanca and Collahuasi-Ujina, refer Figure 2. All are related to the development of an Eocene - Lower Oligocene magmatic arc with emplacement of mineralised porphyries between 36-31Ma. A striking feature of these deposits is the structural control on mineralisation by the regional north-south Domeyko Fault system which runs for approximately 800km. The fore mentioned deposits occur in dilatational structural settings related to strike-slip movement on the major faults and also subsidiary splays of the Domeyko Fault system, refer Figure 2.

To the northeast of Calama, Palaeozoic metasediments and meta-plutonic lithologies are unconformably overlain by Mesozoic volcanics and sediments, commencing with late Triassic continental conglomerates, sandstones and andesitic to dacitic breccias and tuffs. These pass up into a transgressive Jurassic marine sequence of shales, sandstones and limestones and Lower Cretaceous sandstones. All in turn are overlain by Miocene to Pliocene volcanics in the area of the San Pedro Project.

Project Geology

From the 1:250,000 geological sheet, the project area is underlain by an inlier of Late Cretaceous to Palaeocene age red sandstones and conglomerates which have been exposed by erosion of overlying Upper Miocene to Pliocene volcanic cover which is related to the evolution of the over 6,000m high San Pablo and San Pedro strata volcanoes, 10km to the south, refer Figure 3.

The inlier in detail represents a partly exposed caldera feature containing highly altered red conglomerates and sedimentary breccias which have been intruded by altered intermediate intrusive breccias (refer Figure 4). Cu mineralisation is present within the caldera feature, mainly in the north, as a 1 to 2m wide polymetallic vein trending east southeast for 600m, refer Figure 5. Assay results for vein material have returned values to 1.24% Cu, 0.63%Pb, 0.57% Zn, 1.52 g/t Au and 55 g/t Ag.

Southeast trending splay faults can be traced into the San Pedro area off the Domeyko Fault system. The structural setting to San Pedro is similar to the nearby Abra - Conchi mines to the southwest and to the Collahuasi - Rosario - Ujina mines to the north, refer Figure 2.

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Project Exploration Targets

The exploration target at San Pedro is a buried mineralised intrusive in the caldera feature. A satellite image with a combination of spectral bands illustrates the strong hydrothermal alteration affecting the rocks underlying the project area, especially over the 1km by 1.5km area of the inlier, refer Figure 6. An initial program of detailed mapping, geochemistry, magnetics and electrical geophysics (IP) is proposed to outline the intrusive target for drilling in the next 9 months.

Ongoing New Project Development

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

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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 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).

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Figure 1. Location San Pedro Project, northern Chile.

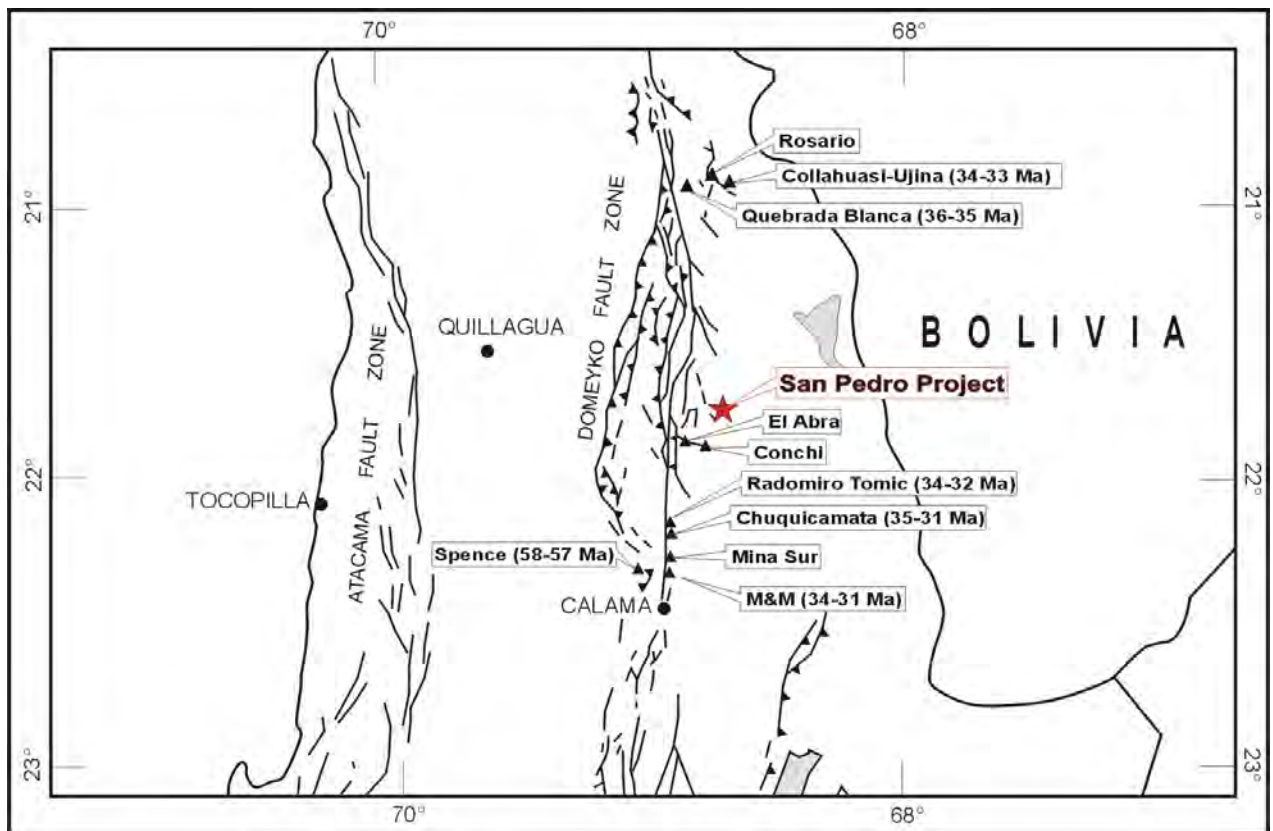


Figure 2. Domeyko Fault Zone and Late Eocene to Oligocene Porphyry Copper Deposits.

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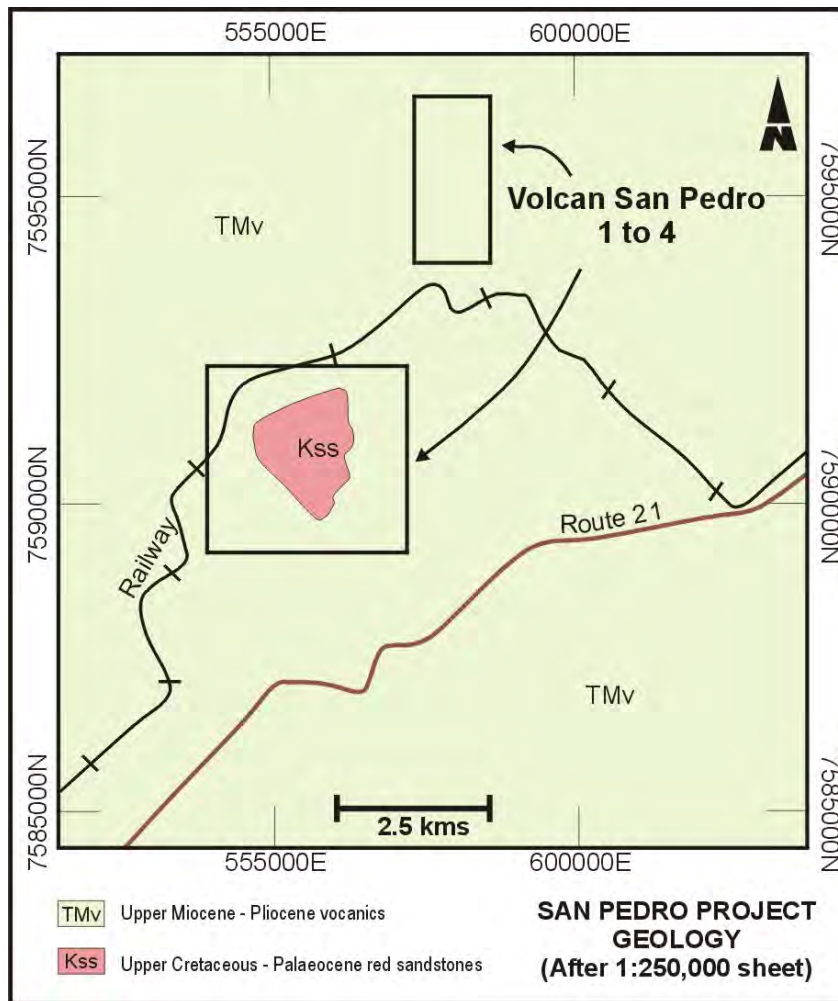


Figure 3. Regional Geology after 1:250,000 Geology Sheet, San Pedro Project, northern Chile.



Figure 4. Satellite Imagery San Pedro Project. Inlier of Cretaceous sediment showing alteration associated with intrusive activity into sediments in possible caldera structure.

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Figure 5. Top photo. Looking north westwards, trace of poly-metallic vein cutting through hydrothermally altered sediments. In the far background along the ranges is the trace of Domeyko Fault system. Bottom photo. Old workings on the poly-metallic vein.

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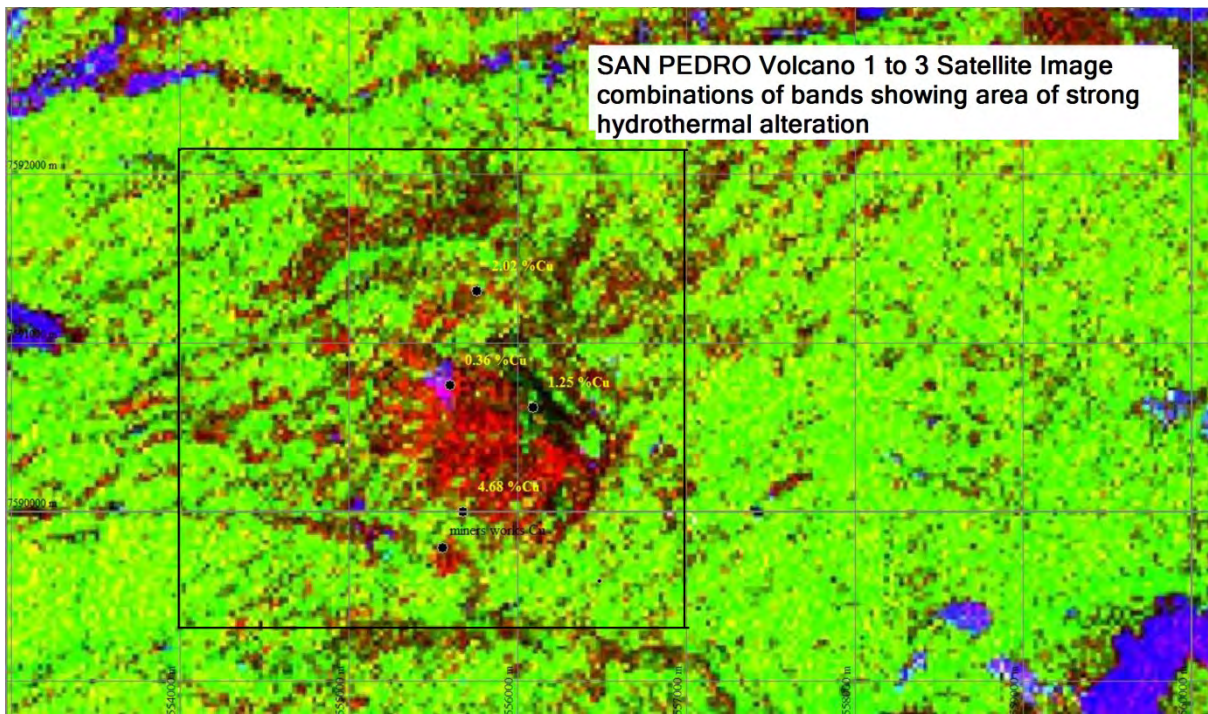


Figure 6. Top photo. Satellite Image of combined spectral bands showing strong areas of alteration within inlier of Cretaceous sediments. Bottom photo. Red Cretaceous sedimentary rocks in contact with a highly altered intermediate intrusives within inlier.