

LETTER FROM THE CHAIRMAN

Dear Fellow Shareholder

Enclosed is a prospectus for a pro rata entitlement issue of one new share for every one share owned on 1 May 2014 as announced to the ASX on 17 April 2014 to raise about \$1.5 million.

I urge you to participate in this placement in which all directors will participate and which our Technical Director, Dr Brad Farrell, and I have underwritten to the value of \$308,000. This demonstrates our commitment to the success of Oro Verde Limited ("OVL") and our belief in the high mineral prospectivity of OVL's projects and avoids dilution of our investments.

Rather than raising the money by a placement to a number of investors, we elected to invite all shareholders to participate in an Entitlement Issue and to consider taking up some of the shortfall. The balance of the shortfall, if any, may then be placed with other investors. The fundraising will allow shareholders to lower their average purchase price and avoid dilution.

We plan to undertake promising exploration. The drilling we undertook at Timon did not encounter economic copper (Cu) mineralisation, though results were sufficiently encouraging to warrant further investigation. Hence we are in discussions with a major company with a view to a farm-out.

In line with our stated objective of continuing to evaluate promising projects we recently entered into a Heads of Agreement to acquire a suite of projects in the very prospective San Juan Province, on the Chilean border of Argentina. These projects are relatively close to each other and, importantly, previous exploration, including drilling, has confirmed their mineral prospectivities.

The projects include the **Amiches** high-grade gold (Au) and silver (Ag) mineralisation; the wide, long and partly drilled **Las Leñas** epithermal vein Au-Ag mineralisation at **San Francisco**; and the confirmed and part-drilled **Cerro Blanco** Cu-Au porphyry target. All are near highways and district roads and readily accessible from our Santiago office and nearby San Juan city, the Provincial capital.

The **Amiches Project** is located in central San Juan Province near other epithermal Au-Cu projects, and within the Argentine extensions of the highly-prospective El Indio Belt which supports a number of well known, high grade Cu-Au-Ag mines and deposits. Surface channel rock-chip sampling undertaken by Argentina Mining Limited (AVK) and announced by them to the ASX on 11 March 2013 yielded encouraging results, including

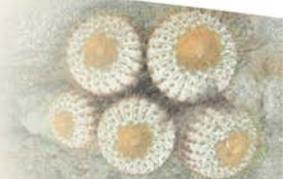
- **2m @12.44g/t Au and 201.8g/t Ag** from outcropping dacitic hydrothermal breccia, and
- **2m @ 18.91g/t Au and 389.51g/t Ag** from a similar outcropping 160m further northwest.

These were additional to similar nearby sampling that returned **1m @ 4.9g/t Au and >100g/t Ag** and **1m @ 12.4g/t Au and 60g/t Ag** (reported to the ASX on 24 January 2013).

The **San Francisco Project** is located about 50km south of the Amiches Project. Previous exploration established a number of porphyry and epithermal Au-Ag targets, including the readily visible 3.7 km long and 4 to 5 m wide Au and Ag bearing Las Leñas main vein structure. On 11 March 2013 AVK announced encouraging results of continuous surface channel sampling of the central part of this vein structure, including:

- **7.48m @ 2.29g/t Au and 6.46g/t Ag** in a continuous, full width, across-strike composited sample run, and
- **14.6m @ 2.65g/t Au and 7.10g/t Ag** in a continuous, along-strike composited sample run.

These results were additional to previously announced (ASX: 18 February and 13 May, 2013) results which included:



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- **36m @ 1.23g/t Au and 4.85g/t Ag** in a different, nearby, continuous, along-strike composited sample run, and
- **18m @ 1.71g/t Au and 7.58 g/t Ag** consisting of six separate 3m long continuous, along-strike composited samples

On 17 June 2013 AVK announced to the ASX results of a small, shallow, drilling programme that encountered promising results, including **5m at 2.14g/t Au and 34.93g/t Ag**, with **2m at 5.10g/t Au and 79.05g/t Ag**.

The **Cerro Blanco Project** contains the locally known *Copper Hill* porphyry target where previous drilling intersected broad zones of Cu sulphide mineralisation and hydrothermal alteration, characteristic of many large Andean porphyry Cu deposits. In addition to *Copper Hill*, a number of other Cu and Au prospects within the project tenement parcel remain to be followed up.

The funds to be raised will be used to continue exploration on the Company's Chilean projects and, subject to due diligence, to acquire and explore the San Juan projects, especially drilling the near surface, San Francisco and Amiches targets in the third quarter of this year. We will be seeking a joint venture partner for the Cerro Blanco project because of its huge potential and are already in relevant discussions.

I thank you for your past support and invite you to continue to support Oro Verde.

Please contact me if you have queries on +61 (0) 417 942 466.

A handwritten signature in black ink, appearing to read 'Wolf Martinick', is written over a light blue horizontal line.

Wolf Martinick
Executive Chairman

The information in this report that relates to Exploration Results for the Alma, Cerro Blanco, San Francisco and Amiches projects, was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported, and is based on information compiled Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD who is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body, a Member of the Mineral Industry Consultants Association and the Consultants Society of the Australian Institute of Mining and Metallurgy. 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 to qualify 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. He is the Technical Director and a substantial shareholder of Oro Verde Limited.