

31 October 2014

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2014

HIGHLIGHTS

- **Oro Verde acquires Nicaraguan-focused gold and copper explorer Goldcap Resources Limited**
- **Goldcap's San Isidro Project is located immediately adjacent to and along the inferred strike extent of significant gold mineralisation (Cristalito) which comprises part of a NI 43-101 compliant 2.33 million ounce gold resource inventory within the La India Gold Mining District**
- **As a consequence of the Goldcap acquisition and a new focus on gold in Nicaragua, Oro Verde has withdrawn from exploration activities in Chile**
- **Entitlements Issue Shortfall Placed**

The Board Oro Verde Limited (ASX" OVL") ("**Oro Verde**" or "**the Company**") is pleased to provide its quarterly report for the period ended 30 September 2014.

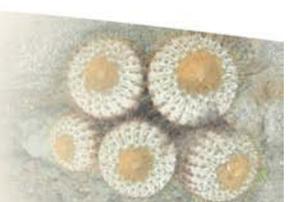
Goldcap Acquisition

The highlight for the Company during the quarter was the finalisation of transactions to acquire 100% of the issued shares of Goldcap Resources Limited ("**Goldcap**") an Australian company specifically established to take advantage of emerging exploration and mining opportunities in Central America. The current focus of Goldcap is in Nicaragua, a safe, stable and democratic country with a strongly growing economy.

Nicaragua has a history of gold mining since the Spanish Conquistadors in the 1600's and over 7 million ounces of gold has been produced. However for political reasons, Nicaragua missed the gold boom of the 1980s and much of the 1990s. Under a new pro-business government, mining and business laws are now among the most favourable to foreign backed exploration and mining ventures in all of Latin America. These laws combined with the country's mineral endowment, which has been lightly explored to date, give Nicaragua a higher probability for exploration success than any other country in the region.

With respect to gold mining and exploration activity, three mines have been re-opened and 311,000 ounces of gold was produced in 2013 and at least 5 deposits of 1+ million ounces in resources have been discovered.

Goldcap brings to the Company first class commercial and mining relationships in Central America, as well as the 100% owned San Isidro gold exploration project. The 25 km² San Isidro property is situated 70 kilometres due north of Managua, the capital city of Nicaragua, in an area of good infrastructure (sealed roads, power, population) and emerging gold production (see Figure 1 below).



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Figure 1: Nicaragua and the location of the San Isidro project

The concession falls within the La India Gold Mining District which hosts the historical La India Gold Mine which processed an estimated 1.7Mt at 13.4g/t Au, producing 576,000 ounces of gold between 1938 and 1956. Condor Gold Plc (“Condor”), a UK based AIM listed gold exploration company, which now holds the majority of the gold district announced in January 2014, an updated La India Gold Project NI 43-101 compliant Resources Statement for a number of deposits. Indicated and Inferred Mineral Resources totalling 2.33 million ounces gold and 2.68 million ounces silver were outlined in the statement which could be the subject of both underground and open pit mining in the near future. Pre-Feasibility and Preliminary Economic Assessment studies are currently being carried out by Condor to assess the commerciality of these scenarios.

Over 20 strike kilometres of shear hosted gold mineralised quartz-carbonate veins has been identified in the district as well as gold mineralised breccia pipes. Gold mineralisation generally occurs in 1 to 2m wide high grade shoots within the quartz veins and was the subject of past underground mining. Where veins coalesce or are stacked by structural repetitions mineralised widths up to 25 metres occur, making open pit mining possible.

San Isidro adjoins the north eastern boundary of Condor’s La India Project. One of Condor’s deposits listed in its recent NI 43-101 Resources Statement is the historical Cristalito gold mine on which a small, high grade gold deposit has been identified (200,000 tonnes @ 5.3 g/t Au (1.5 g/t Au cutoff)) in shear hosted quartz veins. This mineralised zone appears to trend north-easterly into the San Isidro property and is an immediate exploration target for the Company.

Consideration for the acquisition of Goldcap was approved by shareholders post quarter at a General Meeting held on 3rd October 2014 and comprised:

1. Issue of 15,000,000 fully paid shares at \$0.008 each;
2. Issue of 66,000,000 3 year options exercisable at 1.0 cent each; and
3. Issue of 66,000,000 5 year options exercisable at 5.0 cents each.

Chile Exploration

As a result of the acquisition of Goldcap and the focus on Nicaragua, on 8 August 2014, the Company reached agreement and sold Green Mining Limitada, its operating Chilean subsidiary, for US\$1, bringing to a close exploration activities in Chile. A condition of the sale was that all debts owed by Green Mining Limitada and its subsidiaries to Oro Verde Limited were forgiven.

Share Placement

On 14 August 2014, the Company advised that it had placed 77,375,000 Shortfall Shares from the Entitlements issue undertaken earlier in the year. The placement was undertaken at \$0.008 each, the same price as that offered in the Entitlements issue and raised \$619,000.

Corporate

At the end of the quarter the Company had 359,531,737 shares on issue and \$658,748 on hand.

ENDS

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Schedule of Mining Tenements Owned

Common Name	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<i>San Isidro - 1351</i>	<i>Owned</i>	-	100%

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Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Oro Verde Limited

ABN

84 083 646 477

Period ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(9)	(9)
(b) development	-	-
(c) production	-	-
(d) administration	(229)	(229)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(235)	(235)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(235)	(235)

Appendix 5B
Mining Exploration Entity Quarterly Report

1.13	Total operating and investing cash flows (brought forward)	(235)	(235)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	597	597
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	(40)	(40)
Net financing cash flows		557	557
Net increase (decrease) in cash held		322	322
1.20	Cash at beginning of quarter/year to date	334	334
1.21	Exchange rate adjustments to item 1.20	3	3
1.22	Cash at end of quarter	659	659

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Curent quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, consulting fees, directors' fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter the Company issued 15 million fully paid shares as part consideration for Goldcap Resources Limited, an exploration company with a focus on Nicaragua

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Appendix 5B
Mining Exploration Entity Quarterly Report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous period \$A'000
5.1 Cash on hand and at bank	626	301
5.2 Deposits at call	33	33
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	659	334

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	San Isidro - 1351	owned	-	100%

Appendix 5B
Mining Exploration Entity Quarterly Report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	359,531,737	359,531,737		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	92,375,000	92,375,000	\$0.008	\$0.008
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	24,364,459 2,500,000 5,250,000	- - -	<i>Exercise price</i> \$0.27 \$0.20 \$0.04	<i>Expiry date</i> 31 December 2014 10 January 2016 31 March 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2014
Company Secretary

Print name: Brett Dickson

Notes

- 1 The report provides a basis for informing the market how the entity's activities have been financed for the past period and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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