ENVIRONMENTAL APPROVAL FOR NICARAGUAN GOLD PROJECT

HIGHLIGHTS

- Environmental approval has been received for exploration to commence at Oro Verde’s San Isidro Gold Project in Nicaragua
- 100% owned by Oro Verde Limited
- The San Isidro Gold Project covers 25km² of highly prospective epithermal geology located adjacent to the 2.3 million ounce La India Gold Project
- Geological mapping and geochemical sampling to commence this month

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to announce that the Nicaraguan Ministry for the Environment and Natural Resources (MARENA) has granted environmental approval for the Company to commence exploration on the San Isidro Gold Project, located in the Matagalpa Department of northwest Nicaragua (Figure 1).

The San Isidro Gold Project consists of a 25km² (or 2,520.49 ha) mining concession in the rich La India Gold District and is held 100% by Minera San Cristóbal S.A. (MSC), a Nicaraguan subsidiary of Oro Verde.

The San Isidro opportunity was first identified, and subsequently acquired, by MSC in 2012. It consists of the “HEMCO-SID” concession, which is valid until 2035, and was acquired from the largest Nicaraguan national gold producer, HEMCO.

The San Isidro Gold Project is located adjacent to the La India Gold Project which contains a 2.3 million ounce gold resource. La India is held by UK company Condor Gold plc, which released a positive PFS study in December 2014 with the potential for both open pit and underground mine development. The San Isidro Gold Project has the potential to contain La India-style vein-hosted epithermal gold mineralisation.

Oro Verde’s Managing Director, Mr. Trevor Woolfe commented, “The Company has received a tick of approval from the Nicaraguan environmental watchdog for its San Isidro Gold Project exploration program, opening the door for us to commence work on our second project within this mining friendly jurisdiction. Initial exploration will commence immediately, incorporating geological mapping, stream and rock chip geochemical sampling, with the objective of identifying mineralised gold targets for future drilling.”
Figure 1  Major Nicaraguan gold deposits and the San Isidro Gold Project (Central America)

Figure 2  Aerial image of San Isidro Gold Project and nearby major gold projects
SAN ISIDRO GOLD PROJECT

Location and access
The San Isidro Gold Project is located 75km to the north of Managua in the Matagalpa Department (Figure 1). The concession has an area of 2,520.49 hectares, and dimensions of approximately 5km x 5km (Figure 2). Access from Managua is by sealed roads with the concession cut by a NE-SW oriented highway (Figures 2 and 3).

The local climate is described as “tropical savanna”, however the land use on the concession is divided by the sealed highway which follows the break in local topography. The land to the SE of the highway is a flat floodplain (Figure 3) and is used for cropping, including rice (Figure 4a) and corn. In contrast, to the NW of the highway, the topography is more hilly and used for cattle (Figure 4b). Due to a lack of outcrop in the cropping areas, our initial exploration focus will be in the hills to the NW of the highway.

Figure 3 Oblique view to NNW San Isidro Gold Project and land use

Figure 4 San Isidro Gold Project land use (a) rice crops, and (b) cattle grazing
Regional Mineralisation
The San Isidro Project is situated strategically in the La India Gold Mining District. The La India mine (Figure 2) has historic production of around 600,000 ounces of gold. In addition, in December 2014, Condor Gold plc (UK) announced positive results of a Pre-Feasibility Study indicating the potential for both open pit and underground mine development, based on a total resource of 2.3 million ounces for its La India project, which is compliant with the Canadian NI 43-101 standards1. The La India resource consists of a system of multiple gold-bearing epithermal quartz veins (Figure 5) with an average grade of 4 g/t Au.

A component of the La India resource is the Cristalito prospect, containing 34,000 ounces of gold with a high average grade of 5.3 g/t Au. Oro Verde’s San Isidro Project is located immediately to the northeast of the Cristalito resource (Figures 3 and 5). While the majority of the La India resource is hosted within NW-SE trending veins, the veins in the Cristalito prospect are interpreted to be trending NE-SW. This provides significant encouragement for Oro Verde as the San Isidro Project lies along strike from these veins immediately to the NE (Figures 3 and 5).

The potential for discovery of significant gold mineralisation in the district is highlighted by the El Limon Gold Mine, located just 50km to the west of San Isidro (Figure 2). The El Limon Mine has a total gold endowment to date of 3.5 million ounces of gold. Its owner, B2Gold Corp, is currently producing gold from this mine at a rate of around 60,000 ounces per year, with that company’s latest June quarterly report indicating low cash costs of production of approximately US$700 per ounce.

1 Refer to Condor Gold plc company website
Work Program

Following the environmental approval for Oro Verde’s work program on the San Isidro Gold Project, by the Nicaraguan Ministry for the Environment and Natural Resources (MARENA), the Company is set to commence exploration this month (August). Although well located in the La India Gold Mining District, very little previous exploration has been undertaken at San Isidro. Oro Verde will be commencing with a modest budget reconnaissance style exploration program incorporating geological mapping, stream sediment sampling and rock chip sampling to complement earlier photographic interpretation. The immediate objective is to delineate areas of gold mineralisation for future target drilling.

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About Oro Verde Limited: Oro Verde Ltd is a mineral exploration company focused on identifying and developing significant gold projects in Central America, particularly Nicaragua. Oro Verde holds an Option to Purchase Agreement to acquire 100% of the Topacio Gold Project in Nicaragua that currently contains a NI43-101 compliant Inferred Mineral Resource of 340,000 ounces of gold. Oro Verde also holds 100% of the early stage San Isidro Gold Project, also in Nicaragua, located adjacent to the 2.3 million ounce La India gold project.

COMPETENT PERSON STATEMENTS

The information in this document that relates to Exploration Results is based on information compiled by Mr Trevor Woolfe BSc Hons (Geol), who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Woolfe is the Managing Director and a shareholder of the Company, and is employed through consultancy Shordean Pty Ltd. Mr Woolfe 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 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Woolfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.