

NEWCREST and ORO VERDE COMMENCE AGGRESSIVE PROGRAM TO OUTLINE LARGE SCALE GOLD RESOURCE

HIGHLIGHTS

- ❖ Newcrest and Oro Verde aim to define a multi-million ounce high grade epithermal gold deposit at Topacio through a Farm-In Agreement executed in November 2015
- ❖ An intensive exploration program has now commenced that includes:
 - ✓ Detailed geological mapping and sampling
 - ✓ Airborne geophysics – magnetics and radiometrics
 - ✓ Concession-wide 400m x 400m grid soil sampling program
- ❖ Newcrest must spend at least U\$500,000 within the first 12 months (Stage 1 – Minimum Commitment)
- ❖ Ultimately, Newcrest may earn up to 75% by sole funding a total of US\$7.9 (A\$11.0) million
- ❖ Oro Verde will continue to manage the exploration program during the farm-in period

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to announce that Newcrest Limited (ASX: NCM) (“Newcrest”) and Oro Verde have commenced their aggressive Stage 1 exploration program at the Topacio Gold Project, located in southeastern Nicaragua (Figure 1).

Under the US\$7.9 million Farm-In Agreement executed at the end of November 2015¹, Newcrest and Oro Verde aim to discover high grade, epithermal gold deposits containing at least 2 million ounces of gold at the Topacio Gold Project.

Oro Verde’s Managing Director, Mr. Trevor Woolfe, commented *“Funding received from Newcrest has accelerated our search for a multi-million ounce gold discovery at Topacio. A Newcrest consultant, expert in epithermal gold deposits, recently completed his initial field mapping program and is currently analysing the data for likely sources of the high grade mineralised fluids. The targeting studies will be augmented by a systematic soil sampling program and an airborne geophysical program that is in the advanced stages of planning.”*

NEWCREST – ORO VERDE EXPLORATION PROGRAM

Newcrest’s Stage 1 US\$500,000 Minimum Commitment phase of exploration at Topacio, under the US\$7.9 million Farm-in Agreement, is to be completed within 12 months (by 25 November 2016), however Newcrest has indicated its willingness to accelerate this process and complete Stage 1 earlier. Stage 1 is

¹ Refer to ASX announcement dated 30 November 2015 “Newcrest Signs A\$11M Farm-in Agreement with Oro Verde”

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focused on defining a mineralised system with the potential to host a gold deposit containing at least two million ounces and generating drill targets to verify that gold potential.

Oro Verde is managing the project until Newcrest has earned its 51% interest in the Joint Venture, taking advantage of the existing team, contacts, local knowledge and infrastructure that the Company has established in Managua. Newcrest is providing technical assistance to the Oro Verde team during this phase.



Figure 1 Major Nicaraguan gold deposits and the Topacio Gold Project

The key objective of our fast-track exploration program, which commenced in January 2016, is to identify highly prospective vein, alteration, geochemical and structural targets for drilling in the second half of 2016. The Stage 1 program includes:

- ✓ Detailed geological mapping and sampling
- ✓ Airborne geophysics – magnetics and radiometrics
- ✓ Concession-wide 400m x 400m grid soil sampling program

During the past month, Mr Simon Meldrum, a respected consultant specialising in epithermal gold deposits, has concentrated on **geological mapping and sampling** at Topacio. After commencing in the existing vein resource area, his assessment of vein textures and types, lithological variations and alteration zones expanded into broader areas within the concession. The five main areas of initial focus within the 93km² concession are as follows (see Figure 2):

- i. Topacio Resource Area
- ii. Topacio Veins
- iii. Buena Vista
- iv. El Sahino
- v. Cerro Tortuga

Mr Meldrum's report on the geology of the Topacio area and associated sampling results is expected later this month.

Oro Verde will this week commence a systematic **soil sampling program** across the Topacio concession. The program will be carried out on a 400m x 400m offset grid, as shown in Figure 3. Using Newcrest's extensive knowledge and experience with low sulphidation epithermal systems, this program will utilise critical multi-element pathfinder geochemistry to characterise the mineralised system at Topacio and assist with target generation for the next phase of drilling.

An **airborne geophysical survey** across the Topacio concession is expected to be completed by the end of April. The survey will incorporate a combination of magnetics and radiometrics, to map the stratigraphy and major structural controls, as well as alteration zones indicative of vein emplacement. Assessments, by Newcrest safety experts, and permitting protocols are currently being advanced to finalise the program details.

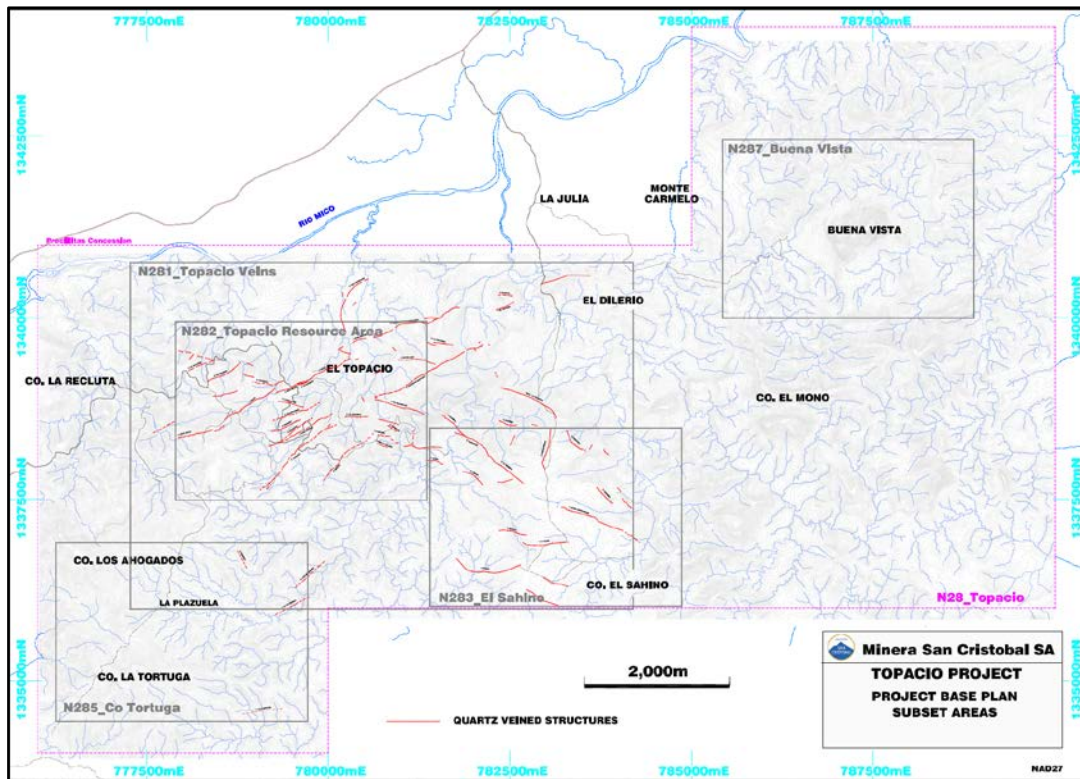


Figure 2 Topacio – Geological mapping areas (January 2016)

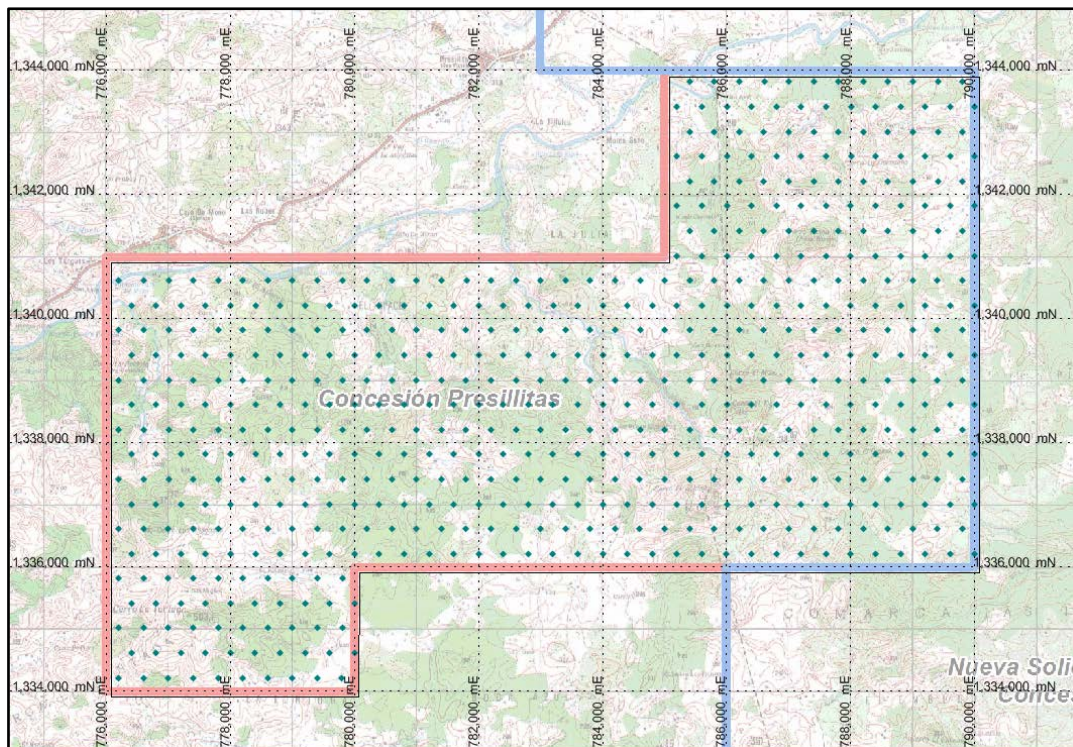


Figure 3 Topacio – Proposed 400m x 400m grid soil survey

BACKGROUND

Oro Verde holds an Option to Purchase Agreement over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1). Details can be found in the announcement to the ASX dated 27 February 2015². The project already contains a historical NI 43-101 (Canadian standard, similar to JORC) compliant Inferred Resource of:

2,716,176 tonnes at 3.9 g/t gold, containing 340,345 ounces of gold, at a 1.5 g/t gold cut-off

National Instrument 43-101 ("NI 43-101") is a national instrument for the Standards of Disclosure for Mineral Projects within Canada and as such this estimate is a foreign estimate and is not reported in accordance with the JORC code (Australia). A competent person has not done sufficient work to classify the foreign estimate as mineral resources in accordance with the JORC code and it is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as mineral resources in accordance with the JORC code.

Newcrest Farm-In Agreement

Details of the Agreement¹ executed on 25 November 2015 are summarised below:

- Newcrest to sole fund a Stage 1 minimum commitment of US\$500,000 of direct expenditure on the Project within the first 12 months ("the Minimum Commitment"), designed to test the potential for a large scale, mineralised epithermal gold system.
- Newcrest may withdraw once the Minimum Commitment is satisfied or paid out in cash to OVL.
- Newcrest may elect to continue to farm-in by sole funding additional expenditure on the Project of US\$2.2 million by 25 August 2017.
- If the additional expenditure commitment is met, and Newcrest elects to continue, it will be obliged to fund the US\$1.5 million to exercise the option and a resource payout (if elected), to the vendor.
- Through this first stage of the Farm-in, Newcrest will also be required to fund:
 - Vendor payments (US\$40,000 each six months)
 - Tenement holdings costs
 - Management fee to Oro Verde (at standard industry rates)

At this point, as a result of expenditure totalling approximately US\$4.4 million, Newcrest will have funded Oro Verde's 100% acquisition of the Topacio Gold Project and, in turn, will have earned a 51% share. A Joint Venture will subsequently be created (Oro Verde 49%: Newcrest 51%).

- Upon earning its 51% interest, Newcrest may then elect to earn an additional 24% interest (for a total Joint Venture interest of 75%), by spending an additional US\$3.5 million, including tenement holding costs, over the next three years on the Project.
- This will bring the total expenditure on Topacio by Newcrest to approximately US\$7.9 million (equivalent to A\$11.0 million) to earn a 75% interest in the Joint Venture.

² Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"

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. An A\$11.0 million 5 year farm-in agreement was signed on November 25, 2015 with global gold major Newcrest Limited (ASX: NCM) – to jointly explore for multi-million ounce gold deposits on the Topacio Gold Project. 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.

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COMPETENT PERSON STATEMENTS

The information in this document that relates to earlier Exploration Results is extracted from the following report: “Oro Verde Proceeds to Acquire Topacio Gold Project” created on 27 February 2015 and completed under Mr Trevor Woolfe as Competent Person and available to view on www.asx.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

The information in this document that relates to Historical Mineral Resources is extracted from the report entitled “Acquisition of High Grade Gold Project” created on 11 November 2014 and available to view on www.asx.com. The Company confirms that it is not in possession of any new information or data that materially impacts on the reliability of the estimates in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.