QUARTERLY REPORT FOR THE PERIOD ENDING
30 JUNE 2016

HIGHLIGHTS

- Oro Verde continued exploration on the Topacio Gold Project under the Farm-in Agreement with Newcrest
- The objective is to define a multi-million ounce, high grade epithermal gold deposit
- Stage 1 exploration program substantially complete
- Geological mapping identified new targets at Topacio
- Extensive soil sampling program completed – final assays awaited
- Heli-borne magnetics and radiometrics survey conducted over the entire 93km² Topacio concession

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to provide its quarterly report for the period ending 30 June 2016. The June quarter saw Oro Verde and Newcrest Limited (ASX: NCM) advance the Stage 1 exploration program on the Topacio Gold Project in south eastern 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 multi-million ounce, high grade, epithermal gold deposits at the Topacio Gold Project.

The first stage of the agreement involves a minimum commitment of US$500,000 within the first year, and is being directed towards the following activities:

- Geological mapping and sampling,
- Airborne geophysics – magnetics and radiometrics, and
- Concession-wide 400m x 400m grid soil sampling program

The collection and collation of this important technical base data, covering the entire concession, provides a significant advance to the understanding of the project and hence planning for follow up drill testing.

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1 Refer to ASX announcement dated 30 November 2015 “Newcrest Signs A$11.0 Million Farm-in Agreement with Oro Verde”
NEWCREST – ORO VERDE EXPLORATION PROGRAM

Newcrest’s Stage 1 US$500,000 Minimum Commitment phase of exploration at Topacio, under the Farm-in Agreement, is to be completed within 12 months (by 25 November 2016). Stage 1 is 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 project and elects to establish a Joint Venture, taking advantage of Oro Verde’s existing team, contacts, local knowledge and infrastructure that have been established in Managua. Newcrest is providing technical assistance to the Oro Verde team during this phase.

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

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

GEOLOGICAL MAPPING

The Topacio Gold Project consists of a 93km$^2$ concession, however the veins making up the existing gold resource are concentrated within an area of less than 4km$^2$. While approximately 35km (combined strike length) of low sulphidation epithermal veins have so far been identified on the concession, much of the concession remains either unexplored or under-explored, providing scope for additional vein discoveries.
Geological mapping by a consulting geologist specialising in epithermal and porphyry systems, has identified new large scale targets, including potential for buried porphyry style copper-gold mineralisation, at the Topacio Gold Project. Additional detailed exploration is required to investigate and validate these new target models. Some key technical observations of the study included:

- The veined structures exhibit classic low sulphidation vein types and textures, hosted in most instances by acid sulphate altered volcanics. Pre, syn and post mineralisation brecciation is evident along the structures, including phreatic breccias in localised areas, crackle, jigsaw and fault breccias and hydrothermal breccias. Quartz styles are dominated by sugary silica, which is viewed as an alteration product, white or grey banded quartz, crustiform and comb textured clear crystalline quartz, and lesser amethystine, saccharoidal, chalcedonic and opaline quartz.

- Though the Topacio low sulphidation vein complex dominates the concession geology, ‘brown fields’ targets in close proximity to the vein system include:
  i. Outcropping low sulphidation epithermal veining in the Buena Vista area;
  ii. Concealed (ponded) low sulphidation mineralisation in the El Sahino area and under the West Topacio Silica Cap; and
  iii. Scope for intrusion related (porphyry) Au-Cu-Mo mineralisation in the La Plazuela area.
  iv. In addition, there is no geological or geochemical information for approximately 30% of the claim block – which can be classed as a green fields target area.

- The data depicts Topacio as a good exploration opportunity with potential for increasing vein hosted gold–silver resources and scope for new discoveries which could develop into large scale targets.

Some of the key target areas generated (Figure 2) include the following:

**Topacio Vein System**

The Topacio Vein System covers an area of approximately 5km east-west by approximately 3km north-south (Figure 2). Multiple veins in two main orientations (northeast and northwest) are contained within this epithermal vein system. Approximately 4km (combined strike length) of the 35km of mapped veins within the system are included in the existing inferred resource, that is estimated to contain over 340,000 ounces of gold (NI 43-101 compliant), and have undergone significant trenching/sampling and lesser diamond drilling. As a result, much of the exposed vein system has not been systematically evaluated.

Further detailed assessment of this additional 30km of under-explored vein system is required to adequately define the width and grade variability of the veins and also to test the potential for larger volume, lower grade stockwork mineralisation between and adjacent to the many veins.

**West Topacio Silica Cap**

At the western extremity of the Topacio Vein System (Figure 2), the veins exposed at surface come to an abrupt apparent termination. In this region, the topography is more elevated and resistive, suggesting a likely silica cap. The silica styles observed are more likely to be of high temperature, advanced argillic facies alteration and therefore highlighting a proximal intrusive driven fluid source. The implications are that the silica cap is potentially masking the continuation of the epithermal vein system below, and that, if the silica cap formed pre-gold mineralisation, then the rising mineralising fluids may have ponded/pooled beneath this resistive silica cap. A program of additional prospecting is required around this West Topacio Silica Cap region, which, combined with awaited soil geochemistry and airborne geophysics, is expected to highlight buried structures that may host concealed vein type gold mineralisation.

**El Sahino Silica Cap**

To the southeast of the Topacio resource area, an extensive (at least 4.5km²) silica cap zone is identified in the El Sahino area (Figure 2), defined by a flat, table-top topography. Here, flat lying fine grained laminated sediments have been selectively replaced by low temperature silica. To date, only vein structures on the north and northeast margin of this silica cap zone have been found to be gold mineralised, including the

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² Refer to ASX announcement dated 2 May 2016 “New Gold Targets Identified at Topacio”
Rebeca vein. While gold and silver values from previous sampling within the silica cap area have generally been low grade, elevated Mo, Hg and As within this area is significant, suggesting fluid leakage through the silica cap and potential for fluid ponding and development of gold and silver mineralisation below the cap.

Buena Vista

The potential of the Buena Vista area – to the northeast of the Topacio resource area (Figure 2) - was highlighted by Oro Verde during reconnaissance exploration in 2015 with surface rock chip sampling grades up to 3.35g/t Au recorded\(^3\). The mineralisation relates to a NE trending silicified and veined structure that is spatially distinct from the Topacio vein zone. The local geology is characterised by several dacitic stocks emplaced into andesitic volcanics and stratified sediments. However, the characteristics of this area suggest a possible repeat of the geological factors that are favourable for epithermal vein type grade development within the core of the Topacio Vein System. Buena Vista requires further prospecting and detailed mapping to determine if the area could be developed into a separate gold camp.

La Plazuela

In the under-explored southwestern corner of the concession, an area of topographic elevation consists of two hills named Cerro Tortuga and Cerro de los Ahogados, separated by the La Plazuela saddle between those hills (Figure 2). The mapping has identified this region as a potential target for high sulphidation mineralisation in association with a possible deeper porphyry copper-gold system. Mapped hydrothermal breccias cutting through a silica cap at surface are suggestive of a zone of hydrothermal alteration. Elevated molybdenum results from initial surface sampling support the concept of a concealed intrusive source for the breccias. Further detailed investigation is required to test this model.

\(^3\) Refer to ASX announcement dated 15 June 2015 “High Gold Grades from West Mico Vein at Topacio”
Additional Targets

Due to the under-explored nature of much of the 93km$^2$ Topacio concession, a number of other areas outside of the named targets above still require additional prospecting (Figure 2). The area to the south of the Topacio resource area, between the La Plazuela and El Sahino silica caps, is one of the areas that warrant further investigation, particularly for vein type mineralisation. The area east of the Topacio Vein System and between the El Sahino and Buena Vista targets, also requires more detailed ground follow up. The far-east and northeast of the concession has so far had no exploration activity by Oro Verde or documented by previous explorers.

In these areas particularly, the combination of broad spaced soil sampling geochemistry and the concession-wide airborne geophysical program (magnetics and radiometrics) will be critical in identifying target areas for additional ground follow up.

GEOCHEMICAL SAMPLING PROGRAM

The Stage 1 soil sampling program covering the full Topacio Gold Project concession (Figure 3) was completed during the quarter. The soil sampling results will provide the first systematic geochemical survey across the full extent of the Topacio concession, and will provide Oro Verde with another tool to assess the potential for a large epithermal gold system.

![Figure 3 Topacio Project – Soil sampling locations](image)

In addition to the targets generated by the geological mapping program, the recently completed soil sampling program extends to all corners of the Topacio concession. Some of these areas have not previously been mapped, so the soil geochemistry will provide valuable feedback on the underlying geology, as well as the potential for mineralisation.

In these areas particularly, the combination of broad spaced soil sampling geochemistry and the concession-wide airborne geophysical program will be critical in identifying target areas for additional follow up.

The 400m x 400m soil grid completed consists of approximately 560 samples. These samples are being analysed for a suite of 45 elements. Due to an excess of samples being fed through the laboratory being used by Oro Verde, there has been a delay in the receipt of the final soil sampling results.
Using Newcrest’s extensive experience with low sulphidation epithermal systems, this program will utilise multi-element pathfinder geochemistry to characterise the mineralised system at Topacio and assist target generation for the drilling phase.

**GEOPHYSICAL SURVEY**

The Stage 1 airborne geophysical survey over the Topacio Gold Project was successfully completed shortly after the end of the June quarter, as reported on 20 July. The program was carried out quickly and safely with no incidents, for which all personnel involved in the operation should be congratulated.

A total of 1,041.4 line kilometres (Figure 4) were flown during the helicopter-borne survey, which included magnetics and radiometrics covering the 93km² concession. This survey provides critical new data to the understanding of the project. The geophysical data will be analysed in conjunction with the gold and multi-element geochemistry data (generated from the recently completed, concession-wide soil sampling program), as well as preliminary targets from the geological mapping review described earlier. Processing and interpretation of the geophysical data is now underway.

**TOPACIO PROJECT BACKGROUND**

On 27 February 2015, Oro Verde announced the positive completion of due diligence and acceptance of an Option to Purchase Agreement (“the Option”) over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1). The project boasts 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

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4 Refer to ASX announcement dated 20 July 2016 “Geophysical Survey Completed Successfully at Topacio”

5 Refer to ASX announcement dated 27 February 2015 “Oro Verde Proceeds to Acquire Topacio Gold Project”

6 Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”
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. 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.

Details of the subsequent Farm-in Agreement between Newcrest and Oro Verde can be found in the ASX announcement dated 30 November 2015.

SAN ISIDRO GOLD PROJECT
The San Isidro Gold Project, located in northwestern Nicaragua (Figure 1), consists of a 25km² mining concession and is held 100% by Minera San Cristóbal S.A. (MSC), a Nicaraguan subsidiary of Oro Verde.

San Isidro is located adjacent to the La India Gold Project which contains a 2.3 million ounce gold resource and 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. Oro Verde’s San Isidro Gold Project has the potential to contain La India-style vein-hosted epithermal gold mineralisation.

No field work was carried out on the San Isidro Gold Project during the June quarter.

CORPORATE
Oro Verde continues to review gold-silver-copper opportunities in search of quality projects to enhance the existing portfolio. Discussions and reviews are ongoing as the Company aims to add shareholder value through the quality team and connections that it has assembled within Nicaragua and the region.

In line with the Newcrest farm-in agreement over the Topacio Gold Project, announced on 30 November 2015, the majority of exploration expenditure during the quarter was funded by Newcrest as exploration activities continued. During the quarter Newcrest contributed US$386,915 towards its earn-in obligations on the Topacio project.

During the quarter the Company entered into a $500,000 standby loan facility with an entity associated with Dr Brad Farrell. No drawings had been made on this facility at the end of the quarter.

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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. A US$7.9 million 5 year farm-in agreement was signed on November 30, 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.
COMPETENT PERSON STATEMENT

The information in this document that relates to earlier Exploration Results is extracted from the following reports: “Newcrest Signs A$11.0 Million Farm-In Agreement with Oro Verde” created on 30 November 2015, all 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.