

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2017

ORO VERDE LIMITED (ASX code: OVL)

*An emerging resource
company
focused on Nicaragua*

KEY PROJECTS - Nicaragua

Topacio Gold Project
San Isidro Gold Project

BOARD OF DIRECTORS

Executive

Trevor Woolfe - MD
Brett Dickson - Finance Dir

Non-Executive

Wolf Martinick - Chairman
Tony Rovira
Brad Farrell

MANAGEMENT - NICARAGUA

David Turner - Country Mgr
Jacques Levy - Legal Rep.

REGISTERED OFFICE

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WEBSITE

www.oroverde.com.au

HIGHLIGHTS

- ❖ **First diamond drilling underway for OVL at Topacio Project**
- ❖ **Newcrest funding initial drilling program**
- ❖ **Drilling of the 3km long Rebeca Vein testing the potential for additions to the nearby Topacio resource**

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to provide its quarterly report for the period ending 31 March 2017. The March quarter saw Oro Verde and **Newcrest Limited (ASX: NCM)** (Newcrest) commence the first drilling program to be undertaken by the Joint Venture on the Topacio Gold Project in southeastern Nicaragua (Figure 5). Newcrest is funding the initial drilling at the Project.

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 (Au) deposits at the Topacio Gold Project. By funding exploration, Newcrest can earn up to 75% of the Project.

The initial diamond drilling program consists of seven holes for a total of approximately 1,700 metres and is focused on the previously undrilled Rebeca Vein.

Low temperature mapped vein textures, combined with favourable geophysical features and characteristic geochemical signatures from soil sampling provide strong indications that the Rebeca Vein could contain an extensive, low sulphidation, epithermal gold system, concealed beneath a broad, but thin, silicified cap.

Five of the seven proposed holes have now successfully been completed and the rig continues to perform well. After an initial delay, samples have been sent to the laboratory in Canada with results pending.

¹ Refer to ASX announcement dated 30 November 2015 “Newcrest Signs A\$11.0 Million Farm-in Agreement with Oro Verde”

TOPACIO GOLD PROJECT

NEWCREST – ORO VERDE EXPLORATION PROGRAM

Newcrest's US\$500,000 Minimum Commitment (1 year) phase of exploration at Topacio, under the Farm-in Agreement, was completed successfully in November 2016. Year 1 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 the system's gold potential.

Newcrest and Oro Verde have now commenced the second year of the Agreement after Newcrest confirmed that it would fund drilling to test the highest priority target – the Rebeca Vein. To earn the right to 51% equity in the Project, Newcrest must first spend an additional US\$2.2 million on exploration before 25 August 2017. Consequently, the current drill program is the beginning of an active period on the Topacio Project.

Oro Verde is managing the project and exploration activities (until Newcrest satisfies all conditions required to earn its 51% interest in the project), taking advantage of Oro Verde's existing team, contacts, local knowledge and infrastructure that have been established in Nicaragua. Newcrest is providing technical assistance to the Oro Verde team during this phase. For full details of the Agreement, refer to ASX release dated 30 November 2015¹.

DIAMOND DRILLING PROGRAM

Rebeca Vein

The fertile Rebeca-Sahino Zone has been identified, on the basis of strong epithermal vein textures and coincident geophysical and geochemical anomalies, as one of the high priority target areas for drilling, with the potential to host a multi-million ounce gold resource.

The drilling is focused on three veins named Isabella, Rebeca and Jose Hernandez. Recent mapping and geophysics has indicated that the three veins are likely to be connected along strike, resulting in a continuous strike length of approximately 3km, trending NW-SE (Figure 3). This vein is referred to collectively here as the Rebeca Vein.

Rebeca is just one vein within 35km of mapped veins on the project, of which only 4km of veins have been incorporated into the existing Topacio NI 43-101 compliant historical resource (see Background, page 4).

In early February, all permits were received clearing the way for commencement of the proposed diamond drilling program on the Rebeca Vein at the Topacio Gold Project.

After a competitive tender process, a contract was signed with Kluane Drilling (from Guatemala) to undertake the drill program utilising a small footprint "man-portable" drill rig (Figure 1). Kluane has significant experience drilling in Nicaragua and has rigs working on other major local projects including the La Libertad gold mine (B2Gold Corp.), the Bonanza gold mine (HEMCO/Mineros) and on Calibre Mining's exploration joint ventures near Bonanza.

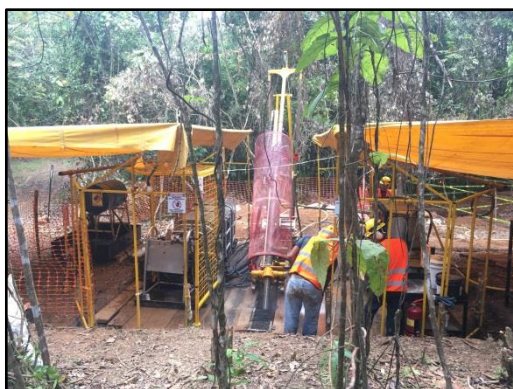


Figure 1 Rebeca – Drill rig at MTD-17-001

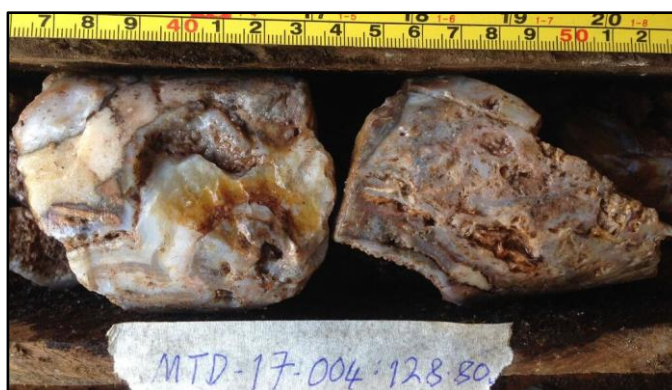


Figure 2 Rebeca – Epithermal textures in quartz veins

Drilling commenced on 6th of March and Kluane has been operating 24 hours a day with rotating shifts. Five of the seven proposed holes have been completed, for total metreage drilled to date of 1,267.75 metres (Table 1). Drill hole locations are shown in Figure 3.

Core samples are being logged and sampled at the Company’s facilities in the nearby town of Muelle de los Bueyes. Sample preparation is carried out at a professional laboratory in Managua and pulps sent to Vancouver for final analysis. After an initial delay due to customs issues for some of our QA/QC samples entering Nicaragua, samples have been sent to the laboratory in Canada with results pending.

Table 1 Rebeca Vein: Drill hole details

Diamond Hole	Easting (m)	Northing (m)	Azimuth (deg)	Dip (deg)	Depth (m)	Comments
MTD-17-001	782,887	1,337,771	220	-45	254.10	Drilling complete
MTD-17-002	782,715	1,337,914	220	-53	320.05	Drilling complete
MTD-17-003A	782,460	1,338,071	220	-45	256.00	Drilling complete
MTD-17-004	782,234	1,338,272	220	-45	182.80	Drilling complete
MTD-17-005	781,975	1,338,475	220	-45	243.80	Drilling complete
MTD-17-006	783,364	1,337,430	201	-45		Drilling underway
MTD-17-007	784,215	1,337,098	201	-45		Proposed hole

Co-ordinate system UTM Zone 16 and datum NAD27 Central

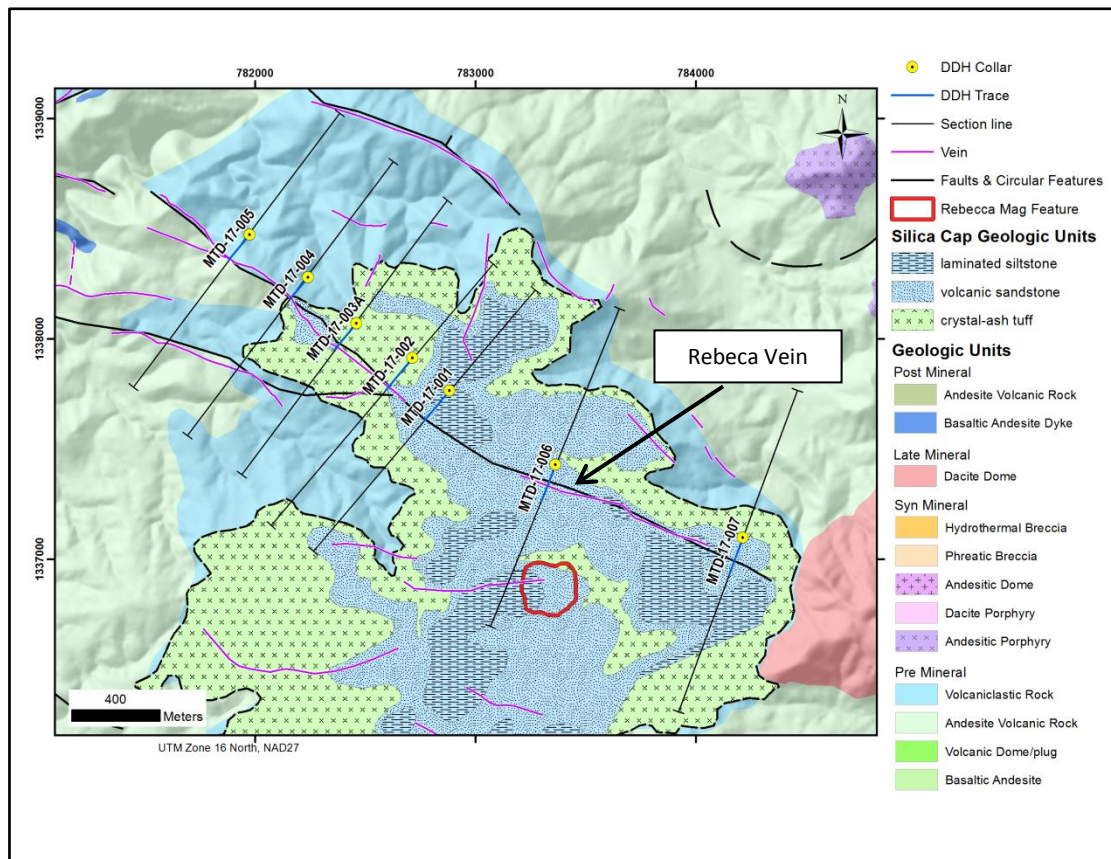


Figure 3 Rebeca Vein: Drill hole locations – completed and proposed

NEW CONCESSIONS

Over the past two years, Oro Verde has had a focus on securing a strong land position around the Topacio Gold Project. Applications have previously been submitted for ground covering the land adjacent to the Topacio Project under the Iguanas and Galeano applications. The Nicaraguan Ministry of Mines and Energy (MEM) has accepted these applications but has not yet approved grant of the concessions.

More recently, Oro Verde identified a small gap in the tenure surrounding the Topacio Project to the south and has subsequently submitted an application for a concession covering that small gap. This application is referred to as the Tigre application (Figure 4).

If Oro Verde is successful in having all three of its applications approved, the ground position in the Topacio region will increase by approximately 240% from 93km² to 316km².

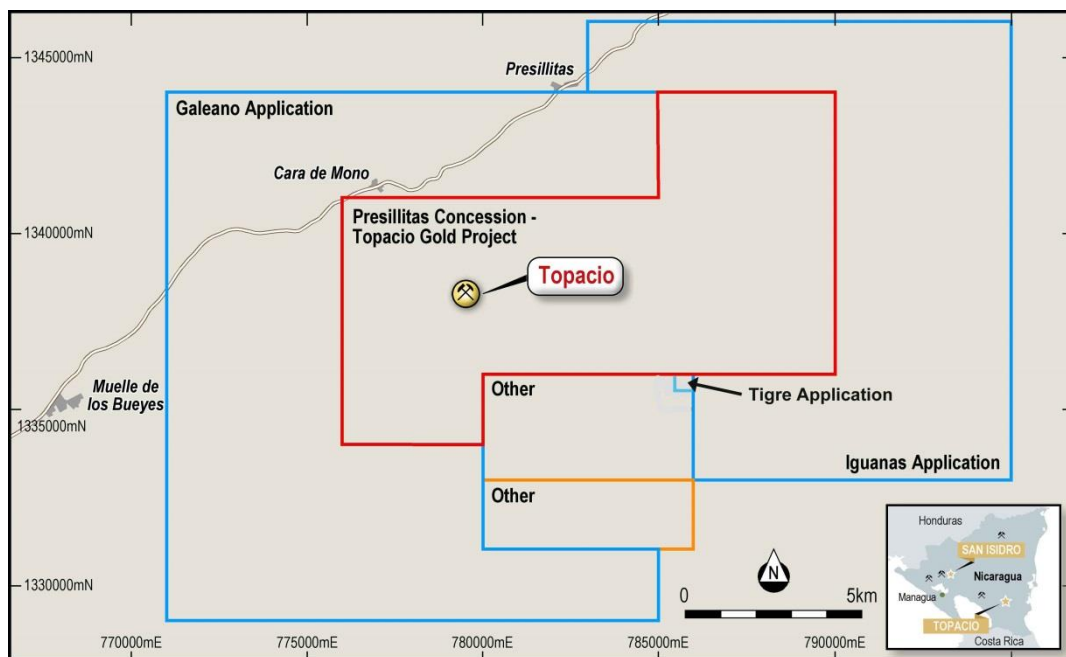


Figure 4 Topacio and surrounds: OVL concession applications – Iguanas, Galeano and Tigre

TOPACIO PROJECT BACKGROUND

On 27 February 2015², 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 5). 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-off³

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 2015¹.

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

³ Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”

SAN ISIDRO GOLD PROJECT (OVL 100%)

The San Isidro Gold Project, located in northwestern Nicaragua (Figure 6), consists of a 25km² mining concession held by Minera San Cristóbal S.A. (MSC), a 100% owned 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.

During the March quarter, a soil sampling program was undertaken over approximately 50% of the San Isidro concession. The concession is split in half diagonally along a NE-SW sealed roadway (Figure 5). The soil sampling was conducted on the NW side of the road which contains rock outcrops, whereas the southeastern half of the concession is covered by flat agricultural lands, and rice paddies, where soil collection is not practical.

Results of the soil sampling program are being collated for analysis and interpretation. Follow up activities on priority areas will be determined following that analysis.

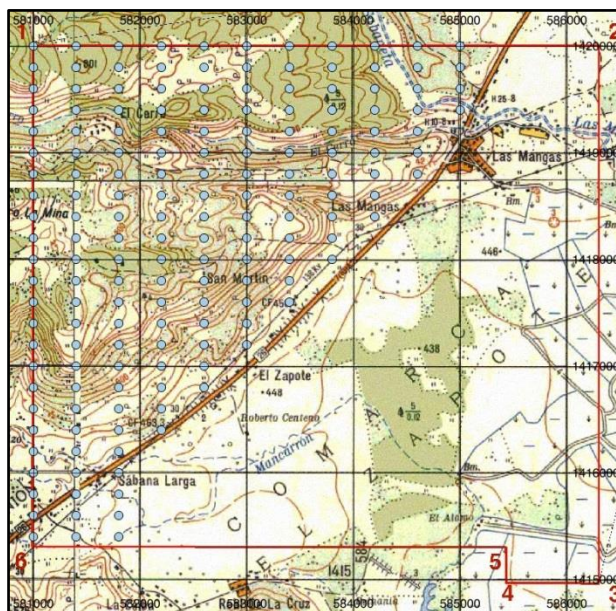


Figure 5 San Isidro Gold Project – Land use and soil program

CORPORATE

Oro Verde continues to review **gold-silver-copper opportunities** in search of quality projects to enhance the existing portfolio. To date, suitable transactions have not been achieved on preferred projects. 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 Farm-in Agreement over the Topacio Gold Project, announced on 30 November 2015¹, the majority of **exploration expenditure** during the quarter was funded by Newcrest as exploration activities continued. During the quarter Newcrest contributed approximately A\$1,017,000 towards its earn-in obligations on the Topacio project.

A new **Oro Verde website** was launched during the March quarter, providing a fresh look and easier navigation.

During the quarter, the Company raised \$112,000 through the exercise of unlisted options. As at 31 March 2017, Oro Verde held cash and cash equivalents to the value of \$1,235,000 of which \$672,000 has been advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project. (see Appendix 5B).

Schedule of Mining Tenements Owned

Common concession name	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
HEMCO-SID (San Isidro) – 1351	Nicaragua	Owned	100%	100%
Presillitas (Topacio) - 39	Nicaragua	Option	0%	0%
Iguanas	Nicaragua	Application	0%	0%
Galeano	Nicaragua	Application	0%	0%
Tigre	Nicaragua	Application	0%	0%

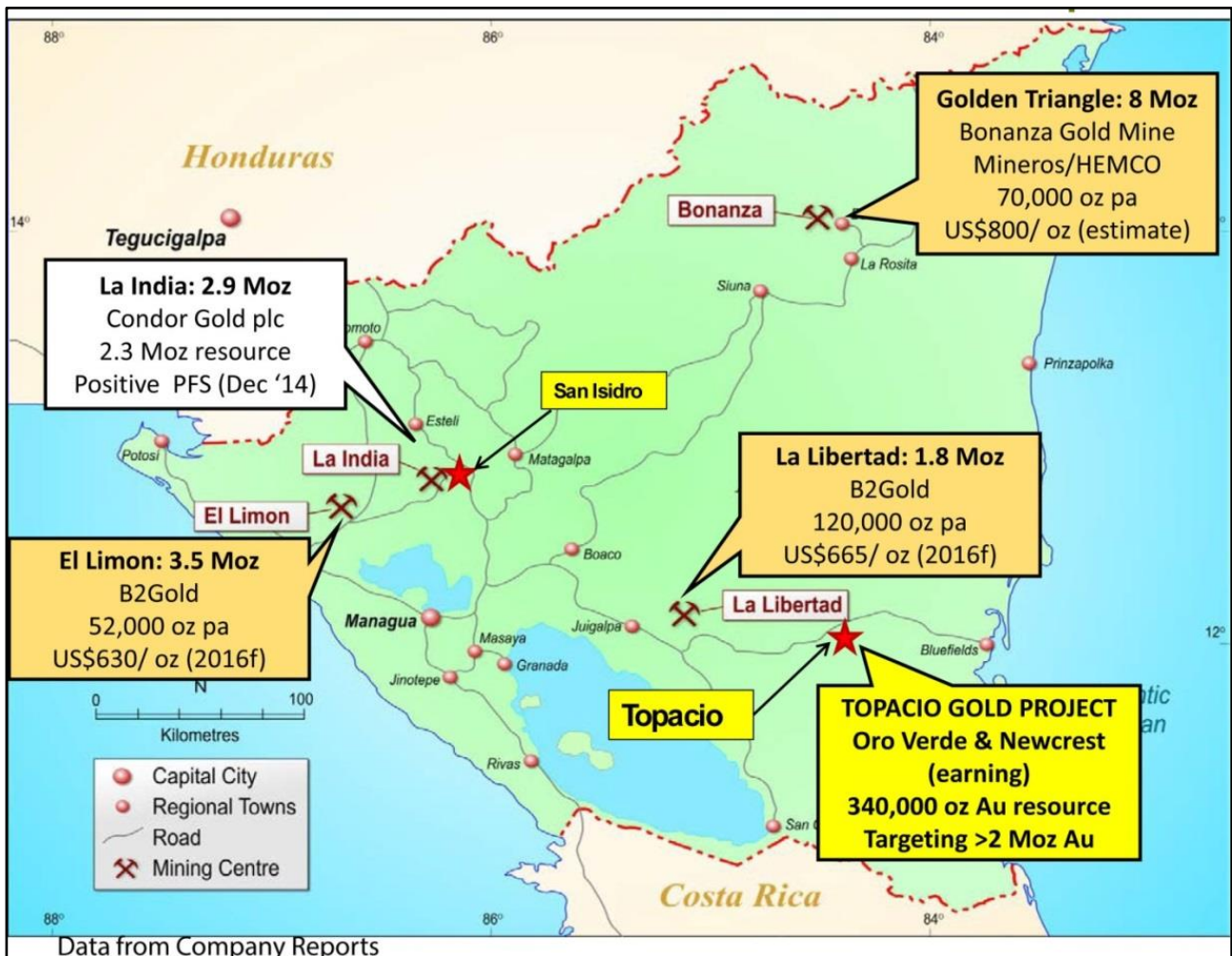


Figure 6 Major Nicaraguan Gold Projects and the Oro Verde projects (yellow)

For enquiries contact:

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Mr Brett Dickson
 Company Secretary
 +61 8 9481 2555



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 referred to throughout the text is extracted from reports 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.

Appendix 5B

Name of entity

ORO VERDE LIMITED

ABN

84 083 646 477

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(369)	(973)
(b) development		
(c) production		
(d) staff costs	(49)	(365)
(e) administration and corporate costs	(50)	(230)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other - JV Advances	1,017	1,281
1.9 Net cash from / (used in) operating activities	550	(284)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(1)

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(9 months)
			\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	112	1,045
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(48)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	112	997
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	677	543
4.2	Net cash from / (used in) operating activities (item 1.9 above)	550	(284)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	112	997
4.5	Effect of movement in exchange rates on cash held	-104	(20)
4.6	Cash and cash equivalents at end of period	1,235*	1,235*

* Note that cash at the end of the quarter includes approximately \$672,000 which has been advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project.

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	1,202	644
5.2	Call deposits	33	33
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,235	677

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	113
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Includes \$77,500 in fees to executive directors; \$32,500 in fees to non-executive directors; and \$3,088 in superannuation payments

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	800
9.2	Development	-
9.3	Production	-
9.4	Staff costs	100
9.5	Administration and corporate costs	50
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	950

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-			

Refer to Annexure 1 for full list of mining tenements

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 28 April 2017

Print name:

Brett Dickson