

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2016

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 - Admin Mgr

REGISTERED OFFICE

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WEBSITE

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HIGHLIGHTS

- ❖ Newcrest and Oro Verde commenced aggressive exploration program on the Topacio Gold Project
- ❖ Under the US\$7.9 million Farm-in Agreement, the partners aim to define a multi-million ounce high grade epithermal gold deposit
- ❖ An intensive exploration program is underway 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 US\$500,000 within the first 12 months (Stage 1 – Minimum Commitment)
- ❖ Oro Verde continues to manage exploration activities at Topacio

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to provide its quarterly report for the period ending 31 March 2016. The March quarter saw Oro Verde and its partner - **Newcrest Limited (ASX: NCM)** – commence their aggressive Stage 1 exploration program on the Topacio Gold Project 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.

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

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

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



Figure 1 Major Nicaraguan Gold Projects (gold endowment) and the Topacio Gold Project

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 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 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 fast-track 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 includes:

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

Mr Simon Meldrum, a respected consultant specialising in epithermal gold deposits, is undertaking **geological mapping** and sampling at Topacio over a number of separate field visits during Stage 1. 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 and included the investigation of old workings (Figure 3). The five main areas of initial focus within the 93km² concession are as follows (see Figure 2):

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

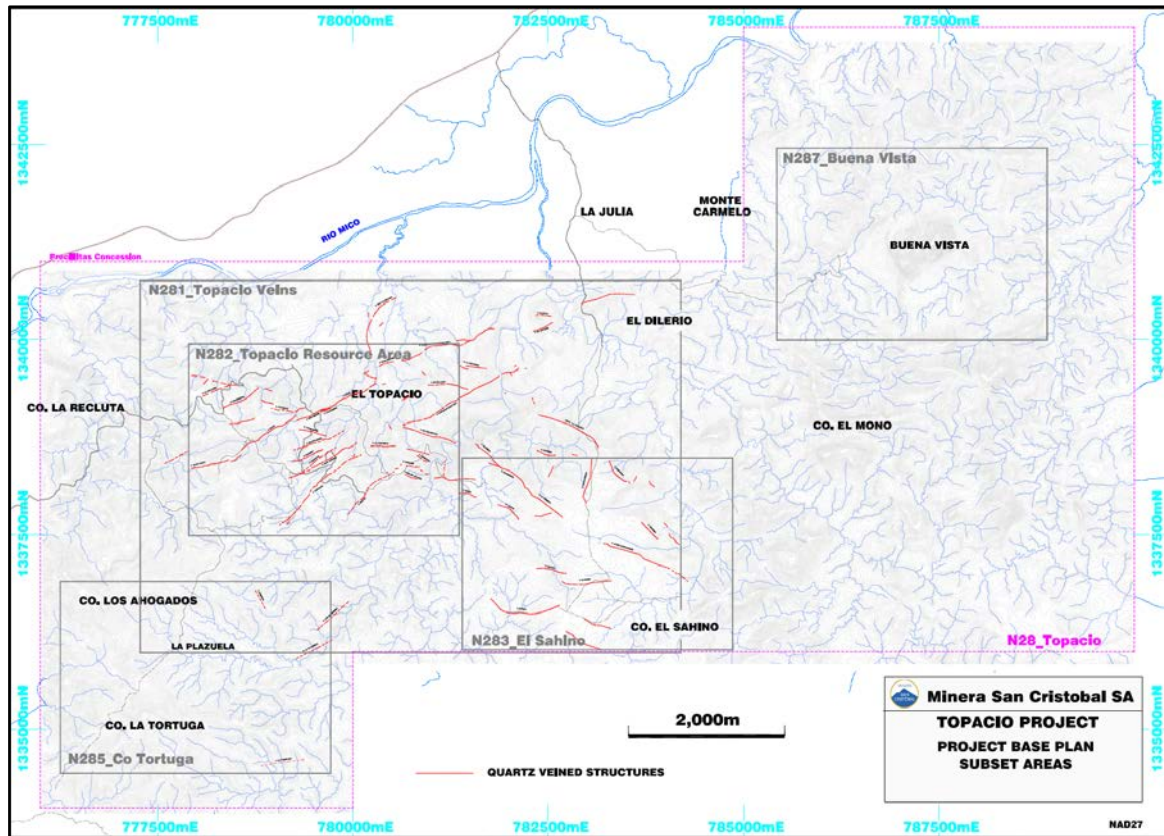


Figure 2 Topacio – Geological mapping areas



Figure 3 Topacio Mapping Project – Investigation of old workings

The sampling program undertaken by Mr Meldrum has the objective of creating a library of key lithologies (rock types) and vein types (Figure 4), as well as textural and alteration variants, to assist with the mapping process and correlation of rock types across the concession. These hand samples – around 370 so far – were logged and boxed, and will act as an important aid for other geologists engaged to work on the project in future. The library samples are for technical assessment and not for geochemical analysis.



Figure 4 Topacio Mapping Project – Banded quartz veins

In late February, Oro Verde commenced a systematic **soil sampling program** across the Topacio concession. The program is being carried out on a 400m x 400m offset grid, as shown in Figure 5, and will be completed in May. 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.

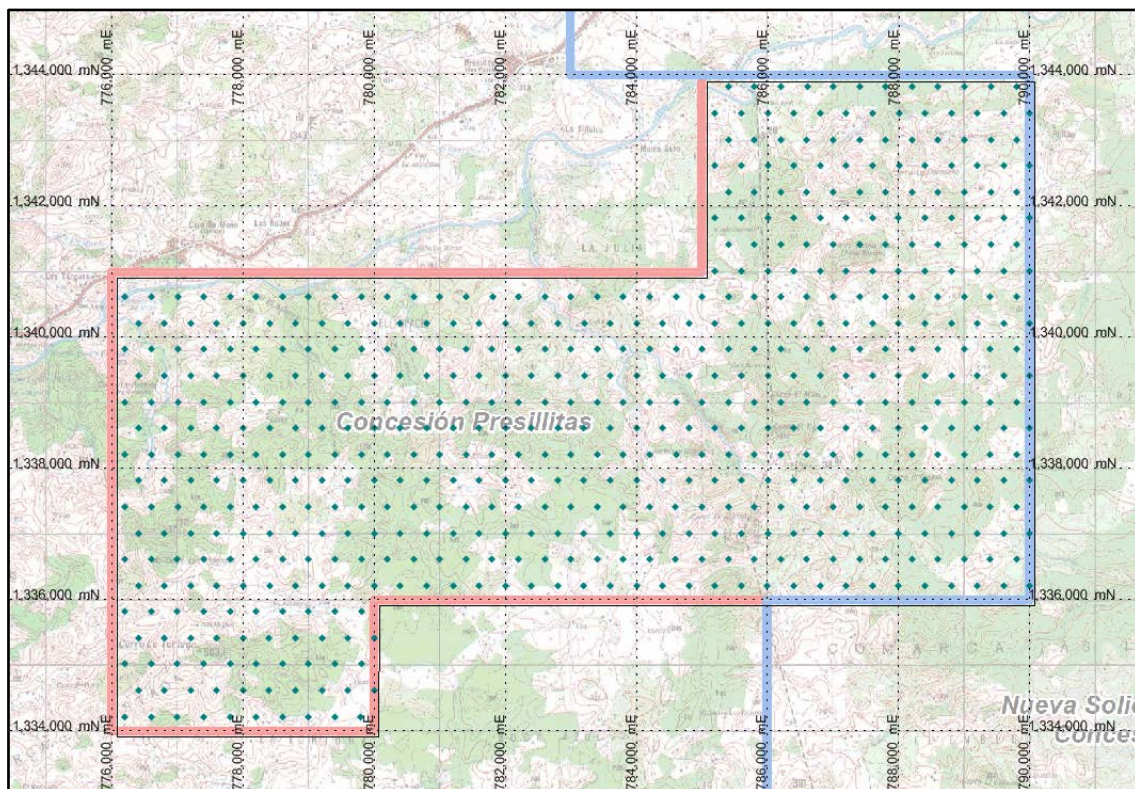


Figure 5 Topacio – Proposed 400m x 400m grid soil survey

An **airborne geophysical survey** across the Topacio concession is expected to be completed in the June quarter. 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.

TOPACIO PROJECT BACKGROUND

On 27 February 2015², Oro Verde announced the positive 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-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.

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 March quarter.

CORPORATE

Oro Verde has reviewed a number of gold-silver-copper opportunities over recent months in search of quality projects to enhance the existing portfolio (Figure 6). 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 US\$7.9 million Newcrest 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 ramped up. During the quarter Newcrest contributed US\$193,807 towards its earn-in obligations on the Topacio project.

During the quarter, Oro Verde changed its registered office and principal place of business to: 34 Colin Street, West Perth 6005 WA. Under compliance and auditor rotation requirements of the Corporations Act, Oro Verde appointed BDO Audit (WA) Pty Ltd as its auditor in February, subject to approval at the Company’s next General Meeting.

At 31 March 2016, the Company had 577,685,964 shares on issue and cash on hand of \$336,000.

Schedule of Mining Tenements Owned

Common 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%

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”



Figure 6 Oro Verde MD (Trevor Woolfe, left) and Chairman (Wolf Martinick, right) visiting a private processing plant in the La Libertad district during March 2016.

For enquiries contact:

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Company Secretary
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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.

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Oro Verde Limited

ABN

84 083 646 477

Period ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(297)	(538)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(221)	(471)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(517)	(1,006)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	(55)
	(b) equity investments	-	-
	(c) other fixed assets	(30)	(30)
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 - Farm-in contributions	263	263
Net investing cash flows		233	178
1.13	Total operating and investing cash flows (carried forward)	(284)	(828)

Appendix 5B
Mining Exploration Entity Quarterly Report

1.13	Total operating and investing cash flows (brought forward)	(284)	(828)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	635
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	-	-
	Net financing cash flows	-	635
	Net increase (decrease) in cash held	(284)	(193)
1.20	Cash at beginning of quarter/year to date	626	535
1.21	Exchange rate adjustments to item 1.20	(6)	(6)
1.22	Cash at end of quarter	336	336

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	92
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

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

During the quarter Newcrest International Pty Ltd contributed US\$193,807 towards its earn-in obligations on the Topacio project in Nicaragua

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	300*
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	400

* Includes expenditure incurred by JV partners on behalf of the Company

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	303	593
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)	336	626

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	-	-	-	-

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	569,005,408	569,005,408		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	73,000,000 73,000,000	- -	<i>Exercise price</i> \$0.01 \$0.05	<i>Expiry date</i> 30 September 2017 30 September 2019
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	2,500,000 1,000,000	- -	\$0.20 \$0.04	10 January 2016 31 March 2016
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: 29 April 2016
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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