



ASX Announcement

30 January, 2018

QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 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

Brett Dickson - Finance Dir

Non-Executive

Wolf Martinick - Chairman
Tony Rovira
Brad Farrell

CHIEF EXECUTIVE OFFICER

Doug Bright

MANAGEMENT - NICARAGUA

David Turner - Country Mgr
Jacques Levy - Legal Rep.

REGISTERED OFFICE

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HIGHLIGHTS

- ❖ Oro Verde completes Topacio Phase 3 surface trench sampling
- ❖ High gold grades reported from the majority of trenches
- ❖ Encouraging Phase 2 sampling results from San Isidro Project

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to provide its Quarterly Report for the period ending 31 December, 2017. Following the withdrawal in August 2017 of former JV partner Newcrest, Oro Verde re-focused its exploration activities on the numerous high grade gold-silver quartz-vein targets close to the existing 340,000 ounce gold (Au) resource in the main Topacio Gold Resource Area in south-eastern Nicaragua (Figures 1 & 4).

Accordingly, in September 2017, the Company commenced its Phase 3 campaign of surface trench-sampling and mapping at Topacio, with continuation of this work representing the principal exploration effort throughout the entire December Quarter. Upon its completion in December, the program had excavated 40 trenches, testing a total of 15 major gold-bearing quartz veins in the area.

With excellent gold results from Phase 3 trench sampling demonstrating that the technique is an efficient and effective way of testing and identifying high grade quartz veins, the Company's principal focus remains the orderly exploration of the Topacio Resource Area, with staged campaigns of trenching followed up by drilling to progressively extend potential gold resources in depth and along strike.

As a logical extension to this work, Oro Verde is further refining modelling of the Topacio mineralised quartz-veins to determine the feasibility of early gold production from the region. Nearby historical gold mining from high grade quartz veins stands as a useful structural template to assist with this modelling.

UPCOMING ACTIVITIES

The December Quarter caps an exciting period for the Company during which two drilling programs (Phases 1 & 2) and two campaigns of surface trench sampling and mapping (Phases 2 & 3) at Topacio have been completed.

Phase 3 trenching results to date have identified high gold grades in the majority of trenches. In particular, the exceptional gold grades received from the previous Mico West Phase 2 drilling and subsequent Phase 3 trenching are very encouraging and continue to justify further testing¹.

The next immediate stage of exploration at Topacio in the First Quarter of 2018 is to undertake further drill testing of the veins defined in recent work as having the best thicknesses and grade potential. Planning for Phase 3 diamond core drilling was well-advanced at year's end, although delays in the return of Phase 3 trench sample results over the Christmas period meant that drill-site prioritisation could not be finalised until recently.

This temporary hiatus has been resolved, site prioritisation is now complete and drilling will commence in the next few days; drilling objectives are to advance understanding of structural continuity of gold-mineralized veins in three dimensions, to refine and expand the current resource, and to assist modelling of the viability of early gold production from currently-defined mineralised zones.

The Company is focusing on the Topacio Resource Area which has an historical NI 43-101 (Canadian standard, similar to JORC) compliant inferred resource of **2,716,176 tonnes at 3.9 g/t Au, containing 340,345 ounces of gold**, at a 1.5 g/t gold cut-off².

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.

Oro Verde Phase 3 Trenching and Diamond Core Drilling

The Company commenced its Phase 3 exploration in September, 2017, with the aim of providing new high grade gold drilling targets, refining and increasing the current Topacio resource and delivering a maiden JORC resource.

Results from the 2017 3rd Quarter Phase 2 diamond core drilling and to date from the 4th Quarter Phase 3 surface trenching demonstrate some exceptional gold grades which provide an excellent base on which to develop the 2018 exploration programs.

Many exploration targets at Topacio are not blind targets but are outcropping veins, such as the Dispute and Mico West structures, from which encouraging results have been obtained in two phases of trenching and one phase of drilling, in addition to other information from previous explorers.

Surface trenching has proven to be an effective and efficient technique for target definition. The Company has now completed its Phase 3 trenching program with 40 trenches over 15 distinct quartz veins or structural zones identified by surface mapping and sampling, and where high gold grades have already been identified. Diamond drilling of priority targets will commence shortly.

¹ Refer ASX announcements dated 15th & 18th January, 2018

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

Early Production Opportunities

In addition to the planned resource extension and estimation activities, Oro Verde continues to explore opportunities for small-scale mining and processing, toll treating or selling ore to nearby processing facilities, of which two exist in with practicable distance. The Company's Nicaraguan-based team has already commenced the process of identifying the permits needed and possible trucking routes to the processing plants.

NEW CONCESSIONS

Over the past two years, three applications have been submitted by Minera San Cristóbal, S.A. (MSC, a 100% owned Nicaraguan subsidiary of Oro Verde) for ground covering the land adjacent to the Topacio Project under the **Iguanas, Galeano and Tigre** applications (Figure 3).

The Nicaraguan Ministry of Mines and Energy (MEM) has accepted these applications and, in late November, the relevant documents were prepared by MEM and delivered by MSC to the Muelle de los Bueyes Municipality in mid-December for local approval.

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

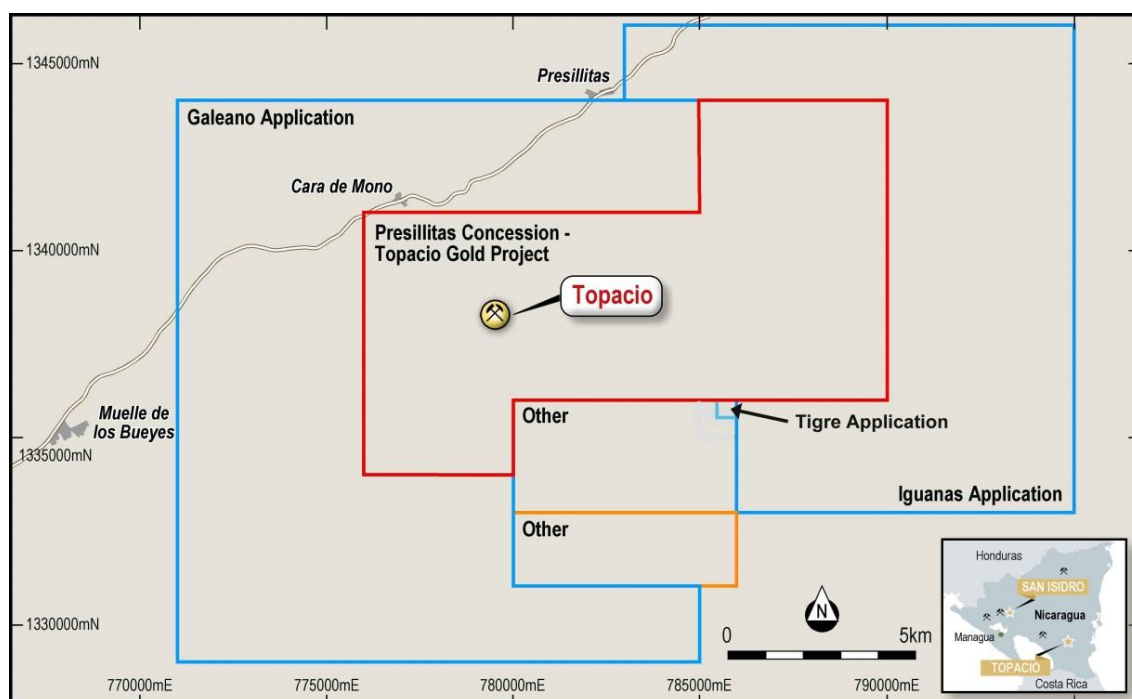


Figure 3 Topacio Project (red) & Iguanas, Galeano and Tigre applications (blue)

TOPACIO PROJECT BACKGROUND

On 27 February 2015³, 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 in south-eastern Nicaragua (Figure 4). The project hosts 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^{4 & 5}.

³ Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"

⁴ Refer to ASX announcement dated 11 November 2014 "Acquisition of High Grade Gold Project"

⁵ Refer preceding disclaimer relating to National Instrument 43-101 in "UPCOMING ACTIVITIES", above

Oro Verde and Newcrest entered into a farm-in Agreement in November 2015². The Agreement was terminated in August 2017⁶.

SAN ISIDRO GOLD PROJECT (OVL 100%)

The San Isidro Gold Project constitutes a 25km² mining concession in north-western Nicaragua (Figure 4), held by Minera San Cristóbal S.A. (MSC), a 100% owned Nicaraguan subsidiary of Oro Verde.

San Isidro lies adjacent to the La India Gold Project, held by UK company Condor Gold Plc., which contains a reported 2.3 million ounce gold resource. Condor 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 September Quarter, a follow up Phase 2 exploration program was carried out by the Company at San Isidro. The program was designed to investigate a number of targets generated by an initial 400m x 200m soil sampling grid and geological mapping earlier in the year.

This program included a soil-sampling program comprising 96 soil samples in a staggered 200m x 200m infill grid over prospective areas identified by the Phase 1 program. More detailed geological mapping was also undertaken, with a total of 32 rock chip samples collected in areas of interest, typically demonstrating prospective indications of silicification and quartz veining.

Assay results for the Phase II soil sampling and geologic mapping and rock-chip sampling program at the San Isidro Project were received in early October. Preliminary results for this program were reported to the ASX on 30 October 2017. Results up to **0.54 g/t Au and 0.80 g/t Ag** were returned from the 32 rock chip samples collected during the Phase II campaign. Best results were obtained from narrow, massive, white crystalline quartz veins up to 1m in width, and from stock-works hosted by laminated, rhyolite flows in the south-western corner of the San Isidro concession.

Follow-up detailed geological mapping, rock-chip sampling and possibly trenching to better understand the significance of these results will be scheduled once the Phase III Topacio drilling program is completed in early 2018.

CORPORATE

In November 2017 the Company reached agreement for a six month extension (from 19 February to 19 August 2018) to the Option to Purchase Agreement to acquire 100% of the Topacio project.

During the Quarter, the company successfully completed a Share Purchase Plan and placement of shares to raise approximately \$1.4 million.

As at 31 December 2017, Oro Verde held cash and cash equivalents to the value of \$777,000.

New Opportunities

Oro Verde continues to review resource opportunities in search of quality projects to enhance the existing portfolio, especially those in gold-silver-copper, both within and beyond the immediate existing Nicaraguan project areas. While suitable transactions on reviewed projects have not yet been achieved, the Company retains an active project consideration and review process.

⁶ Refer to ASX announcement dated 11 August 2017 "Oro Verde Resumes Exploration Control of High Grade Topacio Gold Project"

Tenure

Table 1 Summary - Oro Verde Mineral Tenement Interest

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%

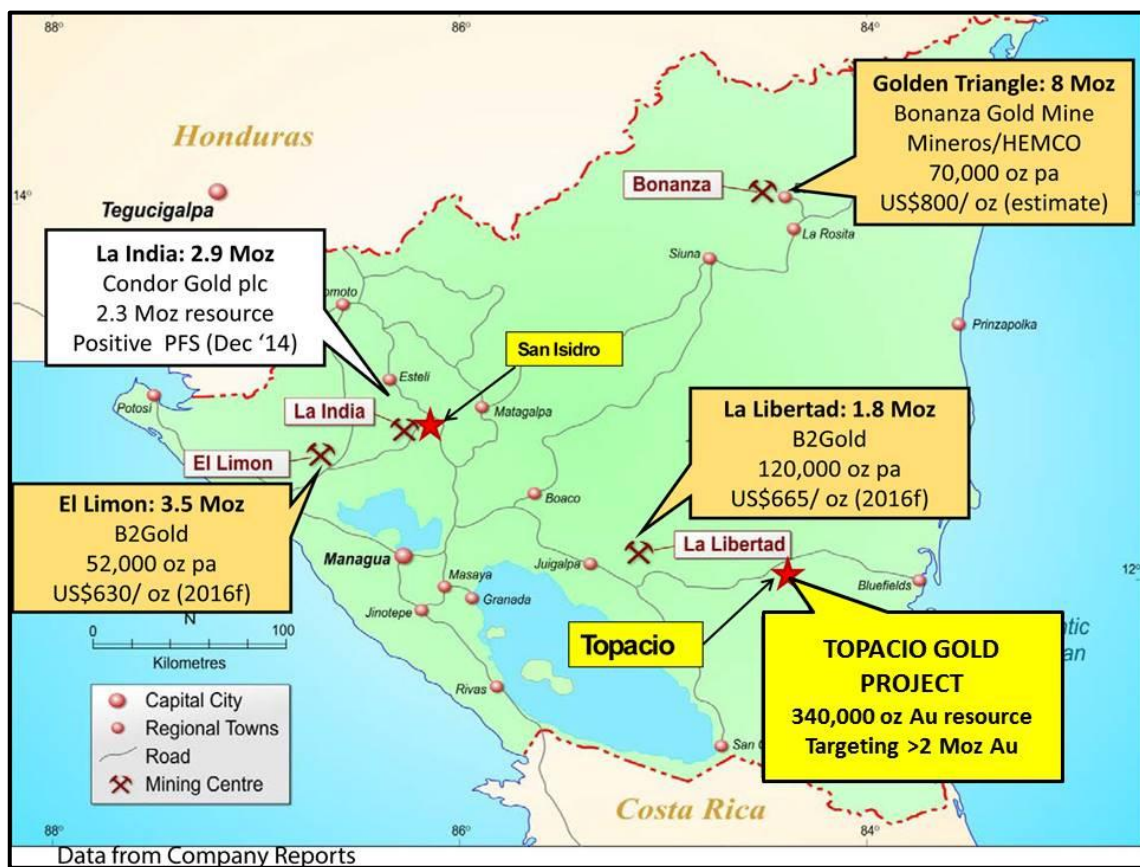


Figure 4 Major Nicaraguan Gold Projects and the Oro Verde projects (yellow)

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 report that relates to previously reported Exploration Results has been referred to throughout the report to the date that it was originally reported to ASX. 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 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(155)	(336)
(b) development	-	-
(c) production	-	-
(d) staff costs	(200)	(303)
(e) administration and corporate costs	(247)	(334)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	-	-
1.9 Net cash from / (used in) operating activities	(601)	(972)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	(49)
(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)	(18)	(18)
2.6 Net cash from / (used in) investing activities	(18)	(68)

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	1,353	1,353
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	50
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	200	300
3.6	Repayment of borrowings	(305)	(305)
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	1,248	1,398
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	161	542
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(601)	(972)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(68)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,248	1,398
4.5	Effect of movement in exchange rates on cash held	(13)	(123)
4.6	Cash and cash equivalents at end of period	777	777
5. Reconciliation of cash and cash equivalents			
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	744	128
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)	777	161

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

132

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 \$79,000 in fees to executive directors;

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*Add notes as necessary for an understanding of the position***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

430

9.2 Development

-

9.3 Production

-

9.4 Staff costs

117

9.5 Administration and corporate costs

125

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows**672**

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: 30 January 2018

Print name:

Brett Dickson