

Oro Verde and Newcrest meet in Nicaragua

Newcrest Mining Ltd has returned to the Americas to partner ASX junior Oro Verde Ltd on the Topacio gold project in Nicaragua.



The potential for multimillion ounce deposits has tempted Newcrest to JV with Oro Verde on the Topacio project in Nicaragua

The \$11 million farm-in arrangement will see Newcrest fund \$6.1 million in exploration and expenditure – including the cost of exercising Oro Verde's option to acquire 100% of Topacio – to earn an initial 51% interest.

Newcrest may then take its stake to 75% by spending a further \$4.9 million over the following three years.

Topacio, in south-eastern Nicaragua, currently hosts resources of 2.7mt @ 3.9 g/t for 340,345oz gold (1.5 g/t cut-off).

Oro Verde managing director Trevor Woolfe said work would start in earnest in January.

"To get multimillion ounce deposits you need to be thinking of big concepts and big models. We will be focusing on those bigger concepts and the big exploration targets and doing the work we need to really validate and test those theories," Woolfe told **Gold Mining Journal**.

Prior to Newcrest's involvement at Topacio, Oro Verde added the Mauricio epithermal gold vein (7.5 g/t gold and 4.4 g/t) to a list of other high-grade target areas including Isabella (up to 6.8 g/t), Topacio West (5.9 g/t), Tamara (2.3 g/t gold and 66 g/t silver), while sampling from an older trench at Dispute returned 1.4m @ 9.2 g/t gold within 3.9m @ 4.8 g/t.

Outside of the resource area, Oro Verde has identified at least 10 new drill targets within its 93sq km concession, to further endorse Topacio as an emerging Nicaraguan gold project. Oro Verde became involved in Topacio in February 2015.

"It is one of the better exploration projects and we have done very well to get our foot on it," Woolfe said.

"The country has a strong mining history and it already has some multimillion ounce gold mines and districts. Newcrest doesn't come into a country or project that it doesn't see potential for multimillion ounces. It already has 340,000oz gold and, along with some of the things that we have identified over the last 9-10 months with our exploration, it really does have that potential to go to multimillion ounces."

Civil war during the 1980s held explorers back from fully tapping Nicaragua's mining potential and while the country remains underexplored relative to other jurisdictions in the Americas, there is no shortage of gold-rich districts.

The Bonanza (8 moz gold), La India (3 moz), El Limon (3.5 moz) and La Libertad (2 moz) are the scale of bounty Oro Verde and Newcrest are aiming for.

Chile, Argentina, Peru and Nevada are parts of the Americas Newcrest flirted with in the 1990s/2000s, however, exploration budget cutbacks and a focus on Asia Pacific had taken the company away from the region.

Newcrest has been successful in Papua New Guinea with the Morobe Mining JV at Hidden Valley with Harmony Gold Mining Company Ltd and the acquisition of Lihir Gold assets, also in PNG.

The farm-in with Oro Verde is Newcrest's first exploration play in Central America but the company will consider other opportunities in the future.

"The Americas is a highly prospective part of the world for gold and copper deposits and we will continue to assess opportunities in that region," a Newcrest spokesperson told **Gold Mining Journal**.

"With some limited exceptions, Newcrest takes a global approach to exploration and we will go where the gold is. The country [Nicaragua] is geologically prospective for gold and copper deposits with a stable government that has a positive attitude toward foreign investment. Several junior exploration companies hold tenure in the country and many are seeking to partner

with larger companies like Newcrest who have the financial and technical capacity to advance exploration activities on those tenements."

The spokesperson said Newcrest was talking with numerous exploration companies about potential partnerships and farm-in opportunities.

With Oro Verde already in the frame, Woolfe said the company would not discount forging a closer relationship with Newcrest as it looked to expand its portfolio.

"We have a great deal with Newcrest right now and it will depend on their appetite for projects right now and our appetite and ability to pursue projects on our own. Most companies would prefer to hold things 100% and we are no different. If we can form a strong alliance with Newcrest the possibilities are pretty strong down the track as well if both parties are happy," Woolfe said.

"We are certainly not sitting back and putting all of our eggs into the Topacio basket. We have great ambitions for Topacio, but we also want to build a pipeline of exploration projects so that if Topacio is successful we also have some other projects moving in behind it."

In addition to Topacio, east of La Libertad, Oro Verde has the early stage San Isidro gold project which is near the 2.3 moz gold La India project.

While the company is actively searching for other gold projects, Oro Verde is also keen on copper in Nicaragua and hopes to add to its portfolio in the coming months, Woolfe said.

– Mark Andrews