

QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2012

HIGHLIGHTS

Chuminga Copper-Gold Project

- Recommencement of drilling is pending completion of a geological review currently underway as the results of the four key holes drilled to date has shown complex faulting and compartmentisation has affected the breccia ore body.

Vega Gold Project

- First phase drill program testing of CSAMT geophysical-geochemical anomalies encountered older age (15-18 my old) truncated epithermal system rather than the targeted, younger age (6-9 my old) El Indio type, epithermal high sulphide gold-copper system.
- Further field work has been deferred until the summer months as currently the prospect is inaccessible because of snow cover.

Pintue Aculeo Project

- Post quarter (refer ASX announcement 17 October) the Company acquired the Pintue Aculeo Project that has geological and structural similarities to Yamana Gold Inc's, Alhue Mining Centre, 15 kilometres to the south, which has an endowment of 2.5 million ozs of gold and 15 million ozs of Ag.
- A field crew has commenced a geological mapping and geochemical sampling program involving stream sediment coverage of the 17 km² project area and soil traverses over prominent alteration areas. One of these, a prominent circular structure, measuring 1,000m x 800m on satellite imagery, has returned rock sample analytical results to 0.425 g/t Au, 1,622 ppm Cu, 998 ppm Pb, 195 ppm Zn, 274 ppm Mo, 119 ppm As and 319 ppb Hg.

The Board of Oro Verde Limited (ASX : OVL) (“Oro Verde” or “ the Company”) is pleased to provide its Quarterly Report for the period ended 30 September 2012.

EXPLORATION

During the quarter the Company continued its evaluation of the Chuminga drilling results, as well as examining new exploration and development opportunities in Chile, the result of which was the post quarter acquisition of the Pintue Aculeo Project, south of Santiago.

Chuminga Copper / Gold Project

Oro Verde holds a 20% interest, with the right to acquire a 100% interest, in the Chuminga Copper-Gold Project, situated at a coastal location, approximately 120 kilometres south of Antofagasta in the Second Region of Chile.

The project is targeting a well mineralised, hydrothermal copper-gold, stock work breccia developed on the western contact of a granodiorite stock on a mountain side at 600 to 700 metres above sea level.

In late January 2012 the Company commenced its first phase drilling program of a planned 12 holes for 2,140 metres. The aim of the program was to establish the true nature of the conceptual target previously identified. In particular, the true width, grade and depth potential of the mineralisation, leading to the determination of the bulk tonnage potential of the breccia mineralisation at this location.

Drilling was halted after drilling four key vertical holes on four sections (A, B, C and D) in mid-June because of the lack of capability of the drilling rig to drill further angle holes from the current pads. Significant intersections at 0.5% Cu cut off were made in each of the four holes and are as follows;

- SA-1 - from 98 to 116 metres; 18 metres of 0.98% Cu; 0.13 g/t Au
- SB-2 - from 65 to 126 metres; 61metres of 0.90% Cu; 0.15 g/t Au
- SC-1 - from 75 to 109 metres; 34 metres of 0.61% Cu; 0.08 g/t Au
- SD-2 - from 54 to 102 metres; 48 metres of 0.78% Cu; 0.09 g/t Au

A further two angle holes have been planned on each of the four sections, subject to a positive geological and conceptual mining analysis of the results to date as drilling has revealed complex faulting and compartmentisation of the breccia ore body at this location. The Company’s consultant’s, E-Mining Technology SA, who have carried out the Chuminga Project exploration activities to date, are scheduled to complete this review early in the December 2012 quarter.

The results of the infill stream sediment program following up previously delineated stream sediment anomalies and ASTER satellite imagery alteration features in the project area were received during the quarter. Further work remains to follow up unexplained Cu anomalies from this program.

Vega Gold Project

Oro Verde holds a 100% interest in the Vega Project, located 22 kilometres north of the famous El Indio Gold Mining Centre in the Fourth Region of Chile which produced 4.5 million ounces of gold, 25 million ounces of silver and 472,000 tonnes of copper from underground and open pit operations in its 23 year life from 1979 to 2002

The exploration target at Vega was an undrilled, highly anomalous epithermal system emplaced within the Sancarron caldera ring fault, a geological setting similar to other nearby 15-22 million years (“my”) old age, mid-late Tertiary, volcanic and volcano-clastic rocks hosting younger, 6-9 my old age, El Indio type epithermal Au and Au-Cu deposits.

In late February 2012, Oro Verde completed a first phase RC drilling program on 8 targets from previously undertaken lithochemical and CSAMT geophysical surveys. These targets were related to anomalies associated with the argillic-silicic (acid sulphate) altered volcanics of the Late Oligocene to Early Miocene (17-22 my old age) Dona Ana Formation which have been intruded by younger (15-18 my old age), sulphidic Infiernillo Intrusives. Both the volcanics and the intrusives have been emplaced in the caldera ring fault structure along the curving flanks of the Sancarron River valley. Logging of drill cuttings revealed extensive anomalous, highly altered, sulphidic dacite porphyries in which visible copper and molybdenum mineralisations were present which was contrary to initial target expectations. Laboratory results for the drilling program were not received until 21 May 2012 due the overloaded laboratory facilities in Chile to confirm field observations.

Analysis of all data has determined the cause of the majority of the anomalies as being due to the sulphidic, highly altered, silicified Infiernillo Intrusives suite of dacitic porphyries with some minor Cu and Mo mineralisations associated with quartz veining in mylonitic shearing on contacts between the various phases of the porphyry which probably lie in the apical position of the intrusive system. The eastern anomalous As (Au) brecciated volcanic ridge target drilled by hole ARV-7 was found to be a roof pendant of volcanics, “thin skinned” to the intrusives and had been intensely hydrothermally altered with low order geochemical enrichment on the contact with the intrusive.

The results of the drilling were unexpected as the Infiernillo Intrusives suite represents a truncated hydrothermal mineralised system (porphyry only being present) which is older (15-18 my old age) than the anticipated expected younger (6-9 my old age) epithermal event target that gave rise to the El Indio, Pascua Lama, Veladero epithermal high sulphide gold mineralisations.

Further investigations are required at Vega to ascertain the significance of the unexpected discovery of an older truncated epithermal system represented by a weakly copper and molybdenum mineralised, basal porphyry system. These investigations include further field work in the summer months as currently the prospect is inaccessible because of snow cover. Following appraisal of the results, a decision may be made to re-enter some or all of the target holes to explore deeper Cu-Mo porphyry potential of the Infiernillo Intrusives in the project area.

Pintue Aculeo Project

An ASX announcement of 17 October 2012 outlined the acquisition of the Pintue Aculeo Project, located 73kms southwest of Santiago. The 17 km² project area has geological and structural similarities to Yamana Gold Inc's, Alhue Mining Centre, 15 kilometres to the south, which has an endowment of 2.5 million ozs of gold and 15 million ozs of Silver. Current production at Alhue is some 110,000 ozs of Au equivalent at a relatively low cost of ~US\$600 per oz.

As per Alhue, Upper Cretaceous Lo Valle Formation volcanic rocks are present that have been intruded by an Early Eocene monzonitic batholith which outcrops extensively in the project area. This batholith is probably the source of the Alhue epithermal mineralisation that is hosted by the volcanics of the Lo Valle Formation.

Gold and copper mineralisation in veins and structures in the project area are commonly associated with argillic, silicic and propylitic hydrothermal alteration. A number of prominent circular intrusive features are also evident in the batholithic outcrop area. One of these, annotated on Figure 1, is a prominent red, coloured alteration area measuring 1,000m x 800m on satellite imagery. This area is underlain by intensely, argillic altered, monzonite with silicification and limonite after pyrite. A breccia with altered silicified porphyry occurs in the southern portion of the circular feature. Eight rock sample analytical results over the alteration area range from 0.005 to 0.425 g/t Au, 0.5 to 21.9 g/t Ag, 37 to 1,622 ppm Cu, 4 to 998 ppm Pb, 5 to 195 ppm Zn, 4 to 274 ppm Mo, 3 to 119 ppm As and 10 to 319 ppb Hg.

A field crew has commenced a geological mapping and geochemical sampling program involving stream sediment coverage of the 17 km² project area and soil traverses over prominent alteration areas. This program, to be completed in the December 2012 quarter, is expected to lead to geophysical programs and drilling in the near future.

New Project Development

OVL is continuing to evaluate new mineral exploration and development opportunities in Chile. Some of these opportunities are reasonably advanced, being in or near production, and could provide OVL with a further opportunity to quickly advance its position as an explorer/ developer in Chile. Details of further acquisitions by OVL in the near future are expected to be released as they occur.

ENDS

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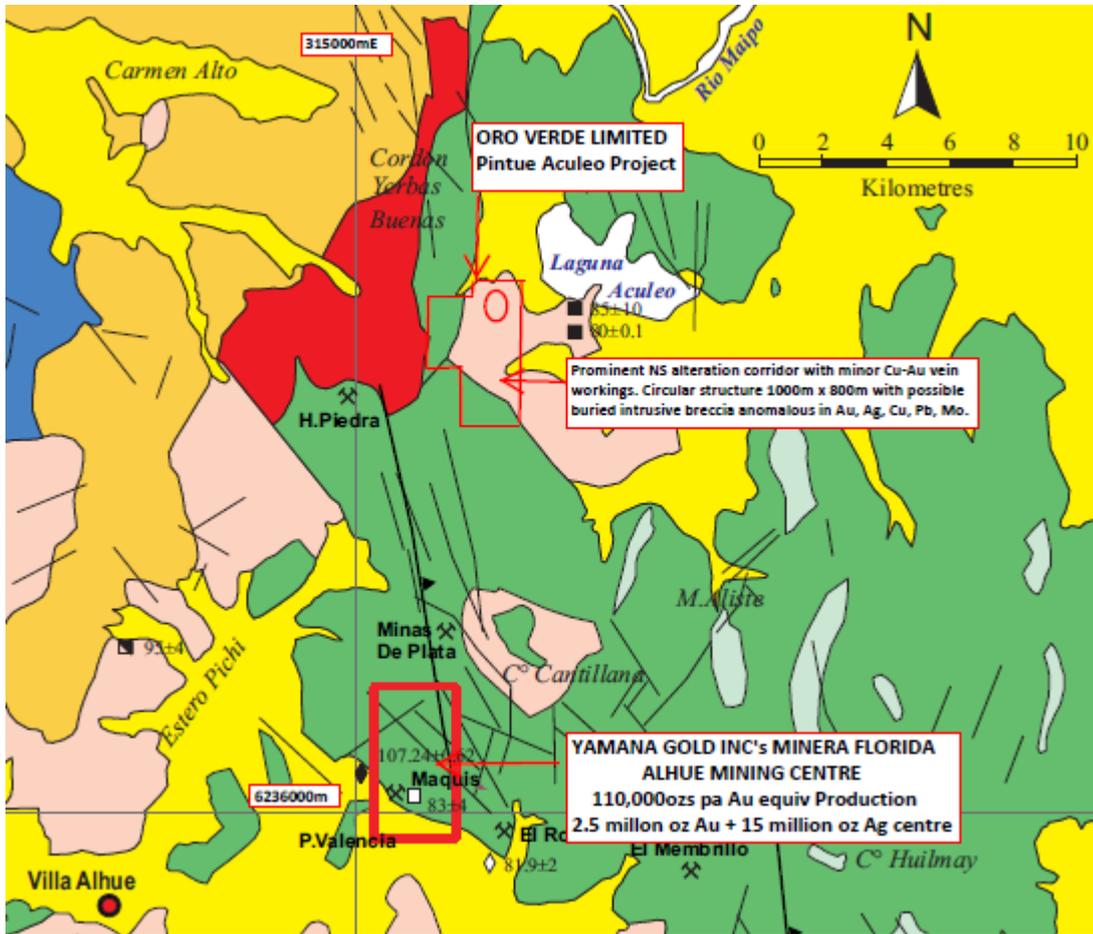
Brett Dickson

Company Secretary

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Notes:

1. Any potential quantity and grade of Exploration Targets is conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.
2. The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the company. Dr Farrell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking. This qualifies Dr Farrell as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Farrell consents to the inclusion in the report of the foregoing matters based on his information in the form and context in which it appears. Dr Farrell is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body and a Member of the Mineral Industry Consultants Association (the Consultants Society of the Australian Institute of Mining and Metallurgy).



Stratigraphic Units

- LO VALLE FORMATION (Upper Cretaceous - Paleogene)
- BLACK VEIN FORMATION (Barremian - Albian)
- LO PRADO FORMATION (Berriasian - Hauterivian)
- HORQUETA FORMATION (Batonian - Kimmeridgian)
- CERRO CALERA FORMATION (Upper Aalenian - Bajocian)

Intrusive Rocks

- MONZOGRANITE (Upper Cretaceous)
- SUBVOLCANIC BODIES (Upper Cretaceous)
- GRANITES (Jurassic)

Sediments

- Unconsolidated (Quaternary)

Fault

RADIOMETRICS DATING

- K/Ar (Plagioclase)
- K/Ar (Biotite)
- K/Ar (Whole rock)
- Ar/Ar (Biotite)
- Ar/Ar (Hornblende)

Minera Florida Mine Area

FIGURE 1 ORO VERDE LTD PINTUE ACULEO PROJECT

Appendix 5B

Mining Exploration Entity Quarterly Report

Name of entity

Oro Verde Limited

ABN

84 083 646 477

Period ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(555)	(555)
(b) development	-	-
(c) production	-	-
(d) administration	(465)	(465)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(999)	(999)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
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 (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(999)	(999)

Appendix 5B
Mining Exploration Entity Quarterly Report

1.13	Total operating and investing cash flows (brought forward)	(999)	(999)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 – security deposits	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(999)	(999)
1.20	Cash at beginning of quarter/year to date	3,207	3,207
1.21	Exchange rate adjustments to item 1.20	(4)	(4)
1.22	Cash at end of quarter	2,204	2,204

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
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

N/A

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

N/A

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	45
4.2 Development	-
4.3 Production	-
4.4 Administration	496
Total	541

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	2,171	3,174
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)	2,204	3,207

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	87,582,417	85,205,677		
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>	24,364,459 2,500,000	- -	<i>Exercise price</i> \$0.27 \$0.20	<i>Expiry date</i> 31 December 2014 10 January 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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: 31 October 2012
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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