

## QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2014

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### HIGHLIGHTS

- Oro Verde acquires option to purchase the advanced high grade Topacio Gold Project in Nicaragua
  - Topacio contains a historical NI 43-101 compliant Inferred Resource of 340,000 ounces of gold<sup>1</sup>
    - 2,716,176 tonnes at 3.9 g/t gold at a 1.5 g/t gold cut-off
  - Due diligence on Topacio to be completed over the coming month
  - High calibre Country Manager appointed to Nicaragua
  - Changes to OVL Board and Management
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Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to provide its quarterly report for the period ending 31 December 2014.

### TOPACIO GOLD PROJECT

On 11 November 2014, Oro Verde announced the signing of an Option to Purchase Agreement over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1).

The 93 km<sup>2</sup> Topacio Gold Project concession contains a number of artisanal gold mine workings with the main gold showings of importance consisting of generally east-northeast striking and northwest steeply dipping, one to three metre wide epithermal quartz veins, six of which were mined in the period from 1900 to 1917, with an estimated 160,000 tonnes grading approximately 8 g/t gold and 80 g/t silver extracted.

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-off<sup>1</sup>**

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.

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<sup>1</sup> Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”



Modern exploration by foreign companies during the past 30 years defined consistent high grade gold mineralisation throughout the Topacio vein system. This work, comprising mapping, surface and underground mine sampling, trenching and drilling, produced some excellent gold results.

The project is located in the South Atlantic Autonomous Region in southeast Nicaragua (Figure 1) which has a hot, humid, tropical climate with a pronounced wet season (May-December) and a short dry season (January-April). Relief in the concession area is modest and is principally rolling hills covered by cattle pastures and secondary growth tropical forest. Access is excellent with paved Highway 7 to within 3 km of the main area of drilled resources in the concession.



**Figure 1 Major Nicaraguan gold deposits and the location of the Topacio Gold Project**

The following information has been selectively extracted and adapted from the NI 43-101 report referenced below to enable an understanding of the reliability of the foreign resource estimate in the main text of this ASX announcement.

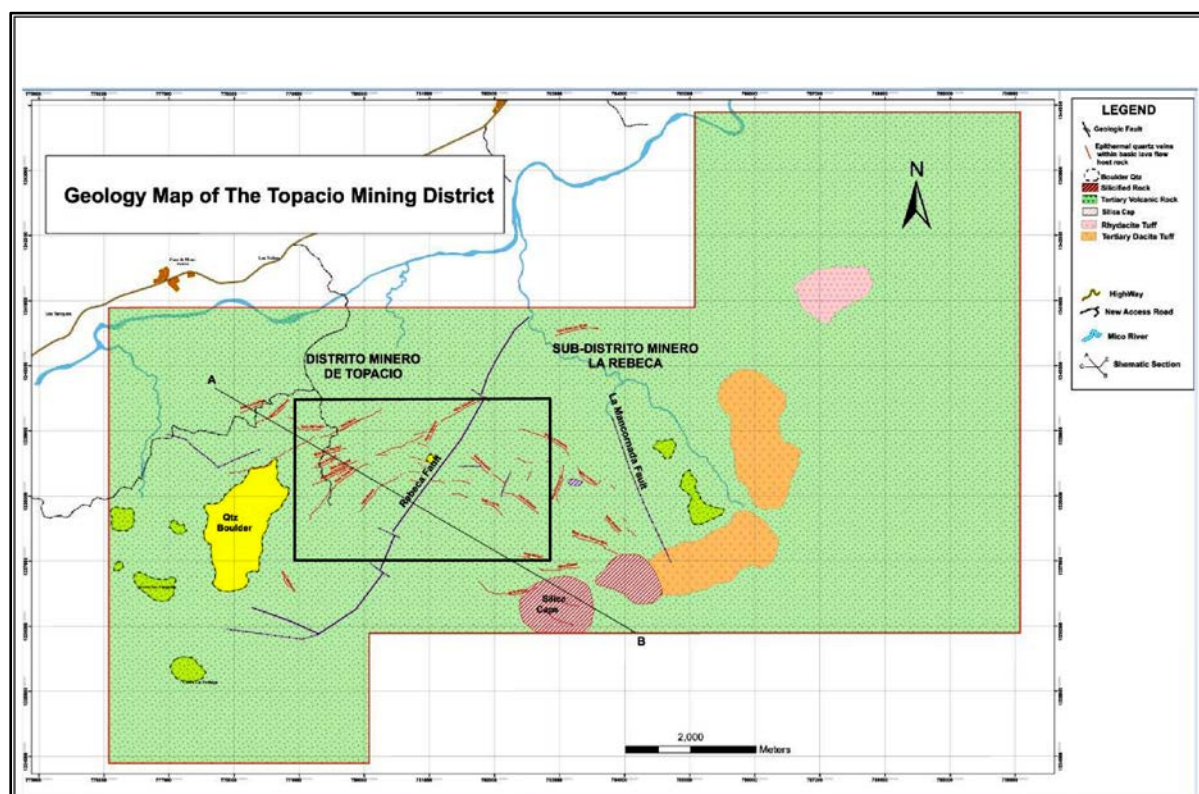
A "NI 43-101 Technical Report of a Geological Evaluation for the Topacio Project, South Atlantic Autonomous Region, Nicaragua" prepared by Randy Clarkson, P. Eng of New ERA Engineering Corporation, dated 9 November 2012 (edited 13 March 2014) for TSX Venture listed company FDG Mining Inc and lodged with SEDAR on 17 March 2014 under the Company's listing code as a NI 43-101 Report.

### Deposit Types

There is one main deposit type being explored and developed on the property. The primary targets are auriferous, low sulphidation, epithermal quartz veins and stockwork zones, similar to those mined historically and presently on and near the Topacio Vein. The main showings consist of 11 northeast trending and 14 northwest trending, steeply dipping, generally one to three metre wide, epithermal quartz veins (Figure 2). Six of these veins have seen past production.

The showings were discovered in the 1890's and mainly mined from 1900 to 1917. It is estimated that 160,000 tonnes grading approximately 8 g/t gold and 80 g/t silver were extracted, mainly from underground workings on the Mico, Topacio and Lone Star veins.

Structural interpretation indicates that there is a 300 to 500 metre wide, north trending graben indicated by the absence of exposures of the main veins immediately east of the main showings on the Mico/Topacio veins. The area of the graben is largely covered by surficial material. This is a similar structural setting to Cerro Mojon at the La Libertad mine, 82 km to the west, where B2Gold produced 150,000oz of gold in 2014). This graben on the property might contain zones of anastomosing veins amenable to open pit mining.



**Figure 2 Topacio – Mining concession (red shape)**

Secondary targets on the property are further veins and stockwork zones underlying large silicified zones peripheral to the Topacio mine area. These silicified zones might overly vein and stockwork systems at depth, similar to the main showings, or they might contain large areas of silicified auriferous ignimbrite that could be profitably mined, similar to the Round Mountain deposit in Nevada, USA.

### Mineralisation

Mineralisation known on the property consists of low sulphidation, epithermal, quartz-adularia veins. These veins generally have steep dips and east-northeast or northwest strikes. The veins average 1.5 metres in width but range from 0.5 to 10 metres. They consist predominantly of milky quartz with subordinate potassium feldspar (adularia) and illite. The veins are locally banded and commonly contain drusy vugs.

Gold occurs as fine grains of native gold and electrum in the banded parts of the veins, generally on the edge of quartz crystals or as inclusions or intergrowths in pyrite. There may be some chemical or mechanical (residual) enrichment of the surface exposure of the veins. The largest gold particles are about 70 microns but most range between three and 15 microns. Trace base metals are present as pyrite, chalcopyrite, galena and sphalerite. Native silver and silver sulfosalts have been recognised. The gold to silver ratio averages approximately 1:3 in the underground resource.

Fluid inclusion studies indicate that the veins were formed at around 150 m depth at temperatures between 268 to 315°C from meteoric water. The mineralising event was probably the emplacement of subvolcanic felsic intrusions associated with Miocene/Pliocene Coyol Volcanics.

### Recent Exploration

In 1984, Brazilian company CPRM drilled 1,251 m of BQ diamond drilling in eight holes.

In 1996, Triton Mining Corporation carried out 6,250 m of NQ and HQ diamond drilling with 90 m of open hole in 40 effective holes with one redrill and five lost or discontinued holes. This drilling was carried out mainly on the Topacio and Dos Amigos veins. Thirty seven of the holes in the 1996 program intersected the Dos Amigos and Topacio veins. The drilling outlined two mineralised shoots within the Topacio vein amenable to underground selective mining. The program also consisted of 135 trenches dug and chip sampled across nine of the veins.

In 2011 and 2012, FDG Mining Inc. carried out exploration on the property including 23 drill holes totaling 2,889 m and 52 trenches on the Topacio, Brazil and Dos Amigos Veins.

### Mineral Resource Estimate

The resource estimate was calculated using a Polygon-based Method for the mineralised vein systems in the Topacio concession. Grade and tonnage data for the estimates produced are based from recent FDG drilling and trenching as well as from Triton’s historic drilling and trenching on veins outlined in Figure 3 below.

Based on the available data, seven vein systems considered in the resource estimates include the Mico, the Little Betsy, the Lone Star, the Dispute, the Dos Amigos, the Brazil, the Topacio and an eastern extension of the Topacio vein. Resource estimates were calculated for various resource blocks using the Polygon Method based on gold grade cut offs ranging from 0.5 to 5.0 g/t Au. The total “Inferred” resource estimate at 1.5 g/t Au cut off was 2,716,176 tonnes at 3.90 g/t for a total of 340,345 ounces of gold. See Table 1 below for a summary of the resource estimate<sup>1</sup>.

Resource blocks derived in whole or in part from drill hole data were based on cross sections and oriented perpendicular to the strike of each vein. Assay data contained in the cross sections were derived from a combination of drill holes and/or trenches. Cross sections for resource blocks containing only trench data were calculated by multiplying the width of the intercept by the depth to which the trench could be extended based on nearby sections and other geological data.

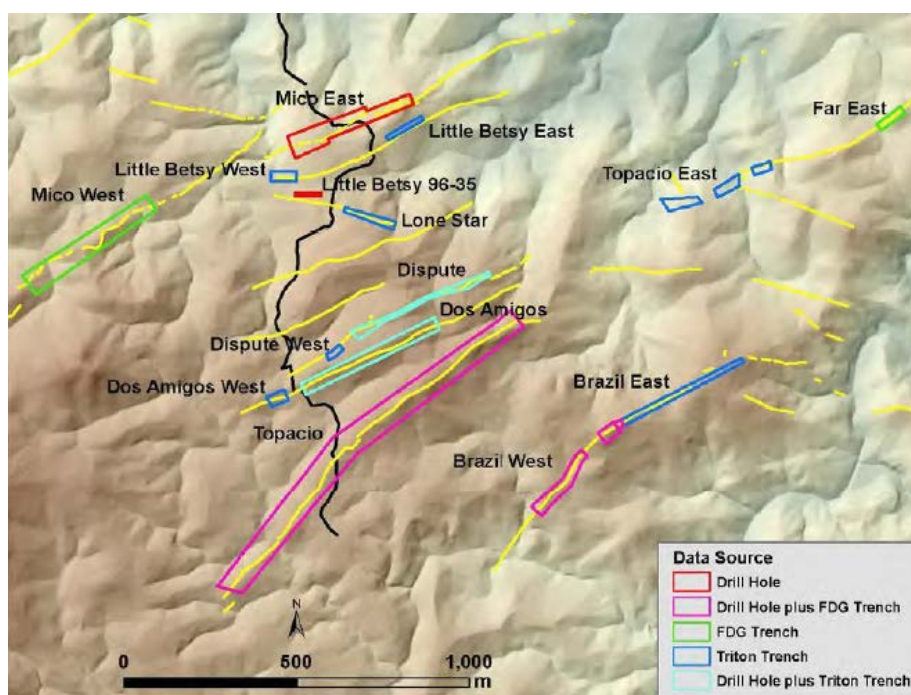


Figure 3 Topacio Project resource areas outlined in Table 1

**Table 1 – Summary of Estimated Topacio Inferred Resources at 1.5 g/t Au Cut Off**

Vein	Tonnes	Au Grams	Au g/t	Au Oz
<b>Topacio</b>	1,009,117	4,307,098	4.27	138,476
<b>Topacia East</b>	127,683	294,660	2.31	9,474
<b>Topacio Far East</b>	5,760	24,134	4.19	776
<b>Mico West</b>	109,516	426,409	3.89	13,709
<b>Mico East</b>	492,912	1,928,297	3.91	61,996
<b>Little Betsy East</b>	185,760	1,086,113	5.85	34,919
<b>Lone Star</b>	13,820	80,695	5.84	2,594
<b>Dispute</b>	284,014	691,057	2.43	22,218
<b>Dos Amigos</b>	307,751	1,139,992	3.70	36,652
<b>Brazil West</b>	118,813	415,426	3.50	13,356
<b>Brazil East</b>	61,031	192,020	3.15	6,174
<b>Total</b>	<b>2,716,176</b>	<b>10,585,901</b>	<b>3.90</b>	<b>340,345</b>

#### **DUE DILIGENCE**

Due diligence reviews are currently underway on the Topacio Gold Project, with a definitive decision regarding the acceptance of the Option to Purchase Agreement required before the end of February 2015.

During a recent site inspection, as part of the due diligence process by the Company's CEO and local personnel, preliminary rockchip sampling was undertaken to confirm the presence and tenor of the gold mineralisation in exposed veins from various parts of the property. Results from this sampling are pending.

## **SAN ISIDRO GOLD PROJECT (Nicaragua - 100% OVL)**

Oro Verde is the holder of a 2,520 hectare mining concession located adjacent to the 2.4 million ounce La India gold resource (Condor Gold plc) in northwestern Nicaragua (Figure 1). On 21 December 2014, Condor announced a positive PFS for its La India Gold Project.

As reported on 8 August 2014, the San Isidro Gold Project adjoins the eastern boundary of the La India Project. One of Condor's deposits is the historical Cristalito gold mine on which a small, high grade gold deposit has been identified. Hosted within quartz veins and shear zones, this mineralised zone appears to trend northeasterly into the San Isidro property<sup>2</sup>.

Oro Verde is currently finalising its environmental and community requirements prior to a reconnaissance mapping and sampling program anticipated for the first half of 2015.

## **COUNTRY MANAGER – NICARAGUA**

On 22 January 2015, Oro Verde reported that it had successfully attracted a high calibre Nicaraguan mining industry expert to the role of Country Manager<sup>3</sup>.

Mr Turner has held roles ranging from Chief Mine Geologist and Exploration Manager through to General Manager and Exploration Director, with companies including BHP Minerals, Kinross Gold, Yamana Gold and more recently overseeing exploration at the operations of HEMCO in the highly productive Golden Triangle (Bonanza) district (Figure 1) in northeast Nicaragua.

Mr Turner brings an intimate understanding of the Nicaraguan mining and exploration system which, along with his fluency in the Spanish language, will be a distinct advantage to the strategy and objectives of Oro Verde.

## **CORPORATE**

Following its decision to focus its activities in Nicaragua, a number of changes were made to Oro Verde's Board and Management effective 21<sup>st</sup> November 2014:

- Mr Trevor Woolfe was appointed as Chief Executive Officer of Oro Verde.
- Mr Tony Rovira was appointed to the Board as a Non-executive Director.
- Company Secretary, Mr Brett Dickson, also joined the Board as an Executive Finance Director.
- Executive Chairman and Managing Director, Dr Wolf Martinick, relinquished his role as Managing Director and moved to Non-executive Chairman.
- Executive Technical Director, Dr Brad Farrell, remains as a Technical Director but in a Non-executive capacity.
- Directors Mr Ross O'Dea and Mr. David Ward both retired from the OVL Board.

As at 31 December 2014, the Company had 359,531,737 shares on issue and \$536,000 on hand.

## **Schedule of Mining Tenements Owned**

Common name	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<i>San Isidro – 1351</i>	<i>Nicaragua</i>	<i>Owned</i>	<i>100%</i>	<i>100%</i>

<sup>2</sup> Refer to ASX announcement dated 8 August 2014 "Oro Verde Expands into Nicaragua"

<sup>3</sup> Refer to ASX announcement dated 22 January 2015 "Country Manager Appointed in Nicaragua"

For enquiries contact:

Mr Trevor Woolfe  
Chief Executive Officer  
+61 411 127 837

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 is currently undertaking Due Diligence to finalise an Option to Purchase Agreement on the Topacio Gold Project in Nicaragua that currently contains a NI43-101 compliant Inferred Mineral Resource of 340,000 ounces of gold. Oro Verde also holds 100% of the early stage San Isidro Gold Project located adjacent to the 2.4 million ounce La India gold project.*



**Nicaragua – the Centre of the Americas...**

## COMPETENT PERSON STATEMENTS

The information in this document that relates to Exploration Results is based on information compiled by Mr Trevor Woolfe BSc Hons (Geol), who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Woolfe is the Chief Executive Officer and a shareholder of the Company, and is employed through consultancy Shordean Pty Ltd. Mr Woolfe 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 to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woolfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this document that relates to 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](http://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 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 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(3)	(12)
(b) development	-	-
(c) production	-	-
(d) administration	(149)	(378)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(148)</b>	<b>(383)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
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)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(1)</b>
1.13 Total operating and investing cash flows (carried forward)	(149)	(384)



**Appendix 5B**  
**Mining Exploration Entity Quarterly Report**

1.13	Total operating and investing cash flows (brought forward)	(149)	(384)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	20	617
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		(40)
	<b>Net financing cash flows</b>	20	577
	<b>Net increase (decrease) in cash held</b>	(129)	193
1.20	Cash at beginning of quarter/year to date	659	334
1.21	Exchange rate adjustments to item 1.20	6	9
1.22	<b>Cash at end of quarter</b>	536	536

**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	15
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

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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
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**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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	150
<b>Total</b>	250

**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	503	626
5.2 Deposits at call	33	33
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	536	659

**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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	359,531,737	359,531,737		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	2,500,000	-	\$0.20	10 January 2016
	1,000,000	-	\$0.04	31 March 2016
	71,000,000	-	\$0.01	30 September 2017
	71,000,000	-	\$0.05	30 September 2019
7.8 Issued during quarter	71,000,000	-	\$0.01	30 September 2017
	71,000,000	-	\$0.05	30 September 2019
7.9 Exercised during quarter				
7.10 Expired during quarter	24,364,459	-	\$0.27	31 December 2014
	4,250,000	-	\$0.04	10 January 2016
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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: 30 January 2015  
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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