

6 February 2012

## CHILE PROJECTS UPDATE

- **A first phase 8 hole / 2,500m drilling program is now underway on the Vega Gold Project in Chile. The first two holes have intersected highly altered sulphidic diorite porphyry.**
- **The first and current core hole at Chuminga is drilling ahead in well developed copper and iron oxide mineralization in a gabbro-diorite breccia as predicted and to date some 50m of mineralisation has been intersected.**

Oro Verde Limited( ASX ; (“the Company or OVL”) is pleased to announce;

### **1. Commencement of drilling on the Vega Project**

An RC drilling program (8 holes for 2,500m) has commenced on the Vega Project in the El Indio Gold belt following the completion of drill road access to selected sites to test CSAMT geophysical - geochemical anomalies with strong alteration associated with an untested epithermal gold system. Due to the good ground conditions and the vertical nature of the first few holes drilling has advanced rapidly.

Three holes have been drilled with the current fourth at 60m depth. The first hole V1 in the Sancarron River Valley had to be abandoned prematurely at 11m because of high ground water flows. Holes V2 and V3 higher up on the valley side, collared in strong alteration, were terminated at 152m and 196m respectively. Both holes intersected highly altered sulphidic diorite porphyry. Both holes have been logged and the individual 1 metre drill intervals are currently being subject to preliminary multi-elemental analysis in the field by a hand held Brunner S1 Turbo XRF before being dispatched to Activation Laboratories in Coquimbo for confirmatory analyses.

A photo compilation of current Vega activities and a summary of the Vega Project is appended to this announcement.

### **2. Continuing Operations on the Chuminga Copper-Gold Project**

Drilling operations at Chuminga have been slow due to various mechanical problems, but these matters have been remedied and drilling is progressing.

The first core hole SB2 on Section B (270<sup>0</sup> azimuth, -90<sup>0</sup> declination, final depth ~200m) was at 110m on Sunday and drilling ahead in well developed copper and iron oxide mineralization in a gabbro-diorite breccia that was intersected at 60m. Currently 50m of a prognosticated 85-90m of breccia mineralisation has been intersected.

A photo compilation of current Chuminga core and a summary of the Chuminga Project is appended to this announcement.



OVL's Executive Chairman, Dr Wolf Martinick, said:

***"I am delighted with the commencement of our drilling programs at Vega and Chuminga.***

***The commencement of drilling at Vega is another significant and important step in the growth and development of Oro Verde Limited as a mineral resources company, focused on the development of high quality copper and gold projects in Chile.***

***The intersection of well developed copper and iron oxide mineralization at Chuminga in a gabbro-diorite breccia as predicted is encouraging. We expect the first phase drilling program to confirm the potential of the mineralisation at Chuminga and to provide an exploration data base to proceed to develop a significant JORC compliant copper-gold resource."***

ENDS

For enquiries contact:

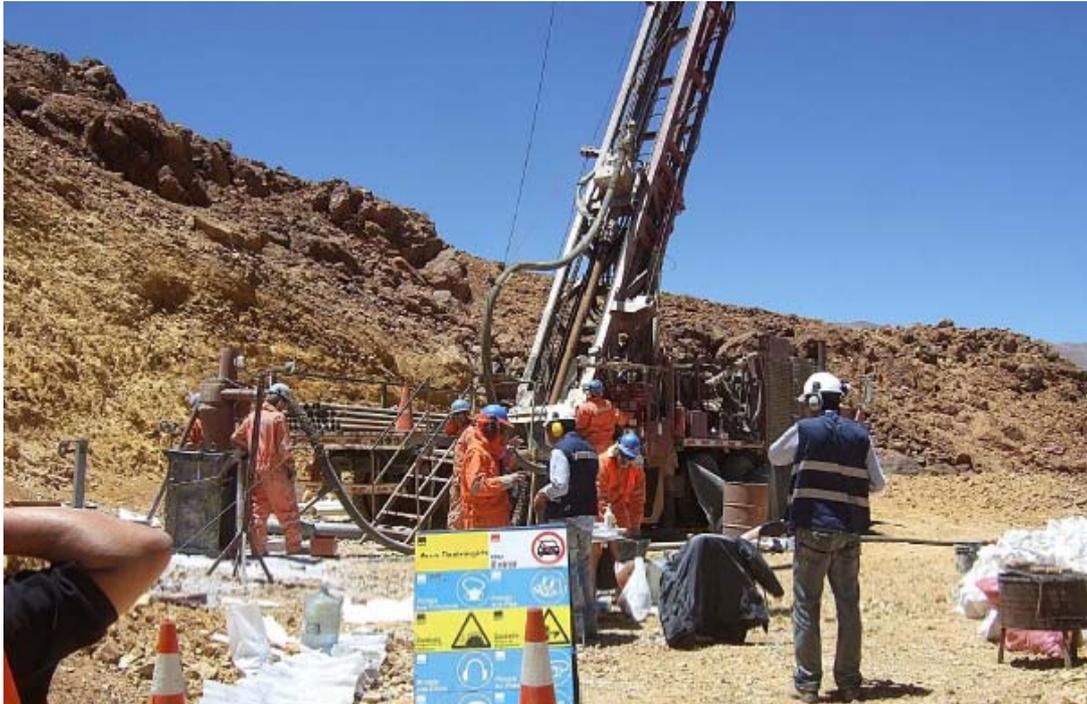
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The information contained in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Brad Farrell, BSc Hons Eco Geol, MSc, PhD, a consultant to the company. Dr Farrell has sufficient experience which is relevant to the style of mineralization 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).

## VEGA DRILL PROGRAM



Drilling hole V3 at Vega (top). Prominent alteration in background.



Site for drill hole V8 targeting anomalous As (Au) ridge

## CHUMINGA DRILL PROGRAM CORE



Current drilling on Platform B in which current diamond drill hole SB2 has intersected the target Cu-Au mineralised breccia in core from 60m to current 110m drilling depth.

### **Summary Overview of Vega Project**

Oro Verde Limited ("OVL") has a 100% interest in the Vega Project comprising 10 gold Exploration Concessions covering an area of 28km<sup>2</sup> located 22km north of the El Indio Gold Mining Centre in the Fourth region of Chile through an agreement with the Chilean company Compania Calcia Limitada.

- The Vega Project lies in the El Indio Gold Belt in which there are recent large, past (El Indio - Tambo) and present (Pascua Lama - Ve'adero) gold mining centres. This region has seen the discovery of approximately 50 million ounces of gold and 900 million ounces of silver resources by primarily Barrick Gold Corporation, the dominant miner in the region.
- The exploration target is an undrilled, highly anomalous epithermal system emplaced within the Sancarron caldera ring fault, a geological setting similar to other nearby late Tertiary (5-7 million year old) gold bearing volcanic and volcano-clastic rocks. Twenty kilometres to the south of Vega lies El Indio 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 (16.8 million tonnes mined at an overall recovered grade of 8.33 g/t Au, 46.3 g/t Ag and 2.81% Cu).
- Clear drill targets are evident from a CSAMT geophysical survey carried out over the highly anomalous epithermal system and are a priority for the current RC drill program comprising 8 holes for 2,500m

## Summary Overview of Chuminga Project

- Oro Verde Limited (“OVL”) has a current 20% interest with a right to acquire a 100% interest in the advanced Chuminga Copper-Gold Project, in the Second Region of Chile, through an agreement with the owners of SCM Compania Minera Chuminga, a member company of a group of companies controlled by a branch of the well known Chilean mining family, Errazuriz Hochschild.
- Chuminga is a well mineralised hydrothermal copper-gold stock work breccia developed at a coastal location, approximately 120km south of Antofagasta. It lies on the western contact of a gabbro-diorite stock on a mountain side at 600m to 700m above sea level. Expectation based on prospecting to date by previous exploration companies is an exploration target of 50 to 60 million tonnes of 1.0 to 1.1% Cu; 0.30 to 0.40g/t Au; 0.9 to 1.0% Zn (The potential quantity and grade of the target 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).. The mineralized body is generally tabular, dipping 60<sup>0</sup> to 70<sup>0</sup> to the east, and from various reports has the following dimensions; a width of 60m to 150m and a 800m to 1,200m strike in a north-south direction.(Refer Note at end of above announcement).
- Sericite-chlorite-amphibole-magnetite-haematite-tourmaline alteration forms a halo around a central copper mineralized core. Mineralisation consists of a sulphide association dominated by chalcopyrite-chalcocite-incipient bornite with pyrrhotite-pyrite-sphalerite-magnetite which is present as disseminations and fracture fillings. These sulphides have been oxidized to both iron oxides (haematite-goethite-limonite) and copper oxides (atacamite-chrysocolla) which occurs in fracture fillings.
- The project has been prospected by historical and recent surface trenching on an outcrop area measuring 250m by 100m between 550m to 650m above sea level. The weighted average results of the three historical cross strike trenches being 1.21% Cu and 0.41g/t Au and the recent strike trenching being 190m @ 1.07% Cu and 0.20 g/t Au. Most of the recognized mineralized strike of the body is scree covered as rock debris is continually moving down a 40<sup>0</sup> mountain slope. The historical trenching results led to prospecting of the mineralised breccia below the outcrop area by tunnels at 630m and 543m above sea level. These tunnels did not transect the full width of the mineralised breccia. Weighted average sampling results returned were 115m @ 0.90% Cu and 0.48 g/t Au for the upper level. Subsequent re-sampling has indicated an increase in weighted mean values for the body to 1.4% Cu, 0.40 g/t Au and 1% Zn.
- The current first phase 10 hole / 1,950 metres drilling program is testing an approximate strike of 300m of the mineralised breccia exploration target on 3 sections in the environs of the surface trenching and exploratory tunnels transecting the mineralised body with the aim of establishing the true nature of the conceptual target previously identified, in particular the true width, grade and depth potential of the mineralization leading to the determination of the bulk tonnage potential of the breccia mineralisation at this location.