



## QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 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*

Trevor Woolfe - MD  
Brett Dickson - Finance Dir

##### *Non-Executive*

Wolf Martinick - Chairman  
Tony Rovira  
Brad Farrell

#### MANAGEMENT - NICARAGUA

David Turner - Country Mgr  
Jacques Levy - Legal Rep.

#### REGISTERED OFFICE

Level 1, 34 Colin St,  
West Perth, WA 6005  
AUSTRALIA  
+61 (0) 8 9481 2555

#### WEBSITE

[www.oроверde.com.au](http://www.oроверde.com.au)

#### TWITTER

@MDOroVerde

### HIGHLIGHTS

- ❖ Oro Verde resumed control of exploration at Topacio
- ❖ Phase 2 trenching and drilling re-focused on the high grade potential around the Topacio resource area
- ❖ Phase 2 drilling intersected bonanza gold grades including:
  - MTD-17-012 2.85m at 15.59 g/t gold (Mico West)  
Including 1.23m at 32.30 g/t gold
- ❖ Phase 3 of trenching and drilling is currently underway
- ❖ Capital raising via a Share Purchase Plan closes on 31 October

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to provide its quarterly report for the period ending 30 September 2017. The September quarter saw Oro Verde continue its Phase 2 drilling program on the Topacio Gold Project in southeastern Nicaragua (Figure 4).

The Company resumed control of exploration activities at the Topacio Gold Project in August, after JV partner Newcrest did not satisfy its expenditure requirements on the project

Following Newcrest's withdrawal, the Company re-focused its exploration activities on the high grade targets defined around the existing 340,000 ounce gold (Au) resource at the main Topacio area. Drilling beneath veins, where trenching had identified high grade vein intersections in the previous quarter, was successful in intersecting bonanza grade gold intercepts including:

- MTD-17-012 2.85m at 15.59 g/t Au (Mico West Vein)  
- including 1.23m at 32.30 g/t Au

The Company is now advancing with a dual focus, firstly to explore the Topacio resource area - with trenching currently underway and drilling scheduled to follow - **to expand the current resource**, and secondly to determine the **viability of early gold production** from the currently defined mineralised zones.

A capital raising, via a Share Purchase Plan, is currently underway to raise additional working capital for exploration activities.

## TOPACIO GOLD PROJECT

### Joint Venture Agreement

Oro Verde resumed control of exploration at the Topacio Gold Project during the quarter after Newcrest failed to reach its expenditure requirements and withdrew from the JV agreement in August. Our understanding of the Topacio project advanced significantly during the agreement period with the addition of concession wide multi-element geochemical and airborne geophysical data, as well as detailed geological mapping, presenting many new targets for Oro Verde to follow up.

### Oro Verde Drilling - Phase 2

In June 2017<sup>1</sup>, Oro Verde announced the commencement of Phase 2 drilling to test for extensions to the 340,000oz Topacio gold resource. This second phase of drilling in 2017 was designed to test for gold mineralisation in veins that lie outside, but near, the historical 340,000oz Topacio gold resource (Figure 1) and to confirm the continuity of gold mineralisation at depth below recent high grade trench results<sup>2</sup>, as displayed in Table 1.

The Phase 2 program consisted of 402.16 metres of diamond drilling<sup>3</sup>, testing below high grade surface gold results on four key targets – the Su Majestad Vein, Topacio East Extension Vein, Dispute/Dos Amigos Veins and the Mico West Vein (Figure 2). The holes were relatively shallow to assess the continuity of the high grade veins approximately 30-50 metres below surface.

Drilling at the Dispute Vein (MTD-17-010) intersected a 9.25m mineralised interval averaging 2.21 g/t Au, including 1.52m at 7.43 g/t Au (Table 1), approximately 30m below surface (Figure 5). Drilling was also undertaken for the first time into the Su Majestad (MTD-17-008) and Topacio East Extension (MTD-17-009) Veins, located to the ENE from the existing Topacio gold resource (Figure 2) – both holes were successful in intersecting gold mineralisation.

**Table 1 Topacio Area – Phase 2 Trench and Drill Results (>1 g/t Au)**

LOCATION	TRENCH or DRILL HOLE NAME	SAMPLE TYPE	INTERVAL LENGTH	GOLD GRADES	DOWNHOLE DEPTH
Mico West	OPMW1701	Trench	7.50 m	5.39 g/t Au	At surface
		including	2.05 m	17.06 g/t Au	At surface
	TMW1702	Trench	6.20 m	5.16 g/t Au	At surface
		including	2.70 m	10.44 g/t Au	At surface
	MTD-17-013	Drill hole	0.33 m	1.51 g/t Au	From 40.97m
	MTD-17-012	Drill hole	2.85 m	15.59 g/t Au	From 21.25m
		including	1.23 m	32.30 g/t Au	From 22.87m
Dispute	RCD1701	Trench	1.10 m	53.10 g/t Au	At surface
	MTD-17-010	Drill hole	9.25 m	2.21 g/t Au	From 32.30m
		including	1.52 m	7.43 g/t Au	From 36.60m
Dos Amigos	MTD-17-011	Drill hole	1.00 m	1.87 g/t Au	From 42.50m
Su Majestad	MTD-17-008	Drill hole	3.00 m	1.84 g/t Au	From 53.15m
Topacio East	MTD-17-009	Drill hole	1.55 m	1.28 g/t Au	From 32.10m

All results previously reported to ASX on 21 June, 20 July, 1 August and 14 August 2017.

<sup>1</sup> Refer to ASX announcement dated 5 June 2017 "Drilling of High Grade Targets Commences at Topacio Gold Project"

<sup>2</sup> Refer to ASX announcement dated 20 July 2017 "High Grade Trench Results at Topacio"

<sup>3</sup> Refer to ASX announcement dated 1 August 2017 "Drilling of New Zones Extends Gold Mineralisation"

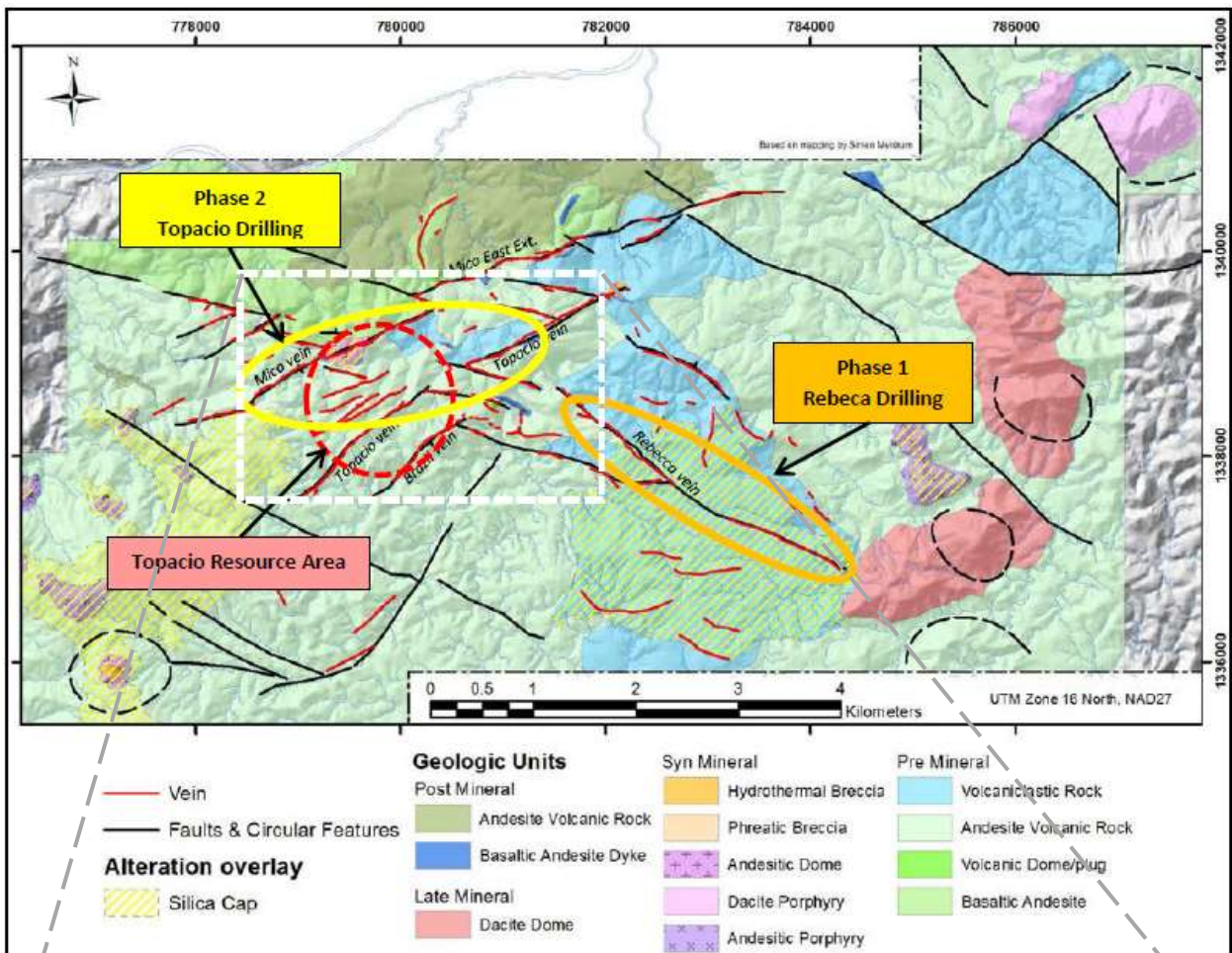


Figure 1 Topacio Gold Project: Phase 2 drill area

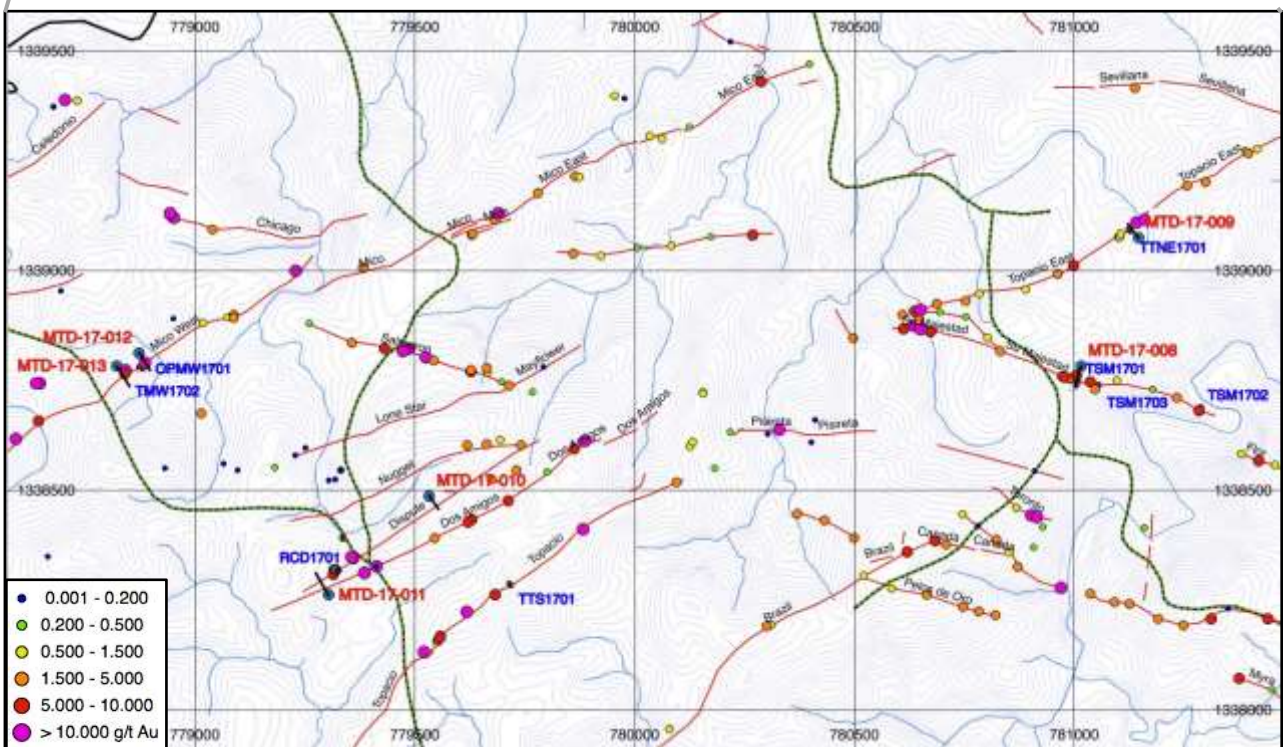


Figure 2 Topacio trench locations (blue titles), OVL drill holes (red titles) and previous rock chip results

Drilling was undertaken for the first time at the Mico West Vein (MTD-17-012) and intersected a 2.85m mineralised interval averaging 15.59 g/t Au, including **1.23m at 32.30 g/t Au** (Figure 6), approximately 20m below surface. A second hole (MTD-17-013) was also completed at Mico West, approximately 50m west of hole MTD-17-012, and MTD-17-011 was drilled into the SW extension of the Dos Amigos Vein (Figure 2).

As with the Phase 1 Drill Program at Rebeca, drill core was logged and sampled by Oro Verde personnel on site. Drill core samples were sent to the Inspectorate Laboratory in Managua for sample preparation. Pulps were then sent internally by the laboratory to its parent Bureau Veritas Laboratory in Vancouver for analysis. All samples were analysed for gold by fire assay/ICP-ES (FA330-Au) and 45 elements by four acid digest ICP-MS (MA200).

### **UPCOMING ACTIVITIES**

This year has been a very active one for the Company with two drilling programs and a campaign of trenching at Topacio returning very high grade results. In particular, the exceptional gold grades received from the Mico West trenching and drilling are very encouraging and certainly warrant further follow-up.

Going forward Oro Verde will have a dual focus. The first is to further explore the Topacio concession, specifically **drilling to expand the current resource**, and secondly will be to determine the **viability of early gold production** from the currently defined mineralised zones.

To achieve the first objective, the Company will refocus 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-off<sup>4</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 (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 Trenching and Drilling - Phase 3**

The Company has commenced Phase 3 exploration with the aim of increasing the current Topacio resource and delivering a maiden JORC resource. The recent drilling results, where some exceptional grades were recorded, provide an excellent platform from which to launch this program.

Given the historical resources and the recent trenching and drilling results, the Company believes that the Topacio project area could contain at least 1 million ounces of gold, with a near-term **Exploration Target** of:

**3.5 - 4.0 MT @ 3.8 – 4.0 g/t Au (427,000 – 514,000 ounces gold)**

This Exploration Target is conceptual in nature, but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Many of the targets for future exploration are outcropping veins, such as at Dispute and Mico West, where very good first pass results have been achieved. Surface trenching has provided a fast and economic target refining tool prior to drilling. **Phase 3 trenching has now commenced** with extensive trenching over veins that have been identified by surface mapping and sampling where high gold grades have already been identified. **Diamond drilling of priority targets is planned to follow trenching.**

### **Early Production Opportunities**

In addition to the planned resource extension and estimation activities, Oro Verde is investigating the possibility to commence a bulk sampling program at Topacio followed by toll treating at a nearby processing facility. The Company's Nicaraguan-based team has commenced studies to identify the permits needed and possible trucking routes to the processing plant.

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<sup>4</sup> Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"

## NEW CONCESSIONS

Over the past two years, applications have been submitted 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 but has not yet approved grant of the concessions.

If Oro Verde is successful in having all three of its applications approved, the ground position in the Topacio region will increase by approximately 240% from 93km<sup>2</sup> to 316km<sup>2</sup>.

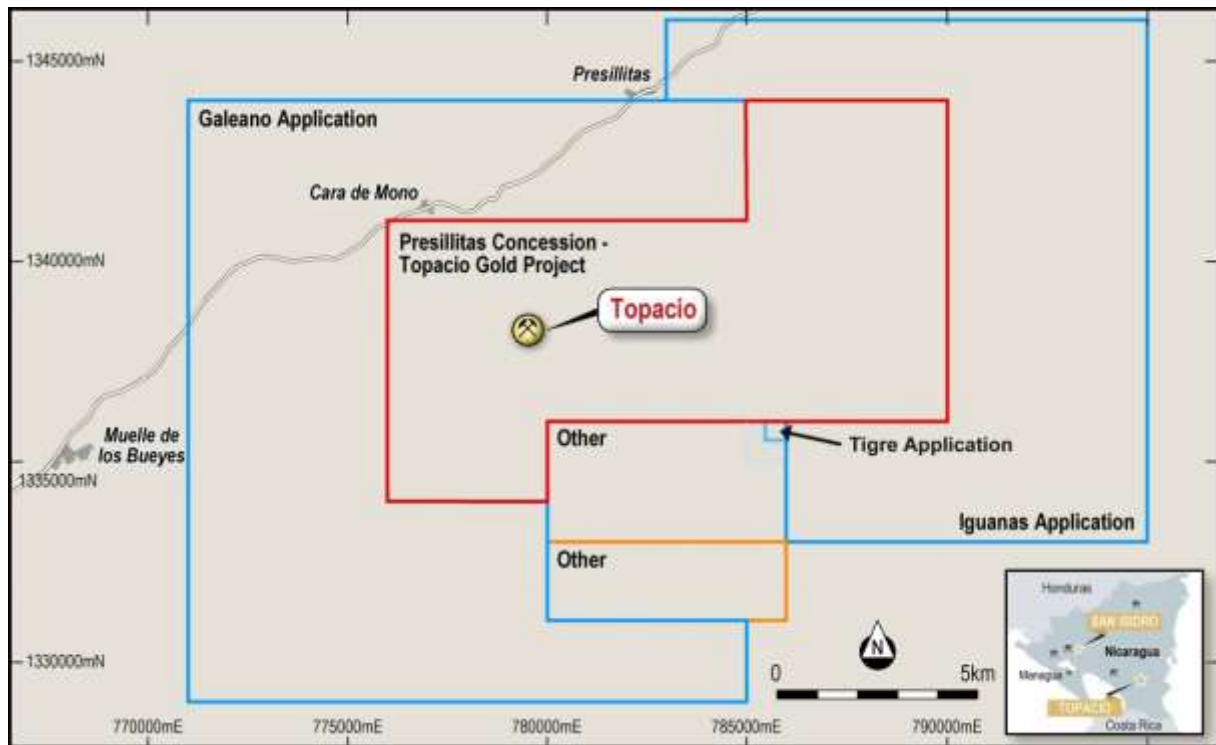


Figure 3 Topacio Project and OVL concession applications – Iguanas, Galeano and Tigre

## TOPACIO PROJECT BACKGROUND

On 27 February 2015<sup>5</sup>, 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, located in southeastern Nicaragua (Figure 4). 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>6</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.

Newcrest and Oro Verde entered a farm-in Agreement in November 2015<sup>2</sup>. The Agreement was terminated in August 2017<sup>7</sup>.

<sup>5</sup> Refer to ASX announcement dated 27 February 2015 “Oro Verde Proceeds to Acquire Topacio Gold Project”

<sup>6</sup> Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”

<sup>7</sup> Refer to ASX announcement dated 11 August 2017 “Oro Verde Resumes Exploration Control of High Grade Topacio Gold Project”

## SAN ISIDRO GOLD PROJECT (OVL 100%)

The San Isidro Gold Project, located in northwestern Nicaragua (Figure 4), consists of a 25km<sup>2</sup> mining concession held by Minera San Cristóbal S.A. (MSC), a 100% owned Nicaraguan subsidiary of Oro Verde.

San Isidro is located adjacent to the La India Gold Project which contains a 2.3 million ounce gold resource and is held by UK company Condor Gold plc, which 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 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. The latest exploration program included an infill soil sampling program over prospective areas identified in the initial program. The infill soil samples resulted in an offset 200m x 200m grid. More detailed geological mapping was also undertaken, with rock chip samples collected in areas of interest, typically demonstrating silicification and quartz veining.

Preliminary results for this program were received after the end of the quarter and were reported to the ASX on 30 October 2017.

## CORPORATE

Until the August termination of the Farm-in Agreement with Newcrest over the Topacio Gold Project, the majority of **exploration expenditure** during the quarter was funded by Newcrest. Subsequent exploration activities were, and continue to be, funded by Oro Verde.

On 1 September 2017, the Company advised<sup>8</sup> that it had entered into a standby Bridging Loan Agreement, providing Oro Verde with access to up to \$500,000 to advance the Company's projects in Nicaragua as well as for general administrative expenses.

As at 30 September 2017, Oro Verde held cash and cash equivalents to the value of \$161,000 of which \$21,000 was previously advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project (see Appendix 5B).

On 10 October 2017, the Company announced<sup>9</sup> details of a Share Purchase Plan (SPP) to raise additional funds to advance exploration activities and provide additional working capital. The Company is offering eligible shareholders the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares in the Company (Shares) at an issue price of 0.8 cents per Share. The **SPP is scheduled to close at 5:00pm (WST) on 31 October 2017.**

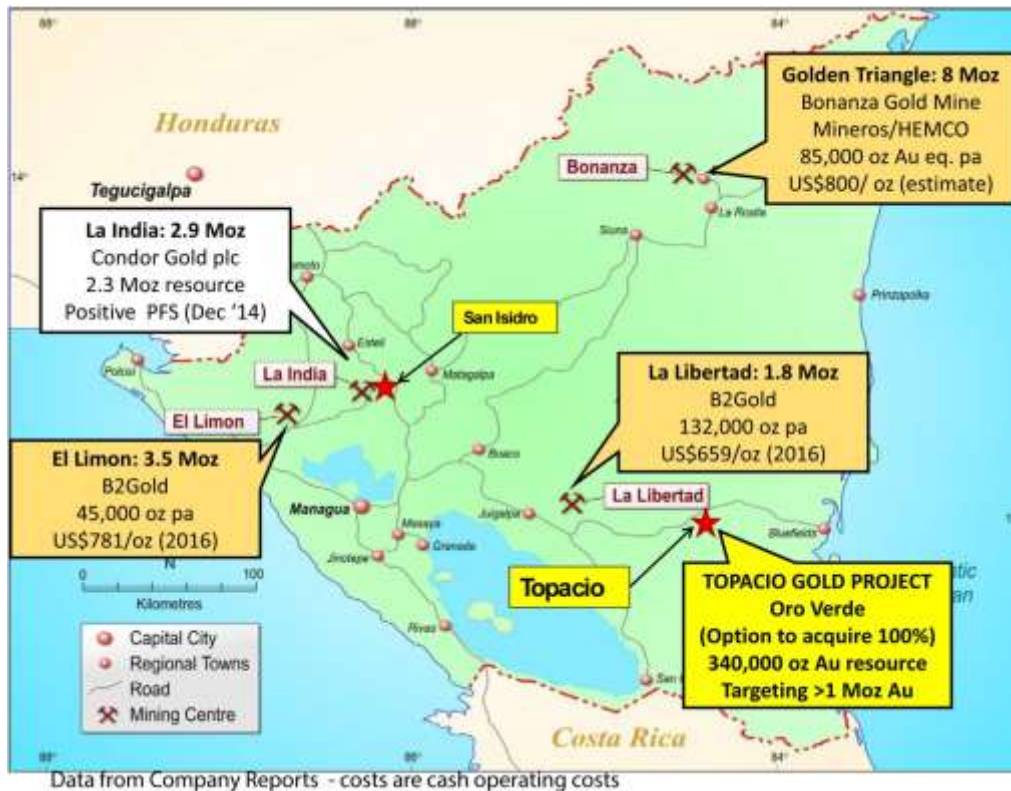
Oro Verde continues to review **gold-silver-copper opportunities** in search of quality projects to enhance the existing portfolio. To date, suitable transactions have not been achieved on preferred projects. Discussions and reviews are ongoing as the Company aims to add shareholder value through the quality team and connections that it has assembled within Nicaragua and the region.

### Schedule of Mining Tenements Owned

Common concession name	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<i>HEMCO-SID (San Isidro) – 1351</i>	<i>Nicaragua</i>	<i>Owned</i>	<i>100%</i>	<i>100%</i>
<i>Presillitas (Topacio) - 39</i>	<i>Nicaragua</i>	<i>Option</i>	<i>0%</i>	<i>0%</i>
<i>Iguanas</i>	<i>Nicaragua</i>	<i>Application</i>	<i>0%</i>	<i>0%</i>
<i>Galeano</i>	<i>Nicaragua</i>	<i>Application</i>	<i>0%</i>	<i>0%</i>
<i>Tigre</i>	<i>Nicaragua</i>	<i>Application</i>	<i>0%</i>	<i>0%</i>

<sup>8</sup> Refer to ASX announcement dated 1 September 2017 "Standby Bridging Loan"

<sup>9</sup> Refer to ASX announcement dated 10 October 2017 "Share Purchase Plan"



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

For enquiries contact:

Mr Trevor Woolfe  
Managing Director  
+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 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 document that relates to earlier Exploration Results referred to throughout the text is extracted from reports completed under Mr Trevor Woolfe as Competent Person 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 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](http://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.





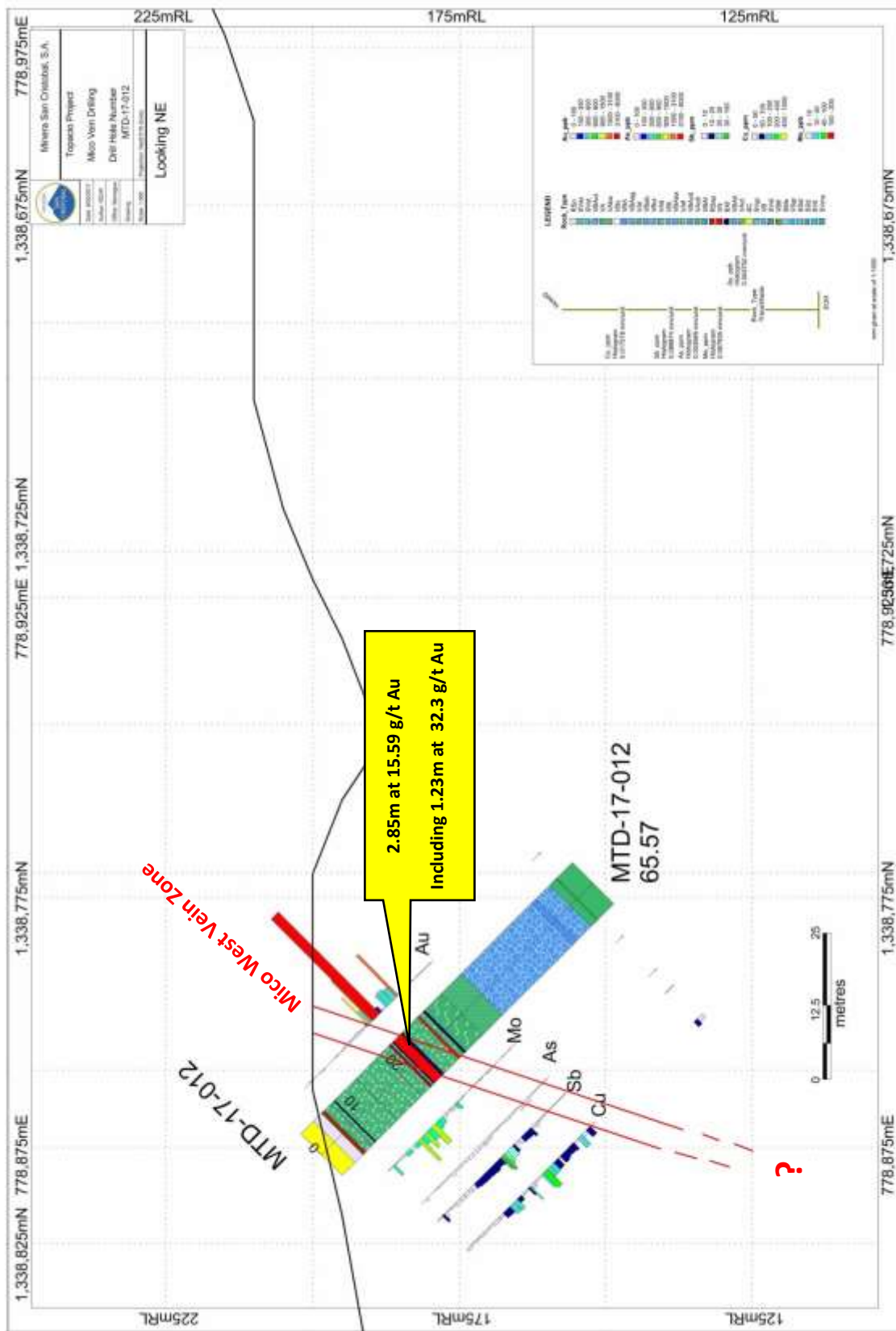


Figure 6 Mico West Vein: Cross section MTD-17-012 (looking NE)

## Appendix 5B

### Name of entity

**ORO VERDE LIMITED**

### ABN

**84 083 646 477**

### Quarter ended ("current quarter")

**30 September 2017**

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (12 months)</b>
	<b>\$A'000</b>	<b>\$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(181)	(181)
(b) development	-	-
(c) production	-	-
(d) staff costs	(103)	(103)
(e) administration and corporate costs	(87)	(87)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
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	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(371)</b>	<b>(371)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	(49)	(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(50)</b>	<b>(50)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (12 months)</b>
		<b>\$A'000</b>	<b>\$A'000</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	50	50
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>150</b>	<b>150</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	542	542
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(371)	(371)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	150
4.5	Effect of movement in exchange rates on cash held	(110)	(110)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>161*</b>	<b>161*</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	128	509
5.2	Call deposits	33	33
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>161</b>	<b>542</b>

\* Note that cash at the end of the quarter includes approximately \$21,000 which has been advanced by Newcrest Mining Limited and is quarantined for use solely on the Topacio project.

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	79
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;

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	500,000	100,000
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.		

Unsecured standby bridging loan up to \$500,000, on an as needs basis, from Inkjar Pty Ltd a related party of Dr Bradford Farrell, a director of the Company. Interest rate at NAB business loan basis plus 2% calculated daily.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50
9.5 Administration and corporate costs	20
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>120</b>

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 October 2017

Print name:

Brett Dickson