

29 February 2012

## **CHILE PROJECTS UPDATE**

- **Assay results of the first Chuminga core hole, SB2, due in the next two weeks.**
- **Second and current Chuminga core hole, SB3, drilling ahead to expected mineralization at 112m down hole depth.**
- **The first phase, reverse circulation, drilling program completed on the Vega Gold Project. Copper and molybdenum mineralisation noted in drill cuttings.**

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

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

The individual 1m samples of the 99m of mineralisation intersected over the interval 50m to 149m in the first Chuminga core hole, SB2, are currently being analysed for Au, Ag, Cu, Pb and Zn at Activation Laboratories in Coquimbo. Results are expected in the next two weeks.

The second core hole SB3, on Section B (090<sup>0</sup> azimuth, -60<sup>0</sup> declination, final depth ~330m) was at 70.5m on Monday 27 February and drilling ahead to enter expected mineralisation at approximately 112m down hole. This is a step out hole on section, testing the down dip extent of the apparent thickening wedge of copper-gold breccia mineralisation intersected in first core hole SB2.

### **Completion of first phase drilling on the Vega Project**

A first phase RC drilling program of 8 holes was completed at the weekend on the Vega Project in the El Indio Gold belt. The drilling program tested CSAMT geophysical - geochemical anomalies with strong alteration associated with an untested epithermal gold system.

Eight holes were drilled for 1,142m of the total planned 2,500m. Holes could not be drilled to their nominated depths because of the presence of perched water tables with high water flows that curtailed meaningful sampling of drill cuttings.

Field logging of all drill cuttings is still current, especially the holes drilled on the arsenic (gold) anomalous “sinter” ridge. Logging to date has revealed an extensive, highly altered, sulphidic dacite porphyry system as being the cause of some of the geophysical anomalies. Copper and molybdenum mineralisation have been noted in drill cuttings.

Following appraisal of the expected laboratory results in April, it is likely that a decision will be made to re-enter all or some of the holes with follow-up diamond drilling.

OVL’s Chairman and Managing Director, Dr Wolf Martinick, said:

***“Our preliminary drilling program at Vega has been restricted as holes could not be drilled to their nominated depths because of water inflows that curtailed meaningful sampling of drill cuttings. However, logging to date has revealed extensive, anomalous, sulphidic dacite porphyry in which copper and molybdenum mineralisation is present. Following appraisal of the expected laboratory results in April it is likely that a decision will be made to re-enter all or some of the holes with follow-up diamond drilling.*”**

***At Chuminga, the second core hole SB3 is underway testing the down dip extent of the apparent thickening wedge of copper-gold breccia mineralisation intersected in first core hole SB2 .***

***We look forward to the results of the first hole SB2 in the next two weeks in which 99m of mineralisation was intersected.”***

ENDS

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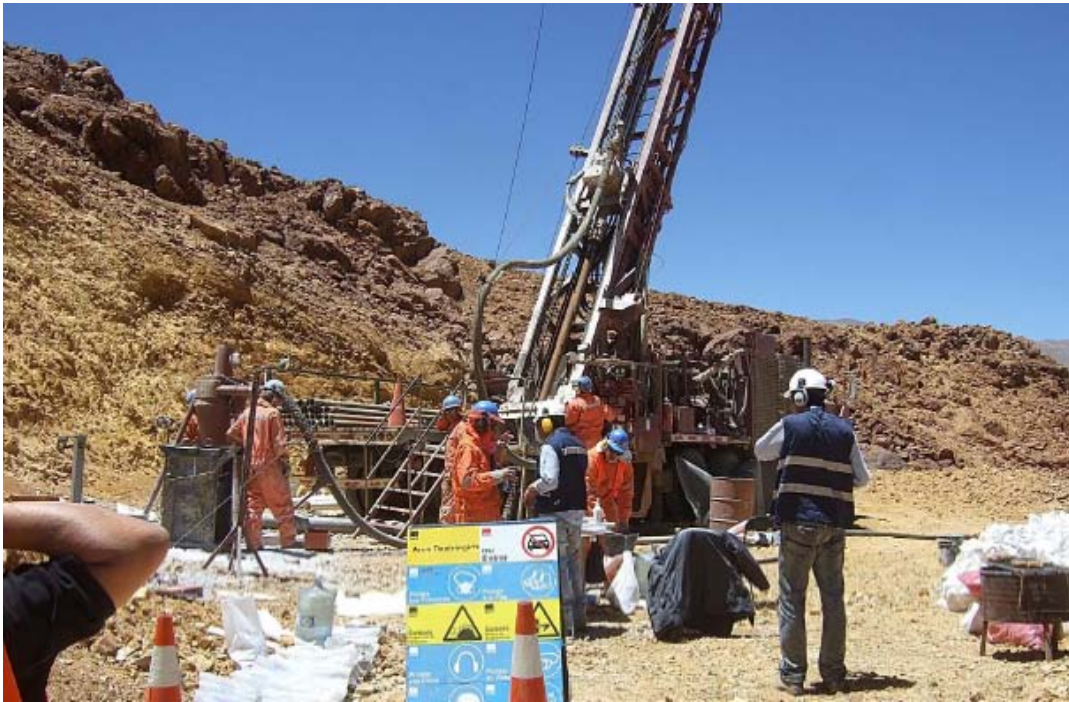
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Note:

\*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 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 DRILLING PROGRAM



Drilling hole V3 at Vega. Altered sulphidic dacite porphyry in background.



Site for drill hole V7 targeting anomalous As (Au) ridge

## CHUMINGA DRILLING PROGRAM CORE



Drilling on Platform B in which diamond drill hole SB2 intersected the target Cu-Au mineralised "core" breccia from 60m to 129m 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 - Veladero) 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. In late February 2012, a first phase RC drilling program for 8 holes was completed for 1,142 metres of the planned 2,500 metres. Despite the presence of perched water tables with high water flows that curtailed meaningful sampling, logging has revealed an extensive anomalous, sulphidic dacite porphyry in which copper and molybdenum mineralisation is present. It is likely that following appraisal of the laboratory results that a decision will be made to re-enter some or all of the target holes.

## 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 mineralized body is generally tabular, dipping 60° to 70° 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° 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.
- The first core hole (SB2) of the first phase 10 hole drilling program intersected 99m of mineralisation, 69m of well developed “core” copper and iron oxide breccia mineralisation within 30m of disseminated mineralisation. Individual 1m samples of the 99m mineralisation are currently being analysed for Au, Ag, Cu, Pb, Zn with results expected within the next two weeks.
- The second core hole (SB3) is currently underway testing the down dip extent of the apparent thickening wedge of copper gold breccia mineralisation intersected in the hole SB2.