

20 March 2012

CHUMINGA PROJECT CHILE, UPDATE

Analytical Results for First Drill Hole at Chuminga

Highlights

- **Previously reported intersected visual copper and iron oxide breccia mineralisation in core hole SB2 assays 61m @ 0.90% Cu, 0.15 g/t Au.**
- **Cu and Au results are similar to historic results and confirm the bulk tonnage potential of the breccia mineralisation.**

Oro Verde Limited (ASX:OVL (“the Company or OVL”)) is pleased to announce the results of the first diamond drill hole, SB2, at the Chuminga Project in Chile.

The first core hole, SB2, on Section B (7268818mN 343567mE, 692m elevation) drilled as a vertical hole, was terminated at 155m depth in a mylonite zone in unmineralised highly altered, fractured, granodiorite. Some 99m of mineralisation was intersected over the interval 50m to 149m and a visual report of the core was reported to the ASX on 17 February 2012.

69m of well developed “core” copper and iron oxide breccia mineralisation was intersected in a highly altered granodiorite over the interval 60m to 129m. This 69m of “core” breccia mineralisation was surrounded by disseminated mineralisation in altered, fractured granodiorite over the intervals 50m to 60m (10m) and 129m to 149m (20m). Copper mineralisation has been extended to 125m down dip from outcrop on drill section. The overall “form” of the mineralisation is similar to that seen in the underlying upper tunnels transecting the mineralisation.

All split 1m core interval samples over the drilled interval, 17m to 155m, with inserted external standard samples to monitor laboratory precision and accuracy, were sent to Activation Laboratories in Coquimbo, Chile for analysis for;

- Au by fire assay/AAS on a 30gm sample weight and,
- Ag, Cu, Pb, Zn by AAS following a 4 acid “total” digestion.

The only elements of significance are copper (Cu) and gold (Au) which can be seen in summary Table 1 below of elemental value ranges at > 0.5% Cu cut off encountered in the 61m significant mineralised interval, 65m to 126m, in SB2. Table 2 below provides a summary of the significant results of the analysed SB2 core at various Cu cut off grades. Zinc (Zn) values in the samples are extremely low and are enigmatic from what has been reported in the assays of the tunnel samples taken by AUR Resources (values to 1% Zn) and the fact that minor sphalerite (ZnS) is reported in the breccia ore mineralogy in the tunnels. Visual logging of the SB2 core reported rare sphalerite over the interval 49.85m to 60.05m.

2.

#Element	Minimum Content	Maximum Content
Cu %	0.35	2.10
Au g/t	0.04	0.56
Ag g/t	<0.1	5
Pb ppm	<1	5
Zn ppm	18	91

Elemental ranges at >0.5% Cu cut off in the 61m significant mineralised interval, 65m to 126m in SB2

Table 1. Summary Elements in SB2 mineralised core.

>0.5% Cu cut off	From	To	Interval	Cu	Au
	m	m	m	%	g/t
	65	126	61	0.9	0.15
Total intervals			61		
>0.75% Cu cut off	From	To	Interval	Cu	Au
	m	m	m	%	g/t
	74	94	20	0.93	0.15
	98	126	28	1.07	0.16
Total intervals			48		
>1.0% Cu cut off	From	To	Interval	Cu	Au
	m	m	m	%	g/t
	74	80	6	1.07	0.1
	89	94	5	1.08	0.21
	99	104	5	1.3	0.14
	111	116	5	1.2	0.24
	118	126	8	1.3	0.15
Total intervals			29		

Table 2. Significant results of SB2 analysed core at various Cu cut off grades.

As a generalisation the above results are representative of the grades which were recorded in the surface trenching and the adit sampling which was summarised in an ASX announcement of 4th October 2011. There is an apparent general consistency of values (ie few outlier high and lows) within the range of Cu and Au values encountered as per the fore mentioned reported previous sampling programs. However, the Cu and Au results are on the low side of OVL's expectations which is suspected to be a function of the combined effects of poor core recovery, core grinding and core washing in hole over the significant zone of oxide Cu mineralization encountered in the hole (refer attached photo of core). The drilling contractor has been advised of this observation of the condition of the core and careful attention to improving core recovery is being undertaken by the drilling staff.

3.

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

“I am delighted that the first Chuminga hole has been successfully completed and analysed and the second is continuing to test what appears to be a thickening wedge of copper breccia mineralisation extending down dip from outcrop and the first hole.”

ENDS

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Note

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).

4.

CHUMINGA DRILLING



Current drilling on Platform B intersected copper and iron oxide mineralisation in core hole SB2 over a 99m down hole interval (50m to 149m) within which 61m returned 0.90% Cu, 0.15 g/t Au at a >0.5% Cu cut off grade over the interval 65m to 126m .

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 granodiorite 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. (Refer Note 1 at end of overview.) 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.
- 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 historical 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.
- First core hole in the program SB2 returned 61m @ 0.90% Cu, 0.15 g/t Au for the copper and iron oxide breccia mineralization intersected over the interval 65 to 126metres.

Note 1. 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.