



## NEWCREST SIGNS A\$11.0 MILLION FARM-IN AGREEMENT WITH ORO VERDE

### HIGHLIGHTS

- ❖ A Farm-in Agreement has been executed between Newcrest and Oro Verde to fund and explore the Topacio Gold Project in Nicaragua
- ❖ Newcrest and Oro Verde are targeting a multi-million ounce high grade epithermal gold deposit at Topacio, with exploration to commence almost immediately
- ❖ Oro Verde holds an Option to Purchase Agreement to acquire 100% of the Topacio Gold Project<sup>1</sup> to be exercised by February 2018
- ❖ Newcrest may sole fund US\$4.4 (A\$6.1) million of exploration and expenditure, including the costs of exercising Oro Verde's Option, to earn an initial 51% interest
- ❖ Newcrest may earn an additional 24% interest (75% total) by sole funding a further US\$3.5 (A\$4.9) million of expenditure over the following three years [for a total commitment of US\$7.9 (A\$11.0) million over ~5 years]
- ❖ Oro Verde will continue to manage the exploration program during the Farm-in period

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to announce that Newcrest International Pty Limited, a wholly owned subsidiary of Newcrest Limited (ASX: NCM) ("Newcrest"), has entered into a Farm-In Agreement ("the Agreement") with the Company to explore for large, high grade epithermal gold deposits on the Topacio Gold Project, located in southeastern Nicaragua (Figure 1).

Oro Verde's Managing Director, Mr. Trevor Woolfe, commented "*The introduction of Newcrest, one of the world's largest gold producers, into the Topacio Gold Project, is an important step towards realising the Company's objective of a multi-million ounce gold discovery. This Agreement with Newcrest is further validation of our 2014 strategy and the potential of the Topacio Project.*"

*"We are delighted to have attracted a partner of the calibre of Newcrest. Its technical expertise in exploration and discovery of epithermal deposits is first class, in addition, its track record of taking projects from exploration through to development and production, will provide the best possible chance for Topacio to be a success."*

*"Since acquiring the Option over the Topacio Gold Project in February this year, Oro Verde's exploration has significantly enhanced the high grade potential of the resource, as well as identifying evidence of a large mineralised epithermal system (Figure 3) contained within the 93km<sup>2</sup> concession. With this funding from Newcrest, our exploration efforts will be accelerated into 2016."*

*"This Agreement allows the Company to pursue other high quality precious and base metal exploration opportunities in the region with the objective of establishing a portfolio of prospective projects."*

<sup>1</sup> Refer to ASX announcement dated 27 February 2015 "Oro Verde Proceeds to Acquire Topacio Gold Project"

## BACKGROUND

On 27 February 2015<sup>2</sup>, Oro Verde announced the positive due diligence and acceptance of an Option to Purchase Agreement (“the Option”) over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1). 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**

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.

Under the terms of the Option, the Company committed to the following:

- a. A minimum exploration expenditure of US\$2,000,000 over 3 years;
- b. US\$40,000 payable to the vendor each six months during the Agreement period (for a total of US\$240,000); and
- c. The Company may exercise its Option to acquire 100% of the Topacio Gold Project by making a payment of US\$1,500,000, plus at the Vendor’s election, either a 2% NSR royalty or a payout of US\$1/oz gold for JORC or NI 43-101 compliant resources (measured and indicated).

Oro Verde may withdraw from the Agreement at any time.

## DETAILS OF THE NEWCREST FARM-IN AGREEMENT

The Oro Verde-Newcrest Farm-In Agreement was executed on 25 November 2015.

Under the Agreement:

- Newcrest will sole fund an initial minimum commitment of US\$500,000 of direct expenditure on the Project, within the first 12 months (“the Minimum Commitment”), designed to test the potential for a large scale, mineralised epithermal gold system.
- Newcrest may withdraw from the Agreement once the Minimum Commitment has been satisfied or paid out in cash to Oro Verde.
- Once the Minimum Commitment is satisfied, Newcrest may elect to continue to farm-in by sole funding additional expenditure on the Project of US\$2.2 million by 25 August 2017.
- If the additional expenditure commitment is met, and Newcrest elects to continue, it will then be obliged to fund the US\$1.5 million option exercise payment to the vendor. If the vendor has chosen, at this point, to be paid out on the basis of JORC or NI 43-101 compliant resources (measured and indicated), Newcrest will also fund this payment.
- Through this first stage of the Farm-in, Newcrest will also be required to fund:
  - Vendor payments (US\$40,000 each six months)
  - Tenement holdings costs
  - Management fee to Oro Verde (at standard industry rates)

At this point, as a result of expenditure totalling approximately US\$4.4 million, Newcrest will have funded Oro Verde’s 100% acquisition of the Topacio Gold Project and, in turn, will have earned a 51% share. A Joint Venture will subsequently be created (Oro Verde 49%: Newcrest 51%).

- Upon earning its 51% interest, Newcrest may then elect to earn an additional 24% interest (for a total Joint Venture interest of 75%), by spending an additional US\$3.5 million, including tenement holding costs, over the next three years on the Project.

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<sup>2</sup> Refer to ASX announcement dated 11 November 2014 “Acquisition of High Grade Gold Project”

- This will bring the total expenditure on Topacio by Newcrest to approximately US\$7.9 million to earn a 75% interest in the Joint Venture.

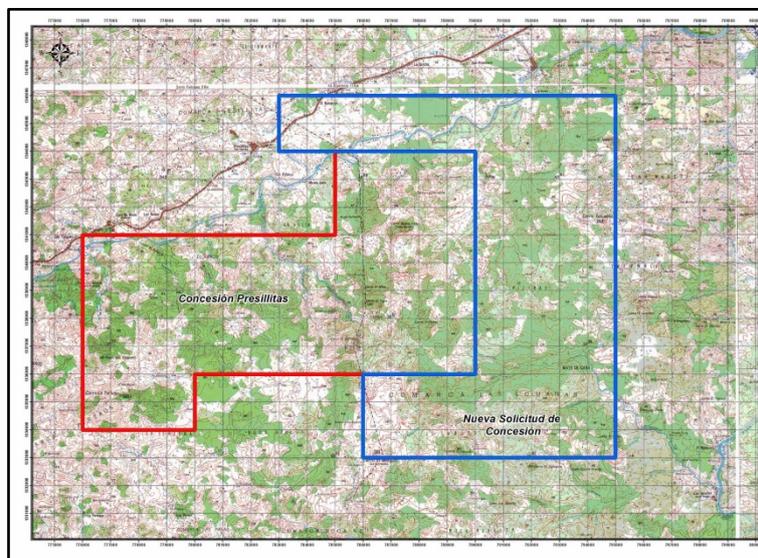
Until Newcrest has earned its 51% interest in the Joint Venture, Oro Verde will be the Project Manager and will continue to manage and staff the exploration activities on the Project, taking advantage of the existing team, contacts and infrastructure that the Company already has established in Managua. Newcrest will provide technical assistance to the Oro Verde team during this phase.

The Agreement covers the concession containing the Topacio Gold Project (known as “Presillitas”), as well as an adjoining concession application, known as the “Iguanas” concession (Figure 2), if it is successfully granted. There is also a 5 kilometre area of influence around the concession.

Work programs have been agreed for the Minimum Commitment phase, with planning now well underway. While initial preparation will commence immediately, activities are scheduled to accelerate at the commencement of 2016.

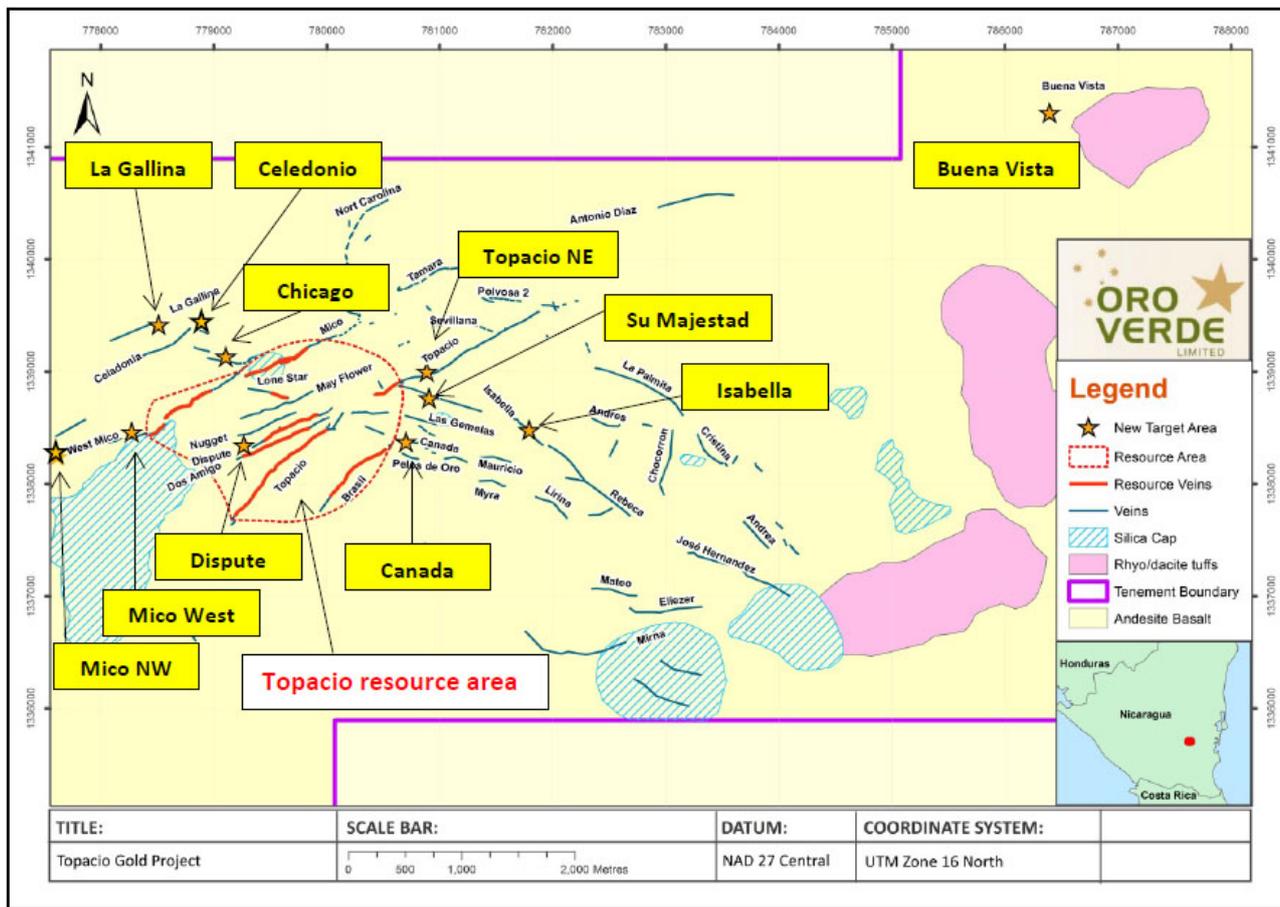


**Figure 1 Major Nicaraguan gold deposits and the Topacio Gold Project (Central America)**



**Figure 2 Location of Topacio (Presillitas) Concession (red) and Iguanas Application (blue)**

**\*\*THIS ASX ANNOUNCEMENT ENDS THE TRADING HALT REQUESTED BY OVL ON 26 NOVEMBER 2015\*\***



**Figure 3 Topacio – New target areas identified outside the resource area**

**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 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, also in Nicaragua, located adjacent to the 2.3 million ounce La India gold project.

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### COMPETENT PERSON STATEMENTS

The information in this document that relates to earlier Exploration Results is extracted from the following report: “Oro Verde Proceeds to Acquire Topacio Gold Project” created on 27 February 2015 and 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.