



GEOPHYSICS HIGHLIGHTS NEW TARGET ZONES AT TOPACIO

HIGHLIGHTS

- ❖ Geophysical anomalies from the recent airborne survey highlight new gold target zones
- ❖ The Rebeca Zone includes a number of subparallel vein structures with potential concealed lateral continuity up to 3 kilometres in length, coincident with gold-in-soil anomalies
- ❖ New epithermal vein targets inferred from linear zones of magnetic depletion
- ❖ Radiometrics identify alteration zones located along the Mico vein and also associated with the Rebeca Zone veins
- ❖ Detailed mapping and infill soil sampling is planned to refine the targets for drilling

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to announce that the recent heli-borne geophysical survey at the Topacio Gold Project, located in southeastern Nicaragua (Figure 1), has identified new target zones for possible drill testing.

The geophysical survey is part of the Stage 1 exploration program of the Farm-In Agreement between Newcrest International Pty Ltd, a wholly owned subsidiary of **Newcrest Mining Limited (ASX: NCM)** (“Newcrest”) and Oro Verde, executed at the end of November 2015¹.

The high quality magnetic and radiometric data has provided valuable structural and alteration data across the full concession. Interpretation of the magnetic data indicates that the Rebeca Zone, southeast of the Topacio resource, could host NW-SE trending concealed veins with up to 3 kilometres of strike extent. This zone is broadly coincident with a gold-in-soil anomaly recently reported by the Company².

A follow-up field program, including detailed mapping and infill soil sampling, is currently being implemented to refine this target area, with drill testing expected to follow.

Oro Verde’s Managing Director, Mr. Trevor Woolfe, commented ***“Our understanding of the geological characteristics of the Topacio Gold Project have improved significantly with the completion of the concession-wide geochemistry (soils) and geophysical surveys. We are now focused on refining the priority targets generated, with the objective of drill testing the best targets and, ultimately, expanding the gold resource.”***

¹ Refer to ASX announcement dated 30 November 2015 “Newcrest Signs A\$11M Farm-in Agreement with Oro Verde”

² Refer to ASX announcement dated 16 August 2016 “Strong Gold Anomalies in Soils at Topacio”



Figure 1 Major Nicaraguan gold deposits and the Topacio Gold Project

AIRBORNE GEOPHYSICAL PROGRAM

The Stage 1 airborne geophysical survey over the Topacio Gold Project, located in southeastern Nicaragua (Figure 1), was completed successfully in July, without safety or community incidents. With the survey being undertaken during the wet season, Oro Verde, Newcrest and New Sense Geophysics (NSG)(of Canada) worked tirelessly and closely, with assistance from the Nicaraguan Air Force (FAN), to ensure that a rigorous safety overlay was in place, not only for the operational aspects but also for the local communities and landholders.

A total of 1,021.3 line kilometres were flown during the helicopter-borne survey, which included magnetics and radiometrics over a survey area covering the entire 93km² of the concession.

HIGHLIGHTS OF THE GEOPHYSICAL DATA INTERPRETATION

Three **first order target areas** have been delineated (see Figure 2):

1. **Rebeca Zone** - Linear NW-SE features (high amplitude anomalies) in magnetics highlight a number of veins, likely related to brittle failure, with potential lateral extent up to 3km. These features have not previously been drill tested.
2. **Myra-Lirina Veins** – magnetic depletion along structures associated with mapped veins, similar to the nearby Rebeca Zone.
3. **La Palmita Structure** – This is another NW-SE trending structural zone – in proximity to an interpreted intrusive contact zone - to the north of the Rebeca Zone that may be related to a concealed vein zone. It may be a continuation of the La Palmita vein, which has been mapped at the NW end of this trend.

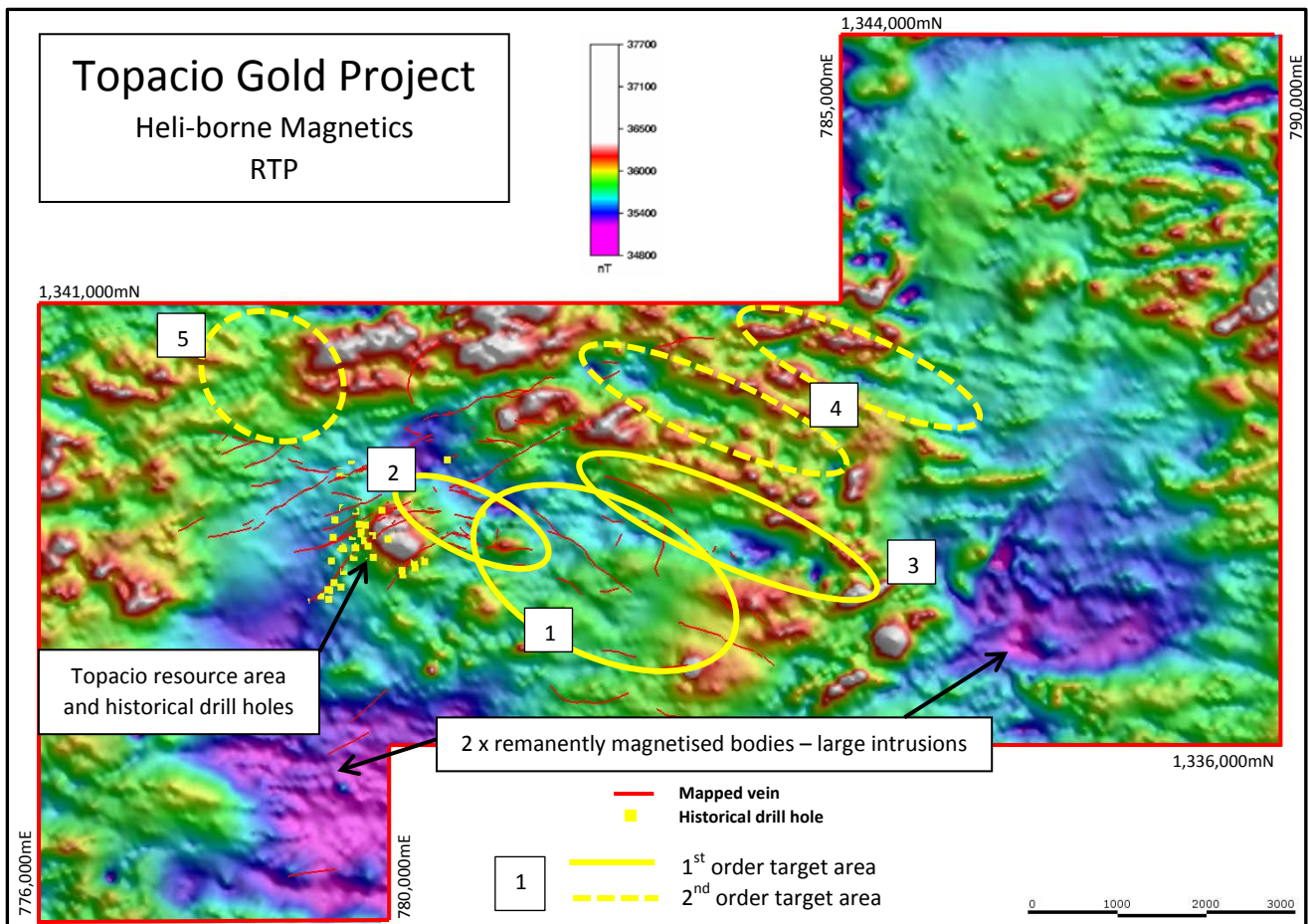


Figure 2 Topacio Project – Magnetic data

Two **second order target areas** have been identified (see Figure 2):

4. Two additional NW-SE trending features have been highlighted by the magnetics to the north and northeast of the Topacio-Rebeca vein areas. Their signatures suggesting possible concealed vein zones. Veins have not been mapped along these two features previously.
5. The magnetic signature of an area to the NW of the Topacio resource indicates the possibility of a previously unidentified vein zone. No veins are currently mapped within this area. The area is along strike to the NW of the Rebeca vein.

Two large remanently magnetised bodies have been identified in the SW and SE of the concession (Figure 2), interpreted as representing large intrusive bodies.

The radiometric data (Figure 3) displays some significant zones of potassium-rich alteration present in the Topacio Project area:

- **Rebeca Zone** (dashed area on Figure 3) – Strong pink shading in the area of the Rebeca Zone and also to the NE of the Topacio Vein, indicates prominent potassium-rich alteration zones.
- **Mico Vein** – The pink zones along parts of the Mico Vein indicate potassium-rich alteration associated with the emplacement of the vein. A magnetic depletion zone on part of the Mico Vein (Figure 3) maybe intrusion related or a large alteration zone.

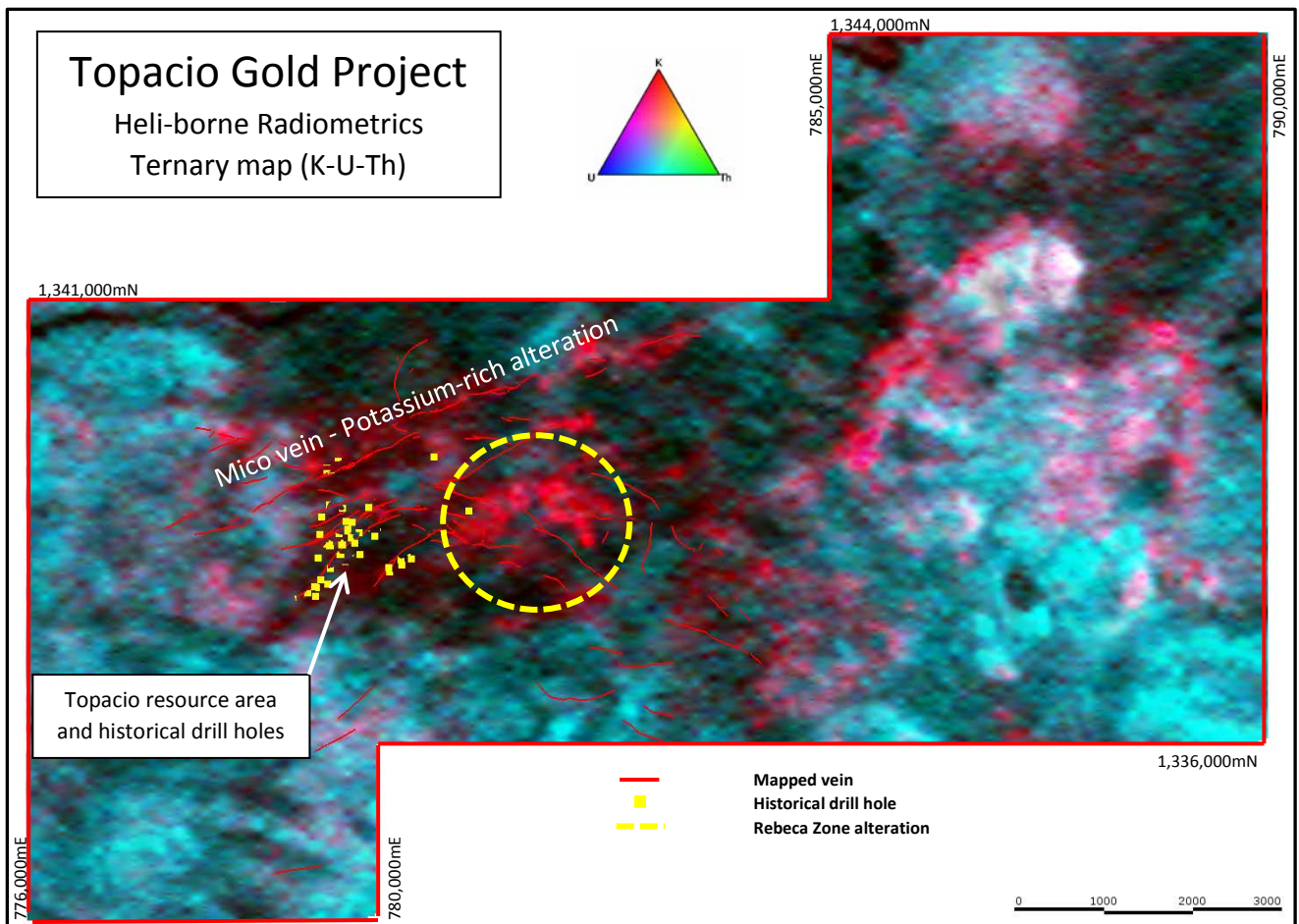


Figure 3 Topacio Project – Radiometric data

Next Stage

The key objective of the Stage 1 exploration program, which commenced in January 2016, is to identify highly prospective vein, alteration, geochemical, geophysical and structural targets for drill testing, scheduled to commence in the second half of 2016. The Stage 1 program, which has successfully achieved its objectives, included:

- ✓ Detailed geological mapping and sampling
- ✓ Concession-wide 400m x 400m grid soil sampling program
- ✓ Airborne geophysics – magnetics and radiometrics

A follow up program of detailed mapping around the Rebeca Zone, combined with closer spaced soil geochemical sampling (localised - down to a 200m x 50m grid), is currently being implemented with a view to refining and prioritising targets for drilling as soon as practicable.

Associated environmental studies required for drilling activities are also being initiated.

TOPACIO PROJECT BACKGROUND

Oro Verde holds an Option to Purchase Agreement over the high grade Topacio Gold Project, located in southeastern Nicaragua (Figure 1). Details can be found in the announcement to the ASX dated 27 February 2015³. The project contains 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 (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.

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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 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 25, 2015 with a subsidiary of global gold major - Newcrest Mining Limited (ASX: NCM) – to jointly explore for multi-million ounce gold deposits at Topacio. 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 STATEMENTS

The information in this document that relates to Exploration Results is based on information compiled by Mr Trevor Woolfe BSc Hons (Geol), who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Woolfe is the Managing Director and a shareholder of the Company, and is employed through consultancy Shordean Pty Ltd. Mr Woolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Woolfe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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. 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.

JORC Code, 2012 Edition – Table 1 (Completed by Oro Verde Limited)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad 	<ul style="list-style-type: none"> The airborne geophysical survey was conducted by an independent contractor with prior experience working in Nicaragua - New Sense Geophysics Ltd (Canada). The helicopter-borne survey incorporated high resolution magnetics and gamma ray spectrometry (radiometrics), covering the entire

³ Refer to ASX announcement dated 27 February 2015 “Oro Verde Proceeds to Acquire Topacio Gold Project”

Criteria	JORC Code explanation	Commentary
	<p>meaning of sampling.</p> <ul style="list-style-type: none"> • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>93km² of the Presillitas concession, which contains the Topacio Gold Project.</p> <ul style="list-style-type: none"> • A total of 1,021.3 line kms were flown, incorporating N-S lines at 100m spacing and E-W control lines at 1,000m spacing. The nominal flight height was 40m. Equipment used was a Scintrex CS-3 (magnetometer), 16L RS-500 (spectrometer) and TRA 3500 (radar altimeter), flown with a Bell 206 Jet Ranger (FA-233) (helicopter). • No drilling was undertaken in the current program
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • No drilling was undertaken in the current program
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • No drilling was undertaken in the current program
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • No drilling was undertaken in the current program
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • No drilling or sampling was undertaken in the current program.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • No drilling or sampling was undertaken in the current program. • The airborne geophysical survey was conducted by an independent contractor with prior experience working in Nicaragua - New Sense Geophysics Ltd (Canada). The helicopter-borne survey incorporated high resolution magnetics and gamma ray spectrometry (radiometrics), covering the entire 93km² of the Presillitas concession, which contains the Topacio Gold Project. A total of 1,021.3 line kms were flown, incorporating N-S lines at 100m spacing and E-W control lines at 1,000m spacing. The nominal flight height was 40m. Equipment used was a Scintrex CS-3 (magnetometer), 16L RS-500 (spectrometer) and TRA 3500 (radar altimeter), flown with a Bell 206 Jet Ranger (FA-233) (helicopter). • The geophysical equipment comprised one high-sensitivity Cesium-3 magnetometer mounted in a fixed stinger assembly, and a 1024-channel spectrometer with four downward-looking crystals (total 16L) and one upward-looking crystal (total 4L). The airborne ancillary equipment included digital recorders, a fluxgate magnetometer, a radar altimeter and a GPS receiver, which provided accurate real-time navigation and subsequent flight path recovery. Ground equipment included a magnetic base station with GSP time synchronization and a PC-based field workstation, which was used to check the data quality and completeness on a daily basis. The fully corrected magnetic and radiometric maps were prepared by New-Sense Geophysics Limited in their Toronto office, after the completion of the survey activities. • Sample Rates were as follows: Sample Rates Magnetometer: 0.02/0.1 sec (50/10 Hz) Radiometric: 1.0 sec (1 Hz) Base Magnetometer: 0.02/0.1 sec (50/10 Hz) Radar Altimeter: 1.0 sec (1 Hz) GPS: 0.1 sec for GPS

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No drilling or sampling was undertaken in the current program.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> A NovAtel state of the art OEM628 GPS board was used for navigation and flight path recovery. None of the geophysical data recorded in the current survey is to be used in future Mineral Resource estimation. While the Grid system used for field activities to date has been UTM Zone 16 with datum NAD27 Central, the geophysical survey was undertaken using WGS84 (World) and transformed to WGS84 UTM Z16N. Combined with the state of the art GPS positioning system described above, a radar altimeter was utilised to topographically control the data captured. With a 100m flight line spacing, the data had a grid cell size of 25m (1/4 of line spacing).
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> A total of 1,021.3 line kms were flown, incorporating N-S lines at 100m spacing and E-W control lines at 1,000m spacing. The nominal flight height was 40m. This geophysical survey method is not appropriate for resource estimation No drilling or sampling was undertaken in the current program.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> No drilling or sampling was undertaken in the current program.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No sampling was undertaken in the current program.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Digital data associated with this survey was subject to audit by New Sense Geophysics Limited. A second pass review of the data was undertaken by Newcrest Mining Limited geophysicists and consultants.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Topacio Gold Project is a Nicaraguan mining concession, known as Presillitas, held by Topacio S.A, and located approximately 200km east of Managua. Oro Verde Limited (OVL) holds an Option to Purchase Agreement over the concession through its 100% owned subsidiary Minera San Cristobal SA (MSC). In November 2015, OVL/MSC signed a farm-in agreement with Newcrest International Pty Ltd (Newcrest) (a subsidiary of Newcrest Mining Ltd of Australia) whereby Newcrest can earn up to 75% in the Topacio Gold Project through staged investments into the project. Newcrest and MSC will jointly explore the project, however MSC will continue to manage exploration activities on the project. Newcrest has the option to take over management of the project once it has reached 51% equity in the project, subject to expenditure milestones and other conditions. The concession is in good standing and no known impediments exist (see map elsewhere in this report for locations).
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration of the Topacio Gold Project has consisted of mapping, stream sampling, rock chip sampling, soil sampling, trenching, diamond drilling and feasibility studies in 3 main periods: <ul style="list-style-type: none"> 1980s – CPRM (Brasil) 1990s – Triton Mining (Canada) 2010-2013 – FDG Mining/Tango Gold (Canada) The latter group has produced resource estimates that are consistent with NI 43-101 (Canadian) standards. CPRM activities were undertaken at a time when compliance with standards such as JORC (Australian) and NI 43-101 (Canadian) did not exist. The quality of the data is thus difficult to appraise. Core samples from that phase of drilling are not known to be in existence. Triton activities were undertaken during the mid 1990's when

Criteria	JORC Code explanation	Commentary
		<p>quality control and QA/QC procedures and reporting standards were in the process of significant improvements. Information and data provided in Triton reports appears to be of reasonable quality, however OVL has not undertaken any specific checks, as trenches have been rehabilitated and core samples are not known to be in existence.</p> <ul style="list-style-type: none"> • FDG /Tango activities were undertaken under NI 43-101 guidelines and standards and are considered to be of reasonable quality. Core from FDG drilling is being stored in a secure location near the project area and is in reasonable condition.
	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Topacio Gold Project is a low sulphidation epithermal gold-(silver) vein type system (along with stockworks and brecciation) set in a sequence of tertiary volcanics – essentially of andesitic and basaltic composition. The project is located in the SE of Nicaragua in the province known as RACCS (South Caribbean Coast Autonomous Region). • The main veins are NE striking and dipping steeply and variably to the NW and SE. Other veins in the broader concession strike NW and are also steeply dipping. Veins are generally up to 3m wide but in places may blow out to widths of more than 20m.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • No drilling was undertaken in the current program
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No data aggregation methods have been applied
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • No drilling or sampling was undertaken in the current program.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Refer to maps and diagrams in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • The Company believes that reporting of results in this report is balanced.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • In addition to the current geophysics program, other technical work completed by OVL on the Topacio project includes reconnaissance rock chip sampling, geological mapping and soil geochemistry. Where relevant in the context of the geophysical program, these other programs are referred to in this report.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions, depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The Company is currently reviewing all available data on the project and formulating its ongoing work program in the context of results received from recent geological mapping, soil geochemistry and the pending airborne geophysical results. The activities are designed to provide sufficient information to define and prioritise targets for drill testing. • More detailed geological mapping/sampling and infill closer spaced soil geochemistry sampling is to be implemented on the highest priority target areas to better define some targets. • Preliminary indications of target areas being considered for further follow up are shown elsewhere in this report.