

**QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018****HIGHLIGHTS**

- ❖ **Withdraw from the Topacio Option Agreement.**
- ❖ **Changes to the Board.**

**ORO VERDE LIMITED
(ASX code: OVL)**

*An emerging resource
company seeking
new opportunities*

KEY PROJECTS - Nicaragua
San Isidro Gold Project

BOARD OF DIRECTORS**Executive**

Brett Dickson

Non-Executive

Tony Rovira

Marc Steffens

MANAGEMENT - NICARAGUA

David Turner - Country Mgr.

Jacques Levy - Legal Rep.

REGISTERED OFFICE

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WEBSITEwww.oroverde.com.au

Oro Verde Limited (ASX: OVL) (“Oro Verde” or “the Company”) is pleased to provide its Quarterly Report for the period ending **December 31, 2018**.

Withdrawal from the Topacio Option Agreement

During the quarter the Company”) advised that it had informed Topsa S.A., the vendor of the Topacio Gold Project (**Topacio**) in Nicaragua, of its immediate withdrawal from the Topacio Option Agreement.

In withdrawing from the agreement, the Board of Oro Verde was cognisant of the recent long-running civil unrest in Nicaragua and the US\$1.5 million (approx. A\$2.08M) acquisition payment that was due in February 2019 for Topacio.

The Company retains the San Isidro concession located next to the La India Gold Project and which contains a reported 2.3 million ounce gold resource, and three mineral concession applications surrounding Topacio.

Board Changes

During the quarter long service director Dr Wolf Martinick did not seek re-election at the Annual General Meeting and Dr Brad Farrell resigned. Mr Tony Rovira and Mr Brett Dickson continue to serve as board members. Interim CEO, Mr Doug Bright, also completed his service during December.

Dr. Marc Steffens was appointed a director on 30 November 2018. Dr Steffens is a minerals engineer with a PhD in metallurgy from the WA School of Mines. His experience covers a broad range of commodities and includes areas of project evaluation, project management and process development.

New Projects

Oro Verde continues its search for new project opportunities and, as previously advised on 2 August 2018, has appointed 1620 Capital as Corporate Advisor.

1620 Capital has an extensive network of contacts in the mining sector throughout Africa and will, amongst other activities, assist the company in

the identification of mining and exploration projects and provide ongoing understanding and analyses of project opportunities, as well as identification of strategic options for the Company.

Table 1 Summary - Oro Verde Mineral Tenement Interests

Common concession name	Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of Quarter
HEMCO-SID (San Isidro) – 1351	Nicaragua	Owned	100%	100%
Iguanas	Nicaragua	Approval pending	0%	0%
Galeano	Nicaragua	Approval pending	0%	0%
Tigre	Nicaragua	Approval pending	0%	0%

For enquiries contact:
 Mr Brett Dickson
 Company Secretary
 +61 8 9481 2555



Appendix 5B

Name of entity
ORO VERDE LIMITED
ABN
84 083 646 477
Quarter ended ("current quarter")
31 December 2018

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(47)	(175)
(b) development	-	-
(c) production	-	-
(d) staff costs	(114)	(203)
(e) administration and corporate costs	(156)	(261)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other - JV Advances	-	-
1.9 Net cash from / (used in) operating activities	(316)	(640)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	27	27
(b) tenements (see item 10)	-	29
(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)	-	-
2.6 Net cash from / (used in) investing activities	27	56

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,425
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(92)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,233
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,206	323
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(316)	(640)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	27	56
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,233
4.5	Effect of movement in exchange rates on cash held	(3)	(58)
4.6	Cash and cash equivalents at end of period	914	914
5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	881	1,173
5.2	Call deposits	33	33
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	914	1,206

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	70
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 directors fees, superannuation on directors fees and executive services;

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

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	27
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	127

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	Presillitos - 39 (Topacio)	Option to acquire 100%	0% Option to acquire	0% Option terminated
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-			

Refer to Table 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: 29 January 2019

Print name:

Brett Dickson