



QUARTERLY REPORT FOR THE PERIOD ENDING 30 JUNE 2018

ORO VERDE LIMITED (ASX code: OVL)

*An emerging resource
company
focused on Nicaragua*

KEY PROJECTS - Nicaragua

Topacio Gold Project
San Isidro Gold Project

BOARD OF DIRECTORS

Executive

Brett Dickson - Finance Dir

Non-Executive

Wolf Martinick - Chairman
Tony Rovira
Brad Farrell

CHIEF EXECUTIVE OFFICER

Doug Bright

MANAGEMENT - NICARAGUA

David Turner - Country Mgr.
Jacques Levy - Legal Rep.

REGISTERED OFFICE

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AUSTRALIA
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WEBSITE

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HIGHLIGHTS

- ❖ Completed standardization of all exploration data.
- ❖ Galeano Concession Applications approval moves forward

Oro Verde Limited (ASX: OVL) ("Oro Verde" or "the Company") is pleased to provide its Quarterly Report for the period ending 30 June, 2018. Milestones achieved during the Quarter in Nicaragua were:

- **Completion of major program of data compilation and standardization of all historic and Company trenching and drilling results, in preparation for a total re-evaluation of the Topacio Resource figures to JORC standards.**
- **New Galeano Group Concession applications receive local municipal approval.**

Full Compilation and Standardization of all Exploration Data

The majority of work during the Quarter comprised finalizing compilation of the various disparate exploration databases from previous operators of the Topacio Project (CPRM, Triton and FDG) into the OVL/MSC standardized formats, prior to commencement of full re-evaluation of the 2012 FDG resource calculations and proposed new Topacio resource recalculation, intended to include all the major prospective quartz veins tested to date.

Topacio Lease Extension negotiations

On **March 1**, OVL/MSC commenced negotiations with Topacio S.A. ("TopSA"), the Lessees of the Presillitas Concession containing the Topacio Project, regarding Extension of the Company's option to acquire the project, due to expire on **August 19, 2018**, at the same time also raising an additional objective whereby the Company could enter into small-scale gold production, in parallel with continuing exploration.

An initial Strategic Plan relating to the proposed small-scale production was developed and delivered to TopSA for their review on **March 15**. Discussions concerning the option extension are continuing.

New Galeano Group Concession Applications (Galeano, Tigre and Iguanas) (Figure 1)

Over the past two years, applications have been submitted by MSC/OVL for these three concessions adjacent to the Topacio Project.

A Certification, dated **February 16**, was presented to MSC by the local MDLB Municipality giving their approval of these three new concessions.

During the first week of **April**, an MSC-requested re-worded certification specifically naming the Iguanas, Galeano and Tigre concession applications was obtained by MSC from the MDLB Alcaldia and later delivered to MEM-DGM who informed MSC that the applications would be approved (signature from the Minister of MEM) in **April**. However, as at **June 30**, final approval is still pending.

Upon final approval, Oro Verde’s ground position in the Topacio region would increase by approximately 240%, from 93km² to 316km².

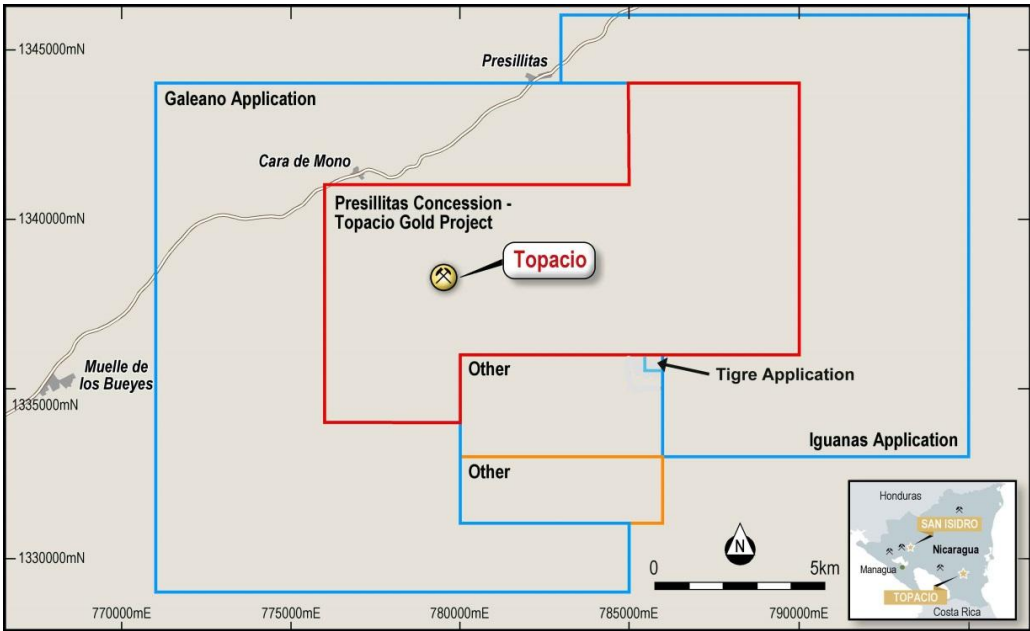


Figure 1 - Topacio Project (red) & Iguanas, Galeano and Tigre applications (blue)

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
<i>HEMCO-SID (San Isidro) – 1351</i>	Nicaragua	Owned	100%	100%
<i>Presillitas (Topacio) - 39</i>	Nicaragua	Option	0%	0%
<i>Iguanas</i>	Nicaragua	Approval pending	0%	0%
<i>Galeano</i>	Nicaragua	Approval pending	0%	0%
<i>Tigre</i>	Nicaragua	Approval pending	0%	0%

Nicaraguan Civil Unrest

On **April 16**, official public notification was given regarding the Nicaraguan Government's proposal to raise social security (INSS) withholdings from both employees and employers, while at the same time reducing pension amounts to retired workers, beginning in **July 2018**.

This has created considerable civil unrest in Nicaragua, with numerous protests and riots, beginning on **April 19**. While the proposed changes to the social security regime have since been withdrawn by the Government, demonstrations have continued through the end of April which include demands for the removal of President Daniel Ortega and his wife, Vice President Rosario Murillo.

Security factors during **May** and **June** remained an issue throughout Nicaragua, and especially in Managua, as a result of continuing marches, protests and increasing numbers of road-blocks nationwide. An unofficial 6PM curfew has been in place within Managua since the last week of May.

As of **May 14**, it has not been possible to access the Topacio Project or San Isidro Projects overland from Managua due to multiple road-blocks. However, since **July 14**, there has been some improvement, with a re-opening of the roads from Managua to Muelle de los Bueyes and the Topacio Project site, and the Company remains hopeful of a normalisation of affairs.

This unrest has meant that Oro Verde has not been able to access either of its Topacio or San Isidro Projects for the bulk of the June Quarter and the Company has confined its activities to its respective city and field offices.

New Opportunities

Oro Verde maintains an active project consideration-and-review process in the search for additional resource opportunities to enhance its existing portfolio, especially gold-silver-copper projects, both within and beyond the immediate existing Nicaraguan project areas.

TOPACIO GOLD PROJECT BACKGROUND

On 27 February 2015¹, Oro Verde announced the completion of a positive due diligence and acceptance of an Option to Purchase Agreement ("the Option") over the high grade Topacio Gold Project in south-eastern Nicaragua (Figure 4). The project hosts 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^{2&3}.

Oro Verde and Newcrest entered into a farm-in Agreement in November 2015². The Agreement was terminated and Newcrest withdrew in August 2017⁴ and Oro Verde resumed total control of exploration of the Topacio Project during the September Quarter.

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 in accordance with the Australian JORC code. A defined Competent Person has not yet undertaken sufficient work to classify this foreign estimate as a mineral resource in accordance with the Australian JORC code and, at this stage, it cannot be stated with certainty that, following evaluation and/or further exploration work, the foreign estimate will be able to be reported as a mineral resource in accordance with the JORC code.

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

² Refer to ASX announcement dated 11 November 2014 "Acquisition of High Grade Gold Project"

³ Refer preceding disclaimer relating to National Instrument 43-101 in "UPCOMING ACTIVITIES", above

⁴ Refer to ASX announcement dated 11 August 2017 "Oro Verde Resumes Exploration Control of High Grade Topacio Gold Project"

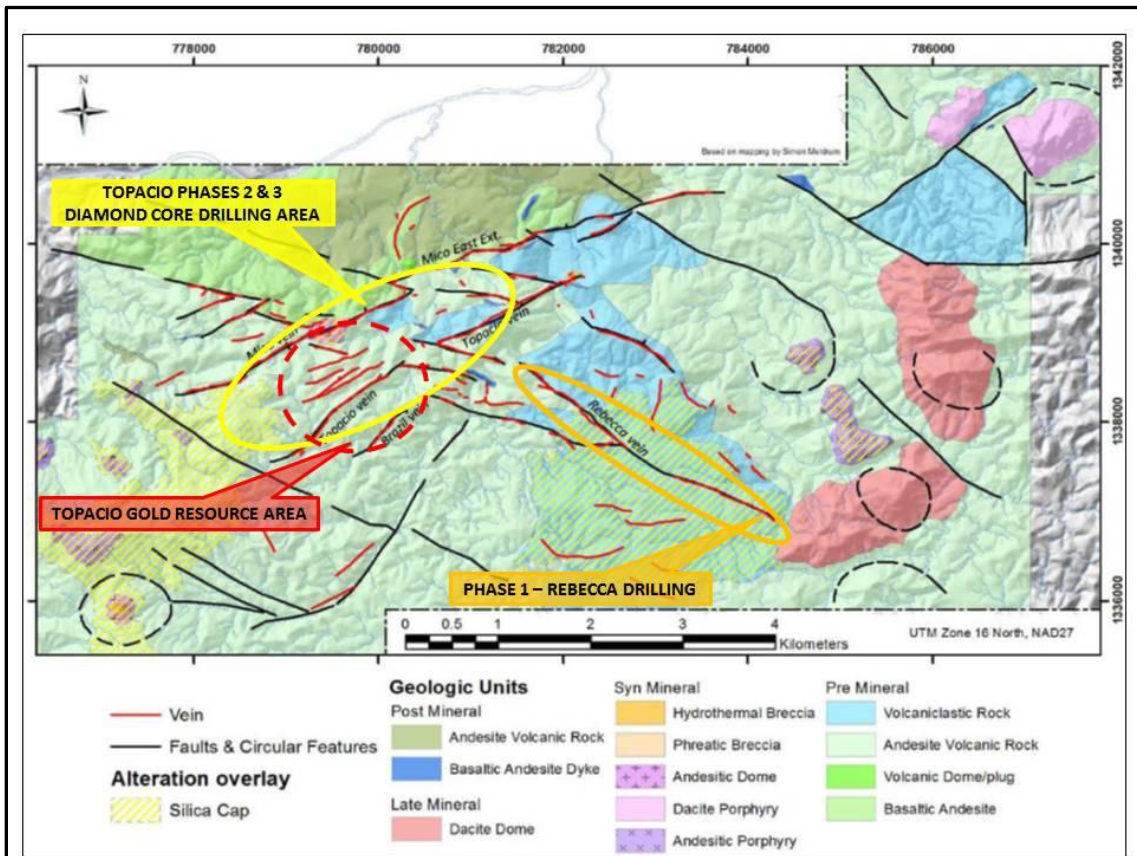


Figure 2 - Topacio Gold Project: Phases 1-3 Diamond-core drilling areas

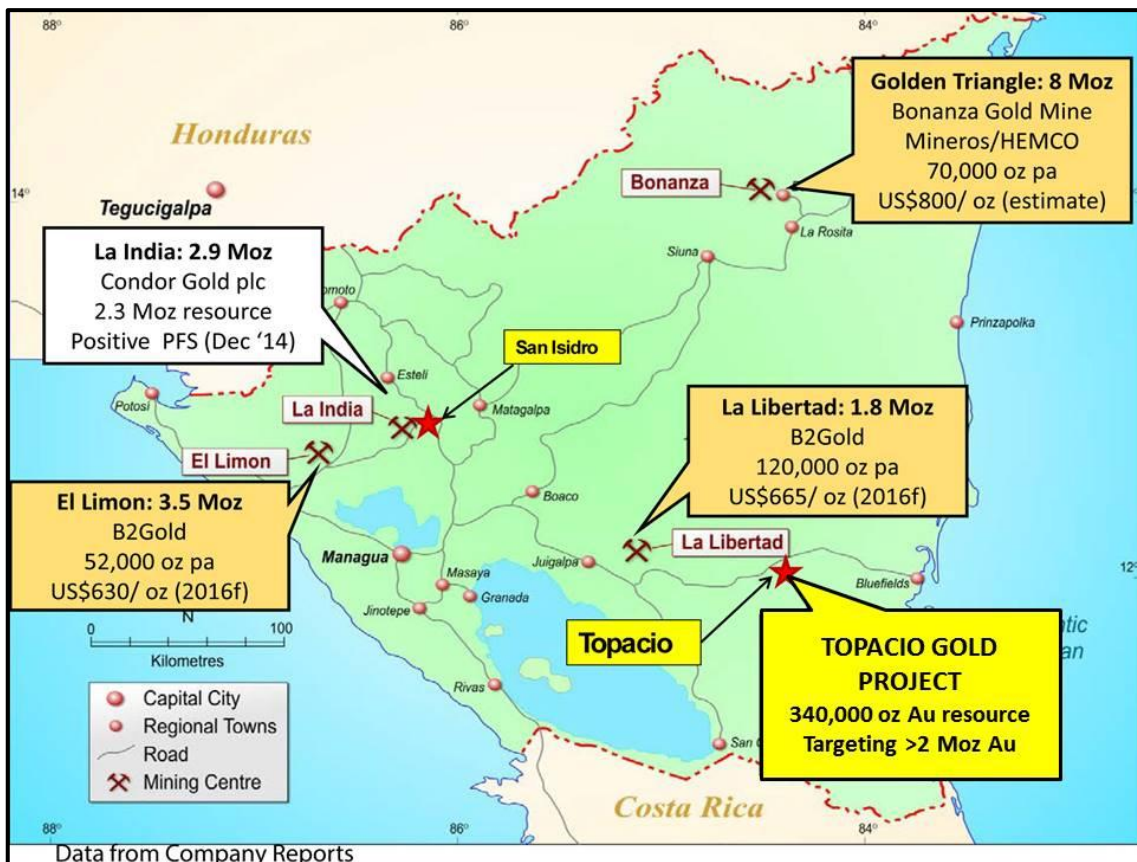


Figure 3 - Major Nicaraguan Gold Projects and the Oro Verde projects (yellow)

For enquiries contact:
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Mr Brett Dickson
Company Secretary
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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 currently contains a NI 43-101 compliant Inferred Mineral Resource of 340,000 ounces of gold. Oro Verde also holds 100% of the early-stage San Isidro Gold Project in Nicaragua, located adjacent to the 2.3 million ounce La India gold project.*

COMPETENT PERSON STATEMENT

The information in this report that relates to previously reported Exploration Results has been referred to throughout the report to the date that it was originally reported to ASX. 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. 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.

Appendix 5B

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

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(100)	(804)
(b) development	-	-
(c) production	-	-
(d) staff costs	(83)	(468)
(e) administration and corporate costs	(84)	(401)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	-	-
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	(267)	(1,671)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	(120)
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(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)	-	(18)
2.6 Net cash from / (used in) investing activities	-	(139)

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	296	1,649
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	50
3.4	Transaction costs related to issues of shares, convertible notes or options	(38)	(38)
3.5	Proceeds from borrowings	100	400
3.6	Repayment of borrowings	-	(305)
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	358	1,756
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	238	542
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(267)	(1,671)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	358	1,756
4.5	Effect of movement in exchange rates on cash held	(6)	(165)
4.6	Cash and cash equivalents at end of period	323	323
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	290	205
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)	323	238

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	22
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 \$79,000 in fees to executive directors;

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	100	100
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	80
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	180

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	-			
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: 25 July 2018

Print name:

Brett Dickson