

23 March 2012

CHUMINGA DRILLING UPDATE – NEW RIG TO IMPROVE PROGRAM EFFICIENCY

Oro Verde Limited (ASX: OVL) (“the Company” or “OVL”) advises it has taken steps to improve drilling rates and, importantly, core recovery and core condition at its Chuminga Copper Project in Chile.

The first core hole in the program was recently completed and returned 61m @ 0.90% Cu, 0.15 g/t Au for the copper and iron oxide breccia mineralization intersected over the interval 65 to 126 metres (announced 20 March 2012).

OVL has replaced the drilling unit and drilling system at site and an improvement in productivity and importantly core recovery and core condition should result from this action. Drilling is expected to resume today.

Swapping the drilling rig has resulted in a temporary stop to drilling SB2, the second hole on Section B, so that the pad can be enlarged to accommodate the new and larger rig (see photo attachment). To avoid further delays in the drilling program, the rig will commence drilling the remaining holes of the planned drill program and return to hole SB2 when the drill pad is ready. Drill hole SA1, on Section A, the next to be drilled, will target the same wedge of copper-iron oxide breccia mineralisation seen in SB1.

The Company has taken the opportunity during the change-over of rigs to attend to further slope stabilisation of road access and pads, and to improve the water supply to drill sites by building a pipeline and pool system which will be more efficient and less costly than current uphill tractor water cartage. These improvements will also benefit proposed Stage 2 drilling which is scheduled to be undertaken once the results of the current drilling campaign have been assessed.

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

“I am pleased that we have managed to find a high quality replacement rig so quickly. The more powerful rig with improved drilling system should lead to better core recovery and overall efficiencies that should also result in reduced costs.”

ENDS

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Arrival of new core drilling rig, Chuminga.

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 600 to 700 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 400 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.

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).