

11 June 2012

## **CHUMINGA PROJECT CHILE**

### **Update on Drilling Operations**

#### **Highlights**

- **Hole SC1 intersects 34 metres of 0.61% Cu and 0.08 g/t Au**
- **Consistent, though lower copper grades encountered, than previous holes throughout the 79 metres of intersected mineralised breccia**

Oro Verde Limited (ASX:OVL) ("the Company or OVL") is pleased to announce the results of the third diamond drill hole in the Chuminga Project, SC1, that intersected 79.3 metres of visual copper mineralisation.

As per the ASX announcement of 16 May 2012, third diamond drill hole SC1, on Section C, (7268850mN 343573mE, 696m ASL elevation, a vertical hole) targeted the same copper-iron oxide breccia mineralisation seen in the first diamond core hole SB1 on Section B, 32 metres to the south of SC1, which assayed 61 metres @ 0.90% Cu, 0.15 g/t Au and was noted to be thickening down dip from surface to the east, refer attached plan and sections of drilling to date.

SC1 was completed at 143.55 metres depth on Monday 14 May, and intersected 79.3 metres of copper and iron oxide breccia mineralisation in a highly altered granodiorite from 55.4 metres to 134.7 metres depth. All split 1 metre core interval samples over the interval, 52 to 144 metres, with inserted external standard samples to monitor laboratory precision and accuracy, were sent to Activation Laboratories in Coquimbo, Chile for analysis for; Au by fire assay/AAS on a 30gm sample weight and Ag, Cu, Pb, Zn by AAS following a 4 acid "total" digestion.

The only elements of significance from the received assay results for SC1 are copper (Cu) and gold (Au), refer summary Table 1 below of elemental value ranges encountered in the significant 34 metre mineralised interval, 75 to 109 metres, at >0.5% Cu cut off. Copper values range from 0.14% to 1.35% Cu, and gold values range from 0.02g/t to 0.31g/t Au.

| #Element | Minimum Content | Maximum Content |
|----------|-----------------|-----------------|
| Cu %     | 0.14            | 1.35            |
| Au g/t   | 0.02            | 0.31            |
| Ag g/t   | 0.20            | 4.90            |
| Pb ppm   | 1               | 9               |
| Zn ppm   | 22              | 51              |

# Elemental ranges in the 34m significant mineralised interval, 75 to 109 metres at >0.5% Cu cut off.

**Table 1. Summary Elements in SC1 mineralised core.**



2.

Table 2 below provides a summary of the significant results of the analysed SC1 core at various Cu cut off grades.

| <b>Cu cut off</b> | <b>From (m)</b> | <b>To (m)</b> | <b>Interval</b> | <b>Cu</b> | <b>Au</b> |
|-------------------|-----------------|---------------|-----------------|-----------|-----------|
| <b>&gt;0.50%</b>  | 66              | 67            | 1               | 0.66      | 0.03      |
|                   | 70              | 73            | 3               | 0.52      | 0.03      |
|                   | 75              | 109           | 34              | 0.61      | 0.08      |
|                   | 111             | 114           | 3               | 0.55      | 0.06      |
|                   | 116             | 122           | 6               | 0.62      | 0.04      |
|                   | 124             | 125           | 1               | 0.79      | 0.21      |
|                   | 127             | 128           | 1               | 1.00      | 0.07      |
|                   | 130             | 131           | 1               | 0.51      | 0.16      |
|                   | 133             | 135           | 2               | 0.76      | 0.09      |
| <b>&gt;0.75%</b>  | 70              | 71            | 1               | 0.83      | 0.02      |
|                   | 88              | 89            | 1               | 1.03      | 0.2       |
|                   | 94              | 95            | 3               | 1.03      | 0.12      |
|                   | 100             | 103           | 3               | 0.94      | 0.12      |
|                   | 117             | 118           | 1               | 0.78      | 0.08      |
|                   | 124             | 125           | 1               | 0.79      | 0.21      |
|                   | 127             | 128           | 1               | 1.00      | 0.07      |
| <b>&gt;1.00%</b>  | 88              | 89            | 1               | 1.03      | 0.21      |
|                   | 94              | 95            | 1               | 1.12      | 0.16      |
|                   | 100             | 101           | 1               | 1.35      | 0.15      |
|                   | 127             | 128           | 1               | 1.00      | 0.07      |

**Table 2. Significant results of SC1 analysed core at various Cu cut off grades.**

The results in Table 2 reflect only the significant, copper and iron oxide breccia mineralisation intervals at various Cu cut off grades in the previously reported 79.4 metres of visual mineralisation intersected in hole SC1 from 55.4 metres to 134.7 metres depth. The most significant of these intervals is at the 0.50% Cu cut off grade; the 34 metres of 0.61% Cu and 0.08 g/t Au over the down hole interval, 75 to 109 metres.

As a generalisation, the above results are also representative of the grades which were recorded in holes SA1 and SB2, notwithstanding the tenor of the results are lower, as there is again an apparent general consistency of values (ie few outlier high and low values) within the range of Cu and Au values encountered as per the recent and historical reported trenching and adit sampling programs.

For enquiries contact:

Dr Wolf Martinick  
Chairman / Managing Director  
0614 179 42466

Brett Dickson  
Company Secretary  
61 8 9481 2555

John Traicos  
General Manager  
0417 885 279

## 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<sup>#</sup>. The mineralized body is generally tabular, dipping 60° to 70° 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.(Refer Note at end of below).
- 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 immediate 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 40° 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 12 hole / 2,140 metres drilling program is testing an approximate strike of 300m of the mineralised breccia exploration target on 4 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 mineralisation 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 mineralisation intersected over the interval 65 to 126 metres. The mineralisation appears to be thickening down dip from the surface.
- Second core hole in the program, SA-1, returned 18m of 0.98% Cu, 0.13 g/t Au for the copper and iron oxide breccia mineralisation intersected over the interval 98 to 116 metres.
- Third core hole in the program, SC-1, returned 34m of 0.61%Cu, 0.08 g/t Au for the copper and iron oxide breccia mineralisation intersected over the interval 75 to 109 metres.
- Fourth core hole in the program, SD2, intersected 60.6m of copper and iron oxide breccia mineralisation over the interval 48 to 108.6 metres. Results are pending from the laboratory.
- Four key holes have now been drilled at Chuminga as vertical holes on four sections (A, B, C and D). A further two angle holes are planned on each of these sections subject to a change out of the current drilling rig to achieve this and an analysis of the results of the four holes drilled to date, refer attached plan and sections.

# 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.

Note: 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 mineralisation 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).



