

INITIAL 20% INTEREST IN MAKUUTU RARE EARTHS PROJECT ACQUIRED AND CAPITAL RAISING

Key Highlights

- **Oro Verde moves to an immediate 20% interest in the Makuutu Rare Earths Project, retaining the right to earn up to 60% of the Project**
- **Globally significant Exploration Target announced last week with drilling to commence this month to further advance the Project**
- **Placement of \$0.75 million completed to professional and sophisticated investors**

On 5 July 2019 **Oro Verde Limited (ASX: OVL)** ("Oro Verde" or "the Company") announced it had entered into an agreement to acquire up to a 60% interest in the Makuutu Rare Earths project (**Makuutu**). The Company is pleased to advise that it has now acquired an initial 20% interest in Ugandan company Rwenzori Rare Metals Limited (**Rwenzori**) which holds 100% of Makuutu.

The Makuutu project geology is similar to the southern China ionic clay-type deposits, which are the cheapest and most readily accessible source of Heavy Rare Earth Oxides (**HREO**). Ionic clay Rare Earth Projects vary markedly from hard rock Rare Earth projects in that, typically, rare earths can be recovered from the mineralisation using mild leaching conditions and generally present practical processing advantages. These types of deposits are uncommon outside of China and for that reason makes Makutu a strategic asset.

The Company recently released a significant Exploration target for Makuutu of (ASX: 4 September 2019):

270 – 530 million tonnes grading 0.04 – 0.1 % TREO*

*This Exploration Target is conceptual in nature but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Diamond drilling, also known as core drilling, is set to commence at Makuutu shortly with the primary objectives of collecting samples for metallurgical test work and increase and enhance geological data.

Oro Verde will shortly increase its interest in Makuutu to 31% by contributing US\$650,000 to initiate an aggressive exploration program (see ASX announcement of 5 July 2019). Along with existing cash, the Company has secured funding of approximately A\$750,000 (before costs) through a share placement to clients of Paterson's Securities Limited and Sixty Two Capital Pty Ltd to assist with this funding commitment. A total of 125 million fully paid ordinary shares will be issued at a price of \$0.006 utilising the Company's existing placement capacity pursuant to Listing Rule and 7.1A.

Dr Marc Steffens commented *“The Company now has an initial 20% interest, and shortly 31%, in the Makuutu Project which has the potential to be one of the largest ionic clay rare earth projects outside of China. We are about to commence a significant drilling program that will further increase our geological confidence in the deposit and provide mineralisation samples for ensuing metallurgical test work. We look forward to keeping the market informed as we add value through exploration and development, and increase our interest in Makuutu where we have the ability to earn up to a 60% interest”.*

This announcement ends the current trading halt.

***** ENDS *****

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Competent Persons Statement

Information in this report that relates to previously reported Exploration Target and Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Oro Verde Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.