

## Orosur Mining Inc.

Orosur has announced an update on the progress of Minera Anzá's drilling campaign that is currently underway at the Company's Anzá project in Colombia. Assay results for four additional diamond drillholes, MAP-079, 080, 081 and 082, include significant high-grade gold intersections: 23.75m @ 17.40g/t Au (including 0.4m @ 948g/t Au) and 29.45m @ 2.50 g/t Au. Having all but completed the preliminary 2,300m drill program, valuable guidance has been gained with respect to the nature and distribution of the mineralisation at APTA that will permit future drilling to be more efficiently targeted. With the number of rigs on-site having risen to five following the Board's 22 February 2021 decision to move into the next phase with a new 7,000m program, it hopes shortly to be able to develop a more detailed understanding of the prospect's polymetallic mineralisation as the substantial sample backlog that is currently being held back by COVID-19 related laboratory delays is cleared gradually over the coming weeks and months.

### Substantial sample backlog

With five diamond rigs operating at the APTA prospect, close to 6,000m has been drilled since November 2020 across 18 holes, both completed and underway. This has been focussed on a combination of understanding the geological controls upon mineralisation, expansion of the mineralised zones, and infill drilling to demonstrate continuity. Although visually these continue to appear positive, assay results presently remain hindered due to COVID-19 related staff shortages at the ALS laboratory in Peru, which now has over 2,000 samples awaiting processing. Although throughput had begun to improve in February and March, Peru, like most countries in the region, is now experiencing a major third wave of the Pandemic and, as a result, turnaround times are well in excess of previous delayed schedules. There is no indication that this will improve in the near term.

### APTA – A polymetallic, gold rich VMS deposit?

The Orosur team is now developing a greater understanding of APTA, including its nature and paragenetic (geological and structural) controls that had been left unanswered during older campaigns by previous companies. Over 18,000m was drilled by Waymar Resources prior to it becoming part of Orosur in late 2014, however subsequent work by Orosur determined that much of this work was oriented down dip and, although these holes often returned superficially attractive assay results, they did not provide sufficiently reliable geological information to fully understand the nature of the mineralisation or to allow accurate targeting/efficient expansion drilling. The current program was therefore designed to address outstanding orientation and structural questions, as well as to provide insight into the style of mineralisation with a focus on the potential for a hybrid polymetallic VMS/Epithermal model.

Having engaged international mining consulting firm CSA Global (UK) ('CSA') to advise in an external expert capacity, its first task has been to carry out an analysis of all previous drilling to ensure that it was completed in a manner consistent with the Canadian standard NI43-101 and thus amenable to be included in a resource estimate in the future. Positively in this respect, CSA has noted that all work undertaken was of a high standard and, with some minor modifications, will be amenable for inclusion when warranted.

### Expanding field work across the wider licence package

Given the success of its chosen operating protocols, Orosur has taken the decision to expand its regional field work across its wider licence package in order to identify targets for future

#### Stock Data

Share Price:	16.50p
Market Cap:	£31.1m
Shares in issue:	188.4m
52 week high/low:	45.99p/1.81p

#### Company Profile

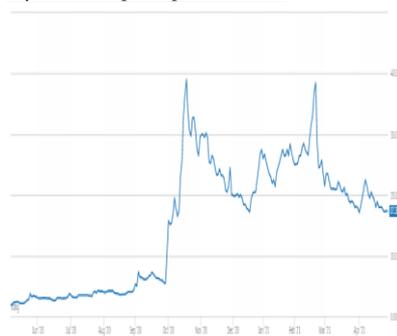
Sector:	Gold Mining
Ticker:	OMI
Exchange:	AIM, TSX

#### Activities

Orosur Mining Inc. ('Orosur', 'the Company', 'OMI') is a South American-focused gold developer and explorer.

Company website: [www.orosur.ca/](http://www.orosur.ca/)

#### 1-year share price performance



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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follow up. The licence and application package at Anzá contains over 20km of strike of the Aragon Fault, which is thought to control mineralisation at APTA, together with a potentially a similar strike length of the N-S Tocuman Fault that may be the primary conduit from the La Cejita intrusive complex to the north of APTA. Almost all exploration work undertaken so far, however, both by the Company and previous operators, has been focussed on roughly 500m strike at the APTA prospect with some minor work at Charrascalá. As such, given that much of the remainder of the licence package remains essentially untouched, several regional programs are now underway or planned:

- Bulk Leach Extractable Gold ('BLEG') sampling programs have been underway across the wider APTA licence and surrounding areas for some weeks. BLEG is a sampling method capable of detecting extremely low levels of gold and is a broad scale regional tool for identifying attractive zones for further follow up.
- Detailed geological mapping and sampling has been ongoing across the APTA licence for some months. The scope of this work is to better understand the local lithology and structures that are controlling mineralisation in the APTA area.
- Several field teams have mobilised to the NE of the project area, outside the APTA licence, which is postulated to host the NE extension of the Aragon Fault, to conduct major mapping and sampling programs.

### Sample Drilling Intercepts

While noting that drillholes MAP-080 and MAP-081 contained no significant intersections, sample high grade results from MAP-079 and MAP-082 have been detailed below,

#### Diamond Drill Hole Sample Intersections<sup>1</sup> including New Holes: MAP-079, MAP-082

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)
<b>MAP-079</b>	<b>252.90</b>	<b>254.90</b>	<b>2.00</b>	<b>2.67</b>	<b>1.22</b>	<b>1.58</b>
including	253.70	254.10	0.40	7.98	1.9	0.91
<b>MAP-079</b>	<b>270.45</b>	<b>294.2</b>	<b>23.75</b>	<b>17.40</b>	<b>1.84</b>	<b>0.19</b>
including	271.00	271.40	0.40	948**	57.7	0.7
including	271.40	271.80	0.40	11.60	1.01	0.02
<b>MAP-082</b>	<b>227.20</b>	<b>256.65</b>	<b>29.45</b>	<b>2.50</b>	<b>1.95</b>	<b>1.08</b>
including	236.75	237.05	0.30	3.99	1.68	0.56
including	245.65	251.10	5.45	11.42	6.89	4.60

*\* Intersections are reported as down-hole widths. The Company does not yet have sufficient drilling information to accurately calculate true widths of drill hole intersections. \*\* Initial assay of this sample returned 1000g/t Au. The intersection was re-sampled and re-assayed using a screen fire assay method to assess and if necessary, remove the impact of nugget effect.*

*Source: Orosur, [RNS of 4 May 2021](#)*

### Presenting both opportunity and challenge

The emerging picture of APTA is as a polymetallic, gold rich, VMS deposit. Although exploration still remains at an early stage, the quite exceptional grades that have already emerged, coupled with potential size plus polymetallic nature, offer scope for both an extended life-of-mine and positive project economics. As Orosur's Chief Executive, Brad George, noted on 22 February 2021, this presents both opportunity and challenge. Metal zoning issues might be seen to complicate mine planning, while recovery of precious metals from such deposits has also not always proved to be easy. That said, solutions can be found through modern, technological approaches. The application of sulphide flotation, for example, has improved significantly as a result of updated process (such as Glencore Technologies' Albion process), the use of different reagents and more sensitive monitoring technology, which together create potential to increase recoveries beyond 80%.

In this respect, possibly one of APTA's key planning takeaways is that it needs to demonstrate a high enough metal value/tonne to support underground mining, as it is considered that an open pit is now unlikely to be successfully permitted on Colombia's Mid-Cauca belt. This has already been demonstrated with major low-grade porphyry projects like, for example, AngloGold Ashanti's La Colosa that is ultimately likely to be abandoned on such grounds, as was Greystar Resources' seemingly ill-fated Angostura gold deposit which similarly stalled a decade or so back. Contrasting with the relatively dry condition of the naturally draining Altiplano region of Chile, these projects found themselves located in a rugged, hot and wet part of Colombia, meaning that not only would the 'scar'

that such surface mining creates on the landscape raise the hackles of environmentalists, but they also create complex and expensive problems when dealing with waste and tailings disposal in an ecological manner. Moreover, APTA's ore has a high sulphide content which becomes mixed with rainfall in the region's ambient temperatures, suggests acid drainage could also become an issue. Such problems of course do not arise when working underground, given that there is little surface footprint and almost no waste given that all tailings are simply pumped back underground as backfill.

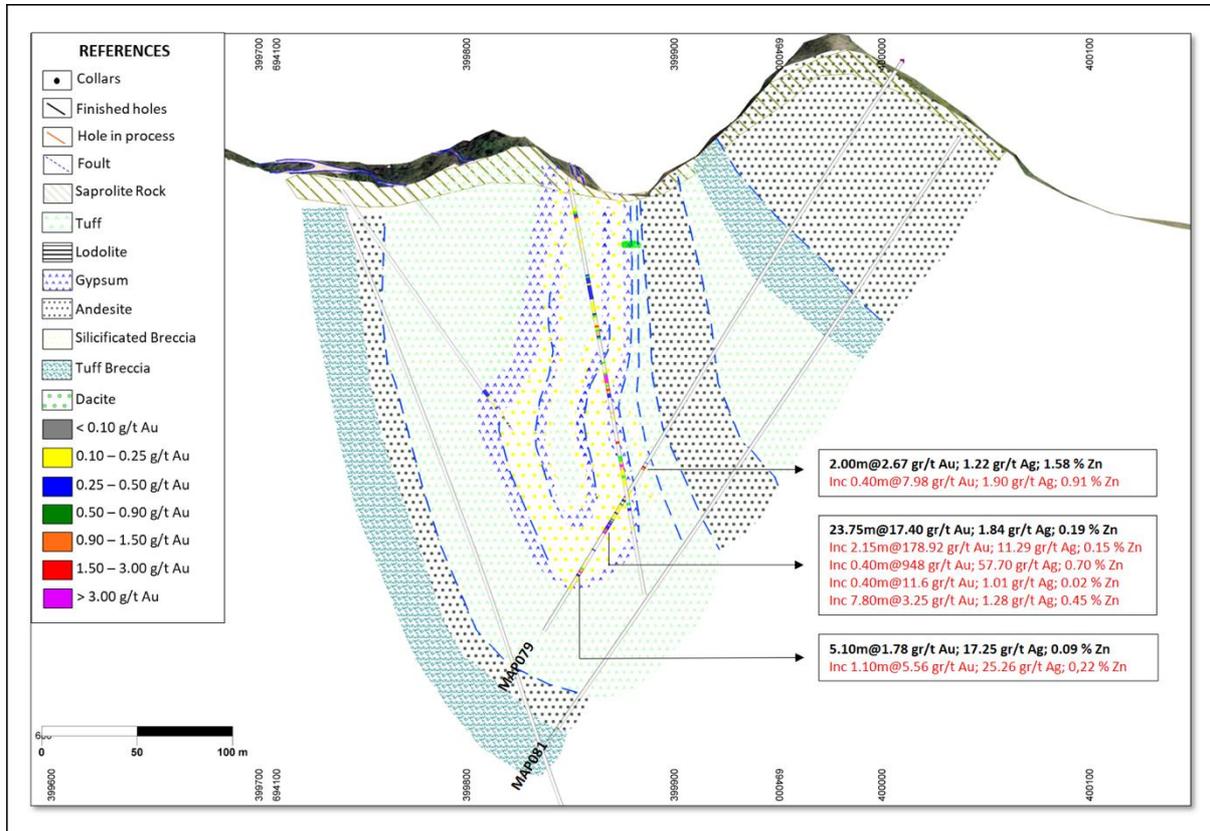
### **Orosur now has limited execution or funding risk**

As part of the private placement Orosur completed on 30 November 2020, Newmont was granted a right to participate in future equity offerings of Orosur in order to maintain its ownership level at 19.9% (following the Placing, Newmont's participation was cut to 15.6%). The Exploration and Option Agreement originally entered into includes a three-phase earn-in structure to earn up to 75% through a minimum commitment of US\$30.0 million in qualifying expenditures over twelve years, completing a NI 43-101 compliant feasibility study while making cash payments to Orosur totalling US\$4.0 million during phases 1 and 2. Most recently, for example, on 10 November 2020, Orosur received the sum of US\$582,170, from Minera Monte Águila S.A.S. ('Monte Águila'), the new name for Newmont Colombia SAS, a Colombian company that is a 50:50 JV between Newmont and Agnico Eagle Mines Limited ('Agnico', NYSE:AEM, TSX:AEM), in connection with maintaining the earn-in rights pursuant to the Option Agreement. Given that the Company had a cash balance of US\$7.6 million as at 13 April 2021, following net cash generated from its 7 December 2020 Placing, plus warrant/option exercises along with existing cash/receipt of remaining instalments, TPI considers this will be sufficient to carry Orosur through to the completion of a pre-feasibility study for APTA. Today's news provides not only further verification of previous drill results and a greater understanding of the geological structure, but also sufficient confidence for management to not only complete current drilling but also expand field work across the wider licence package.

Realistically, Monte Águila will wait for Minera Anzá to complete the planned 2,400m over eight holes plus the next 7,000m program and then comprehensively analyse the data generated, following which it could then take a formal decision to assume operational control of the Anzá Project. On this basis, its participation could potentially be increased to a majority within 18 or so months thereafter. In this respect, the Board's decision to work hard to ensure that the campaign should not be unduly hindered by the Pandemic most certainly appears to be in shareholder's best interests, particularly when considering drilling results reported by Los Cerros Limited (ASX:LCL) whose nearby Quinchia Project in the Mid-Cauca gold belt on 21 January 2021 reported latest drilling from its Tesorito South porphyry target returning its strongest gold intercept ever recorded, including 102m @ 2.11 g/t Au from 28m. This further demonstration of the region's exceptional prospectivity resulted in Los Cerros' share price spiking some 50% on the news. Given the resounding verification delivered by recent drilling, together with the Board's expectation that the remaining assays will produce similar polymetallic gradings and widths, the Anzá Project appears capable of driving strong mining economics. On this basis, TPI considers a positive decision from Agnico & Newmont could potentially be delivered within the next 12 to 18 months which, in turn, would add considerably to Orosur's current valuation.

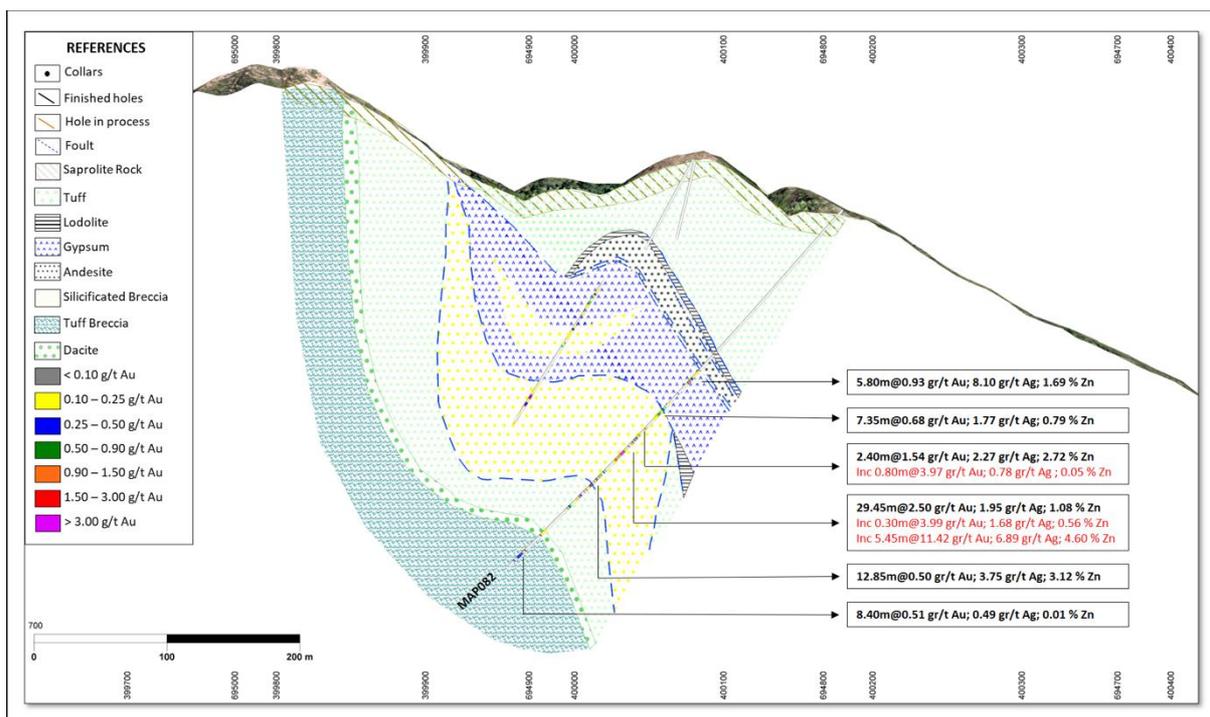
**Please note that TPI's valuation is based on financial modelling and there is no guarantee that such a valuation will ever be realised, therefore please do not base investment decisions on this valuation alone. Also please note that past performance is not a reliable indicator of future results.**

**Section of hole MAP-079**



Source: Orosur, [RNS of 4 May 2021](#)

**Section of hole MAP-082**



Source: Orosur, [RNS of 4 May 2021](#)

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