

Orosur Mining Inc.

Orosur's Board has confirmed much-anticipated news that its Colombian Joint Venture ('JV') partner, Minera Monte Águila SAS ('Monte Águila'), has elected to exercise its right to assume operatorship of the Anzá Project ('the Project') in Colombia. As such, Monte Águila will now steer the Project into its fourth year of Phase 1, during which time a further minimum of US\$4 million is required to be spent. Although investors will see little obvious external change, the decision by Orosur's major exploration and production partners to assume control of onsite day-to-day activities, including responsibility for collation and submission of data generated, reflects their clear confidence both in the scale of the Project's exploration potential and confidence in its longer-term economic viability. The JV's original Exploration and Option Agreement includes a three-phase structure that enables Monte Águila' to earn up to a 75% participation, whereafter Orosur shareholders will be left to enjoy free carry on the balance. With a strong balance sheet providing opportunity to hold both its position in the JV along with its newly liberated management team being freed-up to pursue other ventures, such as progressing the non-binding Letter of Intent ('LOI') agreed on 7 July 2021 with Canadian listed Meridian Mining SE (TSX-V: MNO) to finalise a new Joint Venture on its high potential Ariqueles Tin project in Brazil, TPI considers Orosur shareholders could have several opportunities to be well rewarded going forward.

Process to transfer operatorship to commence immediately

The JV's Exploration Agreement specifies a notice period of 90 days for the assumption of operatorship to become effective. This extended period was chosen largely to allow sufficient time for various staff and operating contracts to be moved across from the local subsidiary, Minera Anzá, to Monte Águila. This process will commence immediately, but it is expected to take substantially less than the period allowed

Orosur now has limited execution or funding risk

The Exploration and Option Agreement the JV 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 the Company totalling US\$4.0 million during phases 1 and 2.

Given that Orosur had a cash balance of US\$7.0 million as at 31 May 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 provides the Company with sufficient balance sheet strength to both hold its position in the JV while also pursuing other opportunities/projects. With this in mind, it is also worth remembering that as part of the JV signed with Newmont (NYSE: NEM), 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 completed on 30th November 2020 Newmont's participation was cut to 15.6%). On 10 November 2020 also, Orosur received the sum of US\$582,170, from Monte Águila, the 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.

Positive operational news, including recent drilling results published on 6 July 2021,

Stock Data

Share Price:	20.00p
Market Cap:	£37.7m
Shares in issue:	188.4m
52 week high/low:	45.99p/5.00p

Company Profile

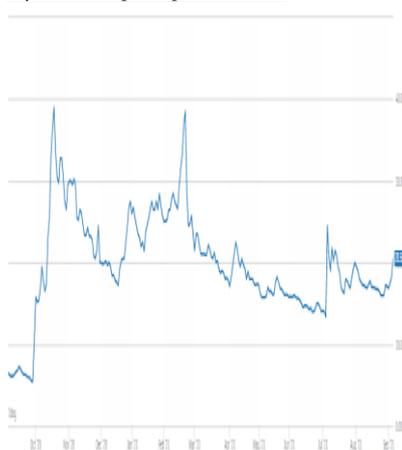
Sector:	Gold Mining
Ticker:	OMI
Exchange:	AIM, TSX

Activities

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

Company website: www.orosur.ca/

1-year share price performance



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

Past performance is not an indication of future performance.

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had not only provided further verification of previous work and a greater understanding of the geological structure, but also boosted Orosur management's confidence in its ability to complete the current campaign while expanding field work across the wider licence package.

Monte Águila electing to exercise its right is testament to the potential at Anza

The fact that Monte Águila is electing to exercise its right to assume operatorship should be interpreted as a positive endorsement for the Anzá project. TPI had noted in earlier publications its expectation that Monte Águila would likely wait for Minera Anzá to complete the planned 9,500m drilling program over nine holes and then comprehensively analyse the data generated, following which a formal decision whether or not to move the Exploration Agreement into its fourth year with a further US\$4 million commitment would be taken. Orosur's Board has also noted repeatedly in investor presentations and webinars that big companies like Newmont and Agnico need big projects (i.e. a +5 million oz. Au field). They therefore will have held off on any decision to take control until gaining sufficient comfort that Anza offers this potential, given that they already have multiple of other exploration projects and joint ventures of this scale also demanding attention. Drilling at APTA has demonstrated there is an underlying resource, while recently presented the regional mapping suggests a high likelihood for repetitions along strike. With the decision taken and the JV agreement permitting an acceleration of the individual milestones, however, TPI now considers it likely that the Project's development will be moved into a much higher gear.

In taking this decision, Orosur's own belief that that Anzá has the potential to become a major field appears to have been significantly reinforced. This perhaps also takes on board 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 its latest drilling, together with the Board's expectation that further assays (that still presently remain subject to COVID-19 related delays) will produce similar polymetallic gradings and widths, the Anzá Project appears capable of driving strong mining economics. This expectation was perhaps best reflected by the announcement of 6 May 2021 detailing the fact that both Orosur's Chairman and Chief Executive Officer had increased their shareholdings in the Company. TPI considers today's positive decision from Agnico & Newmont has potential to add quite substantially to Orosur's valuation.

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