

## Orosur Mining Inc.

Coming shortly after last week's publication of its third quarter numbers to end-February 2022, Orosur has today released positive results from the first soil sampling program at El Pantano, its early-stage gold and silver exploration joint venture project ('the Project') in the Deseado Massif region of Santa Cruz state in southern Argentina. A reconnaissance geochemical soil sampling program at the Project's La Esfinge prospect has returned highly anomalous results in gold and several other pathfinder elements over a 3.3km strike length of the target, with moderate level anomalism over an additional 3.4km of the target. Although remaining extremely preliminary in nature, these results are a positive indicator of an epithermal system along a substantial strike length of this virgin prospect. As a result, the Group's geological teams are now returning to El Pantano to carry out a short in-fill program to help better define the scale and nature of the key anomalies before the approaching winter.

### Survey planning focussed on El Pantano's La Esfinge prospect

Orosur announced its signing of an Exploration & Joint Venture ('JV') agreement ('the Agreement') covering El Pantano with private Argentinean company DESEADO DORADO S.A.S and its shareholders ('Deseado'), on 15 February 2022 (see images detailing regional location and licences overleaf). The general terms of the Agreement allow for the Company to earn 100% equity in the Project by investing US\$3m over five years in two phases. Following this, on 21 March 2022, Orosur detailed a planned reconnaissance geochemical program as the first work phase of the JV.

Focussed on the Project's La Esfinge prospect, the survey extended over a c.7-8km long silicified ridge that showed geological characteristics potentially suggestive of a major epithermal system that, to the best of the Company's knowledge, has not been previously been sampled. It should be noted that unlike drilling or rock chip sampling, results from the soil sampling undertaken here cannot be assessed against an absolute, objective scale, but must instead be statistically analysed relative to the local background. In this respect, what is deemed 'anomalous' remains entirely dependent upon the local conditions of the prospect.

Nine geochemical survey lines were located along the target length, at approximately 1km spacing, with samples taken every 20m. This was intentionally broad, given that the survey was designed as a first pass program to assess the appropriateness of the sampling method and medium, and to collect the necessary background data that would be required for analysis of results. Importantly, the lines varied in length so as to extend well into the surrounding host rocks and thus provide required background geochemical signatures for the subsequent statistical analysis.

Samples were taken at depths varying from 30cm to 60cm beneath the surface to reveal a subsurface layer from which can be obtained organic matter chiefly derived from illuviation and generally distinguished by less weathering. Deemed the local equivalent of a B Horizon, this nomenclature is somewhat complicated in Patagonia by the fact that there is little or no vegetation and as a result, very little soil development. This zone is, however, seen to possess the required levels of clays, manganese and iron nodules considered suitable as collecting medium. A total of 362 samples were collected and prepared at the local ALS preparation facility in Santa Cruz province, before final assay at the ALS laboratory in Lima, Peru. Samples were assayed for gold and a large suite of other metals, some of which are known to act as pathfinder elements within the geological environment of the Deseado Massif gold.

#### Stock Data

Share Price:	11.75p
Market Cap:	£22.15m
Shares in issue:	188.4m
52 week high/low:	27.50p/8.50p

#### Company Profile

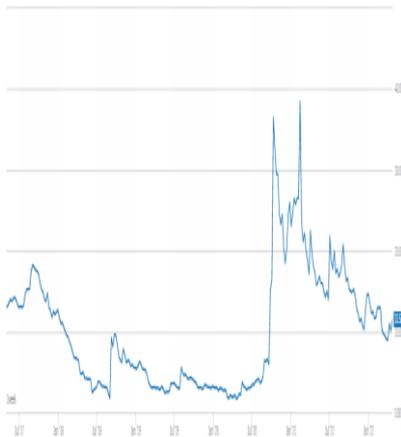
Sector:	Gold Mining
Ticker:	OMI
Exchange:	AIM, TSX-V

#### 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/)

#### 5-year share price performance



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

Past performance is not an indication of future performance.

#### Turner Pope contact details

Tel:	0203 657 0050
Email:	<a href="mailto:info@turnerpope.com">info@turnerpope.com</a>
Web:	<a href="http://www.turnerpope.com">www.turnerpope.com</a>

Andrew Thacker  
Corporate Broking & Sales

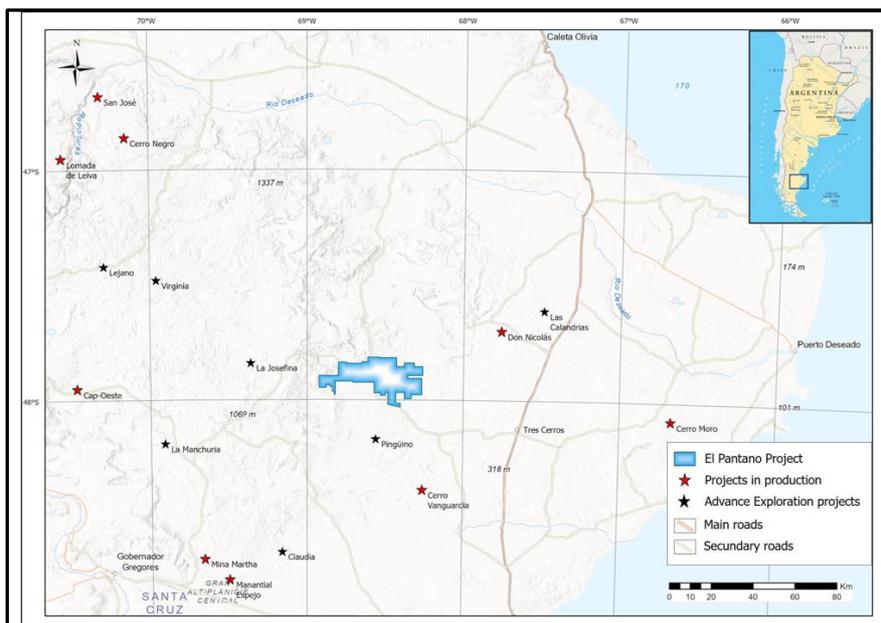
Barry Gibb  
Research Analyst

TPI acts as Joint Broker to Orosur Mining Inc.

Attention is drawn to the disclaimers and risk warnings at the end of this document.

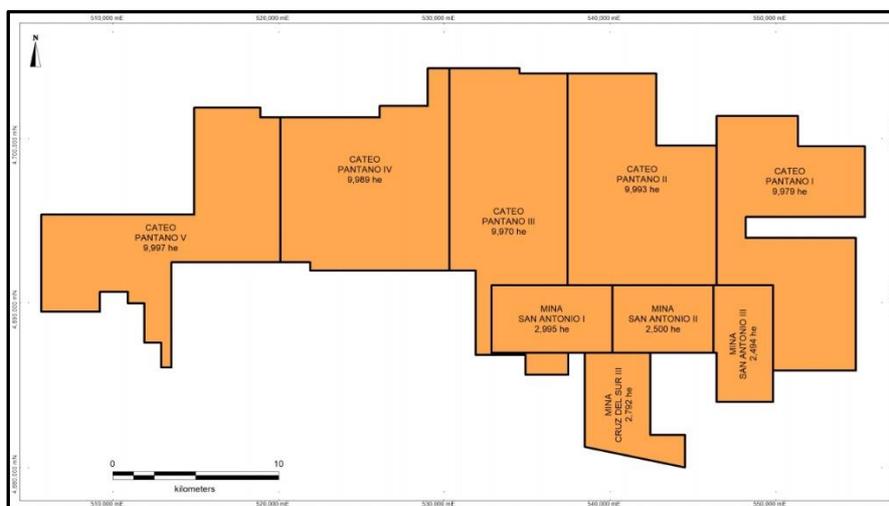
Retail clients (as defined by the rules of the FCA) must not rely on this document.

**El Pantano - Regional Location**



Source: Orosur, [RNS of 3 May 2022](#)

**El Pantano Licences**



Source: Orosur, [RNS of 3 May 2022](#)

**Geochemical anomalism along almost all of La Esfinge’s entire 8km strike**

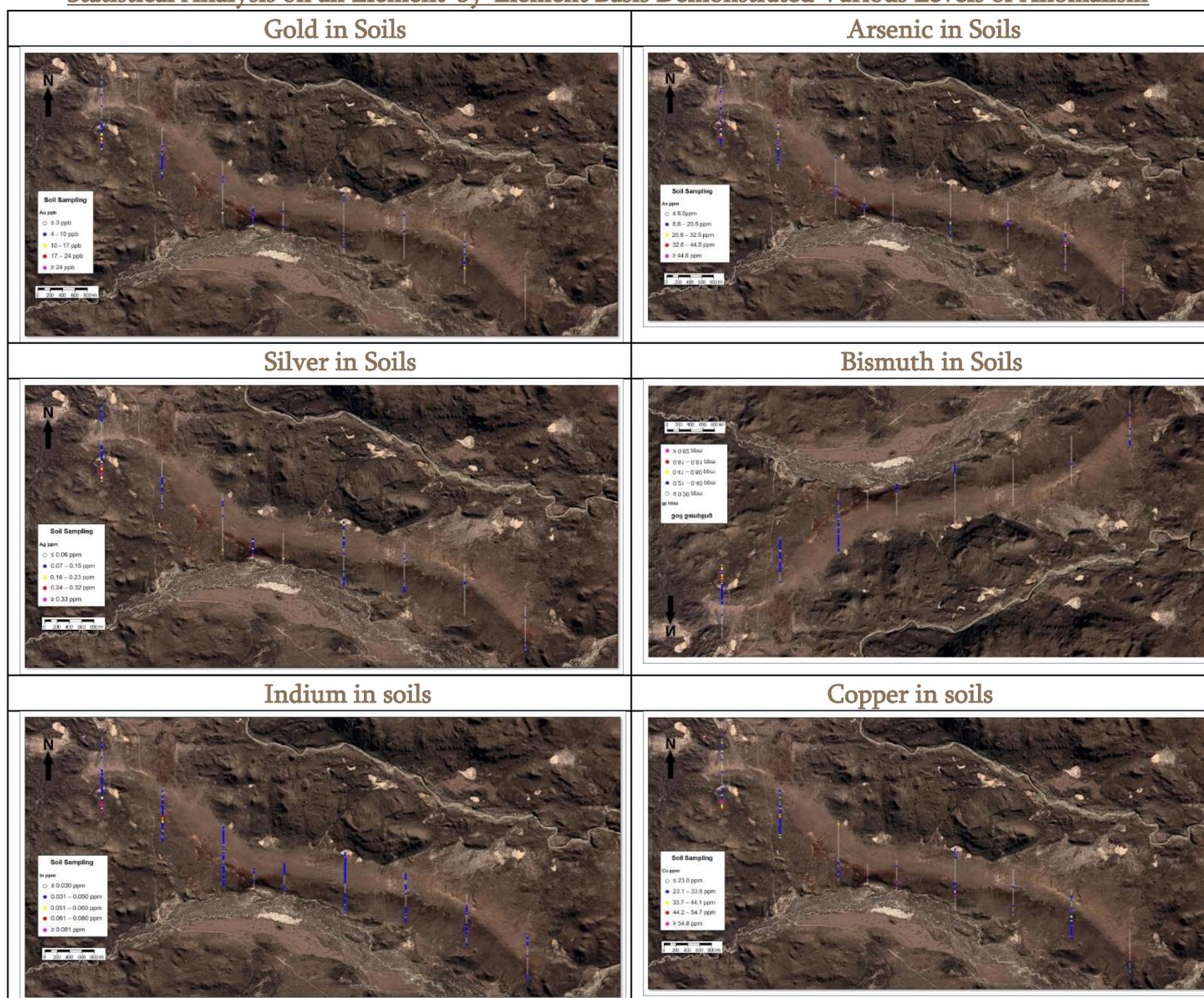
Gold anomalism was found to be concentrated along the southern margin of the La Esfinge silicified ridge, most likely indicating a major structure along this margin that has allowed the less mobile element to migrate upwards. Notably, the highest gold values also coincide with the western half of the La Esfinge ridge, where the orientation deviates closer to the SE-NW direction that is commonly the major structural control on gold mineralisation in this portion of the Deseado Massif.

Soil sampling, of course, is sometimes considered something of a black art, given that there are no objective measures of what might be good or otherwise. In this respect, it generally depends on context, and how effectively trace amounts of gold have successfully migrated upward through some conduit in order to then be collected in the soils. What is regarded as anomalous is possibly more related to the effectiveness of that conduit and soil trap than the gold source itself. Given the intensely silicified cap over La Esfinge was probably suggesting that outcrop was quite high in the system, and the lack of soil development in this arid environment, the Company was probably not expecting substantial gold in soils. These results therefore are extremely positive in this virgin area. Statistical analysis of the geochemical results was undertaken on an element-by-element basis, with various

levels of anomalism determined by the number of standard deviations above the mean. This demonstrated widespread moderate gold anomalism across most of the western half of La Esfinge, with several key occurrences of high-level anomalism (>24ppb Au), with the highest value achieving 118ppb Au. Other highly significant pathfinder elements, such as Arsenic (As), Silver (Ag), Bismuth (Bi), Indium (In) and Copper (Cu), however, show more widespread anomalism in both directions across the entire length of the target of almost 7km, which is to be expected given that elements (such as As) are more mobile and thus more readily able to migrate.

As a result, Orosur's local geological teams are now remobilising to site to carry out a brief in-fill soil sampling program in the short time permitted before the winter recess. Although not that terrible weather wise, the days are very short given how far south the prospect is, meaning the work tends to be inefficient, although is still reasonable to expect some ground magnetics, additional geochemical sampling as well as some modest drilling to be completed. A number of additional soil sampling lines will be located across the western half of the La Esfinge ridge to infill the wide preliminary spacing and so better define the anomalies. This is expected to extend coverage both westward and southward where anomalism remains open. This work program is expected to require approximately two weeks, although actual duration will of course remain dependent on weather conditions.

**Statistical Analysis on an Element-by-Element Basis Demonstrated Various Levels of Anomalism**



Source: Orosur, [RNS of 3 May 2022](#)

## Following the hand-over of Anzá's Operatorship, Orosur is maximising shareholder opportunity

Although Orosur's flagship Anzá Project will continue to dominate share price sentiment at this time, today's exploration results from El Pantano (together with continuing progress at the Ariquemes project) provide shareholders with their desired diversification by geography/geology, providing early stage optionality to which value can be added at relatively low cost.

The fact that Minera Monte Águila ('MMA') elected to exercise its right to assume Operatorship of Anzá at such an early stage must be interpreted as a very positive endorsement. Orosur's Board had repeatedly noted that majors like Newmont and Agnico need big projects (i.e., a +5 million oz. Au field) and would therefore hold off any decision to assume control until gaining sufficient comfort that such potential exists. The discovery of a high-grade structure at depth (MAP-098) as detailed on 8 March 2022 is significant in this respect, necessitating a large amount of infill drilling to establish the extent of the mineralisation, while also testing the fold hypothesis to potentially open up the western hinge. Further news released on 25 April 2022, now also targeting, Pepas and Pupino as the initial focus, possibly followed by Guaimarala in the far south, reinforces confidence that such an ambition can be delivered. Indeed, Newmont and Agnico's decision to work in this region of Colombia is also likely to have been influenced by Los Cerros Limited (ASX: LCL), who's nearby Quinchia Project in the Mid-Cauca gold belt on 21 January 2021 reported drilling from their Tesorito South porphyry target with exceptional intercepts, including 102m @ 2.11 g/t Au from 28m.

Having already seen drilling demonstrate a substantial body of gold mineralisation at APTA, with subsequent regional mapping suggesting possibility for multiple repetitions along strike, it would now be something of a surprise if development is not moved into a much higher gear. Given that Orosur is no longer overseeing the onsite work investors understand they will receive less regular drilling updates going forward. But given that the Group still controls 100% of the licences, the agreement does recognise Orosur's obligations with regard to 43-101 and public disclosure and thus management expects all relevant data to be made public in a timely fashion, including any formal decision to accelerate the development phases. September 6<sup>th</sup> is the anniversary date for the current Year 4 of the project (highlighted in yellow below) with qualifying expenditure of US\$4m. Given Agnico's apparent wish to accelerate development, the triggering of their Phase 2 Earn-in Right in the coming months is a possibility which would result in Orosur receiving a further US\$2m payment from Newmont/Agnico within 30 days of MMA electing (or being deemed to have elected). This, together with a current strong cash position and the fact that the two recently acquired early-stage South American projects incurred very low entry costs with only limited burn anticipated for the first two or three years of operation, suggests management remains comfortable with the Group's balance sheet at this time.

### Three phase JV with Minera Monte Aguila ('MMA') over 12 years to reach 75%

Phase	Year	Qualifying Expenditure	Payment to OMI	MMA equity at end of Phase
1	1	US\$1m	US\$1m	51%
	2	US\$1m	US\$1m	
	3	US\$4m		
	4	US\$4m		
2	5	US\$4m	US\$2m	65%
	6	US\$4m		
	7	US\$4m		
	8	US\$4m		
	**	US\$4m		
3	9	43-101 Feasibility Study		75%
	10			
	11			
	12			

\*\* Phase 2 requires US\$4m per year for 4 years, plus an additional US\$4m to be spent over the 4-year period at Newmont's discretion

Source: Orosur, Turner Pope Webinar Presentation, 14 July 2021

Given the resounding verification delivered by recent Anzá drilling, together with the Board's expectation that yet further assays (lab turnaround times seem to be returning to normal) may produce similar polymetallic grades and widths, the Project appears capable of driving strong mining economics. Assuming Phase 1 rolls over into Phase 2 in early September 2022, this will require a major new agreement between all parties, including the formation of a new company (49%-owned by Orosur) into which all

assets will be injected. This will likely take some time to negotiate, during which time Newmont and Agnico are likely to seek a high level of certainty from Orosur regarding the Project's eventual passage to commercialisation, subject to which they would irrevocably commit to US\$20m spend for Phase 2 over the following 4 years.

Anticipating continuing good news on this front, shareholders will be also hoping that the management's intuition in selecting both the Ariqueles and El Pantano projects will produce similarly positive outcomes in due course. Indeed, with its strong balance sheet providing a forward runway of perhaps 24 months, the Board appears set to demonstrate its credentials through the creation of a truly balanced portfolio of LATAM mining assets that stretch from advanced resource drilling (Anza in Colombia), through brownfields with production options (Ariqueles in Brazil), greenfields (El Pantano in Argentina) and possibly further new 'walk-up' drill target projects yet to be identified.

**THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.**

### **Conflicts**

This is a non-independent marketing communication under the rules of the Financial Conduct Authority ("FCA"). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited ("TPI") has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

### **Risk Warnings**

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPI's research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results. AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently, AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

### **Specific disclaimers**

TPI acts as Joint Broker to Orosur Mining Inc. ('Orosur') which is listed on the AIM Market of the London Stock Exchange ('AIM') and the Toronto Stock Exchange ('TSX'). TPI's private and institutional clients may hold, subscribe for or buy or sell Orosur's securities.

Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of Orosur.

### **General disclaimers**

This document, which presents the views of TPI's research analyst, cannot be regarded as "investment research" in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPI's judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPI's prior written consent.

Copyright © 2022 Turner Pope Investments (TPI) Limited, all rights reserved.