

Orosur Mining Inc.

Orosur has released assay results from four diamond drillholes at its flagship Anzá Project ('the Project') in Colombia. These include a number of very positive high-grade gold intersections – 6.06m @ 2.72g/t Au, 14.2m @ 1.84 g/t Au, 8.35m @ 14.27 g/t Au, and 59.15m @ 0.91 g/t Au – which have enabled the definition of several new priority zones as well as a potential new area at depth for the prospect. Significantly also, Covid-19 has now abated in the country to the extent that field activities can be undertaken more freely, with management anticipating the restart of drill campaigns focussed on target areas. With the Project's operatorship hand-over to Minera Monte Águila (the JV between Newmont Corporation and Agnico Eagle Mines Limited) having been completed in late 2021, significant technical and logistical capacity has now been freed-up. Supported by a balance sheet that presently holds free cash of c.US\$5m, near-term exploration at both the recently signed, high-potential, early-stage Exploration & JV projects with El Pantano Gold (in Argentina) and Ariqueles Tin Exploration (in Brazil) are expected to be internally resourced.

Drilling highlights

Assay results for four diamond drillholes – MAP-097, 098, 099 and 100 – have been received from the ALS laboratory in Lima, Peru. Key intersections include the following:

- MAP-097 4.35m @ 1.63g/t Au, 2.00g/t Ag, 0.71% Zn
- MAP-098 6.05m @ 2.72g/t Au, 3.01g/t Ag, 0.74% Zn
 - 14.2m @ 1.84g/t Au, 3.57 g/t Ag, 0.59% Zn
 - 8.36m @ 14.27g/t Au, 49.92g/t Ag, 3.93% Zn
- MAP-100 59.15m @ 0.91g/t Au, 3.88g/t Ag, 0.39% Zn

Intersection of a previously unknown, thick, high-grade structure

The dual objective of holes MAP-097 and MAP-098 were largely stratigraphic, in order to assess geology at depth and to continue to examine the geological concept of the main mineralised horizons folding over as an anticline. Accordingly, a pair of deep scissor holes were drilled from opposing directions to depths of 647m and 696m (see image overleaf), respectively at APTA.

Results from these holes appear to confirm the already perceived folding hypothesis, although of significant interest was also the intersection in MAP-098 of a previously unknown, thick, high-grade structure (8.35m @ 14.27g/t Au, 49.92g/t Ag, 3.93%Zn), over 100m below any previous anomalous intersections, with an additional lower grade intersection over 100m further down. The considerable distance from previous drilling is particularly encouraging, as it opens up potentially large new areas at depth for further exploration. Further drilling will of course be required to confirm these initial findings, planning for which could get underway shortly.

MAP-100 demonstrated a very thick zone of lower-grade mineralisation

MAP-100 (see image overleaf) was drilled to provide greater geological context to high-grade results previously intersected in MAP-089. The hole was successful in confirming previous results, but significantly also demonstrated a very thick zone of lower-grade mineralisation returning 59.15m @ 0.91g/t Au, 3.88g/t Ag, 0.39% Zn, which included higher-grade zones of gold and base metals.

Stock Data

Share Price:	13.44p
Market Cap:	£25.3m
Shares in issue:	188.4m
52 week high/low:	45.99p/5.00p

Company Profile

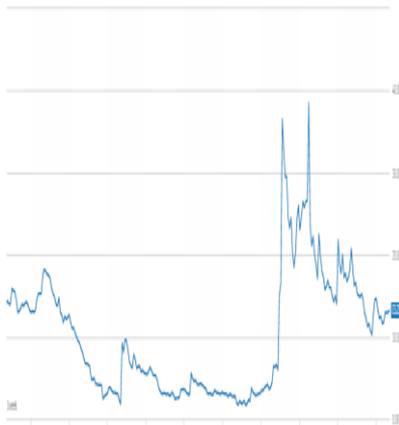
Sector:	Gold Mining
Ticker:	OMI
Exchange:	AIM, TSX-V

Activities

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

Company website: www.orosur.ca/

5-year share price performance



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

Past performance is not an indication of future performance.

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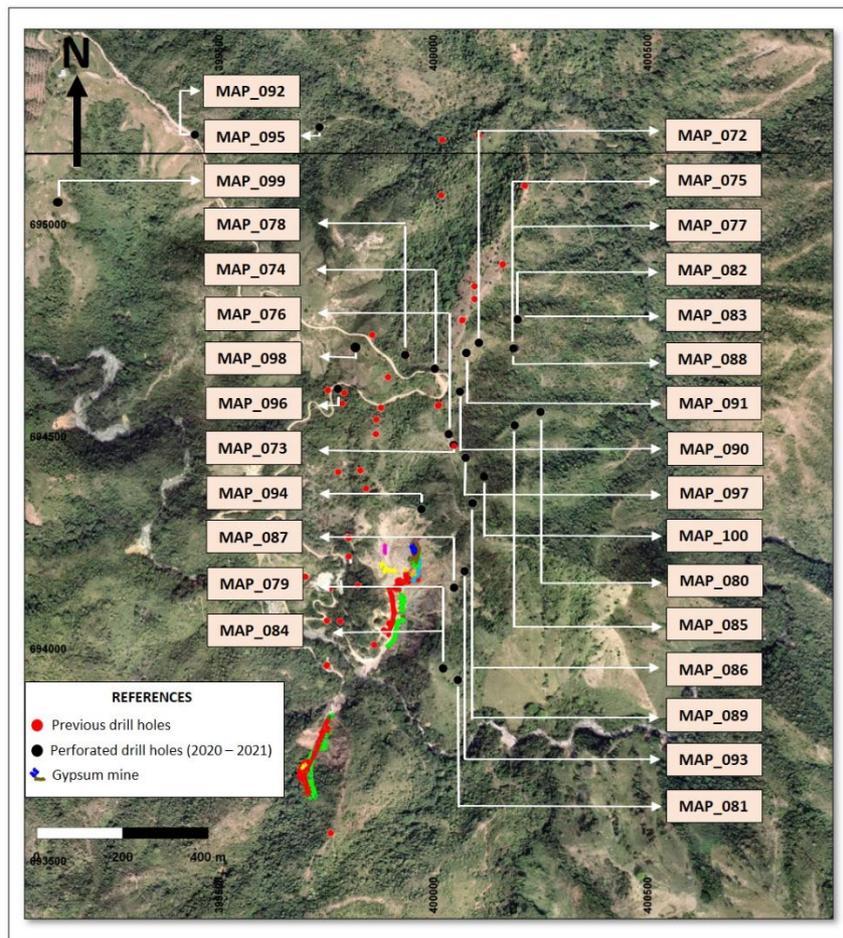
Barry Gibb
Research Analyst

TPI acts as Joint Broker to Orosur Mining Inc.

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

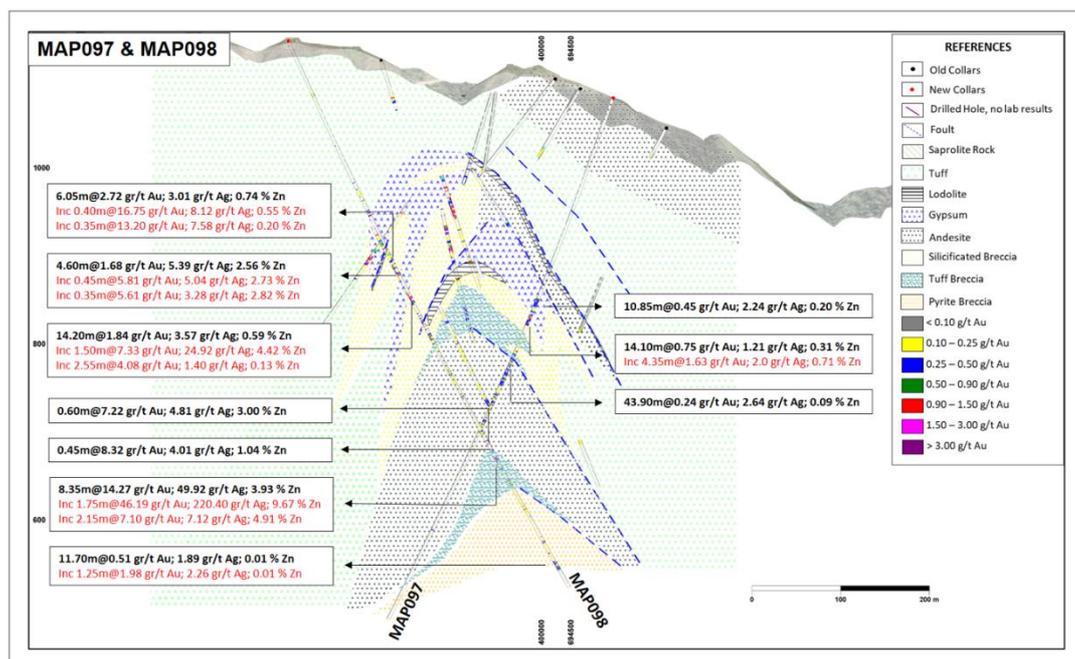
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Anzá Project - Plan of Drill Collar Locations



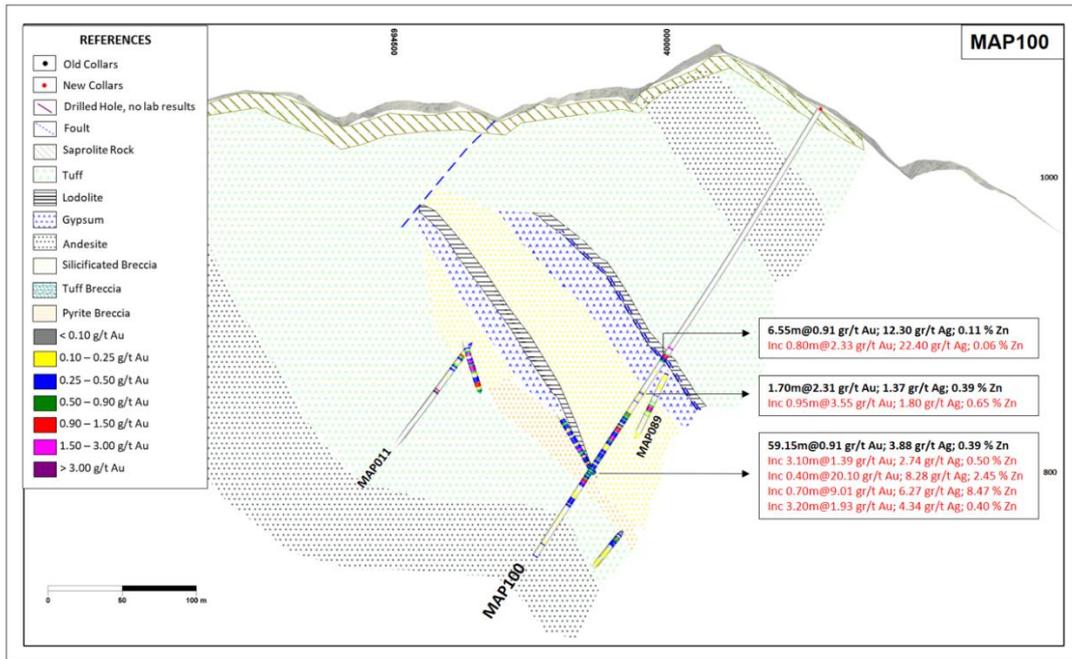
Source: Orosur, [RNS of 8 March 2022](#)

Anzá Project - Holes MAP-097 and 098



Source: Orosur, [RNS of 8 March 2022](#)

Anzá Project – Hole MAP-100

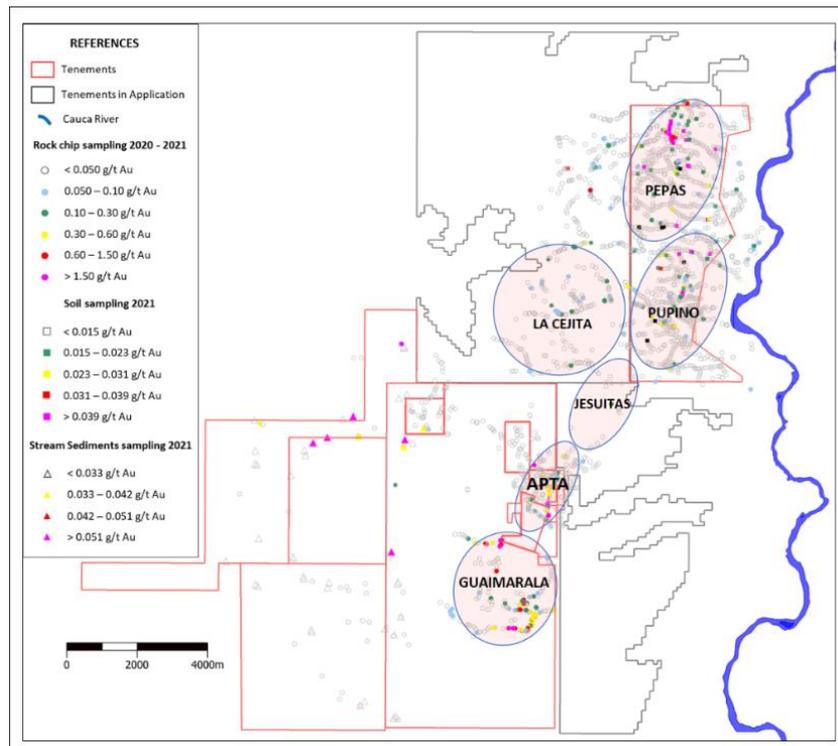


Source: Orosur, [RNS of 8 March 2022](#)

Focus of geological work now shifted to regional mapping and sampling

Following completion of the initial 10,000m drill program in Q3 2021, and later operational handover of the Project, the focus of geological work shifted to regional mapping and sampling. With the gradual abatement of Covid-19 and resumption of general free movement of staff, the focus of this work can return to define high quality targets for drilling. As shown in the image below, recent work has delineated highly anomalous results in the NE granted tenements at Pupino and Pepas, with multiple rock chip assays over extensive areas, returning results in excess of 1.5g/t Au.

Anzá Project – Soil and Rock Sampling 2020-2021



Source: Orosur, [RNS of 8 March 2022](#)

Mapping to the north has been simpler due to good road access permitting the setting up of satellite bases; by contrast, access to the south has been hindered due to the absence of adequately cleared tracks. Given the now improved staff availability, however, teams are expected to commence more detailed work in the region, aware of the high-grade rock samples Anglo American uncovered there during exploratory work some years back. Significantly, however, the most recent phase of sampling in the south at Guaimarala identified a similarly extensive area of highly anomalous gold mineralisation at surface, with some samples returning assays of multiple g/t Au. The high priority targets of La Cejita and Jesuitas, not being in granted titles, have only been covered in a cursory fashion, although anomalous rock chip samples have been noted. Minera Monte Aguila is presently working on securing the necessary water and land access permits in anticipation of work getting underway in the coming weeks/months, with conversion of certain applications also in hand. It is also hoped that required community consultation meetings will also be completed by early H2 2022.

After the hand-over of Anzá's operatorship, Orosur is now maximising shareholder opportunity

Although Orosur's flagship Anzá Project will continue to dominate share price sentiment at this time, the recent addition of the El Pantano and Ariqueles projects now offer shareholders desired diversification by geography and geology. The fact that Minera Monte Águila elected to exercise its right to assume operatorship of Anzá at such an early stage must be interpreted as a very positive endorsement for the Project. 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) 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. When targeting new prospects, Pepas, Pupino and Guaimarala are expected to be the initial focus. Newmont and Agnico's decision to work in this region 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 significant underlying resource 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 that the Group still controls 100% of the licences, data from completed holes submitted for 43-101 resource assessment will nevertheless be available for publication, as well as any formal decision to accelerate the development phases. September 6th 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 Phase 2 in the coming months is a possibility which would result in Orosur receiving a further US\$2m payment from Newmont/Agnico before this date. This, together with a presently strong cash position and the fact that the two newly acquired early-stage 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 (whose turnaround time is starting to return to the regular 2 to 3 weeks) will produce similar polymetallic gradings 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 months to negotiate, during which time Newmont and Agnico are likely to seek a high level of certainty from Orosur regarding the Project's eventual commercialisation before they 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.

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