

Orosur Mining Inc.

Minera Monte Águila ('MMA') has updated Orosur with respect of its position in relation to the Anzá Project ('the Project'), confirming that it is reviewing its options in relation to the Project and that it has reduced exploration expenditures, effectively placing it in 'care and maintenance.' This comes shortly after MMA's equity participation of 51% in the three-phase joint venture (the 'JV') had been secured following Orosur's receipt of a US\$2m stage payment. While leaving all options open at this time, MMA's decision appears to be related principally to complexities surrounding the recent merger activity of both Newmont Corporation and Agnico Eagle Mines Ltd, as well as a more difficult political background in Colombia. Given that all parties continue to recognise the Project's exceptional forward potential and that political concerns may dissipate in time, the JV's development work could possibly recommence. It may be more likely, however, that MMA will seek third-party buyers for its 51% stake, or otherwise offer it back to Orosur with a view to achieving a much quicker and cleaner resolution. Shareholders could then be rewarded through its Board being able to negotiate more advantageous terms via a new joint venture with a new partner, or otherwise develop the Project independently. In the meantime, the stature of Orosur's earlier-stage projects in Argentina and Brazil continues to move forward in alignment with the Board's ambition to become a diversified LATAM explorer.

Seeking early Anzá Project resolution with MMA

Phase 2 of the JV technically commences following constitution of the new Mining Company that will hold the Colombian assets and formal signing of an updated JVA; this complex process is ongoing but could still require several months to complete. During this time, Orosur's focus will be on establishing a higher degree of certainty from MMA regarding its continuing involvement with the Project. Its preferred option may be to pass control back to Orosur, as opposed to embarking on a much more protracted alternative. Freed of the shackles of the original JV and recognising that the Project itself is presently in very good shape, Orosur could then examine opportunities to enter another potentially more favourable joint venture with a new partner, or otherwise look to continue the exploration work alone.

It is noted that while larger companies appear not to presently find favour in Colombia, smaller explorers, such as Collective Mining (TSXV: CNL) continue at full pace and are able to raise substantial funding for their work.

Mapping and sampling at El Pantano enhances prospectivity

Mapping, sampling and magnetic surveying is expected to continue until roughly mid-May, with final assay results and mag data becoming due in June. A detailed process of compilation and interpretation will then be undertaken to better understand the mineral system and to plan work programs for after the winter recess in September. The required environmental permit process for drilling will also commence in May such that drilling will then be able to be undertaken later in 2023 should appropriate targets be identified.

Ariquemes sampling provide vectors for next phase.

Areas of substantial metal anomalism identified through stream sediment

Stock Data

Share Price:	5.00p
Market Cap:	£9.43m
Shares in issue:	188.6m
52 week high/low:	19.00p/4.00p

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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sampling will be followed up by more direct, quantitative exploration methods in coming months. These will include detailed mapping, soil and rock chip sampling and auger drilling of metal bearing drainages. For efficiency, this work will be done by the Company's exploration teams during the winter recess in Argentina.

Anzá Project – Located In region that plays host to most of Colombia's major gold deposits.

Since late 2018, the Anzá Project has been the subject of an Exploration Agreement with Venture Option ('Exploration Agreement') with MMA, itself a 50/50 JV between Newmont Corporation (NYSE: NEM, TSX: NEM) and Agnico Eagle Mines Limited (TSX: AEM). MMA is the Colombian vehicle through which the two gold mining majors jointly exercise their rights and obligations with respect to the Exploration Agreement over the Project.

The first phase of the Exploration Agreement was completed in September 2022, by which time MMA had spent in excess of US\$10m on the Project and, in so doing, earned an equity interest of 51%. MMA subsequently informed Orosur of its intention to progress to Phase 2. This included the payment of a US\$2m option fee (received by the Company in February 2023) and formation of a new mining company required to crystallise the various ownership stakes. As at 31 December 2022, MMA had already incurred some US\$3.65 million in excess Qualifying Expenditures for Phase 1 and, as such, this excess may be carried forward and credited toward MMA's investment obligation of US\$4 million for the first year of Phase 2.

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			

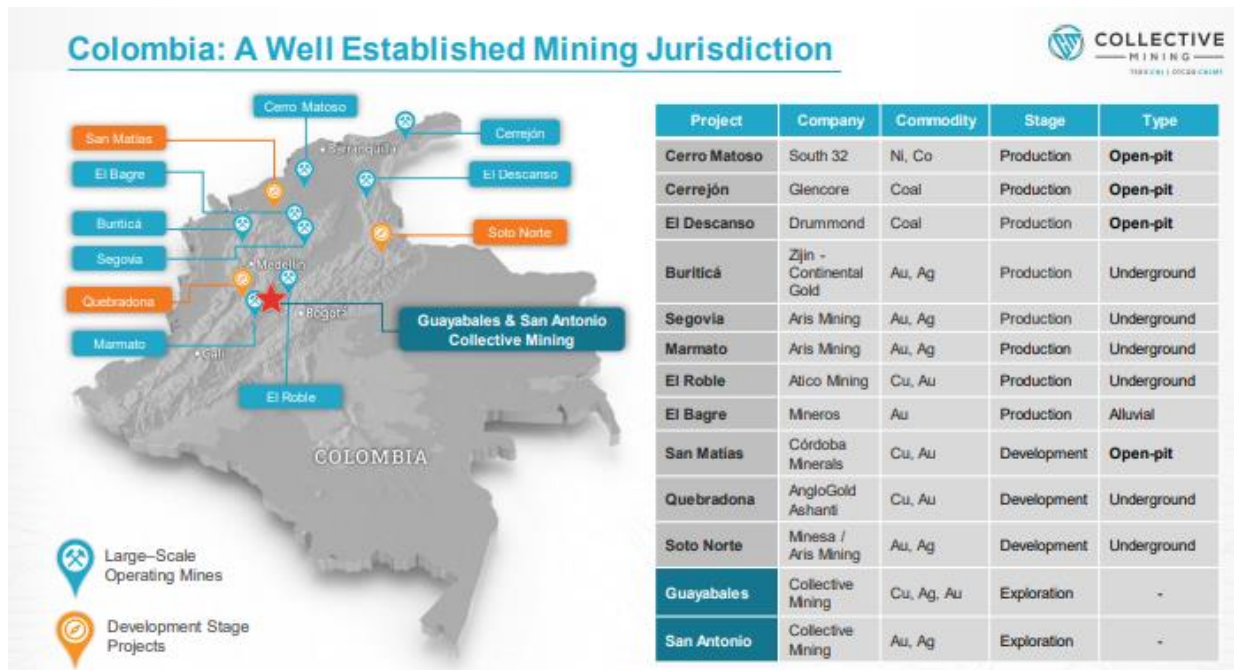
** Phase 2 requires US\$4m per year for 4 years, plus an additional US\$4m to be spent over the 4-year period at Newmont's discretion

Source: Orosur, [Turner Pope Webinar Presentation, 14 July 2021](#)

In the circumstance that MMA simply wishes to sell its participation in the Project to an external interested party, Orosur can be expected to quite rightly insist that all terms and pre-existing conditions of the current JV remain strictly adhered to. Given that there are only a limited number of obvious buyers for such prospectively giant Colombian opportunities, and the fact that MMA would identify no value in simply 'sitting on its hands' in order to delay the default reversion of 51% of the JV back to Orosur, the outcome is likely to be either the introduction of a new third party, or alternatively enter negotiations through which Orosur might reassume operational control.

Both Newmont and Agnico are understood to have been undertaking 'deck clearing' exercises as a result of their recent/ongoing mergers that are creating new sector giants. On 11 April 2023, Newmont raised its takeover offer for Australia's Newcrest Mining to around US\$19.5 billion which, when completed is expected to be the largest-ever merger deal in the gold mining industry, highlighting the race to secure long-term supplies of the precious metal just as gold prices test all-time highs. Agnico Eagle's own 'merger of equals' was completed on 8 February 2022, when it acquired Kirkland Lake Gold in an CND\$11bn all stock deal. These came in tandem with Colombia's shift to the political left in 2022 following appointment of former guerrilla fighter and economist, Gustavo Petro, to the office of President, bringing new implications for US-Colombia relations and for doing business in the country.

With the Colombian government shortly expected to submit the draft of a new mining code to its congress, the combination of these factors may well have pushed MMA's JV down to the bottom of the two company's 'to do' list. But while its present aversion to coal, oil and gas development is likely to be upheld going forward, the government's continuing need for US\$ and its wish to dissuade illegal mining that remains evident across the country, suggests there is unlikely to be significant long-term change to the current status quo for international mining groups operating there. It is worth noting in this respect, the ongoing success and operational confidence being underlined by certain successful Colombian sector players like, for example, Collective Mining Ltd. (TSXV: CNL), which announced its own CND\$30m bought deal financing on 22 March 2023 and may possibly be considered a potential future joint venture partner for the Project by Orosur.



Source: Collective Mining Ltd, [Investor Presentation, March 2023](#)

El Pantano Project – Located in Argentina’s prolific Deseado Massif region

This project covers nine contiguous licences totalling 607 sq.km in the prolific Deseado Massif region, roughly 45km from Anglo Gold’s Cerro Vanguardia mining camp. Most of the gold/silver deposits here are of the low-sulphidation epithermal style, in particular bearing close correlation to major crustal scale fractures related to the breakup of the Pangea supercontinent and subsequent opening of the Atlantic Ocean in the mid-to-upper Jurassic. This is often manifested locally as major SE-NW rift systems with pervasive silicification and veining over tens of km. This is precisely the features that are present at El Pantano and one of the main factors which first attracted Orosur.

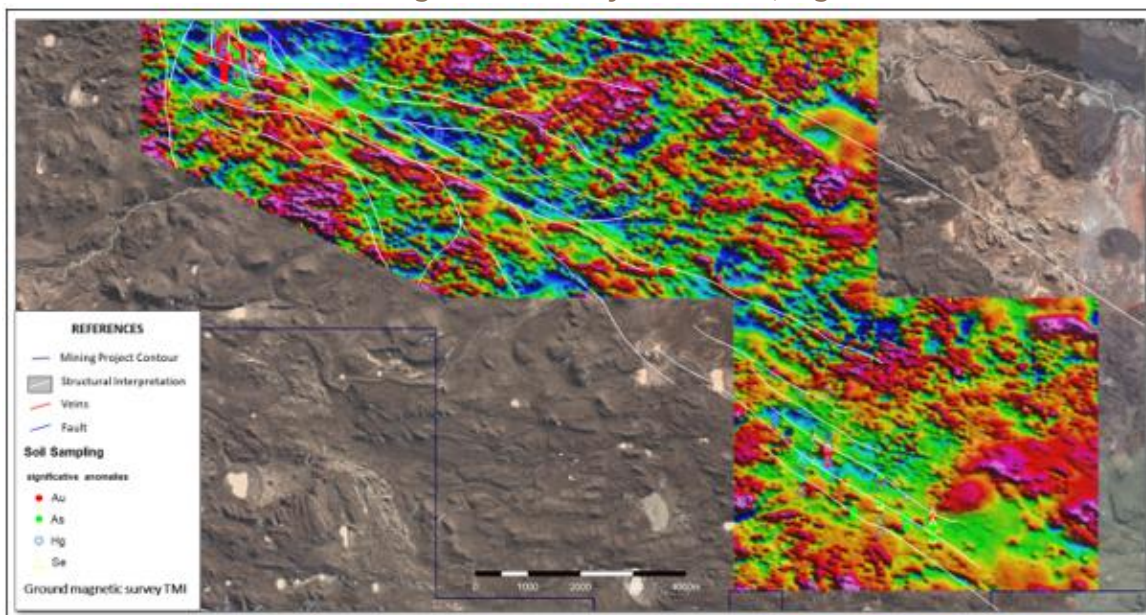
From an exploration perspective, a key feature is the mechanism by which gold is precipitated from solution to form low-sulphidation gold deposits, which is by boiling. Hot, gold-bearing fluids rising from depth boil as the binding pressure of the surrounding host rocks falls below a certain point, occasionally producing large, and very high-grade gold deposits as seen, for example, at Newmont’s Cerro Negro mine in Santa Cruz Province, southern Argentina (which boasts estimated reserves of 5.74 million oz) and are seen to be constrained to a particular vertical level of the epithermal system (the boiling zone). The quartz vein systems will then invariably continue upward to the surface, but often have been stripped of gold, thus providing minimal surface gold geochemical signature.

Low level reconnaissance field work has been ongoing at El Pantano for the current field season since late 2022, and will continue until roughly mid-May 2023 before ceasing for the winter recess. Considering numerous obvious similarities (in terms of both geology and scale) to Cerro Negro, a site visit by Orosur’s geologists and specialist

consultants provided substantial guidance to achieve more efficient targeting over the large project area. Given that much of the modern-day surface across El Pantano sits at a higher level in the epithermal system, above any boiling zone, gold anomalism in soil geochemistry is therefore not likely to be an effective indicator of mineralising potential. Instead, greater attention should be paid to the higher-level path finder elements, in particular mercury (Hg) and Arsenic (As), as well as textural variations in quartz veins and surrounding silicification that provide guidance as to the level within the system. Exploration programs were modified on this basis with very positive results.

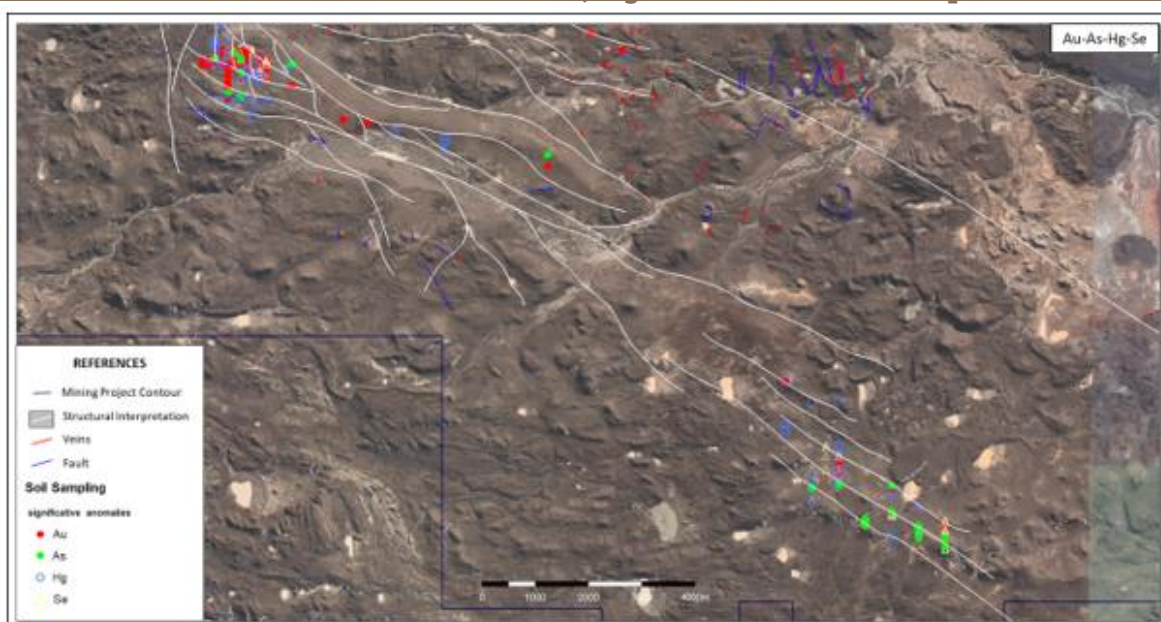
Magnetic surveys have proven a fast and effective method for defining the primary structural corridors in the prospect area and this work will continue for several more weeks. Some preliminary interpretations have been undertaken, in advance of more detailed work once the area is complete, and demonstrate the project is dominated by a very large, NW-SW rift system, exactly as predicted by the local mineral system model.

El Pantanto - Ground Magnetic Surveys with Au, Hg and As Anomalism



Source: Orosur, [RNS of 4 May 2023](#)

El Pantanto - Structural features with Au, Hg and As Anomalism plus Vein Swarms



Source: Orosur, [RNS of 4 May 2023](#)

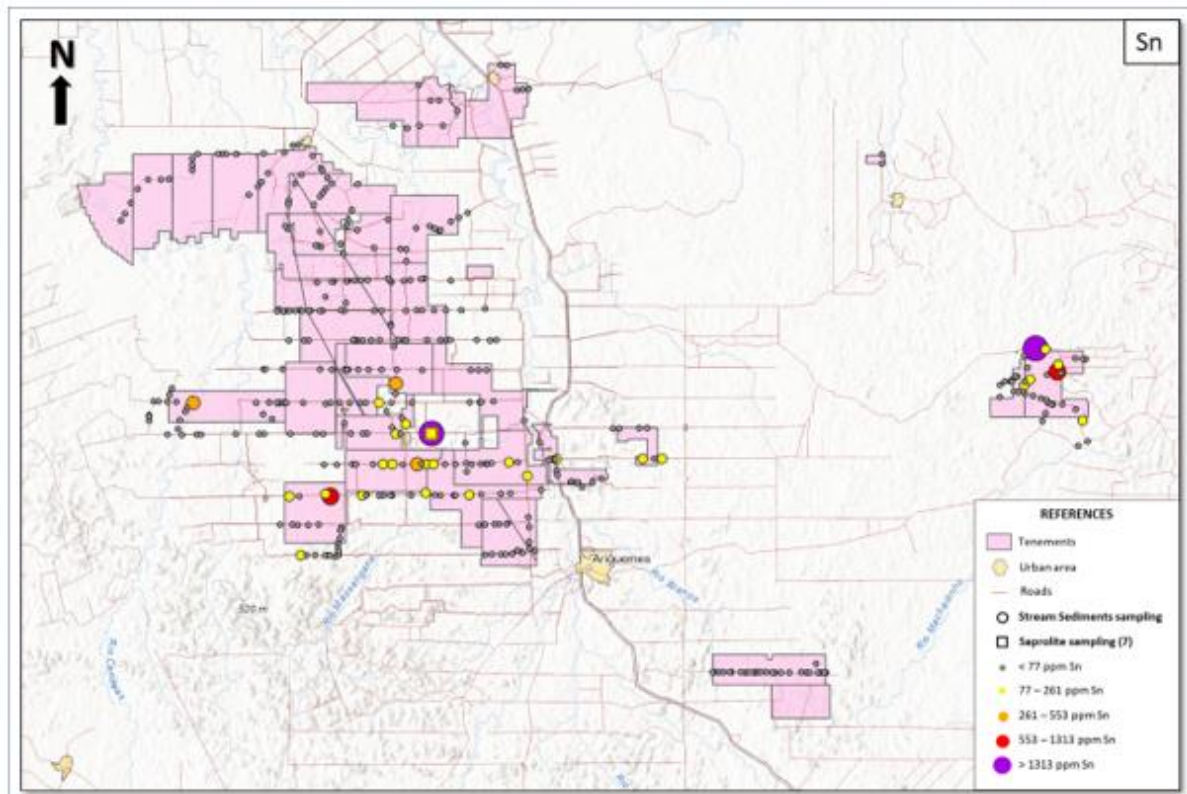
Mapping and magnetics have identified a major NW-SE structural corridor over 20km long and 5km wide, with large areas of silicification, alteration and geochemical anomalism over large areas. Gold anomalism in soils is evident in the NW end of the main structure, suggesting this area is somewhat lower in the epithermal system, while the SE end shows significant Hg and As anomalism, suggesting a higher level. A large section of the central part of the main structure covering more than 10km is not suited to soil geochemistry due to it being covered by river sediments and recent transported cretaceous cover. Magnetic data however shows the main structure continues uninterrupted under this thin cover. Mapping to the north of the main structure has so far identified over 70 quartz veins over an area in excess of 20 sq.km, with textures indicative of cooler temperatures, fully consistent with the model of a very large low-sulphidation epithermal system. Mapping of this vein field continues with more being identified on a daily basis.

Ariquemes Project - The largest land holding in Brazil's world class Ariquemes Tin Field

The Ariquemes Project comprises a large number of granted licences and applications that in total cover more than 3,000 sq.km, representing the largest land holding in this key mining district. Although it is a major tin producing region, most production is sourced from local cooperatives or artisanal miners, to the extent that little or no modern exploration has ever been undertaken across the wider area. Orosur therefore decided to undertake exploration work at the regional scale, collecting wide spaced stream sediment samples across the entire project area as the first pass to identify best target areas to follow up. Despite the heavy nature of many of these minerals/elements suggesting that stream mobility will be variable, this nevertheless was considered to be the fastest and most cost-effective method of reconnaissance. During the campaign, over 400 samples were taken, and then assayed for a wide variety of elements, including Tin, Niobium, Titanium and a suite of rare earths.

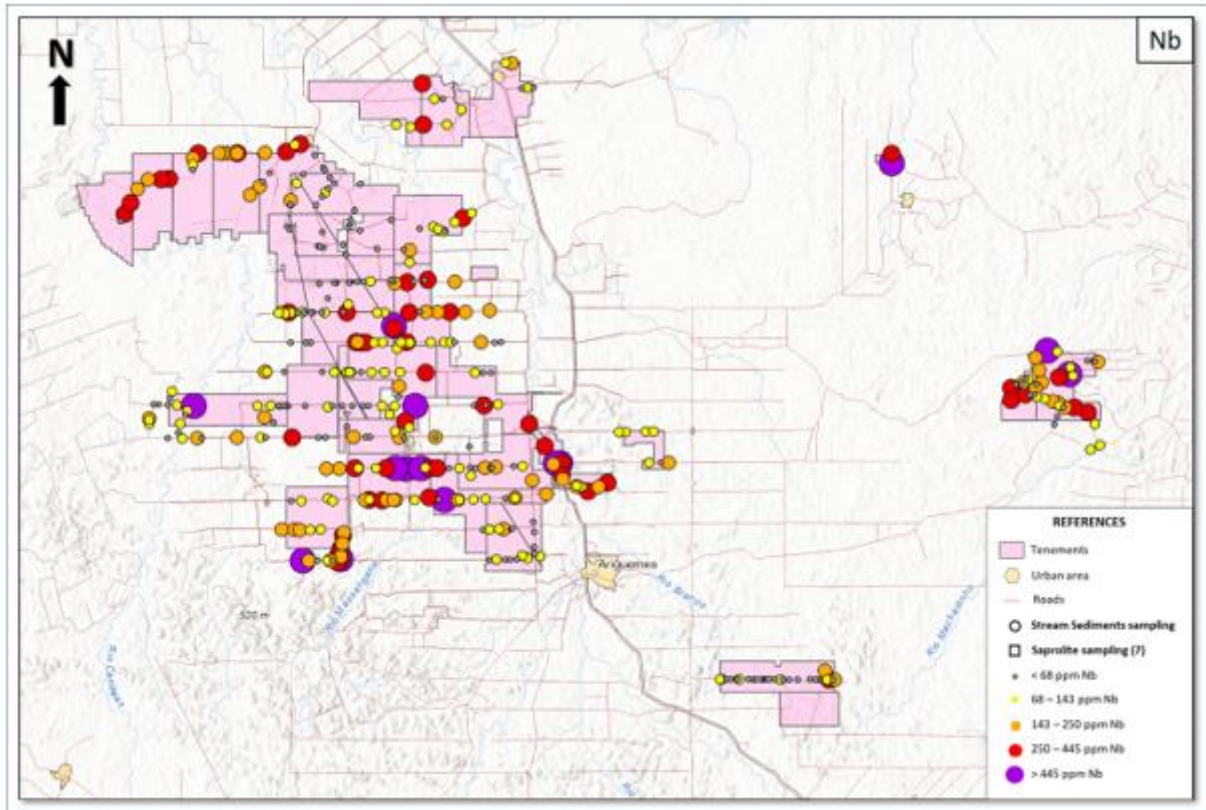
Results demonstrate widespread tin, niobium and rare earth anomalism across the wider area, with most tin interest focussed on the southern portion and a lease package to the far east of the area:

Ariquemes Project – Tin in Streams



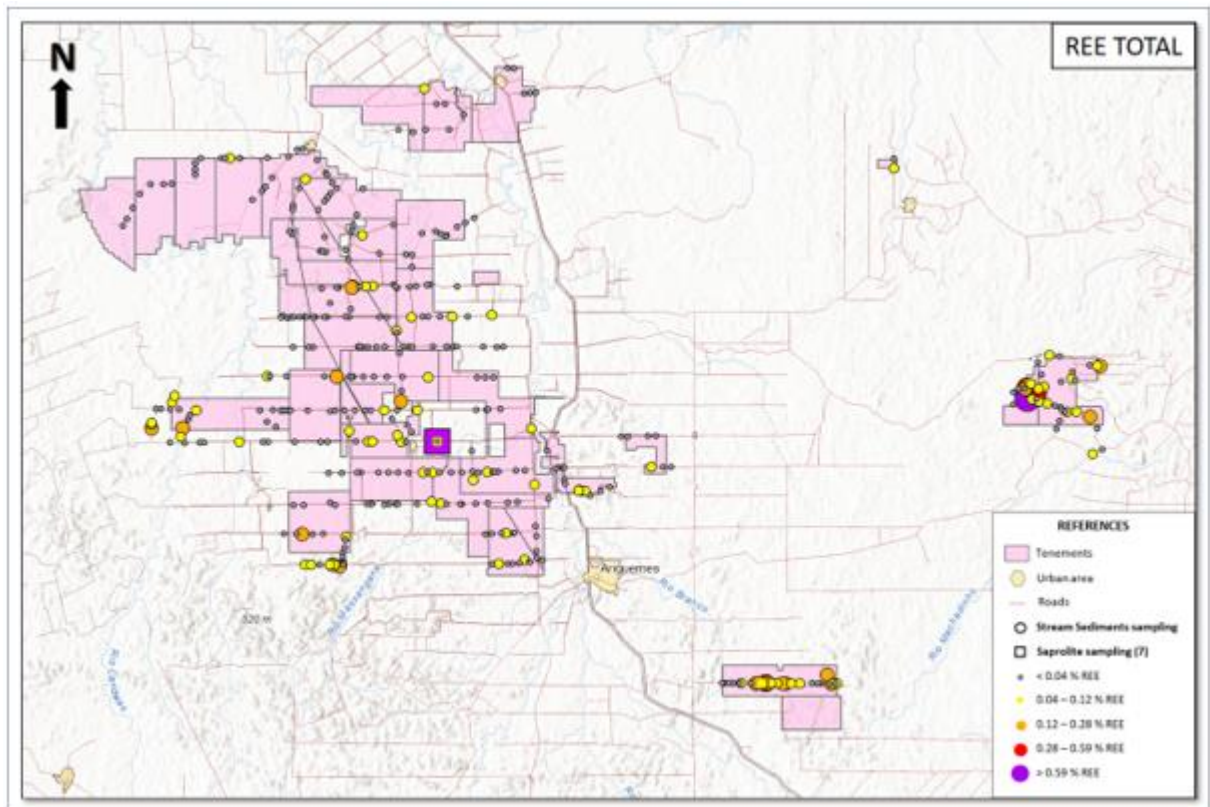
Source: Orosur, *RNS of 4 May 2023*

Ariquemes Project – Niobium in Streams



Source: Orosur, [RNS of 4 May 2023](#)

Ariquez Project – Rare Earths in Streams



Source: Orosur, [RNS of 4 May 2023](#)

In general, tin and niobium are often found and exploited together given they derive from the same source rocks. Data collected, however, appears to demonstrate a transition from tin dominance in the southern areas to niobium dominance in the north – a fact that was anecdotally known by local miners. The two metals are roughly similar in pricing structure and as such the company will examine commercial opportunities in both. Rare Earths on the other hand are not always correlated and there are several areas of interest in the centre of the exploration that will be examined further.

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