

Stock Data

Share Price:	4.55p
Market Cap:	£9.35m
Shares in issue:	205.58m
52 week high/low:	5.80p/1.90p

Company Profile

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

Activities

Orosur Mining Inc. ('Orosur', 'the Group', 'OMI') is an international explorer and developer of high-quality mineral assets in key jurisdictions.

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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TPI acts as Joint Broker to Orosur Mining Inc.

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Orosur Mining Inc.

Orosur has provided an update on exploration activities at its El Pantano gold and silver project ('Project' or 'El Pantano') in Argentina. Results clearly underline the region's potential, with low-cost generation of a highly prospective array of gold targets amid a presently buoyant market for the precious metal. Analysis of mapping and sampling data from completed field work has resulted in identification of a large, district scale low-sulphidation epithermal system. With environmental studies for required drilling permits already having been submitted, the Board expects to be in a position to commence work before the year end. Meanwhile, of course, the Group continues to oversee the complex process of reassuming 100% ownership of the Anzá project (the 'Anzá Project') from joint venture partners, Newmont Corporation ('Newmont') (NYSE: NEM, TSX: NGT), and Agnico Eagle Mines Limited ('Agnico') (NYSE: AEM, TSX: AEM) (the 'Transaction'). Holding a cash balance of US\$1.65m as of 23 April 2024, Orosur's geologists are presently in Colombia carrying out the planning and permitting required for commencement of drilling activities as soon as possible following completion of the Transaction.

El Pantano – An unknown low-sulphidation epithermal system?

Orosur is optimistic that it has identified a major, hitherto unknown low-sulphidation epithermal system, potentially similar in scale to that which produced the giant precious metal deposits at Cerro Negro, Cerro Vanguardia and others.

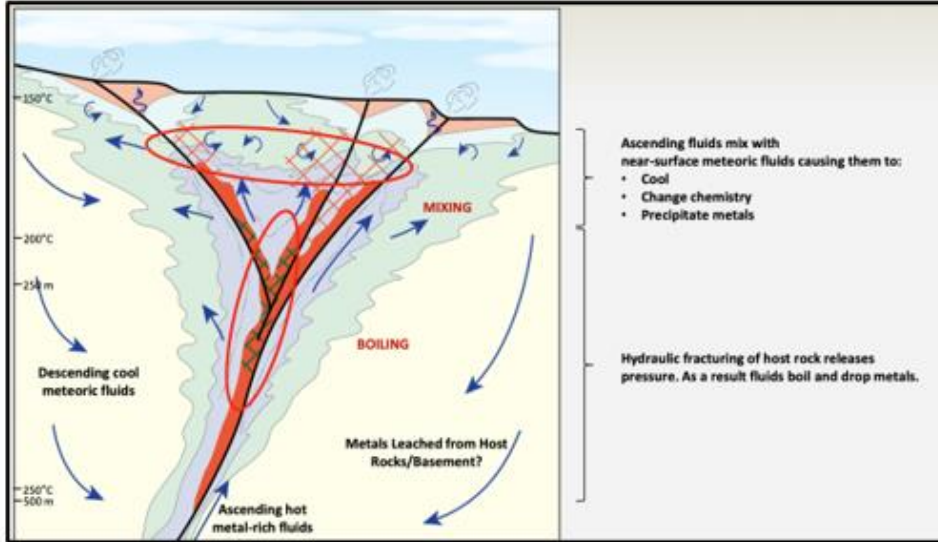
El Pantano is an early-stage gold/silver exploration project in Santa Cruz province, southern Argentina. It comprises c.600km² of contiguous licences in the prolific Deseado Massif region being, for example, c.45km from Anglo Gold's Cerro Vanguardia mining camp. In addition to offering highly prospective geology, the Project came with zero entry fee, and a low-cost pathway to 100% ownership.

Following signing of an exploration agreement on 15 February 2022, the Group immediately began the process of geological mapping and geochemical sampling across the licence package. This process is now largely complete, with the most recent phase finishing at the end of April 2024. Compilation and assessment of data collected fully supports the Board's initial view of the Project's prospectivity. A regional scale SE-NW trending rift system has been clearly mapped at El Pantano, approximately 20km in strike length and 6km in width. The structural architecture is of similar style and scale to that known to control the emplacement of major gold/silver deposits elsewhere in the massif. Widespread areas of pervasive silicification and hot spring occurrences were identified, with textures indicative of being above the boiling zone, which is important for the preservation of any mineralisation that may have formed. Swarms of quartz veins have been mapped over wide areas, providing evidence of a highly active epithermal system.

High level geochemical anomalism was recorded in all key pathfinder elements (As, Hg, Pb, Zn, Cu) along the rift structure, especially at the eastern and western ends that were not covered by later cretaceous sediments. Of these anomalous elements, arsenic was the most diagnostic as gold bearing

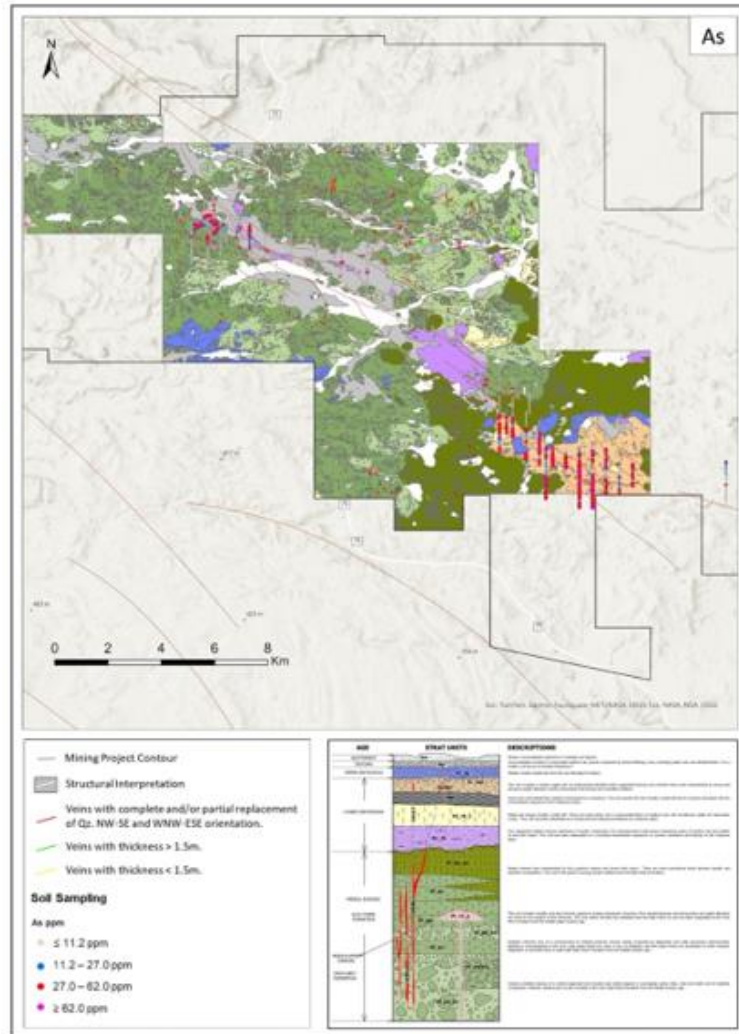
low-sulphidation epithermal fluid, being generally enriched in this metalloid but not precipitated by fluid boiling and so evident at surface.

Rift related, low-sulphidation model schematic section (Exploration Alliance)



Source: Orosur, [RNS of 30 May 2024](#)

El Pantano - Arsenic geochemistry and geological mapping



Source: Orosur, [RNS of 30 May 2024](#)

El Pantano – Follow-on phase of work

The objective of the next phase of work will be to focus down to areas within the rift system that may be the most attractive structural conduits for fluid flow and mineral deposition. Work programs may include more detailed geochemistry, electrical geophysics (resistivity and induced polarization) and reconnaissance drilling. Data will be assessed further and options developed over the winter recess.

In the meantime, Orosur has completed and submitted all the necessary environmental studies that are required as part of the Santa Cruz Province drilling permit process. Although consideration of these reports and formal drilling approval is expected to take several months to conclude, the Board remains optimistic that the necessary authorities will be in place to enable commencement of drilling before the end of 2024.

Anzá Project – Advanced negotiations to regain 100% control remain ongoing

The Anzá Project is subject to an Exploration Agreement with Venture Option ('the JV'), as announced on 10 September 2018, between Orosur's 100%-owned subsidiary Minera Anzá S.A ('Minera Anzá') and Minera Monte Águila SAS ('MMA'), a 50/50 joint venture between Newmont and Agnico.

With the majors seemingly willing to move at a reasonably rapid pace with the complex negotiations, on 25 March 2024 the Group entered into a non-binding letter of intent ('LOI') with MMA, that provides for a transaction pursuant which Orosur would repurchase, directly or indirectly, MMA's interest in the Project, resulting in it securing a 100% ownership of the Project.

The proposed consideration set out in the LOI is a NSR royalty of 1.5% and cash payments of up to US\$15 million payable upon meeting certain agreed production thresholds. These details presently remain commercially confidential, although full disclosure of the Transaction is expected to be provided if and when completed. The development steps that need to be taken to reach such a stage, however, include production of a bankable feasibility study ('BFS'), permitting, construction, etc. This remains, perhaps, 7 to 10 years away, and such a lengthy deferral clearly quite considerably derisks the Anzá Project for shareholders.

Orosur, in exchange, will regain complete control of a now data-rich opportunity that is clearly much more valuable than what was handed to the JV some years back. In anticipation, the Board is already planning for re-assumption of ownership and operatorship, which appears particularly timely against a background of record gold prices and a greater willingness amongst the international mining community to invest in Colombia once again. With a number of 'walk up' drill-ready targets already presented, on-site operations could even re-start before the end of H2 2024, possibly in tandem with initial discussions with potential development partners. Progress in all such discussions, along with a reasonable understanding of projected funding requirements and likely timing are, of course, expected to remain the key point of interest for Orosur investors in coming months.

Anzá Project presents a number of exciting opportunities

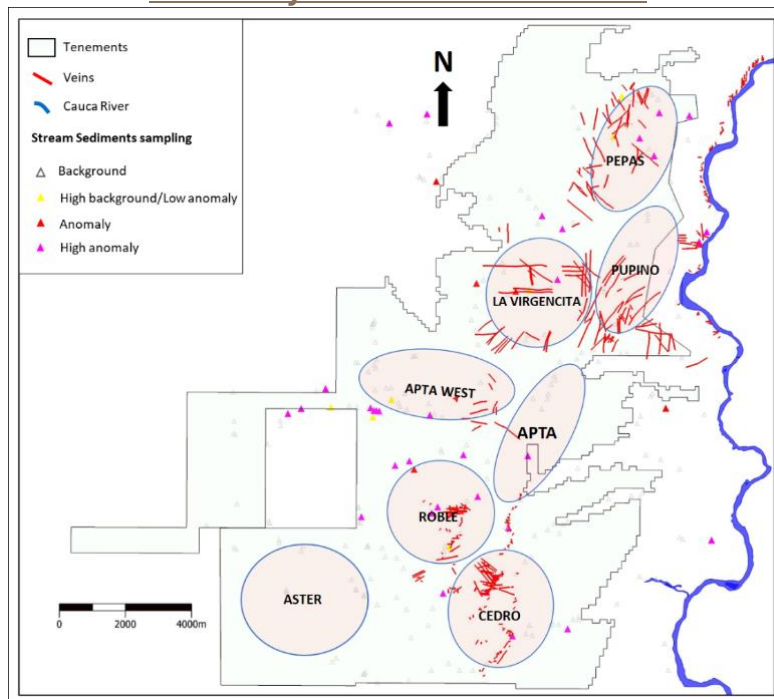
Orosur appears to be about to land the deal it has been seeking. The Group was always clear that it was prepared to pay to regain full control, but only in the form of a share of the positive cashflow generated from the mine once it has been built and producing. Used to working on extended schedules, the consideration proposed appears to reflect Newmont and Agnico's confidence that Anzá is a prospective world class asset and that it will eventually give them more than their money back, even if (under the terms of the original JV at least) they are not prepared to share its risk of development (which for a pre-resource asset requiring continuing exploration success, permitting and mine construction etc., clearly remains high).

Clearly, even if Orosur had been able to independently invest in the Project sufficient to regain 51% of the JV, no other party would consider entering the fray while Newmont and Agnico retained a seat at the table. This would

be in no party's interest, so it is perhaps understandable that they were willing to hand it back in its entirety. But more excitingly for Orosur, this opens a number of viable options through which the Project may be developed, including to: (i) Go it alone; (ii) Sell it outright; or (iii) Bring in a new partner. Each of these, of course, ultimately hinge on the wider market appetite.

The Anzá Project consists of a number of granted licences and applications, totally approximately 200km² in area. Following creation of the JV, it advanced significantly with spending of the order of US\$16m, wherein ongoing drilling programs consistently produced very thick, high grade gold intersections. Having over 20km strike of both Tonusco and Aragon faults, >45,000m have been drilled (mostly on APTA). Mapping indicates a major porphyry system at El Roble and El Cedro, while first drilling on Pepas (mid-2022) produced 150m @ 3g/t Au from surface. Orosur's Board consider the prospect's various walk-up targets to be ready for drilling, which could potentially lead to an early first resource.

Anzá Project - Mineralized trend



Source: Orosur, Investor Presentation, February 2024

Importantly for investors, being freed of the strict disclosure constraints/editorial oversight imposed by Newmont and Agnico, once it has got its 'feet back on Colombian ground' Orosur is likely to be far more transparent and communicative regarding its own development plans. This could include more detail about the extensive work already undertaken by MMA, their extensive results and a view regarding overall prospectivity.

Given its scale and global position, Newmont considers it important to retain, to the extent it can, 'a finger in the pie' of all and any potential world-class gold prospects. Even if it will now not be directly involved in the Anzá Project's future development, Newmont nevertheless still retains an indirect participation through its c.14.21% ordinary shareholding in Orosur (which originally came from its US\$2m investment back in 2018, then giving it a 19.9% shareholding which has subsequently been diluted through follow-on fundraisings, etc.)

This effectively provides Newmont with a first option on all of Orosur's developments and, as such, the Board does not expect this holding to be disposed of, even if it chose not to participate in the recent Placing and appears unlikely to become involved in any such future offerings. Contrasting this, however, Orosur may well be open to discussions with Agnico regarding the possibility of it entering an amended/updated joint venture agreement for co-development of the Anzá Project.

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