

Stock Data

Share Price:	2.95p
Market Cap:	£6.95m*
Shares in issue:	235.62m*
52 week high/low:	5.80p/1.90p

*Post Placing numbers

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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Orosur Mining Inc.

Orosur has raised £0.835m (gross) new funding through an equity placing (the 'Placing') priced at 2.78p/share (representing a c.15% discount to the close on 26 September 2024); each two Placing shares has one unlisted warrant attached, which is exercisable for 2 years from Admission at c.US\$0.0494 (approximately 3.697p**) into one new common share. No General Meeting ('GM') is required for this modest issue which, along with cash-in-hand of c.US\$0.5m will be directed primarily toward drilling, mapping and licencing costs at its advanced Anzá Gold Project (the 'Anzá Project'). Presently being returned to 100% ownership with walk up drill targets into known high grade mineralisation at the Pepas prospect. The Group will also examine the potential of moving the APTA prospect to NI43-101 Resource status in the near term. Reassuming ownership of 100% the Anzá Project, which has several prospects at advanced stages, is expected to provide the Board with a variety of options, potentially including the introduction of a new JV partner(s). With field work also being continued on its earlier-stage El Pantano Project in Argentina, Orosur now finds itself ideally positioned with two major, wholly-owned gold exploration projects in key endowed Latin American regions at a time when prices for the precious metal continue to touch all-time highs. Subject to approval of the TSX-V, Admission of the new shares is expected on or around 4 October 2024.

Use of funds raised

Orosur is now positioned to create significant value for its shareholders. In anticipation of regaining indirect 100% ownership of the Anzá Project through the indirect acquisition of MMA's 51% earned interest, net new funds raised will be substantially directed toward further development of this asset, and to examine the potential of moving the APTA prospect to a maiden resource in the near term. This is expected to attract interest from external parties seeking to either fund or earn-in to the potentially enormous opportunity and permit a longer-term development decision to be taken. While presently prioritising this particular project, the Group nevertheless remains a global minerals development business with a portfolio that includes other large, high-quality prospects (Argentina, Nigeria) in the precious and battery metals spaces with longer-term potential to generate significant returns.

Proposed Allocation of New Funds Raised	Amount
Drilling Pepas, licence & ancillary costs - Colombia	US\$500,000
Modelling APTA - Colombia	US\$40,000
Mapping/sampling El Cedro/El Roble - Colombia	US\$30,000
Field work, El Pantano - Argentina	US\$30,000
G&A expenses and costs (incl. Nigeria licence & ancillary charges)	US\$492,727
Total	US\$1,115,727

Source: Orosur, TPI, Investor Presentation, September 2024

Few surprises are expected to be found in Orosur's full year results to 31 May 2024, which are due to be published imminently. Together with cash-in-hand of US\$0.5m (c.£0.37m) as of 27 September 2024, the Board believes it now has funding sufficient to sustain a drilling program at its prospective Pepas discovery). In conjunction it will also be engaging external consultants to examine results from 38,000 m of drilling at the APTA prospect to determine if a Mineral Resource Estimate may be developed.

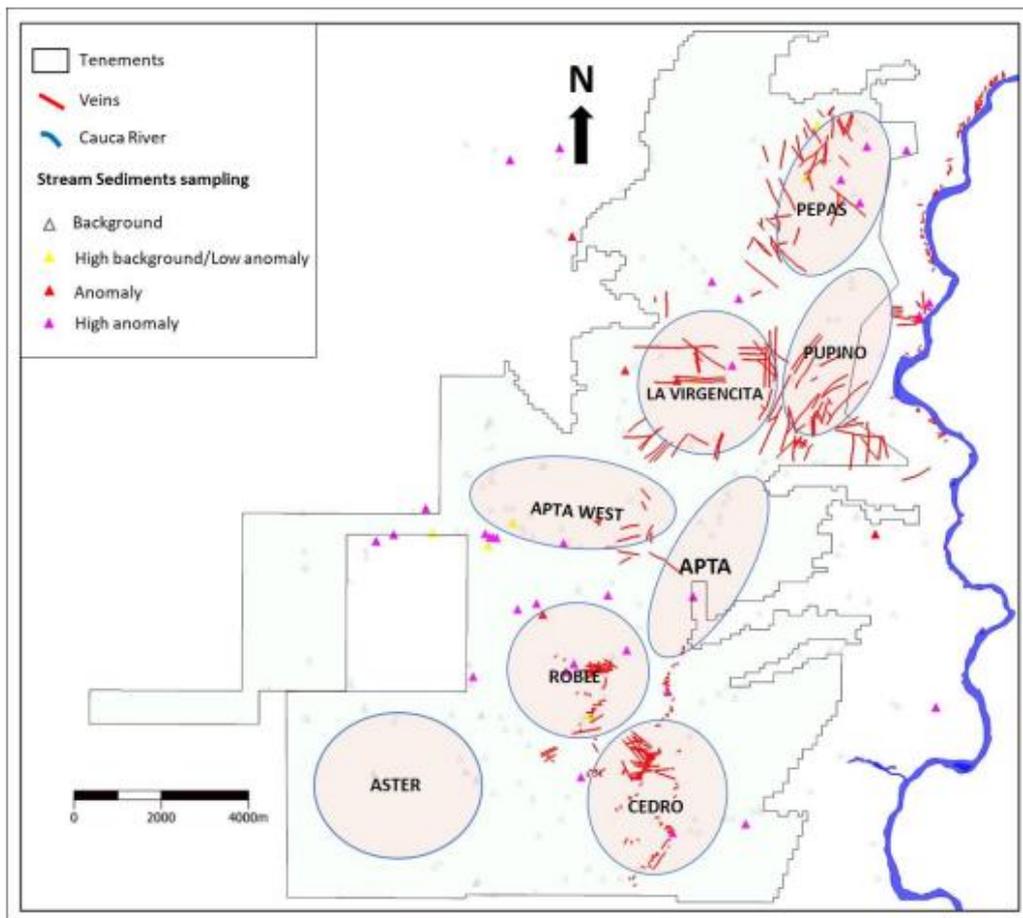
** Based on a conversion rate of £1=US\$1.3362

Resuming 100% ownership of flagship Anzá Gold Project

Considerable value has been added to the Anzá Project through the Exploration Agreement with Venture Option ('Exploration Agreement') with Minera Monte Águila S.A.S. ('MMA'). MMA is itself a 50/50 joint venture between Newmont Corporation ('Newmont') and Agnico Eagle Mines Limited ('Agnico') and the current operator of the Anzá Project. Subject to customary closing conditions and approval of the TSX-V, MMA will shortly relinquish operatorship, permitting Orosur to reassume 100% ownership in the absence of any upfront payments. Dissolution of the Exploration Agreement was not the result of any failure to meet exploration targets, but more simply down to the two mining majors urgently needing to cut back the number of early-stage projects retained across their portfolios, refocusing priority instead on near-term mineral production following the upheaval that resulted from their corporate amalgamations (Newmont-Newcrest, Agnico-Kirkland Lake-Yamana). This, in turn, has generated significant, one-off opportunities for junior development partners to regain control of assets that in many cases had been substantially advanced during the majors' tenures.

As such, Orosur is emerging with exactly the deal it was seeking, with all consideration being deferred and remaining wholly contingent upon commercial production from the Anzá Project. This comes in the form of Net Smelter Return ('NSR') Royalties in an aggregate amount of 1.5% on all future mineral production, plus the Fixed Royalties of an aggregate amount of US\$75 per ounce of gold or gold equivalent ounce for the first 200,000 gold equivalent ounces of mineral production (the 'Fixed Royalties'), taking the total to US\$15m. Used to working on extended schedules, the consideration proposed appears to reflect Newmont and Agnico's confidence that Anzá genuinely 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) 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).

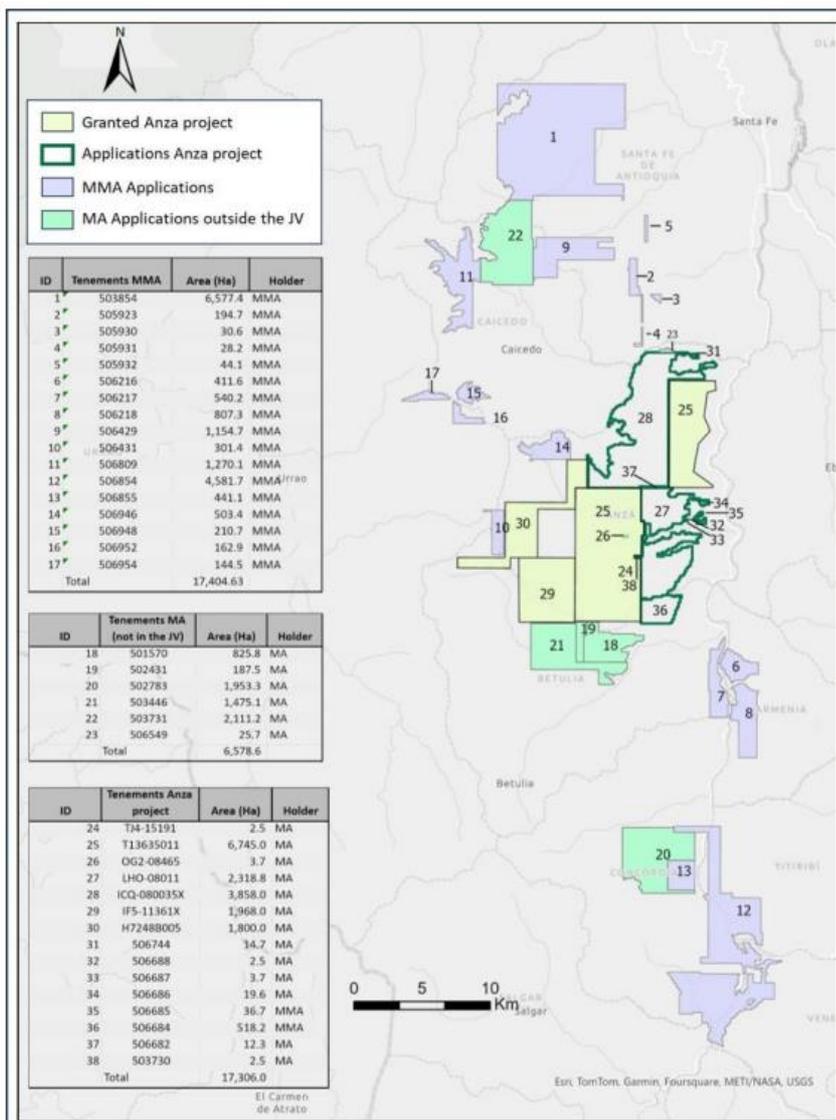
Anzá Project – Key Tenements



Source: Orosur, Investor Presentation, September 2024

Under the JV Agreement with Newmont and Agnico, all qualifying expenditures attributable to it were covered by MMA under the Exploration Agreement. In the year ended 31 December 2023, MMA's capitalised costs and investment attributable amounted to US\$17.7 million. The acquisition will also provide access to an additional 38,000m drilling database which consistently produced very thick, high grade gold intersections. This takes the Anzá Project's total retained logs to 45,000m (mostly on APTA) and, having contributed a little over 200 sq. km. of licences and applications to the JV on the outset, MMA's interests expanded >400 sq. km. (see illustration below), making Orosur the largest holder in mid-Cauca Belt.

Anzá Project –Post-Deal Licences



Source: Orosur, Investor Presentation, September 2024

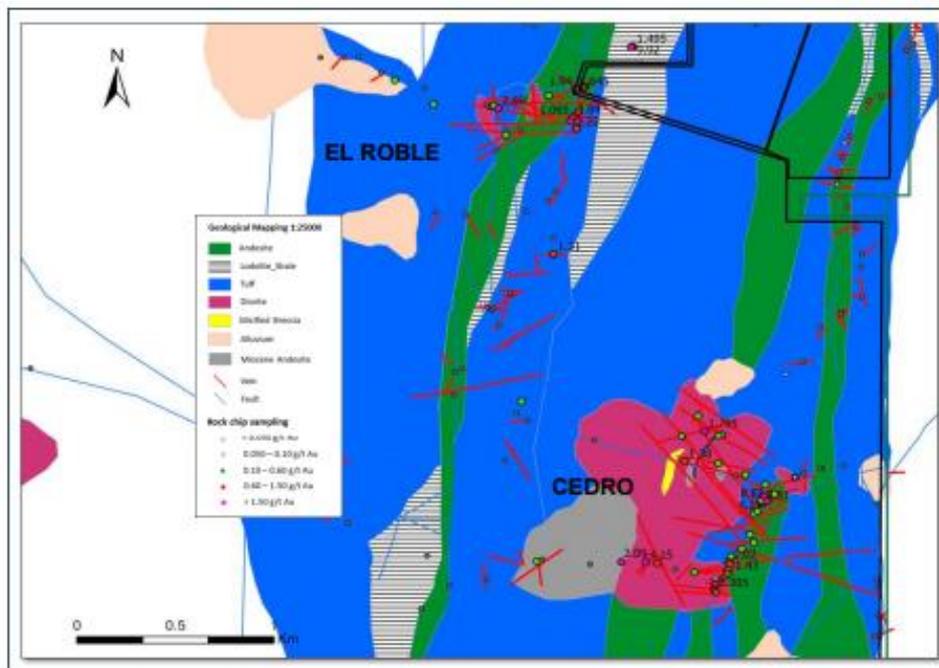
The most recent and best phase of drilling took place at the Pepas prospect, which will initially be serviced from the established camp at APTA that enjoys good road access and mining friendly municipalities nearby. Having produced 150m @ 3g/t Au (PEP-001) from surface on 6 September 2022, subsequent drilling unfortunately failed to follow standard step-out protocol and so ended-up missing the mineralised zone. The programme now being proposed intends to define the orientation and controls of the mineralisation to facilitate more targeted definition drilling. Commencement of a drill programme, comprising 5 holes for 700m, can almost immediately follow mobilisation to site. Taking around 1 week to complete, the first holes will start from a high-grade tunnel and target intersection with PEP-001 with a view to establishing orientation and geological controls.

With over 38,000m of drilling identifying numerous thick, high-grade intersections on the APTA prospect, Orosur also took the decision to re-model internally in order to increased potential target size. Clearly, despite having an abundance of high-quality data, MMA itself had no interest in moving it to a Compliant Resource as major producers receive no uplift from such work. Now moving to Orosur's sole control it is, of course, as very different situation, given that the Board wishes to consider all development opportunities, including prospective participation/earn-in from/by interested parties, for which a formal NI43-101 statement would likely be the bevery first port of call. As such, Orosur has already engaged external consultants to assess work and map a path to this, with the outcome likely to be available in the next couple of months.

With over 20km strike of both Tonusco and Aragon faults and the benefit of extensive data generated by MMA (whose capitalised costs and investment attributable to the Anzá Project as of 31 December 2023 amounted to US\$17.7 million), mapping indicates a major porphyry system at El Roble and El Cedro. Evidence of widespread, high-grade soil and rock chip anomalism within large zonal areas of silicification, brecciation, veining and alteration, are consistent with such epigenetic, intrusion-related deposits.

With no drilling having been completed to date, Orosur is presently planning to undertake more detailed mapping/sampling and advance to drill readiness for 2025. Exploration here clearly remains very early, but the onsite team consider it is quite possible that this is the Anzá Project's principal opportunity and may, ultimately, have been the grand prize that MMA was chasing.

El Roble and El Cedro – Porphyry System



Source: Orosur, Investor Presentation, September 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 have included first phase geochemistry, electrical geophysics (resistivity and induced polarization) and reconnaissance drilling. Data has been assessed further and options developed over the winter recess, which will end shortly.

Indicators suggest presence of a large low-sulphidation epithermal system in the form of a 25 km SE-NW structure, containing pervasive silicification, quartz vein swarms over large areas with extensive geochemical anomalism.

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 early in CY2025.

Orosur – Near-term catalysts and prospective newsflow

A steady flow of potentially price-sensitive releases can be expected to kick-off in the coming weeks. Focus will of course be on the Group's most advanced opportunity, the Anzá Project. Starting with details of its latest sampling results, these will be followed by commencement of drilling at Papas before end-2024. First results from this should become available within the opening weeks of 2025, which will continue to the prospect's definition phase. Results of the APTA resource assessment should then also provide a pathway to creation of a NI43-101 Compliant Resource statement. Mapping results from El Cedro/El Roble should become available around the same time.

In Argentina, the securing of an Environmental Permit will allow drill targeting to be advanced at El Pantano.

Orosur – Summary Strategic Objectives for Coming 18 Months

Objective	Action/Status
Develop balanced portfolio of high-quality gold exploration projects in key endowed regions. Focus on key jurisdictions with proven endowment and substantial mid-tier and major active players.	Completed – Anzá in Colombia and El Pantano <ul style="list-style-type: none"> Colombia, Mid-Cauca belt. Improving political climate and increasing activity – Buritica, Collective Mining, B2 Gold, Aris Mining. Argentina, Deseado Massif. Major mines and companies – Newmont, Anglo Gold, Pan African Silver
Establish large land holdings and high ownership equity to provide options of bringing in other parties at later stages.	<ul style="list-style-type: none"> Anzá project now 100% ownership – over 400km², major holder in mid-Cauca belt El Pantano has JV pathway to 100% at low cost. Large contiguous package 570km² in Deseado Massif
Advance projects quickly and efficiently	<ul style="list-style-type: none"> Over 45,000m drilled at Anzá – several prospects with multiple thick, high grade gold intersections. El Pantano completed early-stage field work – drill ready early 2025.
Define economic gold resources to NI43-101 standard as quickly and efficiently as possible	Resolve geological questions on two prospects at Anzá project Colombia: <ul style="list-style-type: none"> Assess 38,000m drilling database at APTA prospect to determine if Resource can be estimated now, or if additional information is required. Expected Oct/Nov 2024 Address unresolved orientation issue at the Pepas prospect, and then move to definition drilling. Expected Oct-Dec 2024

Source: Orosur, Investor Presentation, September 2024

Importantly for investors, being freed of the strict disclosure constraints/editorial oversight imposed by Newmont and Agnico, now it has got its 'feet back on Colombian ground' Orosur is expected to be far more transparent and communicative regarding its own development plans. This could include more detail about the extensive information/data already logged by MMA together with an informed 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, the mining giant nevertheless still retains an indirect participation through its c.12.40% post-Placing ordinary shareholding in Orosur (which originated from its US\$2m investment back in 2018,

then giving it a 19.9% shareholding and which has subsequently been diluted through follow-on fundraisings, etc.) This effectively provides Newmont with a first option on all Group 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 capital markets operations and, at this time, appears unlikely to become involved in any such future offerings.

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