

[Orosur Mining Inc.](#) (or the Company) (TSX: OMI) (AIM: OMI), a South American-focused gold producer, developer and explorer is pleased to announce the results for the third quarter of its fiscal 2015 ended February 28, 2015 (Q3 2015 or the Quarter).

Highlights

- Gold production of 13,760 oz (13,218 oz in Q3 2014)
- Cash operating costs of US\$876/oz (US\$818/oz in Q3 2014), compared to Q1 2015: US\$945/oz & Q2 2015: US\$984/oz
- Both production and cash operating costs are in line with original guidance, and the Company remains on track to deliver its full year guidance of 50,000 to 55,000 oz at a cash operating cost of US\$850 - \$950/oz
- All-In-Sustaining costs of US\$1,132/oz (Q3 2014: US\$1,032/oz) compared to Q1 2015: US\$1,182/oz & Q2 2015: US\$1,258/oz
- Average gold price received in the Quarter was US\$1,220/oz (Q3 13/14: US\$1,254/oz)
- Cash flow from operations of US\$3.0M (Q3 2014: US\$3.5M)
- Net loss after tax for the quarter was of US\$1.9M (Q3 2014: Net loss after tax US\$0.01M)
- The cash balance at February 28, 2015 was US\$5.8M and the debt balance was US\$3.3M compared to cash US\$10.8M and debt US\$4.9M at May 31, 2014
- YTD the Company has generated US\$7.4M of cash from operations and invested US\$6.8M in capital expenditure, including the tailings projects, and US\$3.7M in exploration
- A pre-development program of geotechnical and infill drilling on the main known extensions of the San Gregorio deposit (SG Deeps) was completed in Q3. The geological model, resource estimate and an open pit versus underground trade-off study are being updated with the assistance of Mine Development Associates (MDA), with encouraging preliminary results. A development decision is expected around the end of Q4
- Brownfield exploration programs concentrated on near mine targets focusing on extensions to known zones and the addition of supplemental ounces to the reserve base as well as an active greenfield program focused on the wider Isla Cristalina granite-greenstone belt
- At Anillo, drafting of definitive agreements to fund the next phases of exploration advanced with Asset Chile Exploración Minera Fondo de Inversión Privado (Asset Chile)

Ignacio Salazar, CEO of Orosur, said:

Orosur achieved quarterly operating results slightly ahead of our guidance, reduced cash costs by 9% over the first half of our fiscal year, successfully permitted the new Laureles open pit mine, closed the old tailings dam and completed a new phase in our second tailings dam. We are encouraged by the work on the San Gregorio Deeps development project that is advancing with the assistance of Mine Development Associates (MDA) and will soon finalise feasibility level studies to make a development decision. We continue to fund reserve replacement programmes around the mine in Uruguay as well as maintain an active exploration program focused on the wider Isla Cristalina granite-greenstone belt. At Anillo, we are making progress on drafting the definitive agreements to fund the next phases of exploration as previously announced. In a challenging gold price environment, we anticipate a solid fourth quarter to come.

	Q3 ended February 28 th 2015			
	Q3 14/15	Q3 13/14	Variance	
Operational & Financial Summary¹				
Operating Results				
Gold produced	Ounces	13,760	13,218	542
Operating cash cost ³	US\$/oz	876	818	(58)
Average price received	US\$/oz	1,220	1,254	(34)
Financial Results				
Revenue	US\$	16,445	16,741	(296)
Net loss after tax	US\$	(1,884)	(15)	(1,869)
Cash flow from operations ²	US\$	3,045	3,450	(405)
Cash & Debt at the end of the period		February 28, 2015	May 31, 2014	February 28, 2014
Cash balance	US\$	5,807	10,818	9,257
Total debt	US\$	3,307	4,939	6,502
Cash net of debt	US\$ '000	2,500	5,879	2,755

¹ Results are based on IFRS and expressed in US dollars

² Before working capital movements

³ Operating cash cost is total cost discounting royalties and capital tax on production assets.

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Production and Cash Costs

Both, production and cash operating costs for Q3 2015 are in line with the Company's previously stated guidance.

Gold production for the Quarter totaled 13,760 oz, bringing the Q1 & Q3 2015 aggregate production up to 40,298 oz, leaving the Company on schedule to achieve near the top end of its FY production guidance for the year (50,000 - 55,000 oz). The Company maintains its forecast production guidance for FY 2015 between 50,000 to 55,000 ounces of gold at operating cash costs of between US\$850 to US\$950 per ounce.

Orosur continues to deliver cost reductions reaching a unit operating cash cost of US\$876/oz in the Quarter, compared to Q1 2015: US\$945/oz and Q2 2015: US\$984/oz. This reduction is in line with the H2 expectations of a return to higher grade mining. The All-In-Sustaining costs for the Quarter was US\$1,132/oz compared to an average gold price received of US\$1,220/oz. The Company expects further operating cash cost reductions in Q4 2015. The average YTD operating cash costs of US\$934/oz are in line with our guidance of US\$850 - US\$950/oz.

Mining at the Laureles open pit has successfully commenced in Q4 2015 as planned following the concession and easement approval granted by Uruguayan Minister of Mines end of February 2015. Laureles will be the primary source of open pit ore for at least the next half year with mineralization open on strike and down dip.

During the Quarter, Orosur achieved two demanding targets associated with the tailings dam: OMI completed the construction of a further phase of its second tailings dam in San Gregorio on time and within the initial budget and secondly, closed successfully its first tailings dam. Tailings related expenditures totaled approximately US\$3M during Q1-Q3. The newly built phase of the tailings dam is designed to provide tailings capacity for at least 18 months. During March 2015, the Uruguayan Environmental department received the results of an external audit they had commissioned on these projects with positive results.

Financial Summary

Cash flow from operations before working capital was US\$3.0M for the quarter compared to US\$3.5M for Q3 2014, primarily due to a lower gold price. Net loss after tax for the quarter was US\$1.9M compared to a loss of US\$0.01M in Q3 2014.

The Company invested US\$2.4M in capital expenditures and US\$1.5M in exploration expenditures in the quarter compared to US\$1.8M and US\$1.1M respectively in Q3 2014.

The cash balance at February 28, 2015 was US\$5.8M and the debt balance was US\$3.3M compared to cash US\$10.8M and debt US\$4.9M at May 31, 2014. YTD the Company has generated US\$7.4M of cash from operations and invested US\$6.8M in capital expenditure, including the tailings projects, and US\$3.7M in exploration.

Orosur expects to continue following the contracted schedule of lease and debt repayments with HSBC and Banco Santander with the HSBC lease finance facility completely repaid by the end of FY 2015 and with approximately US\$1.5M outstanding with Banco Santander. The Company has US\$3.0M of committed but undrawn lines of credit available at February 28th, 2015.

Development and Exploration Uruguay

During the Quarter, the Company continued its exploration programs in the San Gregorio district of Uruguay, including 3,223 metres of exploration drilling and 9,670 metres of shallow (<15m) drilling on surface and near surface brownfields targets. At SG Deeps, a pre-development program of 3,000 metres of geotechnical and infill drilling which commenced in Q2 was completed in Q3. During Q3, 811 metres of diamond drilling was completed on three greenfields targets.

SG Deeps Development Project

SG Deeps is a development project aimed at exploiting and potentially expanding the existing resources from the San Gregorio deposit. These resources are located just below, to the west and the east of the historic main pit.

During Q3 2015, approximately 3,000 metres of drilling were completed to further evaluate the extensions of this geological resource. Based on the newly acquired data, the 2011 geological model and resource estimate (officially reported in the 2013 Technical Report) are being updated with the assistance of Mine Development Associates (MDA) of Reno, Nevada. The new data is encouraging and progress reports will be available in Q4. The drilling program also advanced the geotechnical database of the main San Gregorio extension in preparation for work planned for Q4. This work includes an open pit versus underground comparison study and new mine designs, aiming for a development decision near the end of Q4.

Exploration Uruguay

Exploration drilling continued on the Company's main open pit targets during the Quarter, including those currently in production. A total of 1,359 metres of RC drilling and 9,670 metres of shallow (<15m) drilling on surface and near surface brownfields targets were successful in defining additional resources in Q3.

Underground exploration drilling at Arenal Deeps in Q3 consisted of 1,053 metres and was also successful in identifying additional resources that are now the subject of new mine designs for certification as reserves. The Company replaced production with new reserves last fiscal year and keeps funding solid reserve replacement brownfield programs.

Greenfields activity focused on more regional aspects on the San Gregorio district within the wider Isla Cristalina granite-greenstone belt. The results of these efforts have been encouraging however are too early in their exploration to define geological resources at present. During Q3, 811 metres of diamond drilling was completed on three greenfields targets. There are numerous exploration targets yet to be examined and an overall ranking is periodically updated to maximize the possibility of near term success.

Exploration Chile

At Anillo, drafting of a definitive agreements for the funding of the next phases of exploration advanced with Asset Chile Exploraci3n Minera Fondo de Inversi3n Privado (Asset Chile). An agreement with Asset Chile was announced on November 19th, 2014. A Letter of Intent was signed for non-dilutive financing of up to \$3.5 million to advance the exploration at the Anillo project. Once the definitive agreement is signed, the Company plans to perform geophysics (CSAMT lines) and RC drilling to follow-up and delineate the mineral intercepts obtained at the last drilling campaign. The Anillo project is located to the northeast of Yamana Gold's El Pe3n operation, a well-established and significant gold producer.

Exploration Colombia

At the Anz3j project in Colombia, community relations and environmental monitoring continued as per the normal schedule. New water sources for drilling were defined and applied for in Q3. Anz3j remains a high priority target for organic growth of the Company.

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Qualified Person's Statement

The technical information related to the current assets of Orosur Mining in this presentation has been reviewed by Michael Schwabe, an Exploration Consultant who is considered to be a Qualified Person under NI 43-101 reporting guidelines. Mr. Schwabe is a graduate in Science, majoring in Geology from the University of Tasmania and is Fellow of the Australian Institute of Mining and Metallurgy, a Senior Fellow of the Society of Economic Geologists and a Professional Member of the Society for Mining, Metallurgy and Exploration. Mr. Schwabe has 47 years of professional experience in the field of mineral exploration, mine development and management.

Forward Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this news release, including any information as to the future financial or operating performance of the Company, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and the United States Private Securities Litigation Reform Act of 1995 and are based on expectations estimates and projections as of the date of this news release. There can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements include, without limitation success of exploration activities; permitting time lines; the failure of plant; equipment or processes to operate as anticipated; accidents; labour disputes; requirements for additional capital title disputes or claims and limitations on insurance coverage. The Company disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

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About Orosur Mining Inc.

	Three months ended February 28,		Nine months ended February 28,	
	2015 (\$)	2014 (\$)	2015 (\$)	2014 (\$)
Sales	16,445	16,741	50,375	60,061
Cost of sales	(17,088)	(16,007)	(52,487)	(52,100)
Gross (loss)/profit	(643)	734	(2,112)	7,961
Corporate and administrative expense	(311)	(1,147)	(2,186)	(2,879)
Exploration expenses and exploration written off	(514)	(318)	(547)	(1,208)
Impairment of assets	(63)	-	(63)	-
Other income	150	918	538	1,044
Finance cost	(74)	(148)	(226)	(268)
Finance income	1	1	4	3
Net foreign exchange gain (loss)	(154)	44	(129)	57
(Loss) profit before income tax	(1,608)	84	(4,721)	4,710
Recovery (Provision) for income taxes	(276)	(99)	313	(2,224)
Total (loss) profit for the period	(1,884)	(15)	(4,408)	2,486
Other comprehensive loss				
Foreign exchange differences on translating foreign operations	(351)	-	(871)	-
Total comprehensive (loss) profit for the period	(2,235)	(15)	(5,279)	2,486
(Loss) profit per common share				
Basic and fully diluted	(0.02)	0.00	(0.06)	0.03

Orosur Mining Inc.
Condensed Interim Consolidated Statements of Cash Flows
Thousands of United States Dollars, except where indicated

	Nine months ended February 28,	
	2015 (\$)	2014 (\$)
Net inflow (outflow) of cash related to the following activities		
Cash flow from operating activities		
Net (loss) profit for the period	(4,408)	2,486
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation	11,430	12,539
Impairment of assets	63	-
Exploration and evaluation expenses	544	67
Accretion of asset retirement obligation	57	57
Deferred income tax assets	(317)	2,385
Stock based compensation	(60)	232
Gain on sale of property, plant and equipment	(259)	(705)
Others	356	(18)
Subtotal	7,406	17,044
Changes in operating assets and liabilities		
Accounts receivables and other assets	792	425
Inventories	3	953
Trade payables and other accrued liabilities	(260)	(3,289)

Net cash generated from operating activities	7,941	15,133
Cash flow from financing activities		
Repayment of long-term debt	(2,745)	(2,290)
Net cash used in financing activities	(2,745)	(2,290)
Cash flow from investing activities		
Purchase of property, plant and equipment and development costs	(6,759)	(3,621)
Environmental tasks	(562)	(2,302)
Proceeds from the sale of fixed assets	788	833
Exploration and evaluation expenditure assets	(3,674)	(4,129)
Net cash used in investing activities	(10,207)	(9,219)
(Decrease) Increase in cash and cash equivalents	(5,011)	3,624
Cash and cash equivalents at the beginning of period	10,818	5,633
Cash and cash equivalents at the end of period	5,807	9,257

Orosur Mining Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Thousands of United States Dollars, except where indicated

	Nine months ended February 28,	
	2015 (\$)	2014 (\$)
Capital stock		
Balance at beginning of period	55,184	55,184
Issued for Waymar acquisition	5,360	-
Balance at end of period	60,544	55,184
Broker Warrants		
Balance at beginning of period	-	276
Issued for Waymar acquisition	62	-
Expiration	-	(276)
Balance at end of period	62	-
Contributed surplus		
Balance at beginning of period	5,708	5,534
Employee stock based compensation recognized	(60)	232
Issued for Waymar acquisition	94	-
Balance at end of period	5,742	5,766
Retained earnings		
Balance at beginning of period	22,088	16,965
Warrant expiration	-	276
Net loss for the period	(4,408)	2,486
Currency translation reserve	(871)	-
Balance at end of period	16,809	19,727
Shareholders' equity at end of period	83,157	80,677

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