

Orosur Mining Inc Announces Full Year 2020 Results

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LONDON, October 15, 2020 - [Orosur Mining Inc.](#) ("Orosur" or "the Company") (TSX:OMI) (AIM:OMI) announces the audited results for the fiscal year ended May 31, 2020. All dollar figures are stated in US\$ unless otherwise noted. The audited financial statements of the Company for the year ended May 31, 2020; the related management's discussion and analysis ("MD&A"); the annual information form ("AIF") and the Forms 52-109F1 have all been filed and are available for review on the SEDAR website at www.sedar.com. The financial statements, the MD&A and the AIF are also available on the Company's website at www.orosur.ca.

HIGHLIGHTS

Colombia

- In accordance with the Exploration Agreement with Venture Option over the Anzá project in Colombia (the "Exploration Agreement") with Newmont Colombia S.A.S. ("Newmont Colombia"), dated 7th September 2018, Newmont Colombia made a cash payment of \$500K to Orosur in August 2019 and a payment of \$690K to Minera Anzá (the Company's wholly owned subsidiary) in November 2019 to cover its outstanding commitments for the first year of the Exploration Agreement (September 2018 to September 2019) and to maintain its phase 1 earn-in rights.
- On March 5, 2020, a cash payment of \$500K was received by the Company from Newmont Colombia, in connection with maintaining its earn-in rights pursuant to the Exploration Agreement.
- As announced on September 3, 2020, a further cash payment of \$500K was received by the Company from Newmont Colombia, in connection with maintaining its earn-in rights pursuant to the Exploration Agreement.
- After the year end, on 30th September 2020, Newmont Corporation ("Newmont"), entered into a Joint Venture Agreement ("Joint Venture") with [Agnico Eagle Mines Ltd.](#) ("Agnico") whereby the two companies will jointly assume and advance Newmont's prior rights and obligations with respect to the Anzá Project on a 50:50 basis, with Agnico acting as operator of the Joint Venture. The Joint Venture vehicle between Newmont and Agnico will change its name to Minera Monte Águila SAS ("Monte Águila").
- Initial funding of approximately \$650K from Agnico to restart the exploration program was received by Minera Anzá on October 2, 2020. This funding is to be directed solely to fund exploration on the Anzá Project for the 12 month period starting September 7, 2020 and is the first contribution of the required \$4 million of expenditure for this 12 month period per the terms of the Exploration Agreement. This funding is not related to the payment in lieu for the shortfall of qualifying expenditure for the previous 12 month period ended September 6, 2020. The payment in lieu, which amounts to \$582k is payable no later than November 7, 2020.

Uruguay

- In Uruguay, with the Creditors Agreement finally approved by the Court in September 2019, and legally binding on all trade creditors, Loryser, the Company's Uruguayan subsidiary, focused its activities in the implementation of the Creditors Agreement and the sale of its Uruguayan assets. As part of that Creditors Agreement, Orosur issued in December 2019, 10,000,000 common shares to a trust for the benefit of Loryser's creditors as contemplated in the Creditors Agreement.
- In Q3 2020, Loryser signed a Settlement Agreement with DINAMA (Uruguay environmental agency) to recover the \$1.3 million from the environmental guarantee it had executed previously. Pursuant to the Settlement Agreement, Loryser is continuing with the reclamation of the tailings dam and DINAMA will pay in instalments upon completion of a six-phase closure plan. The agreement is now effective after getting final approval from the Audit Tribunal, which oversees all Governmental accounts. The first of the payments from DINAMA in an amount of \$150k was received by the Company on May 21, 2020.

- After the year end, on August 6, 2020, the Company sold its mining and exploration permits in the San Gregorio Project area of Uruguay to Kiwanda Group LLC for an aggregate cash consideration of \$550k of which \$250k was received on completion and a further \$300k is payable in August 1, 2021. Good progress is being made on the sale of Loryser's other assets including plant and equipment. The proceeds from all of these sales will be used to pay liabilities in Uruguay in connection with the aforementioned Creditors Agreement.

Financial and Corporate

- The consolidated financial statements have been prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted for as Assets and Liabilities held for sale (at the lower of book value or fair value) and Profit and Loss from discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.
- On May 31, 2020, the Company had a cash balance of \$782k, (May 31, 2019 \$526k). As at the date of this announcement the Company had a cash balance of \$642k.
- During the course of Q4 2020, Louis Castro was appointed Chairman of the Board of Directors, replacing Rob Shafer. After the year end, Brad George was appointed Chief Executive Officer and Thomas Masney was appointed as a non-executive director, replacing Ignacio Salazar and HD Lee respectively.

Outlook and Strategy

During the year ended 31 May 2020 the Board continued to apply its strategic plan to restructure its business, and recapitalize and transform the Company by advancing its Anzá Project in Colombia (with Newmont as a partner, as explained above), whilst progressing other opportunities, as well as finding a fair solution in Uruguay for all stakeholders. The strategy remains unchanged post year-end.

In Colombia, Newmont completed commitments and payments of Year 2 of the Exploration Agreement. In March 2020, Newmont made the third out of four \$500k cash payments to Orosur and the fourth payment of \$500k was received in September 2020. As explained above, Newmont, and its new partner in the Anza project, Agnico Eagle, will need to spend \$4 million on the Anza project between now and September 2021, to maintain its earn-in rights in the project, which should lead to an acceleration in the exploration and appraisal of the project in the coming year.

In Uruguay, Loryser has focused its activities on the implementation of the Creditors Agreement and will continue to do that in the coming year. The Company is well advanced in the sale of its assets in Uruguay and with the reclamation and remediation of the tailings dam.

Brad George, CEO of Orosur said:

"This year just ended has been one of transition for Orosur. San Gregorio had been the backbone for the company for many years, producing some 1.5Moz of gold during its life. 2020 however marks a new chapter where we shift focus to Colombia and the Anzá project, with our partners Newmont and Agnico. COVID-19 has clearly presented challenges, but with careful planning and operation, we hope to be active toward the end of calendar 2020, setting the foundation for an exciting 2021."

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Click on, or paste the following link into your web browser, to view the full announcement with financial tables:

http://www.rns-pdf.londonstockexchange.com/rns/1335C_1-2020-10-14.pdf

Note 1. Restatement of 2019 reported financial statements

Subsequent to the issue of the previously reported financial statements for the year ended May 31, 2019 management have amended the treatment of the fees of \$500k received in 2019 from Newmont pursuant to the Exploration with Option Agreement. In the 2019 financial statements this fee of \$500k was shown on the consolidated statements of loss as "Other Income". After further deliberation and a review of industry practice, it has been determined that a more appropriate treatment is to set off this fee, and any future such fees, against the Exploration and Evaluation Assets on the balance sheet.

The 2019 results have also been restated for historical foreign exchange rate movements of \$147k not properly previously captured in the accounts.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR "). Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain .

About Orosur Mining Inc.

[Orosur Mining Inc.](#) (TSX: OMI; AIM: OMI) is a precious metals developer and explorer focused on identifying and advancing gold projects in South America. The Company operates in Colombia and Uruguay.

Forward Looking Statements

All statements, other than statements of historical fact, contained in this news release constitute "forward looking statements" within the meaning of applicable securities laws, including but not limited to the "safe harbour" provisions of 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.

Forward-looking statements include, without limitation, the exploration plans in Colombia and the funding from Monte Águila of those plans, Monte Águila's decision to continue with the Exploration and Option agreement, the ability for Loryser to continue and finalize with the remediation in Uruguay, the ability to implement the Creditors' Agreement successfully as well as continuation of the business of the Company as a going concern and other events or conditions that may occur in the future. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing, to reach profitable levels of operations and to reach a satisfactory implementation of the Creditor's Agreement in Uruguay. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of the MD&A and the Annual Information Form. 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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