

# Orogen Royalties Announces First Quarter 2022 Results and Provides Royalty Update

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VANCOUVER, May 26, 2022 - (TSXV:OGN)(OTCQX:OGNRF) [Orogen Royalties Inc.](#) ("Orogen" or the "Company") is pleased to report operating and financial results for the first quarter ended March 31, 2022 ("Q1-2022") and recent updates from key royalty assets.

Paddy Nicol, CEO of Orogen, commented: "Our first full quarter of royalty revenue from Ermitaño and strong results from our prospect generation business have seen Orogen generate a profit for the first quarter of 2022. These results underline the financial stability the company has achieved, maximizing our shareholders' participation in the exciting developments in the Company's royalty and prospect generation portfolio."

## Q1 2022 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- Revenue of \$940,068 comprised of \$738,842 earned from the Ermitaño royalty and \$182,459 generated from prospect generation activities
- Attributable gold equivalent ounces ("GEOs") sold of 315
- Incurred \$377,155 in prospect generation costs and recovered \$645,940 in project sales and expense reimbursements from partners on JV projects and alliances
- General and administrative expenses were \$863,288 compared to \$790,738 reported in the same period last year and the increase was mainly due to higher shared-based compensation expenses from stock options vested during the current period. Share-based compensation expense in Q1-2022 was \$131,053 compared to a recovery of \$44,023 in 2021
- Gain of \$347,330 was recognized on fair value adjustments of marketable securities
- Net income from operations for Q1-2022 was \$426,081 or \$0.002 per share compared to a net loss of \$759,706 or \$0.004 per share during the same period last year
- Cash flow from operating activities of \$90,412
- Cash from operating activities, excluding changes in non-cash working capital of \$229,246
- Working capital of \$10,986,322 including \$2,193,885 in cash and cash equivalents and \$5,130,030 in short term investments and no long term debt

For complete details of the Company's financial results, please refer to the Condensed Interim Consolidated Financial Statements and Management Discussions and Analysis. The Company's filings are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Orogen's website at [www.rogenroyalties.com](http://www.rogenroyalties.com). Please also see non-IFRS Measures at the end of this news release.

## Summary of Results

Interim  
Consolidated  
Statement  
of Three-Month Period Ended March 31,  
Income  
and  
Comprehensive  
Income

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Income from Prospectus Generation Activities	182,459	15,493
Other income	18,767	19,396
Total revenue	940,068	34,889
G&A	863,288	790,738
Operating income (loss) before other adjustments	\$ 76,780	\$ (755,849 )
Other income (loss)	1,971	(1,496 )
Marketable securities fair value adjustment	347,330	(2,361 )
Net income (loss) and comprehensive income (loss) for the period	\$ 426,081	\$ (759,706 )
Basic and diluted income (loss) per share	\$ 0.002	\$ (0.004 )
Non-IFRS and Other Measures		
GEO	\$15	-
Average realized gold price per GEO	US\$1,877	US\$ -

Cash  
flow  
from  
operating  
activities,  
excluding \$1,246      \$ (768,811      )  
changes  
in  
non-cash  
working  
capital

## 2022 Outlook

### Ermitaño (Sonora, Mexico)

Orogen holds a 2% uncapped and non-buyable net smelter return ("NSR") royalty on the Ermitaño Mine operated by [First Majestic Silver Corp.](#) ("First Majestic"). Based on the NI 43-101 Prefeasibility Study[i] released by First Majestic on November 24, 2021, the Company estimates 1,100 attributable GEs from Ermitaño in 2022. Expected royalty revenue over the same period is \$2,300,000 using metal prices of US\$1,700 per ounce of gold and US\$22.50 per ounce of silver.

First Majestic continues to pursue a 30,000 metre drill program aimed at resource expansion at Ermitaño, including the new Luna discovery, as detailed in Orogen's February 16, 2022 press release.

Note: First Majestic's June 30, 2021 NI 43-101 Technical Report on Mineral Reserves and Mineral Resources on the Santa Elena Mine in Sonora, Mexico, is available at [www.sedar.com](http://www.sedar.com).

### Silicon (Nevada, USA)

In Nevada, project operator AngloGold Ashanti NA ("AngloGold") provided a technical report dated March 30, 2022 covering development activities at the Central Silicon deposit and nearby Merlin area where Orogen holds an uncapped and non-buyable 1% NSR royalty:

- A maiden inferred resource of 3.37 million ounces of oxide gold and 14.2 million ounces of silver from the Central-Silicon zone as of December 31, 2021
- Resources are constrained by an open pit optimization using US\$1,500 per ounce gold
- Resources exclude the Merlin zone, located approximately two kilometres south of Central-Silicon and the undrilled Maverick area, located approximately one kilometre east of Central-Silicon
- Extensive metallurgical programs have demonstrated the viability of heap leaching on the Silicon ore
- Orogen's area of royalty influence has increased from 728 claims to 949 claims based on additional staking by AngloGold
- Eight drill rigs are active on the Silicon Project as of April 2022
- Prefeasibility studies at the Central Silicon deposit and concept studies at Merlin area are planned in 2022

Note: AngloGold Ashanti's Technical Report Summary - Silicon Project March 30, 2022 with effective date December 31, 2021 can be found on EDGAR at [www.sec.gov](http://www.sec.gov).

### Prospect Generation

Over \$377,000 was spent by the Company to advance exploration projects during the quarter, of which \$256,000 was reimbursed by partners on JV projects and alliances where the Company was the operator. These expenditures exclude expenses incurred directly by partners on active option agreements. The Company also received \$390,000 in proceeds from project sales and option payments from option agreements in respect of the Onjo project ([Pacific Ridge Exploration Ltd.](#)) and the Si2 project (K2 Resources Inc.). The Company now has 12 royalty assets, two alliances, and 15 active option agreements.

It is anticipated that partner-funded exploration will ramp up in subsequent quarters with several active drilling and exploration programs planned by companies including Yamana Gold Inc., Headwater Gold Inc., Eminent Gold Corporation, Acme Gold Company, Ivy Minerals Inc., Riverside Resources Corp./BHP, and Pacific Imperial Mines Inc.

#### Qualified Person Statement

All technical data, as disclosed in this press release, has been verified by Laurence Poyer, Ph.D., P.Geo., Exploration Manager for Orogen. Dr. Poyer is a qualified person as defined under the terms of National Instrument 43-101.

#### About Orogen Royalties Inc.

Orogen Royalties is focused on organic royalty creation and royalty acquisitions on precious and base metal discoveries in western North America. The Company's royalty portfolio includes the Ermitaño gold and silver deposit in Sonora, Mexico (2% NSR royalty) operated by [First Majestic Silver Corp.](#), and the Silicon gold project (1% NSR royalty) in Nevada, U.S., being advanced by AngloGold Ashanti. The Company is well financed with several projects actively being developed by joint venture partners.

#### On Behalf of the Board

##### [Orogen Royalties Inc.](#)

Paddy Nicol  
President & CEO

To find out more about Orogen, please contact Paddy Nicol, President & CEO at 604-248-8648, and Marco LoCascio, Vice President of Corporate Development at 604-248-8648. Visit our website at [www.orogenroyalties.com](http://www.orogenroyalties.com).

##### [Orogen Royalties Inc.](#)

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#### Forward Looking Information

This news release includes certain statements that may be deemed "forward looking statements". All statements in this presentation, other than statements of historical facts, that address events or developments that [Orogen Royalties Inc.](#) (the "Company") expect to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur.

Although the Company believe the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward looking statements. Factors that could cause the actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Furthermore, the extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions, physical distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact as of the date of approval of these condensed interim consolidated financial statements, continuation of the prevailing conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

Forward-looking information in this news release includes disclosures regarding NSR royalty payments to be paid to the Company by [First Majestic Silver Corp.](#) ("First Majestic"), the owners and operator of the Ermitaño mine located in Mexico and that the forecasted revenue which are based on First Majestic "NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" having an effective date of June 30, 2021. In addition to the technical report, the disclosure herein also contains and the updated mineral reserve and resource estimates for the Ermitaño mine based on the Santa Elena Mineral Reserve and Resource Estimates with an effective date of December 31, 2021 as announced by First Majestic on March 31, 2022 and as disclosed in their December 31, 2021 AIF. Forward-looking statements are based on several material assumptions, which management of the Company believe to be reasonable, including, but not limited to, the continuation of mining operations in respect of which the Company will receive NSR royalty payments, that the commodity prices will not experience a material adverse change, mining operations that underlie the royalty will operate in accordance with the disclosed parameters and other assumptions may be set out herein.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by securities laws, the Company undertakes no obligation to update these forward looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

#### Non-IFRS Measures

The Company has included certain results in this news release that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") including total GEOs sold, average realized gold price per GEO, and cash flow from operating activities excluding changes in non-cash working capital adjustments. The Company's royalty revenue is converted to a gold equivalent ounce by dividing the royalty revenue received during the period by the average gold price of the period. The Company has also used the non-IFRS measure of operating cash flows excluding changes in non-cash working capital. This measure is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by (used in) operating activities.

The 2022 forecast herein assumes a gold price of US\$1700 per ounce and a silver price of US\$22.50 per ounce. The forecast was derived using information that is available in the public domain as at the date hereof, which included guidance and estimates prepared and issued by First Majestic, the operator of the Ermitaño mine, the Company's only royalty currently in commercial production, to which the Company's forecast is sensitive to its performance and operating status. None of the information has been independently verified by Orogen and may be subject to uncertainty. There can be no assurance that such information is complete or accurate.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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