

Orogen Royalties Announces Record Royalty Revenue and Profitable Quarter for Q3-2023

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VANCOUVER, November 28, 2023 - (TSXV:OGN)(OTCQX:OGNRF) [Orogen Royalties Inc.](#) ("Orogen" or the "Company") is pleased to report profitable financial results from its operations for the third quarter ended September 30, 2023.

Paddy Nicol, CEO of Orogen, commented: "Orogen's profit primarily resulted from record royalty revenue from the Ermitaño gold-silver Mine where increased production rates, strong gold grades and improvement in recoveries were achieved. Prospect generation remains profitable and we continue to obtain payments and transact on projects that organically grow our royalty portfolio. In addition, our positive cashflow from operations continues to strengthen our balance sheet and allows us to take advantage of counter cyclical opportunities in the current market."

"We remain highly encouraged by the progress of AngloGold Ashanti NA's ("Anglogold") Expanded Silicon Project in Nevada, where drilling focused on the Merlin area, with eight drill rigs operating. According to AngloGold, the Mineral Resource delineation program at Merlin continues to return highly encouraging results that confirm and extend the modelled mineralization.¹"

Q3 2023 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- **Net Income from Operations:** Net income was \$675,989 for the three-month period ended September 30, 2023, compared to a net income of \$123,461 for the same period in 2022. This resulted in a net income of \$1,439,818 or \$0.008 per share year to date (2022 - net loss \$99,093 or \$0.001 per share).
- **Royalty Revenue:** Royalty revenue of \$1,628,409 was earned during the current period with 614 attributable gold equivalent ounces ("GEOs") sold at average price of US\$1,928 per ounce, up 29% compared to the same period in 2022 and up 41% compared to the previous quarter.
- **G&A Expenses:** General and administrative expenses of \$858,323 were incurred in the current period, up 7% compared to the same period in 2022 and down 10% compared to the previous quarter.
- **Cash flow:** Cash flow of \$733,377 was used in operating activities in the current period. Cash flow generated from operating activities, excluding changes in non-cash working capital, was \$993,571, up 565% compared to the same period in 2022 and up 46% from the previous quarter.
- **Working Capital:** The Company has working capital of \$17,473,228 at September 30, 2023 compared to \$12,083,375 at the beginning of the fiscal year, an increase of \$5,389,853. The Company has no long-term debt.

For complete details of the Company's financial results, please refer to the condensed interim consolidated financial statements and MD&A for the nine-month periods ended September 30, 2023, and 2022. The Company's filings are available on SEDAR at www.sedarplus.ca and on Orogen's website at www.orogenroyalties.com. Please also see non-IFRS Measures at the end of this news release.

Summary of Results

[First Majestic Silver Corp.](#) ("First Majestic") operates the Ermitaño Mine, where the Company holds a 2.0% net smelter return ("NSR") royalty. For the current quarter, the Company recorded \$1,628,409 in royalty revenue consisting of 614 GEOs, up 29% compared to the same period in 2022. This is a record high for the Company since Ermitaño began production in late 2021. Production at Ermitaño included 226,292 tonnes processed containing average gold and silver head grades of 4.09 grams per tonne ("g/t") and 75 g/t, respectively, producing 28,367 ounces gold and 347,941 ounces silver. Total production increased by 41% compared to the previous quarter and this was due to higher grades and record silver and gold recoveries

averaging 64% and 95%, respectively, compared to 52% and 94%, respectively, in the previous quarter. The improvements in recoveries were driven by the new dual-circuit plant, which allows for finer grinding and full utilization of the high intensity grinding mill.

During the current period, the Company incurred \$858,323 (2022 - \$802,149) in G&A expenses. This is an increase of 7% compared to the same period in 2022 and a reduction of 10% compared to the prior quarter. The reduction in G&A expenses was due to continued optimization of administrative functions and lower overhead costs, which were offset by higher stock-based compensation cost for long-term equity-based compensation vested during the period. The Company capitalized \$645,109 in acquisition and exploration expenditures, received \$845,053 in recoveries from partners on alliances and option agreements, and recorded a gain of \$450,227 from project sales and option agreements. Gains are recognized in a project when total recoveries including proceeds received from sale, option payments, and/or other reimbursement are greater than the project's total carrying value.

To date, the Company has 26 royalties in Canada, United States, Mexico, Argentina, Kenya, and Colombia, most of which were generated organically through the Company's prospect generation business. The Company also has 9 mineral properties under option, 9 projects that are available for sale or option and one alliance.

Expanded Silicon Project Update

AngloGold provided an update during the quarter on the Expanded Silicon Project that now includes both the Silicon gold deposit and Merlin Exploration Target². AngloGold has stated an Exploration Target³ for Merlin of 6 to 8 million ounces gold that is in addition to 4.22 million ounces gold (3.4 million ounces indicated, and 810,000 ounces inferred resource estimates) published for Silicon⁴. An initial Inferred Mineral Resource estimate for Merlin and an integrated concept study for the Expanded Silicon Project that considers synergies from the increased economy of scale and integrated infrastructure, with potential for large scale mining⁵ are expected to be completed by year-end. Orogen holds a 1% NSR royalty on the project.

Qualified Person Statement

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

Certain technical disclosure in this release is a summary of previously released third-party information and the Company is relying on the interpretation provided. Additional information can be found on the links in the footnotes.

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 Mine in Sonora, Mexico (2.0% NSR royalty) operated by [First Majestic Silver Corp.](#) and the Silicon-Merlin gold project (1.0% NSR royalty) in Nevada, U.S.A, 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

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1. https://thevault.exchange/?get_group_doc=143/1699425939-AngloGoldAshantiQ32023-ExplorationReportFinal.p
2. https://thevault.exchange/?get_group_doc=143/1691123637-Interim2023MerlinExplorationTarget.pdf
3. Cautionary Note: The ranges of tonnage and grade of the Exploration Target are conceptual in nature and could change as the proposed exploration activities are completed. There has been insufficient exploration of the relevant property or properties to estimate a Mineral Resource at this point in time. It is uncertain if further exploration will result in the estimation of a Mineral Resource and the Exploration Target therefore does not represent, and should not be construed to be, an estimate of a Mineral Resource or Mineral Reserve. Given the conceptual stage of the project, a number of risks, uncertainties and opportunities, are evident in the confidence of the known orebody and the potential for upside at Silicon, Merlin and in the surrounding area. The Merlin Exploration Target grade and tonnage ranges have been determined by a preliminary review of the location and weighted average grade of the mineralised intercepts. The geology of the deposit contains a significant number of faulted offsets, which require detailed geological modelling to fully define the extent and continuity of the mineralisation. A bulk density value of 2.4 t/m³ was used. No economic constraint has been applied to the deposit to determine the extent of what material may ultimately be extracted.
4. https://thevault.exchange/?get_group_doc=143/1695012984-NevadaBeattyDistrictProjects-InvestorPresentationF
5. https://thevault.exchange/?get_group_doc=143/1700636741/AngloGoldNewGenGold2023SiliconPresentationNov

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.](http://www.rogenroyalties.com) (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.](http://www.firstmajestic.com) ("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, Resource Estimates with an effective date of December 31, 2022 as announced by First Majestic on March 31, 2023 and as disclosed in their December 31, 2022 AIF, and First Majestic's MD&A for the period ended March 31, 2023. 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.

Except where otherwise stated, the disclosure in this news release relating to properties and operations in which Orogen holds a Royalty are based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at the date hereof, and none of this information has been independently verified by Orogen. Specifically, as a Royalty holder and prospect generator, the Company has limited, if any, access to properties on which it holds Royalty or other interests in its asset portfolio. The Company may from time to time receive operating information from the owners and operators of the mining properties, which it is not permitted to disclose to the public. Orogen is dependent on, (i) the operators of the mining properties and their qualified persons to provide information to Orogen, or (ii) on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which the Company holds Royalty or other interests, and generally has limited or no ability to independently verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some reported public information in respect of a mining property may relate to a larger property area than the area covered by Orogen's Royalty or other interest. Orogen's Royalty or other interests may cover less than 100% of a specific mining property and may only apply to a portion of the publicly reported mineral reserves, mineral resources and or production from a mining property.

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.

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