

# Orogen Royalties Announces Record Year End Financial Performance

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[Orogen Royalties Inc.](#) ("Orogen" or the "Company") (TSXV:OGN) (OTCQX:OGNRF) is pleased to report record revenue and record after tax profit for the year ended December 31, 2023.

## Fiscal 2023 Year End Highlights

All amounts are in Canadian dollars unless otherwise stated.

- Net Income from Operations: Net income was \$1,817,198 (2022 - \$711,482) for the year ended December 31, 2023, up 155% from 2022. Including deferred tax recovery, net comprehensive income was \$3,044,389 or \$0.02 per share (2022 - \$840,178 or \$0.005 per share), up 262% from 2022.
- Royalty Revenue: Royalty revenue of \$5,949,248 (2022 - \$3,744,776) was earned in 2023 with 2,243 (2022 - 1,588) attributable gold equivalent ounces ("GEOs") sold at average price of US\$1,940 (2022 - US\$1,791) per ounce, up 59% compared to the same period in 2022.
- Prospect Generation: Revenue from prospect generation activities was \$1,879,364 (2022 - \$881,118) in 2023. After exploration expenses and impairment deductions, net income from prospect generation activities was \$1,384,680 (2022 - \$316,761), up 337% from 2022.
- G&A Expenses: General and administrative expenses of \$4,448,830 (2022 - \$3,257,516) were incurred in 2023, up 37% compared to 2022.
- Cash flow: Cash flow of \$1,356,157 (2022 - \$795,112) was generated from operating activities in 2023. Cash flow generated from operating activities, excluding changes in non-cash working capital, was \$2,244,983 (2022 - \$806,919), up 178% from 2022.
- Working Capital: The Company has working capital of \$18,524,073 at December 31, 2023 compared to \$12,083,375 at the beginning of the fiscal year, an increase of \$6,440,698. The Company has no long-term debt.

Paddy Nicol, CEO of [Orogen Royalties](#), commented, "Orogen's strong financial performance is built on the commitment to early-stage exploration, organic royalty creation, and financial discipline to grow the Company responsibly. We have come a long way since our formation in 2020, when we approached the royalty space with a low-cost differentiated strategy to create royalties in a sustainable manner with minimal dilution to shareholders, and without incurring debt. Our key royalty assets on the Ermitaño Mine and the Expanded Silicon Project are prime examples that show early-stage prospect generation works."

For complete details of the Company's financial results, please refer to the audited consolidated financial statements and MD&A for the years ended December 31, 2023, and 2022. The Company's filings are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on Orogen's website at [www.orogenroyalties.com](http://www.orogenroyalties.com). Please also see non-IFRS Measures at the end of this news release.

## Summary of Results

### Royalty Revenue and Key Assets

Ermitano Royalty, Sonora, Mexico

[First Majestic Silver Corp.](#) ("First Majestic") operates the Ermitaño Mine, where the Company holds a 2.0% net smelter return ("NSR") royalty. For the year ended December 31, 2023, \$5,949,248 (2022 - \$3,744,776) in royalty revenue was received consisting of 2,243 (2022 - 1,588) GEOs, up 59% compared to 2022. This is a record high for the Company since Ermitaño began production in late 2021. Production at the Santa Elena mine transitioned to 100% Ermitaño ore in 2023 and 882,592 tonnes were processed, up 4% from 851,973 tonnes produced in 2022. Grades averaged 64 grams per tonne ("g/t") (2022 - 61 g/t) silver and 3.77 g/t (2022 - 3.75 g/t) gold. Recoveries for silver and gold were 64% (2022 - 73%) and 94% (2022 - 92%), respectively. Lower silver recoveries in 2023 were due to lower silver grades during the first half of 2023 and

higher gold recoveries were due to the new filter press and dual-circuit plant.

For the quarter ended December 31, 2023, royalty revenue was \$1,827,832, up 12% from the previous quarter. Production included 233,601 tonnes processed containing average silver and gold head grades of 106 g/t and 3.88 g/t, respectively, producing 582,484 ounces silver and 28,056 ounces gold. This represents a 67% increase in silver ounces and a marginal decrease in gold ounces when compared to the previous quarter. Average silver and gold recoveries reached 73% and 96%, respectively, compared to 64% and 95% from the previous quarter.

#### Expanded Silicon Royalty, Nevada USA

AngloGold Ashanti NA ("AngloGold") pursued an aggressive drilling campaign in 2023 aimed at the Merlin deposit that, together with the Silicon deposit, form the Expanded Silicon Project. Over US\$73 million was spent on the Expanded Silicon Project with a majority of the 129,000 metres of drilling completed at the Merlin deposit. This work resulted in the declaration of a first-time inferred resource of 9.05 million ounces gold reported at Merlin. This is in addition to the contiguous Silicon deposit that contains an indicated resource 3.4 million ounces gold and an inferred resource of 810,000 ounces gold.<sup>1</sup>

A prefeasibility study at Merlin is underway with a focus on mining, processing, and infrastructure trade off studies. Infill and extension drilling is expected to continue including hydrogeological, geotechnical, and metallurgical testing.

#### Prospect Generation

In 2023, six new royalties were added to the Company's royalty portfolio through two acquisitions, three project sales, and one through the exercise of an earn-in option agreement. The Company also generated and acquired five new projects through its prospect generation activities. Total revenue of \$1,879,364 (2022 - \$881,118) was generated from prospect generation activities in 2023, up 113% compared to 2022. This includes a gain of \$1,847,278 (2022 - \$842,797) from the sale and option agreements completed on Ball Creek East (Hwy 37) and Ball Creek West, Astro, Cuprite, Gilbert South and annual option revenue received on active projects. After exploration expense and impairment cost deductions of \$494,684 (2022 - \$564,357), the Company generated a net income of \$1,384,680 (2022 - \$316,761) from prospect generation activities, up 337% compared to 2022.

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

#### General and Administrative Expenses

The Company incurred \$4,448,830 (2022 - \$3,257,516) in total general, administrative, and overhead costs for 2023, up \$1,192,393 or 37% compared to 2022. This was mainly due to an 85% increase in share-based compensation expenses and a 30% increase in salary costs. These cost increases were due to the new compensation policy that was adopted at the beginning of 2023. Marketing and travel expenses have also increased. These increases were offset by the reduction in general and administrative expenses from continued optimization of administrative functions and lower overhead costs.

For the fiscal quarter ended December 31, 2023, the Company incurred \$1,141,045 in total general, administrative and overhead costs, up 33% from the previous quarter. This increase was driven by higher accounting fees, travel and marketing expenses.

#### 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 Expanded Silicon gold project (1.0% NSR royalty) in Nevada, U.S.A, being advanced by AngloGold Ashanti NA. 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.rogenroyalties.com](http://www.rogenroyalties.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.

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.

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, Resource Estimates with an effective date of December 31, 2023 as announced by First Majestic on April 1, 2024 and as disclosed in their December 31, 2023 AIF, and First Majestic's MD&A for the period ended December 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.

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.

1.

<https://www.sec.gov/Archives/edgar/data/1973832/000162828024006521/agahy2dec2023preliminaryfi.htm>

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