

# Orogen Royalties Announces Profitable Q1-2024 Results

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VANCOUVER, May 29, 2024 - (TSXV:OGN)(OTCQX:OGNRF) [Orogen Royalties Inc.](#) ("Orogen" or the "Company") is pleased to report a profitable quarter and positive cashflows generated from operations for the three-month period ended March 31, 2024.

## Q1-2024 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- Royalty Revenue: Royalty revenue of \$1,478,699 (2023 - \$1,314,066) was earned in the current quarter with 508 (2023 - 508) attributable gold equivalent ounces ("GEOs") sold at average price of US\$2,070 (2023 - US\$1,877) per ounce, up 13% compared to the same period in 2023.
- Prospect Generation: The Company recorded \$437,319 (2023 - \$940,059) in income from prospect generation activities during the current period, down 53% compared to 2023. The challenges in the junior exploration equity market resulted in fewer transactions completed compared to 2023.
- Net Income from Operations: Net income was \$285,647 (2023 - \$632,213) for the three-month period ended March 31, 2024, down 55% from 2023 mainly due to lower revenue generated from prospect generation activities.
- G&A Expenses: General and administrative expenses of \$1,378,975 (2023 - \$1,493,432) were incurred in the current period, down 8% compared to 2023.
- Cash flow: Cash flow of \$893,780 (2023 - \$1,162,045) was generated from operating activities in the current fiscal quarter. Cash flow generated from operating activities, excluding changes in non-cash working capital, was \$422,924 (2023 - \$246,032), up 72% from 2023.
- Working Capital: The Company has working capital of \$19,002,637 on March 31, 2024, compared to \$18,524,073 at the beginning of the fiscal year, an increase of \$478,564. The Company has no long-term debt.

Paddy Nicol, CEO of Orogen Royalties, commented, "We have delivered another profitable quarter despite the tough market conditions in the junior mining space. The prospect generation business is cyclical in nature and the demand for our projects is often directly related to capital availability. However, we have a prospective portfolio of projects with multiple analogues to the Expanded Silicon gold project, where we have a 1% net smelter royalty interest, and is operated by AngloGold Ashanti NA. We will continue to market these projects in addition to growing our project pipeline while maintaining a financially sustainable operation."

For complete details of the Company's financial results, please refer to the condensed interim consolidated financial statements and MD&A for the three-month periods ended March 31, 2024, and 2023. 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

### Key Royalty 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 three-month period ended March 31, 2024, the Company recorded \$1,478,699 (2023 - \$1,314,066) in royalty revenue generated from the Ermitaño mine, up 13% from

2023. This represents 508 GEOs (2023 - 508 GEOs) based on an average price of US\$2,070 per ounce (2023 - US\$1,877), no change in GEOs when compared to 2023 and down 26% compared to the previous quarter. The reduction compared to the previous quarter was due to stope scheduling within the mine plan leading to lower mined grades. Despite the reduction, production is tracking above First Majestic's 2024 guidance.

During the current quarter, the mill processed 224,394 tonnes of ore compared to 233,601 tonnes processed last quarter. Average silver and gold head grades during the current quarter were 72 grams per tonne ("g/t") and 3.16 g/t, respectively, compared to average silver and gold head grades of 106 g/t and 3.88 g/t, respectively, of the previous quarter. Silver and gold recoveries averaged 69% and 95%, respectively, compared to recoveries of 73% and 96% from the previous quarter. Both silver and gold production were lower compared to the previous quarter, and this was due to lower mill feed head grades.

First Majestic spent US\$2.1 million in exploration costs that resulted in the completion of 2,250 metres of underground development at the Ermitaño mine. This included six drill rigs, consisting of four surface and two underground rigs that completed 9,911 metres of exploration drilling, representing a 25% increase compared to the previous quarter.<sup>1</sup>

#### Expanded Silicon Project, Nevada, USA

AngloGold Ashanti NA ("AngloGold") operates the Expanded Silicon gold project, consisting of the Silicon and Merlin deposits, where the Company holds a 1% NSR royalty. Further to the Company's Expanded Silicon update of May 1, 2024, Anglogold disclosed an additional exploration summary for its quarter ending March 31, 2024:

"&hellip;the drill program at Merlin continued to return very high tenor results that both confirm and extend the modelled mineralisation. At Silicon, limited geotechnical drilling took place and a piezometer hole drilled in 2023 returned a significant intercept nine hundred metres north of the defined Mineral Resource, highlighting the open potential of the mineralisation system. Ground gravity and Ambient Noise Tomography geophysical surveys were completed east of Merlin&hellip;"<sup>2</sup>

As of December 31, 2023, reported Mineral Resources at the Expanded Silicon gold project include:

Table 1:Reported Mineral Resources at the Expanded Silicon gold project<sup>3</sup>

#### 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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1. <https://www.firstmajestic.com/investors/news-releases/first-majestic-produces-52-million-ägeq-oz-in-q1-2024>
2. [https://thevault.exchange/?get\\_group\\_doc=143/1715250559-Q12024ExplorationReport.pdf](https://thevault.exchange/?get_group_doc=143/1715250559-Q12024ExplorationReport.pdf)
3. <https://www.sec.gov/Archives/edgar/data/1973832/000162828024017820/exhibit191510merlintrsexhi.htm>

**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.

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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