

**Orosur Mining Inc Announces Results  
for the Fourth Quarter of Fiscal Year 2010**

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MONTEVIDEO, Uruguay 12 August, 2010. Orosur Mining Inc ('OMI' or 'the Company') (TSX-V: OMI) (AIM: OMI), a South American focused gold producer and explorer, today announces Fourth Quarter Results for the fiscal year ended May 31, 2010.

Summary of Results		Three Months Ended May 31		Fiscal Year Ended May 31	
		2010	2009	2010	2009
<b>Operating Results</b>					
Gold Produced	Ounces	<b>16,555</b>	18,500	<b>56,050</b>	70,147
Average cash cost	US\$/oz	<b>629</b>	702	<b>827</b>	705
Average price received	US\$/oz	<b>1,157</b>	841	<b>1,065</b>	841
<b>Financial Results</b>					
Revenue	US\$ '000s	<b>19,152</b>	16,871	<b>59,613</b>	63,376
Net income (loss) for the period	US\$ '000s	<b>5,803</b>	(2,496)	<b>1,401</b>	(14,355)
Cash flow from operations <sup>2</sup>	US\$ '000s	<b>7,343</b>	2,638	<b>9,021</b>	9,404
Basic earnings per share	US\$	<b>0.09</b>	(0.05)	<b>0.03</b>	(0.29)
Cash at end of the period	US\$ '000s	<b>8,691</b>	9,496	<b>8,691</b>	9,496
Total debt at the end of the period	US\$ '000s	<b>33</b>	37	<b>33</b>	37

<sup>1</sup> Results are based on Canadian GAAP and expressed in U.S. dollars.

<sup>2</sup> Before non-cash working capital movements

David Fowler, Chief Executive Officer commented: "As anticipated production and profitability for the fourth quarter of 2010 improved significantly and we are pleased to be able to announce an after-tax profit of \$1.4 million for the year. The current gold price coupled with our ability to reduce costs were key contributors to this achievement. I am delighted that we have ended the year in line with Company's guidance with 56,050 ounces produced at a cost of \$ 827 per ounce for the year. Our objective for 2011 is to produce 55,000 ounces at a cost of \$ 825 per ounce."

"Our medium term objective is to grow our gold production assets in South America by continuing to invest in exploration and development. A scoping study is underway at Pantanillo, in anticipation of releasing of our first NI43-101 resource on Pantanillo Norte and we have commenced exploration at Anillo in northern Chile. We remain optimistic about these projects and look forward to updating shareholders in the coming months. In the next few weeks, we expect to have the results of the feasibility study in Arenal and an initial resource estimate on Pantanillo"

## Highlights

- Production for the year was 56,050 ounces of gold at a cost of \$827 per ounce [2009:70,147 ounces at \$705 per ounce].
- The after-tax profit for the year is \$1.401 million [2009: \$(14.355m)]. Higher gold prices, lower costs and lower depreciation more than offset lower sales volumes to generate a profit for the year.
- Ore processed for the year was 1,531,476 tonnes at a gold grade of 1.22 g/t with recovery averaging 93.4%. The production was in line with the Company's revised production forecast provided in January 2010 of between 55,000 and 57,500 ounces of gold for the year.
- Cash costs per ounce of gold for the year were \$ 827 and in line with the forecasted \$ 825. In the last quarter, cash costs were down to \$ 629 [2009:\$ 702]. The reduction in cash costs per ounce was mainly due to mining high grades in the bottom of Ombú pit at the end of the period. The grade processed in the last quarter was 1.39 g/t Au while the average for the year was 1.22 g/t Au.
- The realized gold price was \$ 1,065 per ounce [2009:\$ 841].
- Cash flow generated by operations for the year was \$ 9.021 million, and the Company's cash position at the end of the year was \$ 8.691 million, with net working capital (current assets less current liabilities, including cash) of \$ 18.823 million. The Company invested \$ 6.459 million in capital and \$ 8.785 million in exploration for the year [2009: \$ 5.472 million and \$ 10.106 million respectively].
- Positive drilling results aiming to reach the objective at San Gregorio to deliver a 5 year mine life with annual production of 50,000 to 60,000 ounces:
  - Definition of an independent NI43-101 measured and indicated resource for Arenal Deeps of 2,143,000 tonnes at a grade of 3.61 g/t for 249,000 ounces with an additional 63,000 tonnes at a grade of 3.77 g/t in inferred resources. Feasibilities studies are well advanced and expected to be completed in August 2010.
  - In the second half of the year drilling was focused on and successfully defined additional open pit resources and reserves at Zapucay, Santa Teresa, Veta Sur and Picaflor. Drilling on San Gregorio in the second half of the year was completed and an updated resource estimate is expected in the coming months.
- Acquisition of Fortune Valley Resources, a Canadian listed explorer and developer of gold, silver projects in Chile and Argentina signed in January 2010, which was a key milestone in the growth plans of the Company.
- Successful completion of initial drill programme at Pantanillo with an independently calculated NI43-101 resource to be published by end of August. Scoping studies on Pantanillo have commenced and are expected to be completed early in calendar 2011.
- Commencement of exploration activities on the Anillo property adjacent to the El Peñon mine and recent Pampa Victoria discovery by Yamana gold.
- Signing of an Option Agreement on 4 August 2010 with Gladiator Resource Limited to farm into the Isla Cristalina iron ore project and completion of initial due diligence by Gladiator to confirm the potential to develop a pig iron operation.

## Production and Costs

Gold production for the fiscal year of 56,050 ounces was in line with OMI's half year forecast of 55,000 to 57,500 ounces but was 6.5% lower than OMI's original target for 2010 of 60,000 ounces. Total ounces mined for the year were above expectations although higher contained ounces were the result of more tonnes mined at lower grade. This meant lower than anticipated head grade and lower production for the full year. Lower grade material was stockpiled for processing in future years.

The average cash cost per ounce for the year was \$ 827 compared to \$ 705 in the prior year reflecting lower production levels with reduced operating costs. Cost control efforts are continuing and costs are expected to be maintained in 2011.

	<b>\$US per ounce Produced</b>
Average cash cost for the 2009 fiscal year	705
Difference due to lower production for the year	177
Cost changes	(55)
Average cash costs for the 2010 fiscal year	827

### **Financial Performance**

The Company recorded a profit of \$ 1.4 million for the year to May 31 2010 equivalent to a basic earnings per share of \$ 3 cents. The significant improvement over the prior year resulted from an increase in sales prices, lower depreciation charges and increased focus on cost control.

Operational cash flows for fiscal 2010 were \$ 9.0 million. Capital expenditures for the year were \$ 8.7 million in exploration and \$ 6.5 million in property plant and equipment. Cashflows benefited from assets sales with proceeds of \$ 2.7 million being received.

OMI ended the year with \$ 8.6 million in cash compared to \$ 9.5 million at the beginning of the financial year. Cash levels were in accordance with expectations and the Company remains debt free.

### **San Gregorio Exploration and Development**

With recent additions to open pit reserves, development of the Arenal Deeps underground deposit and conversion of existing inferred resources to reserves, the objective at San Gregorio of delivering a 5 year mine life with annual production of 50,000 to 60,000 ounces will be achievable. The majority of the company's planned exploration investment in Uruguay for 2011 will focused on expanding reserves that can be processed at the San Gregorio Operation.

Drilling in the first half of 2010 concentrated on defining an updated resource for Arenal Deeps to allow feasibility work to be advanced. In the second half of the year drilling was focused on and successfully defined additional open pit resources and reserves at Zapucay, Santa Teresa, Veta Sur and Picaflor. Drilling at San Gregorio was completed in the second half of the year and will result in an updated resource.

New open pit reserves defined during the year included 742,000 tonnes at 1.39 g/t for 33,208 ounces in three new pits (Zapucay South, Knob Hill and Argentinita North), 732,000 tonnes at 1.01 g/t for 21,370 ounces at Santa Teresa where the pit will be expanded to pick up additional footwall ore, 74,000 tonnes at 2.79g/t for 6,667 ounces at Veta Sur and 35,000 tonnes at 3.47 g/t for 3,728 ounces at Picaflor where drilling is still ongoing. These reserves have been added to the mine plan for 2011 and 2012.

Definition and extension drilling along the western edge of the San Gregorio deposit has been completed with an independently calculated resource estimate currently being completed. It is anticipated that tonnes and total ounces will reduce with a higher grade being reported. Scoping studies have commenced with the objective of defining the optimal mining method (open pit or underground) for the remaining resource.

At Arenal Deeps drilling upgraded measured and indicated resources to 2,143,000 tonnes at 3.61 g/t for 249,000 contained ounces with a further 63,000 tonnes at a grade of 3.77 g/t in inferred resources. AMEC were contracted to complete a feasibility study in the second half of 2010. This study is expected to be completed by the end of August 2010. With the recent additions to the mine plan of open pit reserves, and the conversion of existing inferred resources to reserves, the Company will have more open pit material than originally anticipated for 2010/2011 and therefore is planning to start development at Arenal Deeps by the end of calendar 2010, instead of in the calendar Q3, 2010. The investment in underground mining infrastructure and skills will complement the planned feasibility work on San Gregorio and Argentinita Resources during 2011.

### **Chile Exploration and Development**

The Pantanillo property is located approximately 125 km east of Copiapo in the Maricunga Belt of Chile on 11,750 hectares. The Maricunga Belt hosts approximately 50 million ounces of known resources with 2 projects in production and at least three other projects undergoing feasibility work. Some 13,400 meters of historical drilling on the Pantanillo Norte deposit by Anglo American and Kinross, have been followed by a further 5,600 meters drilled during 2010 by OMI and the first NI43-101 resource on the property is expected to be announced by end of August, 2010.

Work on the scoping study for Pantanillo commenced in June 2010 and key aspects to be assessed will be the metallurgical characteristics, environmental studies and water and infrastructure requirements. A comprehensive metallurgical test program is planned for completion early in 2011. Base line environmental studies will commence when site access is again available in October 2010. These environmental base line studies will be followed by geotechnical and hydrological studies during the summer months. Prefeasibility studies are planned to commence during 2011. Our objective at Pantanillo is to create a second production asset for the Company in Chile.

The Anillo property is located approximately 125 km east of Antofagasta in Northern Chile, close to the El Peñon mine operated by Yamana Gold Inc. Historical exploration work on the property focused largely on copper porphyry and high sulfidation gold systems and includes surface mapping, geophysics drilling and trenching by Utah Minerals, BHP Billiton, Normandy Mining and Codelco. OMI intends to target similar style low sulfidation vein mineralization to that encountered at El Peñon. While the project is an early stage project and will require persistence and detailed field work before drill testing, the potential to make a significant discovery makes this a quality exploration play.

### **Joint Ventures**

During the year Olivut moved forward with the Rivera Diamond project having earned a 20% interest in the project after spending \$C 250,000. Encouraging results were obtained in drilling and sampling and Olivut is moving forward with phase two of their program in 2011.

New joint ventures were signed with Gladiator Resources Limited on iron ore and base metals in the Isla Cristalina Belt and Minera Cala on gold exploration at the Chamizo project. With experience in iron ore, Gladiator was able to identify a proposed economic development route for previously known magnetite deposits. We look forward to the results of their aggressive work program in the coming year.

A number of other associations are being considered and the company will continue to look to do deals on non core assets that provide participation through development.

### **Outlook and Strategy**

Forecast production for the 2011 financial year is 55,000 ounces of gold at a cash cost per ounce of \$ 825. Variations in production and costs between quarters will occur because the mine plan is made up of different pits at different grades and stages of stripping. Production for Q1 2011 is expected to be between 12,000 to 13,000 ounces.

Orosur is currently completing feasibility work to commence underground operations on the Arenal Deepes deposit with the objective of extending mine life, increasing grade and therefore reduce cash costs. The Company is also preparing an independent 43-101 resource estimate for the Pantanillo property and commenced scoping studies which are expected to be finalised in Q3 2011.

The Company's medium term objective is to grow its gold production profile in South America.

**Orosur Mining Inc will hold a conference call on the fiscal 2010 fourth quarter and full year earnings early in September following the publication of the expected results of the Arenal Deepes feasibility study and the NI 43-101 Resource Estimate for Pantanillo. The specific date will be announced by the end of August.**

#### **Qualified Person's Statement**

The information presented in this press release has been reviewed by Devin den Boer, PGeo, OMI Exploration Manager and is considered to be in compliance with NI 43-101 reporting guidelines. Mr. den Boer has a Bachelor of Science (Geological Sciences) Degree from the University of British Columbia, is a registered member of APEGBC and has over 13 years of international experience in minerals exploration.

#### **Forward Looking Statements**

All statements, other than statements of historical fact, contained or incorporated by reference in this news release, including any information as to the future financial or operating performance of the Company, constitute "forward-looking statements" within the meaning of certain securities laws, including the "safe harbour" provisions of the Securities Act (Ontario) and 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. There can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements include, without limitation success of exploration activities; permitting time lines; the failure of plant; equipment or processes to operate as anticipated; accidents; labour disputes; requirements for additional capital title disputes or claims and limitations on insurance coverage. 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.

#### **ENDS**

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.

#### **About Orosur Mining**

Orosur Mining Inc. is a fully integrated gold producer and exploration company focused on identifying and developing gold projects in Latin America. The Company operates the only producing gold mine in Uruguay (San Gregorio), and has assembled an exploration portfolio of high quality assets in Uruguay and Chile.

The Company is quoted in Canada (TSX Venture Exchange: OMI) and London (AIM: OMI).

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**- Financial Statements Follow –**

**Orosur Mining Inc.**  
**Consolidated Balance Sheets**

Thousands of United States Dollars, except where indicated

<b>As at May 31</b>	<b>2010</b>	2009
<b>Assets</b>		
Cash	8,691	9,496
Accounts receivable (Note 6)	2,351	2,899
Inventories (Note 7)	18,090	17,642
Prepaid expenses	1,220	915
<b>Total current assets</b>	<b>30,352</b>	30,952
Property, plant and equipment and mineral properties (Note 8)	18,757	16,953
Deferred exploration (Note 9)	24,850	12,437
Future income tax assets (Note 13)	4,181	3,001
Restricted cash	191	173
<b>Total non current assets</b>	<b>47,979</b>	32,564
<b>Total assets</b>	<b>78,331</b>	63,516
<b>Liabilities and Shareholder's Equity</b>		
Accounts payable and accrued liabilities	11,510	7,604
Fair value of derivatives	0	464
Current portion of long term debt	19	37
<b>Total current liabilities</b>	<b>11,529</b>	8,105
Long term debt	14	0
Future income tax liability (Note 13)	1,774	0
Asset retirement obligation (Note 10)	2,954	2,862
<b>Total non-current liabilities</b>	<b>4,742</b>	2,862
<b>Total liabilities</b>	<b>16,271</b>	10,967
Capital stock	42,344	34,642
Contributed surplus	4,647	4,239
Accumulated other comprehensive income	(19)	(19)
Retained earnings	15,088	13,687
<b>Total shareholders' equity</b>	<b>62,060</b>	52,549
<b>Total liabilities and shareholders' equity</b>	<b>78,331</b>	63,516

*Commitments and contingencies (Note 12)*

Approved on behalf of the Board:

Mario Caron  
Director

Julio Porteiro  
Director

**The accompanying notes are an integral part of these consolidated financial statements**

**Orosur Mining Inc.**

**Consolidated Statements of Operations, Comprehensive Income (Loss) and Retained Earnings**

(Thousands of United States Dollars except for earnings per share amounts and weighted average number of shares outstanding)

<b>For the years ended May 31</b>	<b>2010 (\$)</b>	<b>2009 (\$)</b>
<b>Net sales</b>	<b>59,613</b>	63,376
Operating expenses	<b>(46,949)</b>	(51,354)
Amortization and depreciation	<b>(9,562)</b>	(19,926)
<b>Operating expenses</b>	<b>(56,511)</b>	(71,280)
<b>Sub-total</b>	<b>3,102</b>	(7,904)
<b>Other (expenses) income</b>		
Stock based compensation expense	<b>(407)</b>	(345)
Non-hedged derivative gain (loss)	<b>355</b>	(464)
Exploration expenses written off (Note 9)	<b>(614)</b>	(2,694)
General and administrative expense	<b>(3,593)</b>	(3,809)
Net Interest and debt accretion income (loss)	<b>69</b>	27
Other income	<b>1,302</b>	107
Foreign exchange	<b>(116)</b>	48
	<b>(3,004)</b>	(7,130)
<b>Income (loss) before taxes</b>	<b>98</b>	(15,034)
Recovery for income taxes (Note 13)	<b>1,303</b>	679
<b>Net and comprehensive income (loss) for the year</b>	<b>1,401</b>	(14,355)
<b>Retained earnings, beginning of year</b>	<b>13,687</b>	28,042
<b>Retained earnings, end of year</b>	<b>15,088</b>	13,687
<b>Earnings (loss) per common share</b>		
<b>Basic and diluted (Note 17)</b>	<b>0.03</b>	(0.29)
<b>Weighted average shares outstanding</b>		
Basic	<b>55,296,537</b>	48,671,435
Diluted	<b>55,322,243</b>	48,848,803

The accompanying notes are an integral part of these consolidated financial statements

**Orosur Mining Inc.**  
**Consolidated Statements of Cash Flows**

Thousands of United States Dollars, except where indicated

<b>For the years ended May 31</b>	<b>2010 (\$)</b>	<b>2009 (\$)</b>
<b>Operating activities</b>		
Net income (loss) for the year	1,401	(14,355)
<i>Adjustments for :</i>		
Amortization and depletion	9,562	19,926
Exploration expenses written off	614	2,694
Fair value of derivatives	(464)	464
Accretion of debt	155	80
Future income taxes	(1,180)	(40)
Stock based compensation	407	345
Asset sales	(1,466)	0
Others	(8)	290
	<u>9,021</u>	<u>9,404</u>
Net change in non-cash working capital balances (Note 16)	<u>2,654</u>	<u>(2,355)</u>
	<u>11,675</u>	<u>7,049</u>
<b>Financing activities</b>		
Proceeds from the issue of share capital	50	0
Share repurchases	0	(401)
Payments of finance lease net of draw downs	(3)	(175)
	<u>47</u>	<u>(576)</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment and mineral properties	(6,459)	(5,472)
Asset sales	2,717	
Exploration expenditure	(8,785)	(10,106)
	<u>(12,527)</u>	<u>(15,578)</u>
<i>Decrease in cash</i>	<b>(805)</b>	(9,105)
Cash at the beginning of year	<u>9,496</u>	<u>18,601</u>
<b>Cash at the end of year</b>	<b>8,691</b>	<b>9,496</b>

The accompanying notes are an integral part of these consolidated financial statements

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**Orosur Mining Inc.****Consolidated Statements of Changes in Shareholders' Equity**  
Thousands of United States Dollars, except where indicated

For the years ended	May 31, 2010		May 31, 2009	
	Number (000's)	Amount (\$)	Number (000's)	Amount (\$)
<b>Common shares</b>				
Balance at beginning of year	48,667	34,642	48,811	35,043
Issued for Fortune Valley acquisition (see Note 5)	15,766	7,628	0	0
Exercise of stock options	363	74	0	0
Share Repurchases	0	0	(144)	(401)
Balance at end of year	64,796	42,344	48,667	34,642
<b>Contributed surplus</b>				
Balance at beginning of year		4,239		3,882
Employee stock based compensation recognized		407		345
Transfer to common shares		(24)		0
Issued for Fortune Valley acquisition (see Note 5)		25		12
Balance at end of year		4,647		4,239
<b>Accumulated other comprehensive income</b>				
Balance at beginning of year		(19)		(19)
Movement for the year		0		0
Balance at end of year		(19)		(19)
<b>Retained earnings</b>				
Balance at beginning of year		13,687		28,042
Net income (loss) for the year		1,401		(14,355)
Balance at end of year		15,088		13,687
Shareholders' equity at end of year		62,060		52,549

The accompanying notes are an integral part of these consolidated financial statements

