

Orosur Mining Inc. Announces Results and corporate update for the First Quarter Ended August 31, 2010.

MONTEVIDEO, Uruguay October 12, 2010. **Orosur Mining Inc.** (“OMI” or “the Company”), today announced results for the first fiscal 2011 quarter ended August 31, 2010.

Results for the First Quarter Ended August 31, 2010

Key Results Summary ¹		Three Months Ended August 31	
		2010	2009
Operating Results			
Gold produced	Ounces	12,937	13,173
Average cash cost	US\$/oz	839	880
Average price received	US\$/oz	1,216	912
Financial Results			
Revenue	\$US '000s	18,213	12,498
Net income (loss) for the period	\$US '000s	3,510	(2,158)
Cash flow from (used by) operations ²	\$US '000s	5,410	30
Basic earnings per share	\$US	0.05	(0.04)
Cash at the end of the period	\$US '000s	10,746	8,691

¹Results are based on Canadian GAAP and expressed in US dollars

²Before non-cash working capital movements

David Fowler, Chief Executive Officer commented: “Orosur had a good first Quarter. Production for the quarter was 12,937 ounces of gold, at the higher end of expectations for the quarter of between 12,000 and 13,000 ounces of gold and cash costs were US\$839 also in line with expectations. Cash flow generated by operations before working capital movements was US\$ 5.4 million for the quarter (compared to Q1 09/10 - US\$ 0.03 million). The realized gold price was US\$ 1,216 per ounce for the quarter compared to US\$ 912 per ounce for the same quarter last year. We announced in early September a maiden NI 43-101 measured and indicated resource of 1.05 million ounces Au for the Pantanillo project in Chile, and the results of the feasibility study at Arenal Deeps in Uruguay. Additionally, in early October, exploration resulted in positive drill intercepts at Vaca Muerta in Uruguay. In summary, operations are well on track, exploration has been delivering both in Uruguay and Chile, and financing in the medium term can be covered with cash flow from operations and debt due to the strong gold price and the result of the cost savings efforts. Looking forward, drilling will continue in Vaca Muerta, Pantanillo and Anillo and other targets during the fiscal year and the Board will within the next month review and decide on Arenal Deeps.”

Production and costs

Production for the quarter was 12,937 ounces of gold, at the higher end of expectations for the quarter of between 12,000 and 13,000 ounces of gold. Production for the quarter resulted from feeding 369,175 tonnes of ore to the plant at an average grade of 1.18 g/t au at a 92.6% recovery. 123,985 tonnes of ore at an average grade of 2.06 g/t were mined during the quarter, with the balance of plant feed coming from ore inventories.

Cash costs per ounce of gold for the quarter were US\$ 839 compared to US\$ 880 for the same quarter last year. Lower mining costs were the main contributing factor to lower cash costs.

The Company's forecast production for the 2011 financial year remains at 55,000 ounces of gold at a cash cost per ounce of approximately US\$ 825 as originally targeted. Variations in production and costs between quarters will occur as the mine plan is made up of different pits at different grades and stages of stripping. Production for Q2 10/11 is expected to be also in the range of 12,000 to 13,000 and it will be in the second half of the year when pits with higher head grades (Zapucay and Veta Sur) will produce above the average to reach the estimated 55,000 ounces of gold for the year.

Financial Performance

Total sales for the quarter were US\$ 18.2 million compared to US\$ 12.5 million for the corresponding period of the previous year. The average gold price for the quarter increased to US\$ 1,216 per ounce from US\$ 912 in the first quarter of the previous year. For the quarter, net income after tax was US\$ 3.5 million compared to a net loss of US\$ 2.2 million in the corresponding period of the prior year.

Cash flow from operations includes the results from the San Gregorio operation less the cost of general and administrative expenses, interest and income taxes. During the quarter, cash flow generated from operations before working capital movements was US\$ 5.4 million compared to US\$ 0.03 million generated in the corresponding quarter of the previous year.

Exploration expenditure for the quarter was US\$ 2.3 million compared to US\$ 1.7 million for the corresponding quarter of the prior year.

Cash position at the end of the quarter was US\$ 10.7 million. The cash balance increased during the quarter by US\$ 2.0 million.

Exploration and Development

Arenal Deeps Uruguay

On September 7th, 2010 the Company announced the completion of the feasibility study undertaken by AMEC E&C Services Inc. ('AMEC') on the Arenal Deeps underground deposit. This study demonstrates the potential for underground mining to extend mine life, increase grade and therefore reduce overall cash costs.

Arenal Deeps is the down-dip plunge continuation of the Arenal deposit that was mined as an open pit between October 2004 and April 2009 and produced 388,000 ounces of gold at an average grade of 2.16 g/t Au using a 0.5 g/t cutoff. Metallurgical test work confirms that processing recoveries are expected to be consistent with open pit material.

The feasibility study is based on a gold price of US\$ 1,000 per ounce of gold with pre income tax results summarized in the following table:

Summary of Financial Results		
Gold payable	oz 000	135
Total cash costs	US\$/oz	545
Cumulative net cash flow	US\$ 000	26,283
Internal rate of return	%	32.3%
Net present value @ 7.0%	US\$ 000	16,372
Total life-of-mine (LOM) capital	US\$ 000	24,690
Total LOM operating costs	US\$ 000	73,382

The feasibility study envisages two mining methods, inclined room and pillar and transverse stoping and is based on probable mineral reserves as follows:

Mining Method	Tonnes (kt)	Grade (g/t Au)	Contained Ounces (koz)
Inclined room and pillar	276	2.53	22
Transverse open stoping	830	3.25	87
Total Probable Mineral Reserves in Stopes	1,106	3.06	109
Development	462	2.38	35
Total Probable Mineral Reserves	1,568	2.87	145

Notes to accompany Mineral Reserve Table:

1. Underground Mineral Reserves are confined to designed stopes;
2. A cut-off grade of 1.3 g/t Au is used for transverse stoping, and 1.5 g/t Au for the inclined room and pillar;
3. Mineral Reserves are reported using a gold price of USD850/oz;
4. Tonnages and ounces are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places;
5. Tonnage and grade measurements are in metric units, ounces are troy ounces

The mineral resource at Arenal Deeps was modeled and estimated by Mine Development Associates ('MDA') with a mineral resource estimate of 2.05 Mt at 3.68 g/t Au (using a 1.5 g/t cut-off) as a base case. MDA also prepared a range of alternative estimates, using various gold cut-off grades. AMEC reviewed and accepted the mineral resource estimate, and restated it at 1.0 g/t Au cut-off, effective 15 March 2010, for the purposes of the base case mineral resources for the FS, as follows:

Category	Tonnes (kt)	Grade (g/t Au)	Contained Ounces (koz)
Measured	1,416	2.59	118
Indicated	2,587	2.44	203
Total Measured and Indicated	4,003	2.49	321
Inferred	99	2.84	9

Notes to Accompany Mineral Resources Table:

1. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources are reported at a cut-off grade of 1 g/t Au.
4. Mineral Resources are reported as undiluted.
5. Mineral Resources are reported within a conceptual pit shell.
6. Mineral Resources are reported using a long-term gold price of USD890/oz.

The Company expects to complete a NI 43-101 compliant mineral reserve for silver contained within the gold resource estimate by the end of October 2010.

The Company submitted a request for environmental approval for the Arenal Deeps project on April 30, 2010 and is in the process of obtaining the environmental approvals for the project from DINAMA, the relevant authority in Uruguay. Funding for the project is expected to come from cash from operations, enhanced in this current gold price environment, and debt. Tenders for contract mining and equipment are currently being completed and the Board will consider the approval of the Arenal Deeps project in the coming months.

Pantanillo Chile

On September 1st 2010, OMI announced its maiden NI43-101 resource estimate for Pantanillo. Total Measured and Indicated mineral resources are 47,093,000 tonnes at 0.69 g/t gold, for 1,049,071 ounces of gold, with a further 304,000 tonnes at 0.53 g/t gold, for 5,166 ounces of gold, in the inferred category. The following table gives a breakdown by ore category of the resource estimate by AMEC International Ingeniería y Construcción Limitada.

Ore Type	Cutoff Au (g/t)	Measured			Indicated			Measured + Indicated		
		Au (g/t)	Tons (kt)	Au Metal (oz)	Au (g/t)	Tons (kt)	Au Metal (oz)	Au (g/t)	Ton3 (kt)	Au Metal (oz)
Oxide	0.3	0.72	19,806	456,349	0.55	1,752	30,963	0.70	21,558	487,708
Mixed	0.3	0.70	16,011	361,246	0.65	8,336	173,619	0.68	24,348	534,865
Sulphide	0.5	0.72	748	17,328	0.68	440	9,566	0.70	1,187	26,894
Total ¹		0.71	36,565	834,924	0.63	10,528	214,148	0.69	47,093	1,049,071

¹ Totals may differ slightly from sum or weighted sum of numbers due to rounding.

The resource estimate at Pantanillo Norte was based on 14,900 meters of historical drilling by Anglo American and Kinross and a further 5,600 meters drilled during the 2010 field season by OMI.

Drilling and development work on the Pantanillo Norte deposit is being performed in a phased approach. The first phase, completed during the 2010 drill season, focused on defining the oxide and mixed ore zones of the deposit for which higher metallurgical recoveries are expected using conventional heap leach processing. A scoping study commenced during this quarter to evaluate the oxide and mixed ore zones. This study will consider metallurgy, environmental studies, water and infrastructure requirements amongst other factors. It is expected to be completed in the third fiscal quarter ending 28 February 2011.

Metallurgical test work will also evaluate recoveries for sulfide mineralization with drilling planned to follow to evaluate the deeper sulphide mineralization. It is assumed that the sulfide mineralization will have lower recoveries and potentially may require alternative processing methods.

The 2011 field season drilling is expected to commence in January 2011. It will focus on high sulfidation ledge targets around Pantanillo Norte and deeper drilling on the Pantanillo Norte porphyry. During 2011 OMI's initial field work will also commence on other targets including Quebrada Pantanillo, Oro 52, and a Ag breccia at Pantanillo Sur. Historical trenching at Pantanillo Sur includes 40 meters at 311 g/t Ag and 16 meters at 693 g/t Ag. A number of shallow rotary drill holes have also been drilled in this target with best results 11.0 meters at 1546g/t Ag from 0.0 meters and 11.3 meters at 1072g/t Ag from 0.0 meters.

Uruguay Greenfields Exploration – Vaca Muerta

On October 5th, 2010, the Company announced completion of a seven hole reverse circulation drilling programme at Vaca Muerta totalling 600 metres and all seven holes encountered anomalous gold values. The best intercepts, results shown in the table below, demonstrate strong, shallow gold mineralisation that is open along strike in both directions as well as down dip.

Hole	From	To	Interval (m)	Gold Au g/t
VMRC016	43	59	16	2.58
VMRC018	63	66	3	1.71
VMRC019	53	79	26	2.30

Grades were calculated using a cutoff of 0.5g/t Au. Samples were processed using OMI's In house Laboratory using fire assay with atomic absorption finish. For quality control purposes 5% of samples are re-analysed at external laboratories.

Vaca Muerta is located 85 kilometres east of the Company's San Gregorio gold mine in northern Uruguay in the Isla Cristalina Belt.

Vaca Muerta mineralization is similar in style to the San Gregorio deposits. Host rock granites are strongly foliated and sheared and contain zones of Quartz/FeOx/Sericite/Pyrite veining.

Uruguay Brownfields Exploration

During the quarter a total of 2,226 meters of drilling explored the down-dip continuity (~180m from surface) of shallow mineralization along the shear over 500m between Santa Teresa East pit and the Ombú pit. The drilling program was a combination of RC and DD (~200m deep holes) and drilled at 100m spacing, locally reduced to 50m.

The structure was encountered in all holes between the Santa Teresa and Ombu pits with generally lower grade with local intercepts of high-grade (typical 1m @ 5 to 8 g/t Au) encountered. Drilling close to the Ombu open pit encountered better results including 1.4 meters at 5.99g/t of gold from 123 meters, 1.8 meters at 5.33g/t of gold from 135 meters and 1.5 meters at 41.27g/t of gold from 138 meters. The potential for these results together with existing high grade intercepts beneath the Ombu pit to be exploitable with underground mining methods will be evaluated in the second half of the year:

Picaflor is a narrow shear-hosted vein deposit located approximately 8km by road from the San Gregorio Mine. Previous drilling had indicated the presence of a mineralized structure 300m along-strike and at least 100m down-dip, controlled by a WNW trending structure, dipping 65° to the South. During the quarter a tighter infill drill pattern (15-20 meter spaced-drillholes) has been effective in intercepting high-grade mineralization (typical 2-3 meters within a mineralized envelope of 5-12 meters wide) with several grades exceeding 20g/t of gold. Drill results include 4 meters at 12.66g/t of gold (including 2 meters at 23.77g/t of gold) from 48 meters in hole PIRC033, 3.0 meters at 9.99g/t (including 2 meters at 13.11g/t of gold) from 25 meters in hole PIRC037, and 3 meters at 5.17g/t of gold (including 1 meter at 10.07g/t of gold) from 24 meters in hole PIRC040. This drilling will allow an upgraded resource to be defined in the second quarter. Additional drilling is also planned to test the strike and down dip extent of the vein.

Anillo Chile

Surface exploration at the Anillo project during this quarter was concentrated on mapping and sampling of trenches and a large ground geophysical survey covering five high priority target areas in the NNE portion of the property surrounding Yamana's Pampa Victoria discovery. Geological mapping, rock chip, and stream sediment sampling also continued throughout the entire Anillo property.

Trenching consisted of 18 trenches and a total of 3,251m. Detailed mapping and sampling of these trenches has revealed favorable host rocks, lithologic contacts and localized anomalous mineralization coincident with interpreted lineaments interpreted to be structural corridors within the high priority target areas. Systematic sampling of the trenches is expected to finish in the second quarter.

First pass stream sediment and rock chip sampling has covered a large portion of the Anillo project area. Both stream sediment and rock chip samples have been taken from the five high priority target areas mentioned above as well as from the eastern, southeastern, and western parts of the project area. Overall, 10% of samples mentioned above are considered anomalous >10 ppb Au. Additionally, a suite of trace pathfinder elements are also being used including Au, Ag, As, Hg, Sb, Mn, Pb, and Zn and if

considering these elements, the overall amount of anomalous samples is approximately 20%. Further first pass and follow-up sampling is planned for Q2.

Two geophysical surveys started at the end of the first quarter at Anillo, initially concentrating on the northeastern portion of the project area and encompassing all high priority target areas surrounding the Pampa Victoria discovery. A total of 800 line kilometers of ground magnetics at 75m line spacing and 275 line kilometers of VLF at 225m line spacing is planned to be completed during the second quarter.

OMI is planning to drill during the third quarter after a final compilation of results from trench sampling, follow-up rock chip sampling, and the completion of the geophysical surveys. This will enable the company to properly plan the pending drill campaign. It is expected that the drill campaign will consist of approximately 3,000.

Incahuasi

OMI began work at Incahuasi during this quarter. This project was extensively drilled by previous operator during 2007-08 and exploration was focused on Au-Cu vein mineralization found throughout the project area. A "due diligence" review of the project, began in June and finished in August and concluded that most historical targets were adequately tested. OMI has focused new exploration field work on potential for disseminated/stockwork ± sheeted vein mineralization associated with porphyry occurrences at Incahuasi and a number of untested vein systems.

OMI plans to continue follow-up surface mapping and sampling in quarter two before making a decision on further drilling.

Qualified Person's Statement

The information presented in this press release has been reviewed by William F. Lindqvist, Director of OMI and Mr. Randall Corbett, general manager, San Gregorio, and is considered to be in compliance with NI 43-101 reporting guidelines. Dr. Lindqvist holds a Ph.D. in Applied Geology from Imperial College, London, has been a member of the AusIMM for 46 years, and has had 40 years of experience in international minerals exploration and property evaluation. Mr. Corbett has a Bachelor of Engineering (Mining) Degree from Technical University of Nova Scotia (T.U.N.S.), is a Professional Engineer (P. Eng.) registered in the Province of Ontario and has more than 25 years operational, engineering and development experience.

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.

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About Orosur Mining Inc.

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).

For further information, please contact:

Orosur Mining Inc

David Fowler, CEO:

Ignacio Salazar, CFO + 598 2 6016354; info@orosur.ca

Matrix Corporate Capital LLP (Nominated Adviser & Broker)

Louis Castro, +44 (0) 203 206 7209

Tim Graham, +44 (0) 203 206 7206

Blythe Weigh Communications (Public Relations and Investor Relations)

Tim Blythe: +44 (0) 7816 924626

Ana Ribeiro: +44 (0) 7980 321505

Matthew Neal: +44 (0) 7917 800011

Financial Statements Follow

Orosur Mining Inc.

Consolidated Balance Sheets

(Unaudited)

(Thousands of United States Dollars, except where indicated)

	As at	
	August 31, 2010	May 31, 2010
	\$	\$
Assets		
Current assets		
Cash	10,746	8,691
Accounts receivable (Note 2)	1,822	2,351
Inventories (Note 3)	15,627	18,090
Prepaid expenses	1,159	1,220
Short term investments	90	0
Total current assets	29,444	30,352
Property plant and equipment and mineral properties (Note 4)	18,924	18,757
Deferred exploration (Note 5)	26,444	24,850
Future income tax assets	3,765	4,181
Restricted cash	187	191
Total non current assets	49,320	47,979
Total Assets	78,764	78,331
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	8,354	11,510
Current portion of long term debt	19	19
Total current liabilities	8,373	11,529
Long term debt	11	14
Future income tax liability	1,774	1,774
Asset retirement obligation	2,977	2,954
Total non current liabilities	4,762	4,742
Total liabilities	13,135	16,271
Capital stock	42,344	42,344
Contributed surplus	4,706	4,647
Accumulated other comprehensive income	(19)	(19)
Retained earnings	18,598	15,088
Total shareholders' equity	65,629	62,060
Total liabilities and shareholders' equity	78,764	78,331

Approved by the Board of Directors

"Ignacio Salazar" Director*"David Fowler"* Director

Orosur Mining Inc.
Consolidated Statements of Income, other comprehensive income and Retained Earnings
(Unaudited)

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

	Three months ended	
	<u>August 31</u>	<u>August 31</u>
	2010	2009
	\$	\$
Net Sales	18,213	12,498
Operating expenses	(11,884)	(11,861)
Amortization and depreciation	(1,480)	(2,593)
Operating expenses	(13,364)	(14,454)
Sub-total	4,849	(1,956)
Other income (expenses)		
Stock based compensation expense	(59)	(94)
Derivative gain (loss)	(212)	464
Exploration expenses	(317)	0
General and administrative expense	(738)	(744)
Net interest and debt accretion loss	(15)	(71)
Foreign exchange gain (loss)	260	(17)
Other income	275	252
	(806)	(210)
Income (loss) before taxes	4,043	(2,166)
Recovery (provision) for income taxes	(533)	8
Net and comprehensive income (loss) for the period	3,510	(2,158)
Retained earnings, beginning of period	15,088	13,687
Retained earnings, end of period	18,598	11,529
Earnings (loss) per common share		
	0.05	(0.04)
Basic and diluted (Note 11)		
Weighted average shares outstanding		
	64,795,426	48,667,068
Basic and diluted		

Orosur Mining Inc.
Consolidated Statements of Cash Flows
(Unaudited)

(Thousands of United States Dollars, except where indicated)

	Three months ended	
	August 31	August 31
	2010	2009
	\$	\$
Operating activities		
Net income (loss) for the period	3,510	(2,158)
Adjustments for:		
Amortization and depletion	1,480	2,593
Fair value of derivatives	0	(464)
Accretion of debt	23	32
Future Income taxes	416	(8)
Stock based compensation	59	94
Others	(78)	(59)
	5,410	30
Net change in non-cash working capital balances (Note 9)	(103)	2,629
	5,307	2,659
Financing activities		
Debt payment	(3)	(21)
	(3)	(21)
Investing activities		
Purchase of property, plant and equipment and development costs	(994)	(2,560)
Exploration expenditure	(2,255)	(1,680)
Assets sales	0	264
	(3,249)	(3,976)
Increase (decrease) in cash	2,055	(1,338)
Cash at the beginning of period	8,691	9,496
Cash at the end of period	10,746	8,158

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

	For the three months ended August 31, 2010		For the financial year ended May 31, 2010	
	Number (000's)	Amount (\$)	Number (000's)	Amount (\$)
Common shares				
Balance at beginning of period	64,796	42,344	48,667	34,642
Issued for Fortune Valley acquisition	0	0	15,766	7,628
Exercise of stock options	0	0	363	74
Balance at end of period	<u>64,796</u>	<u>42,344</u>	64,796	<u>42,344</u>
Contributed surplus				
Balance at beginning of period		4,647		4,239
Employee stock based compensation recognized		59		407
Issued for Fortune Valley acquisition		0		25
Transfer to common shares		0		(24)
Balance at end of period		<u>4,706</u>		<u>4,647</u>
Accumulated other comprehensive income				
Balance at beginning of period		(19)		(19)
Movement for the period		0		0
Balance at end of period		<u>(19)</u>		<u>(19)</u>
Retained earnings				
Balance at beginning of period		15,088		13,687
Net income for the period		3,510		1,401
Balance at end of period		<u>18,598</u>		<u>15,088</u>
Shareholders' equity at end of period		<u>65,629</u>		<u>62,060</u>