



Orosur Mining Inc. – First Quarter 2020 Results

Medellin, Colombia, October 15, 2019. Orosur Mining Inc. (“Orosur” or “the Company”) (TSX/AIM: OMI), a South American-focused gold developer and explorer announces its unaudited results for the first quarter ended August 31, 2019 (“Q1 2020” or the “Quarter”).

HIGHLIGHTS

- In August 2019, Orosur received the second of four half-yearly US\$500k cash payments from Newmont Goldcorp (“Newmont”) as part of the previously announced Exploration Agreement with Venture Option for the Anzá project in Colombia (the “Exploration Agreement”).
- Newmont has paid US\$310k of the US\$1 million minimum work commitment for the first year of the Exploration Agreement (ended September 2019) and must meet the shortfall in cash to Orosur by November 7, 2019, in order to maintain its Phase 1 earn-in right.
- In Uruguay, as announced on September 17, 2019, the Court has approved the payment plan agreement between the Company’s wholly owned subsidiary, Loryser SA (“Loryser”) and Loryser’s creditors (the “Creditors Agreement”). The ratification by the Court means that the Creditors Agreement is legally binding on all creditors and that the intervenor’s control over Loryser has ceased.
- The Creditors Agreement provides that the net proceeds from the sale of Loryser’s assets in Uruguay, together with the issuance of 10 million common shares in Orosur, shall fully satisfy all amounts owed by Loryser to its creditors, as well as provide funds for Loryser to conduct this process and manage the orderly closure of its operations. The Creditors Agreement requires Loryser to manage and complete the sale and payment process within two years, starting from the date of the ratification by the Court.
- The Company has a cash balance of US\$548k at August 31, 2019 (May 31, 2019 - US\$512k million).

Outlook and Strategy

During the year ended May 31, 2018, the board adopted an ambitious strategic plan to restructure its business, and recapitalize and transform the Company by advancing the Anzá project in Colombia, as well as finding a fair solution in Uruguay for all stakeholders and reducing its activities in Chile. The strategy remains unchanged and on course.

In Colombia, the first two years of the Exploration Agreement (commencing in September 2018) have relatively low minimum work commitments (US\$1 million per year). The minimum work commitment increases in years 3 and 4, to US\$4 million per year. In order to maintain the Phase 1 earn-in right, there are two additional semi-annual \$500k cash payments due to be paid by Newmont to Orosur (in March and September 2020), in addition to the payment of \$690k to cover the shortfall of minimum work commitments of Year 1 mentioned above.

In Uruguay, with the Creditors Agreement finally approved by the Court in September 2019, Loryser already started its implementation. The successful sale of assets locally in Uruguay and internationally in cooperation with broker Savona is a key component to optimizing the outcome with creditors. The Company is in the process of issuing the 10 million common shares in Orosur which is subject to the approval of the Toronto Stock Exchange.

About Orosur Mining Inc.

Orosur Mining Inc. (TSX: OMI; AIM: OMI) is a precious metals developer and explorer focused on identifying and advancing gold projects in South America. The Company operates in Colombia and Uruguay.

Forward Looking Statements

All statements, other than statements of historical fact, contained in this news release constitute "forward looking statements" within the meaning of applicable securities laws, including but not limited to the "safe harbour" provisions of 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.

Forward-looking statements include, without limitation, the exploration plans in Colombia and the funding from Newmont of those plans, Newmont's decision to continue with the Exploration Agreement, Loryser's ability to implement the Creditors Agreement successfully including approval from the TSX to issue shares as well as continuation of the business of the Company on a going concern and other events or conditions that may occur in the future. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing, to reach profitable levels of operations and to reach a satisfactory implementation of the Agreement. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of the Company's most recent Management's Discussion and Analysis and Annual Information Form. 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Orosur's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

For further information, please contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain. If you have any queries on this, then please contact Ryan Cohen, VP Corporate Development of the Company (responsible for arranging release of this announcement on behalf of the Company) on: +1 (778) 373-0100.

Orosur Mining Inc.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in thousands of United States Dollars)****Unaudited**

	As at	As at
	August 31,	May 31,
	2019	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 548	\$ 512
Accounts receivable and other assets	318	292
Assets held for sale	4,096	4,452
Total current assets	4,962	5,256
Non-current assets		
Property, plant and equipment	84	87
Exploration and evaluation assets	8,885	8,983
Restricted cash	1	-
Total assets	\$ 13,932	\$ 14,326
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 203	\$ 235
Warrants	23	13
Liabilities held for sale	22,925	23,393
Total liabilities	23,151	23,641
Equity		
Share capital	65,290	65,290
Contributed surplus	5,953	5,947
Currency translation reserve	(1,770)	(1,653)
Total Deficit	(78,692)	(78,899)
Total (deficit) / equity	(9,219)	(9,315)
Total (deficit) / equity and liabilities	\$ 13,932	\$ 14,326

Orosur Mining Inc.

Condensed Interim Consolidated Statements of Income (loss) and Comprehensive Income (loss)

(Expressed in thousands of United States Dollars)

Unaudited

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
		(Restated)
Operating expenses		
Corporate and administrative expenses	\$ (356)	\$ (259)
Exploration expenses	(38)	(20)
Other income	500	-
Net finance cost	(1)	(5)
(Loss) gain on fair value of financial instrument	(12)	21
Net foreign exchange gain/(loss)	3	(14)
	<u>96</u>	<u>(277)</u>
Net income (loss) for the period for continuing operations	\$ 96	\$ (277)
Other comprehensive loss		
Cumulative translation adjustment	\$ (117)	\$ (190)
Total comprehensive income (loss) for the period from continuing operations	(21)	(467)
Income (loss) from discontinuing operations	111	(6,108)
Total comprehensive income (loss) for the period	90	(6,575)
Basic and diluted net income (loss) per share for continued operations	\$ 0.00	\$ (0.00)
Basic and diluted net income (loss) per share for discontinued operations	\$ 0.00	\$ (0.05)
Weighted average number of common shares outstanding	150,278	118,788

Orosur Mining Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in thousands of United States Dollars)****Unaudited**

	Three Months Ended August 31, 2019	Three Months Ended August 31, 2018
		(Restated)
Operating activities		
Net income (loss) for the period	\$ 96	\$ (277)
Adjustments for:		
Share-based payments	6	13
Fair value of financial instrument	12	(21)
Gain on sale of property, plant and equipment	-	7
Other	(5)	137
Changes in non-cash working capital items:		
Accounts receivable and other assets	16	9
Accounts payable and accrued liabilities	(32)	(20)
Net cash provided by (used in) operating activities - continued operations	93	(152)
Investing activities		
Exploration and evaluation expenditures	(57)	(167)
Net cash used in investing activities - continued operations	(57)	(167)
Financing activities		
Issue of common shares	-	250
Net cash provided by financing activities - continued operations	-	250
Net change in cash and cash equivalents - continued operations	36	(69)
Cash and cash equivalents, beginning of period	512	80
Cash and cash equivalents, end of period	\$ 548	\$ 11
Net cash used in investing activities - discontinued operations	330	(318)
Net cash provided by (used in) operating activities - discontinued operations	(468)	136
Net cash provided by financing activities - discontinued operations	-	-