



## Orosur Mining Inc. – Second Quarter 2019/20 Results

Medellín, Colombia, January 14, 2020. Orosur Mining Inc. (“Orosur” or “the Company”) (TSX/AIM: OMI), a South American-focused gold developer and explorer announces the results for the second quarter ended November 30, 2019 (“Q2 20” or the “Quarter”).

### HIGHLIGHTS

- In accordance with the Exploration Agreement with Venture Option (the “Exploration Agreement”), Newmont Colombia made a further cash payment of US\$690k to Minera Anzá in November 2019 to cover its outstanding commitments and to maintain its Phase 1 earn-in rights.
- In Uruguay, as announced on September 17, 2019, the Court 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 trade creditors and that the intervenor’s control over Loryser ceases.
- 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 owing by Loryser to its trade 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.
- As announced on December 6, 2019, 10,000,000 common shares were issued to a trust for the benefit of Loryser’s creditors in accordance with the court-approved agreement.
- The non-binding letter of intent signed in November 2019 with IMC International Mining Corp. expired on December, 27, 2019 without completing a definitive agreement. Loryser remains in discussions with IMC as well as considering alternative options with other potential partners to sell its mining and exploration permits in Uruguay.
- The Company had a cash balance of US\$809k at November 30, 2019 (May 31, 2019: US\$512k).
- Assets held for sale in Uruguay have been recorded in this quarter and in the FY19 consolidated financial statements at the lower of book value or fair value. The consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted as Assets and Liabilities held for sale and Profit and Loss from discontinuing operations: this accounting treatment has been applied to the activities in Uruguay and Chile.

### Outlook and Strategy

During the year ended May 31, 2018, the Board adopted an aggressive strategic plan to restructure its business, and recapitalize and transform the Company. The Company’s main objectives were advancing the Anzá Project: the Company’s flagship, high grade gold exploration asset in Colombia; finding a fair solution in Uruguay for all stakeholders; and reducing its activities in Chile. This strategy remains unchanged.

In Colombia, Newmont Colombia has fulfilled its Year 1 commitments and payments under the requirements of the Exploration Agreement.

In Uruguay, with the Creditors Agreement approved by the Court in September 2019, Loryser continued to focus its activities on the implementation of the Creditors Agreement. The plant and equipment remain under care and maintenance. The successful sale of assets is a key component to a positive outcome with creditors. The Company has already issued the 10,000,000 common shares in Orosur, subject to a four-month holding period, to the benefit of Loryser's creditors.

### **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 and Option agreement, the ability for Loryser to continue and finalize with the remediation in Uruguay, the ability to implement the Creditors' Agreement successfully as well as continuation of the business of the Company as 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 Creditor's Agreement in Uruguay. 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 MDA and the 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.

### **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.*

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## Orosur Mining Inc.

### Condensed Interim Consolidated Statements of Financial Position

(Expressed in thousands of United States Dollars)

Unaudited

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	As at		As at
	November 30,		May 31,
	2019		2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 809	\$	512
Accounts receivable and other assets	294		292
Assets held for sale	3,971		4,452
<b>Total current assets</b>	<b>5,074</b>		<b>5,256</b>
<b>Non-current assets</b>			
Property, plant and equipment	80		87
Exploration and evaluation assets	8,170		8,983
<b>Total assets</b>	<b>\$ 13,324</b>	\$	<b>14,326</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$ 232	\$	235
Warrants	2		13
Liabilities held for sale	22,243		23,393
<b>Total liabilities</b>	<b>22,477</b>		<b>23,641</b>
<b>Equity</b>			
Share capital	65,290		65,290
Contributed surplus	5,978		5,947
Currency translation reserve	(1,922)		(1,653)
Total Deficit	(78,499)		(78,899)
<b>Total (deficit) / equity</b>	<b>(9,153)</b>		<b>(9,315)</b>
<b>Total (deficit) / equity and liabilities</b>	<b>\$ 13,324</b>	\$	<b>14,326</b>

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The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

## Orosur Mining Inc.

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

(Expressed in thousands of United States Dollars)

Unaudited

	Three Months Ended November 30, 2019	Three Months Ended November 30, 2018	Six Months Ended November 30, 2019	Six Months Ended November 30, 2018
<b>Operating expenses</b>				
Corporate and administrative expenses	\$ (354)	\$ (574)	\$ (710)	\$ (833)
Exploration expenses	(19)	(18)	(57)	(38)
Other income	1	-	501	-
Net finance cost	(2)	-	(3)	(5)
(Loss) gain on fair value of financial instrument	21	(42)	9	(21)
Net foreign exchange gain/(loss)	(13)	(14)	(10)	(28)
	<b>(366)</b>	<b>(648)</b>	<b>(270)</b>	<b>(925)</b>
<b>Net loss for the period for continuing operations</b>	<b>\$ (366)</b>	<b>\$ (648)</b>	<b>\$ (270)</b>	<b>\$ (925)</b>
<b>Other comprehensive loss</b>				
Cumulative translation adjustment	\$ (152)	\$ (559)	\$ (269)	\$ (749)
<b>Total comprehensive income (loss) for the period from continuing operations</b>	<b>(518)</b>	<b>(1,207)</b>	<b>(539)</b>	<b>(1,674)</b>
Income (loss) from discontinuing operations	<b>559</b>	<b>(1,228)</b>	<b>670</b>	<b>(7,336)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>41</b>	<b>(2,435)</b>	<b>131</b>	<b>(9,010)</b>
<b>Basic and diluted net income (loss) per share for continued operations</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Basic and diluted net income (loss) per share for discontinued operations</b>	<b>\$ 0.00</b>	<b>\$ (0.01)</b>	<b>\$ 0.00</b>	<b>\$ (0.06)</b>
<b>Weighted average number of common shares outstanding</b>	<b>150,278</b>	<b>146,250</b>	<b>150,278</b>	<b>131,840</b>

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

## Orosur Mining Inc.

### Condensed Interim Consolidated Statements of Cash Flows

(Expressed in thousands of United States Dollars)

Unaudited

	Six Months Ended November 30, 2019	Six Months Ended November 30, 2018
<b>Operating activities</b>		
Net loss for the period	\$ (270)	\$ (925)
Adjustments for:		
Share-based payments	31	36
Fair value of financial instrument	(9)	13
Loss on sale of property, plant and equipment	-	14
Other	(43)	(51)
Changes in non-cash working capital items:		
Accounts receivable and other assets	138	9
Inventories	-	1
Accounts payable and accrued liabilities	(3)	(295)
<b>Net cash (used in) operating activities - continued operations</b>	<b>(156)</b>	<b>(1,198)</b>
<b>Investing activities</b>		
Proceeds received for exploration and evaluation expenditures	750	-
Exploration and evaluation expenditures	(297)	(311)
<b>Net cash provided by (used in) investing activities - continued operations</b>	<b>453</b>	<b>(311)</b>
<b>Financing activities</b>		
Issue of common shares	-	2,000
Advances to discontinued operations	-	192
<b>Net cash provided by financing activities - continued operations</b>	<b>-</b>	<b>2,192</b>
<b>Net change in cash and cash equivalents - continued operations</b>	<b>297</b>	<b>683</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>512</b>	<b>80</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 809</b>	<b>\$ 763</b>
Net cash provided by (used in) investing activities - discontinued operations	120	(366)
Net cash (used in) operating activities - discontinued operations	(311)	(452)
Net cash provided by financing activities - discontinued operations	-	34

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.