



## Orosur Mining Inc. – Third Quarter 2020 Results & Board Change

Medellín, Colombia, April 14, 2020. Orosur Mining Inc. (“Orosur” or “the Company”) (TSX/AIM: OMI), a South American-focused gold developer and explorer, is pleased to announce the results for the third quarter ended February 29, 2020 (“Q3 20” or the “Quarter”) as well as the appointment of Louis Castro, aged 61, as Chairman and Non-Executive Director of the Company to replace Robert Schafer, who has retired from the Company's board.

### HIGHLIGHTS

- In accordance with the Exploration Agreement with Venture Option over the Anzá project in Colombia (the “Exploration Agreement”) with Newmont Colombia S.A.S. (“Newmont”), Newmont made a cash payment of US\$690k to Minera Anzá in November 2019 to cover its outstanding commitments for the first Year of the Exploration Agreement (September 2018 to September 2019) and to maintain its phase 1 earn-in rights.
- In Uruguay, the Creditors Agreement was finally approved by the Court in September 2019 and, as a result, became legally binding on all trade creditors. During Q3 20, Loryser focused its activities in the implementation of the Creditors Agreement and the sale of its Uruguayan assets. As agreed in the Creditors Agreement, on December 19, 2019, Orosur issued 10,000,000 common shares to a trust for the benefit of Loryser's creditors.
- As at February 29, 2020, the Company had a cash balance of US\$463k (May 31, 2019 - US\$512k).
- After the end of the Q3 20, as previously announced on March 5, 2020, an additional cash payment of US\$500k was received by the Company from Newmont, in connection with maintaining its earn-in rights pursuant to the Exploration Agreement.
- 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 for 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

The Board adopted an aggressive strategic plan to restructure its business, and recapitalize and transform the Company by advancing its Anzá project in Colombia (now with Newmont as a partner), whilst progressing other opportunities, as well as finding a fair solution in Uruguay for all stakeholders. This strategy remains unchanged.

In Colombia, Newmont met its Year 1 commitments and payments pursuant to the Exploration Agreement. In March 2020, Newmont made the third US\$500k cash payment to Orosur with the fourth and final payment of this sort expected in September 2020.

In Phase 1, Newmont may earn a 51% ownership interest in Anzá by spending US\$10 million in qualifying expenditures over four years and making cash payments to Orosur equalling a total of US\$2 million during the first two years of the Phase 1 earn-in period. During the first two years of the Exploration Agreement (commencing September 2018), Newmont is committed to spend a minimum of US\$1 million per year on qualifying expenditures (“Minimum Work Commitment”), or pay Orosur cash in lieu of completing said minimum work commitment, in order to maintain the Phase 1 earn-in right. In years 3 and 4, the Minimum Work Commitment increases to US\$4 million per year.

The Exploration Agreement comprises a three-phase earn-in structure, allowing Newmont to earn up to a 75% ownership interest in the Anzá project by making cash payments to Orosur equalling a total of US\$4 million over Phases 1 and 2, spending a minimum of US\$30 million in qualifying expenditures over twelve years, and in addition completing N.I. 43-101 compliant prefeasibility and feasibility studies through the end of Phase 3.

In Uruguay, Loryser is focusing its activities in the implementation of the Creditors Agreement. 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 in September 2019.

## **Board Changes**

Louis Castro has been appointed Chairman and Non-Executive Director of the Company replacing Bob Schafer, who has retired from the Company's board.

Mr. Castro is a chartered accountant and former investment banker with more than 30 years' City and industry experience. Louis is a non-executive director and Chairman of the Audit Committee at Stanley Gibbons Group plc, Jangada Mines plc and Tekcapital plc. He was previously CFO at Eland Oil and Gas, an AIM listed upstream company operating in Nigeria, and CEO at Northland Capital Partners investment bank and broker, where he represented a significant number of mining and oil & gas clients, including clients in South America.

Mr. Schafer joined the Board of Orosur in June 2018. He has recently been elected as President of the US-based "Society for Mining, Metallurgy and Exploration" ("SME") and is focusing his time in this new role.

Ignacio Salazar, CEO of Orosur, commented:

*"We are pleased to announce the appointment of Louis to the Orosur's Board and welcome his proven track record in the industry and in capital markets over decades. Louis' significant experience is of notable value given the Company's focus on advancing the Anzá Project in Colombia whilst progressing other opportunities. It is with great regret that the Board has accepted Mr. Schafer's decision to retire. We wish him all the best in his professional and personal endeavours and thank him for his service to the Company and its shareholders."*

## **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.*

## **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.

### **Regulatory Disclosures**

The following disclosures are required regarding Louis Emmanuel Castro's appointment pursuant to Rule 17 and Schedule Two paragraph (g) of the AIM Rules for Companies:

#### **Current directorships and partnerships:**

- Tekcapital plc
- Jangada Mines Plc
- Stanley Gibbons Plc
- Green Park Petroleum Limited
- Inception Energy Limited
- Oryx Management Limited
- Hollingsworth Minerals Inc.

#### **Past directorships and partnerships held over the last 5 years:**

- Ascent Resources Plc
- Hallwood Oil & Gas Inc.
- Eland Oil & Gas Plc
- Westport Oil Limited
- Akonic Energy Limited

Louis has no direct or indirect interest in the Company's ordinary shares.

No further disclosure is required pursuant to AIM Rule 17 and paragraph (g) to Schedule Two of the AIM Rules for Companies.

# Orosur Mining Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in thousands of United States Dollars)

Unaudited

	As at Feb 29, 2020	As at May 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$463	\$512
Accounts receivable and other assets	536	292
Assets held for sale	3,797	4,452
<b>Total current assets</b>	<b>4,796</b>	<b>5,256</b>
<b>Non-current assets</b>		
Property, plant and equipment	80	87
Exploration and evaluation assets	8,310	8,983
<b>Total assets</b>	<b>\$13,186</b>	<b>\$14,326</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$295	\$235
Warrants	-	13
Liabilities held for sale	22,234	23,393
<b>Total liabilities</b>	<b>22,529</b>	<b>23,641</b>
<b>Equity</b>		
Share capital	65,670	65,290
Contributed surplus	5,981	5,947
Currency translation reserve	(1,922)	(1,653)
Total Deficit	(79,072)	(78,899)
<b>Total (deficit) / equity</b>	<b>(9,343)</b>	<b>(9,315)</b>
<b>Total (deficit) / equity and liabilities</b>	<b>\$13,186</b>	<b>\$14,326</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 Loss and Comprehensive Loss

(Expressed in thousands of United States Dollars)

Unaudited

	Three Months Ended Feb 29, 2020	Three Months Ended Feb 29, 2019	Nine Months Ended Feb 29, 2020	Nine Months Ended Feb 29, 2019
		(Restated)		(Restated)
<b>Operating expenses</b>				
Corporate and administrative expenses	\$(351)	\$(332)	\$(1,061)	\$(1,165)
Exploration expenses	(14)	(11)	(71)	(49)
Other income	-	-	501	-
Net finance cost	21	1	18	(4)
(Loss) on fair value of financial instrument	(20)	(320)	(11)	(341)
Net foreign exchange gain/(loss)	(6)	(2)	(16)	(30)
	<u>(370)</u>	<u>(664)</u>	<u>(640)</u>	<u>(1,589)</u>
<b>Net loss for the period for continued operations</b>	<b>\$(370)</b>	<b>\$(664)</b>	<b>\$(640)</b>	<b>\$(1,589)</b>
<b>Other comprehensive income (loss)</b>				
Cumulative translation adjustment	\$-	\$624	\$(269)	\$(125)
<b>Total comprehensive loss for the period from continued operations</b>	<b>(370)</b>	<b>(40)</b>	<b>(909)</b>	<b>(1,714)</b>
Income (loss) from discontinued operations	(203)	(1,362)	467	(8,698)
<b>Total comprehensive loss for the period</b>	<b>(573)</b>	<b>(1,402)</b>	<b>(442)</b>	<b>(10,412)</b>
<b>Basic and diluted net 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 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>159,618</b>	<b>150,278</b>	<b>153,380</b>	<b>136,774</b>

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# Orosur Mining Inc.

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in thousands of United States Dollars)

Unaudited

	Nine Months Ended Feb 29, 2020	Nine Months Ended Feb 29, 2019
		(Restated)
<b>Operating activities</b>		
Net loss for the period	<b>\$(640)</b>	\$(1,589)
Adjustments for:		
Share-based payments	<b>34</b>	72
Fair value of financial instrument	<b>(11)</b>	341
Loss on sale of property, plant and equipment	<b>-</b>	12
Other	<b>(68)</b>	214
Changes in non-cash working capital items:		
Accounts receivable and other assets	<b>133</b>	(73)
Accounts payable and accrued liabilities	<b>60</b>	(264)
<b>Net cash (used in) operating activities - continued operations</b>	<b>(492)</b>	(1,287)
<b>Investing activities</b>		
Proceeds received for exploration and evaluation expenditures	<b>1,030</b>	-
Exploration and evaluation expenditures	<b>(577)</b>	(419)
<b>Net cash provided by (used in) investing activities - continued operations</b>	<b>453</b>	(419)
<b>Financing activities</b>		
Issue of common shares	<b>-</b>	2,000
Advances to discontinued operations	<b>(10)</b>	165
<b>Net cash provided by (used in) financing activities - continued operations</b>	<b>(10)</b>	2,165
<b>Net change in cash and cash equivalents - continued operations</b>	<b>(49)</b>	459
<b>Cash and cash equivalents, beginning of period</b>	<b>512</b>	80
<b>Cash and cash equivalents, end of period</b>	<b>\$463</b>	\$ 539
Net cash provided by (used in) investing activities - discontinued operations	<b>73</b>	475
Net cash (used in) operating activities - discontinued operations	<b>(264)</b>	(1,598)
Net cash provided by (used in) financing activities - discontinued operations	<b>10</b>	34

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