

Orosur Mining Inc. - Full Year 2021 Results

Toronto, August 30, 2021. Orosur Mining Inc. (“Orosur” or “the Company”) (TSX: OMI) (AIM: OMI) announces its audited results for the fiscal year ended May 31, 2021. All dollar figures are stated in US\$ unless otherwise noted. The audited financial statements of the Company for the year ended May 31, 2021; the related management’s discussion and analysis (“MD&A”); the annual information form (“AIF”) and the Forms 52-109F1 have all been filed and are available for review on the SEDAR website at www.sedar.com. The financial statements, the MD&A and the AIF are also available on the Company’s website at www.orosur.ca.

HIGHLIGHTS

Colombia

- On 30th September 2020, Newmont Corporation, entered into a joint venture with Agnico Eagle Mines Limited (“Agnico”) whereby the two companies jointly assumed and will advance Newmont’s prior rights and obligations with respect to the Anzá Project in Colombia on a 50:50 basis, with Agnico as operator of the joint venture. Agnico’s and Newmont’s JV vehicle has been renamed Minera Monte Aguila.
- Following receipt of exploration funds from Minera Monte Aguila, Minera Anzá began the process of re-establishing its field camp at the Anzá project in readiness for commencement of field operations. A substantial team of geoscientists and support staff were recruited to manage the work.
- Drilling operations commenced on the 15th of November 2020 and a total of some 10,000m have been drilled to date.
- Four announcements have been made related to assay results from the ongoing drilling campaign – on 25th January 2021; 22nd February 2021; 4th May 2021; and, 6th July 2021. Key intersections include:

**MAP-072 4.1m @ 6.52g/t Au, 29.73g/t Ag and 0.28% Zn from 108m.
5.90m @ 4.55g/t Au, 2.74g/t Ag and 0.30% Zn from 171.1m, and
70.50m @ 3.53g/t Au, 9.33g/t Ag and 1.62% Zn from 184.80m**

MAP-073 21.60m @ 6.02g/t Au, 6.02g/t Ag and 3.23 %Zn from 271.75m

MAP-074 5.20m @ 1.17g/t Au 4.97g/t Ag and 3.02% Zn from 195.40m

MAP-075 19.85m @ 0.90g/t Au 2.17 g/t Ag and 6.46% Zn from 226.15m

MAP-076 12.25m @ 5.39g/t Au, 1.65 g/t Ag and 0.18 % Zn from 228.65m

MAP-079 23.75m @17.40g/t Au, 1.89g/t Ag, 0.19% Zn

MAP- 082 29.45m @2.50g/t Au, 1.95g/t Ag, 1.08% Zn

MAP- 089 59.55m @9.61g/t Au, 6.23g/t Ag, 3.75% Zn

MAP- 091 61.75m @ 2.05g/t Au, 3.3g/t Ag, 0.82% Zn

- A number of samples remain at the laboratory of ALS in Peru, which has experienced substantial delays in turnaround times due to Covid related staff shortages. These issues are slowly being resolved and it is anticipated that assay delays will be reduced going forwards
- Apart from drilling at the APTA prospect, work commenced on regional mapping and sampling across the wider lease holding. A large program of BLEG sampling was commenced, which once analyzed should provide vectors to more targeted programs in following quarters. Initial results have been promising, with two new prospect areas identified and named for future reference, Pupino and Pepas.
- The Company has commenced work on converting the last of its secure license applications to granted status so that they can be accessed for exploration work later in the year.

Uruguay

- In Uruguay, the Company has focused its activities on the implementation of the Creditors Agreement, which was approved by the Court in September 2019, and on the sale of the assets of its Uruguayan subsidiary Loryser. As part of that Agreement, Orosur issued in December 2019, 10,000,000 Orosur common shares to a trust for the benefit of Loryser's creditors as contemplated in the court-approved Creditors Agreement.
- At the same time, and in line with Company's expectations, during Q3 2020, Loryser signed a Settlement Agreement with DINAMA (Uruguay environmental agency) in order to recover the \$1,326,000 from an environmental guarantee it had executed previously. Pursuant to the Settlement Agreement, Loryser is continuing with the reclamation of the tailings dam and Dinama will pay in instalments upon completion of a nine-phased closure plan. The agreement has been in effect all year after getting final approval from the Audit Tribunal, who oversees all Governmental accounts. The reclamation is progressing well. To date, four payments totalling \$957,000 have been received from DINAMA.
- Good progress is being made on the sale of Loryser's other assets including plant and equipment. The proceeds from all of these sales and the sales of the shares by the Trust will be used to pay liabilities in Uruguay in connection with the aforementioned Creditors Agreement.

Financial and Corporate

- The consolidated financial statements have been 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 (at the lower of book value or fair value) and Profit and Loss from discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.
- On May 31, 2021, the Company had a cash balance of \$6,958,000 (May 31, 2020: \$782,000). As at the date of this announcement the Company had a cash balance of \$6,270,000 which includes the proceeds from the private placement and from the exercise of stock options, both detailed below.
- On July 17, 2020 Brad George was appointed Chief Executive Officer and Thomas Masney was appointed as a non-executive director, replacing Ignacio Salazar and HD Lee respectively.
- On August 14, 2020 8,370,000 warrants expired unexercised.
- On October 30, 2020, 2,876,670 stock options were exercised by a number of employees and former employees resulting in proceeds of \$455,000 for the Company.
- On December 7, 2020, the Company completed a private placement financing consisting of the sale of 23,529,412 units (the "Units") at 17 pence per Unit for aggregate gross proceeds of £4 million (\$5,372,000). Each Unit consisted of one (1) common share in the capital stock of the Company ("Common Share") and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of 25.5 pence for a period of 12 months from the date of issuance.
- On December 10, 2020, the Company granted an aggregate of 5,600,000 stock options of which 4,300,000 were granted to certain directors and officers of the Company, at an exercise price of CAD\$0.325 with an expiration date of December 10, 2030. These options vested 50% immediately and the 50% on December 10, 2021.
- On January 12, 2021, the Company appointed Nicholas (Nick) von Schirnding to the Company's Board as an Independent Non-Executive Director. The Company also appointed Louis Castro, then Non-Executive Chairman of the Company, to the role of Executive Chairman.

Outlook and Strategy

During the period, the Company continued its focus on developing the potential at Anza and continuing the orderly closure of its historical operations in Uruguay in accordance with the court agreed settlement process. Work on both facets of the corporate strategy is progressing well and the capital raising in November 2020 has provided sufficient balance sheet strength to continue progress.

The Company has also been examining new business opportunities in South America and, on July 7th, 2021, it announced that it had entered into a non-binding Letter of Intent in order to establish a joint venture on a tin project in Rhondonia state in Brazil.

The Company will continue to build its project portfolio with other high quality assets, subject to current travel restrictions caused by Covid.

Brad George, CEO of Orosur said:

“Operationally and financially it has been a good year, albeit a somewhat challenging one in light of the Covid-19 pandemic that has impacted every facet of our business. Uruguay continues to be wound down in an orderly fashion as per our plans and is near the end; Colombia has been a major success story with tremendous results from our drilling and sampling programs, all undertaken while the pandemic raged around us; and our balance sheet was brought back to life with a well-supported capital raising. With work accelerating at Anza and with potential new projects coming on line, this coming year looks to be even better”

Orosur Mining Inc.**Consolidated Statements of Financial Position
(Expressed in thousands of United States dollars)**

	As at May 31, 2021	As at May 31, 2020
		(Revised Note 1)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,958	\$ 782
Restricted cash	1,367	-
Accounts receivable and other assets	201	130
Assets held for sale in Uruguay	2,314	3,081
Total current assets	10,840	3,993
Non-current assets		
Property, plant and equipment	124	72
Exploration and evaluation assets Colombia	5,148	6,479
Total assets	\$ 16,112	\$ 10,544
LIABILITIES AND (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 486	\$ 313
Liabilities of Chile discontinued operation	2,047	2,010
Warrant liability	1,734	-
Liabilities held for sale in Uruguay	16,830	17,995
Total current liabilities	21,097	20,318
Deficit		
Share capital	69,333	65,670
Shares held by Trust	(165)	(380)
Contributed surplus	8,591	5,987
Currency translation reserve	(1,826)	(2,016)
Deficit	(80,918)	(79,035)
Total deficit	(4,985)	(9,774)
Total liabilities and deficit	\$ 16,112	\$ 10,544

Orosur Mining Inc.**Consolidated Statements of Loss and Comprehensive Loss
(Expressed in thousands of United States dollars)**

	Year Ended May 31, 2021	Year Ended May 31, 2020
		(Revised Note 1)
Operating expenses		
Corporate and administrative expenses	\$(1,206)	\$(1,453)
Exploration expenses	(29)	(44)
Share-based payments	(1,048)	(40)
Other income	21	6
Net finance cost	(187)	(6)
Gain on fair value of warrants	627	11
Net foreign exchange gain (loss)	110	(1)
Net (loss) for the year for continued operations	\$(1,712)	\$(1,527)
Other comprehensive income (loss):		
Cumulative translation adjustment	\$190	\$(510)
Total comprehensive (loss) for the year from continued operations	(1,522)	(2,037)
(Loss) income from discontinued operations	(171)	1,891
Total comprehensive (loss) for the year	(1,693)	(146)
Basic and diluted net (loss) per share for continued operations	\$(0.01)	\$(0.01)
Basic and diluted net (loss) income per share for discontinued operations	(0.00) \$	0.01
Weighted average number of common shares outstanding	173,825	153,380

Orosur Mining Inc.

Consolidated Statements of Cash Flows (Expressed in thousands of United States dollars)

	Year Ended May 31, 2021	Year Ended May 31, 2020
		(Revised Note 1)
Operating activities		
Net (loss) income for the year	\$ (1,883)	\$ 364
Adjustments for:		
Depreciation / Write downs	356	66
Share-based payments	1,048	40
Labor provision adjustments	(1,472)	-
Obsolescence provision	443	(83)
Fair value of warrants	(627)	(11)
Accretion of asset retirement obligation	4	(130)
Gain on sale of property, plant and equipment	(379)	(830)
Foreign exchange and other	440	(1,032)
Changes in non-cash working capital items:		
Accounts receivable and other assets	73	464
Inventories	247	915
Accounts payable and accrued liabilities	481	(1,748)
Net cash used in operating activities	(1,270)	(1,985)
Investing activities		
Increase in the restricted cash	(1,367)	-
Proceeds received for sale of property, plant and equipment	758	1,120
Purchase of property, plant and equipment	(59)	-
Environmental tasks	(708)	(215)
Proceeds received from exploration and option agreement	4,660	2,019
Exploration and evaluation expenditures	(3,087)	(554)
Net cash provided by investing activities	196	2,370
Financing activities		
Issue of common shares	5,154	-
Proceeds from the sale of treasury shares	1,879	-
Proceeds from exercise of options	455	-
Proceeds from exercise of warrants	308	-
Net cash provided by financing activities	7,796	-
Net Change in cash and cash equivalents	6,722	385
Net change in cash classified within assets held for sale	(546)	(129)
Cash and cash equivalents, beginning of year	782	526
Cash and cash equivalents, end of year	\$ 6,958	\$ 782
Operating activities		
- continued operations	(1,766)	(1,209)
- discontinued operations	496	(776)
Investing activities		
- continued operations	146	1,465
- discontinued operations	50	905
Financing activities		
- continued operations	7,796	-

Note 1. Revision of 2020 reported financial statements

Subsequent to the issuance of the previously reported financial statements for the year ended May 31, 2020, a review of foreign exchange movements in its Uruguayan discontinued operations have caused the Company to revise the prior period comparative figures, increasing creditors in its discontinued operation by \$606,000 which results in a change in the comprehensive profit (loss) from a profit of \$460,000 to a loss of \$(146,000).

Whilst the comparative figures have been revised, the Company has concluded that the adjustment is not material to any of the previously issued consolidated financial statements. In reaching this conclusion the Company has had regards to the following: the adjustment is non-cash in nature; it is an adjustment solely to the discontinued activities of the Company and increases the liabilities of the discontinued activities from \$17,389 to \$17,995 (an immaterial increase of 3%). Furthermore, there is no impact on the Company's assessment of going concern nor on the liquidity of the Company.

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About Orosur Mining Inc.

Orosur Mining Inc. (TSX: OMI; AIM: OMI) is a South American focused minerals exploration and development company. 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 Minera Monte Águila of those plans, Minera Monte Águila’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 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 MD&A 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.