



Orogen Royalties Announces Record Royalty Revenue and Profitable Q2-2024 Results

Vancouver, B.C. August 26, 2024 (TSX.V:OGN) (OTCQX:OGNRF) Orogen Royalties Inc. (“Orogen” or the “Company”) is pleased to report profitable financial results from its operations for the second quarter ended June 30, 2024.

Q2-2024 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- **Net Income Before Tax:** the Company generated net income before tax of \$1,069,473 for the quarter ended June 30, 2024, up 713% compared to \$131,616 for the same period in 2023 supported by record royalty revenue.
- **Net Comprehensive Income:** after deferred income tax expense of \$558,217 (2023 – \$Nil), net comprehensive income was \$511,256 (2023 – \$131,616) for the current quarter, up 288% from 2023.
- **Royalty Revenue:** Royalty revenue of \$1,908,741 (2023 – \$1,178,941) was earned with 610 (2023 – 435) attributable gold equivalent ounces (“GEOs”) sold at average price of US\$2,338 (2023 – US\$1,975) per ounce, up 62% from 2023 and 29% from the previous quarter driven by higher gold prices, an increase in ore processed and higher gold grades.
- **G&A Expenses:** General and administrative expenses of \$858,819 (2023 – \$956,030) were incurred in the current period, down 10% compared to 2023.
- **Cash flow:** Cash flow of \$1,695,612 (2023 – \$1,642,658) was generated from operating activities year to date. Cash flow generated from operating activities, excluding changes in non-cash working capital, was \$1,750,970 (2023 – \$941,798), up 86% from 2023.
- **Working Capital:** The Company has working capital of \$22,996,411 on June 30, 2024, compared to \$18,254,073 at the beginning of the fiscal year, an increase of \$4,472,338. The Company has no long-term debt.

Paddy Nicol, CEO of Orogen Royalties, commented, “We are pleased to deliver another strong financial quarter with record revenue generated from the Ermitaño mine where production continues to outperform First Majestic’s initial guidance. Our focus on cost control has resulted in a strong conversion of royalty revenue into cash flow and net profit. Exploration efforts at Ermitaño also resulted in the recently announced discovery of the Navidad vein system, located within the Company’s royalty area of interest. Although the full impact of the Navidad discovery is not yet known, we are optimistic that the Ermitaño royalty will continue to underpin the Company’s profitability over the long-term.”

Mr. Nicol continued, “Meanwhile, the Expanded Silicon gold project continues to advance under AngloGold Ashanti. Recent infill drill results from the Merlin deposit highlight a significant and growing high grade core, with impressive results including 144.5 metres grading 10.53 g/t gold.”

For complete details of the Company’s financial results, please refer to the condensed interim consolidated financial statements and MD&A for the six-month period ended June 30, 2024, and 2023. The Company’s filings are available on SEDAR+ at www.sedarplus.ca and on Orogen’s website at www.rogenroyalties.com. Please also see non-IFRS Measures at the end of this news release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Summary of Results

Consolidated Statement of Income and Comprehensive Income	Three-Month Periods Ended June 30,	
	2024	2023
Income from Royalties	\$ 1,908,741	\$ 1,178,941
Income from Prospect Generation activities	68,849	4,509
Interest income	115,512	58,055
Total income	2,093,102	1,241,505
G&A	858,819	956,030
Operating income before other adjustments	\$ 1,234,283	\$ 285,475
Other income	35,938	19,963
Loss on marketable securities fair value adjustment	(200,748)	(173,822)
Net Income Before Deferred Tax	\$ 1,069,473	\$ 131,616
Deferred income tax expense	558,217	-
Net income and comprehensive income	\$ 511,256	\$ 131,616
Basic income per share	\$ 0.00	\$ 0.00
Diluted income per share	\$ 0.00	\$ 0.00
Non-IFRS and Other Measures		
GEOs	610	435
Average realized gold price per GEO	US\$ 2,338	US\$ 1,975
Cash flow from operating activities, excluding changes in non-cash working capital	\$ 1,328,046	\$ 690,128

Ermitaño Royalty - Sonora, Mexico

First Majestic Silver Corp. (“First Majestic”) operates the Ermitaño gold-silver Mine, where the Company holds a 2.0% net smelter return (“NSR”) royalty. For the three-month period ended June 30, 2024, \$1,908,741 (2023 – \$1,178,941) in royalty revenue was generated from the Ermitaño mine, up 62% from 2023 and 29% from the previous quarter. This represented 610 GEOs (2023 – 435 GEOs) based on an average price of US\$2,338 per ounce (2023 – US\$1,975). The increase in revenue was due to high gold prices and increase in production from increases in ore processed and higher gold grades. The mill processed a total of 256,427 tonnes, a 14% increase from last quarter of 224,394 tonnes. Average silver and gold head grades during the current quarter were 69 grams per tonne (“g/t”) and 3.52 g/t, respectively, compared to average silver and gold head grades of 72 g/t and 3.16 g/t, respectively, of the previous quarter. Silver and gold recoveries averaged 66% and 94%, respectively, compared to recoveries of 69% and 95% from the previous quarter.

During the three-month period ended June 30, 2024, First Majestic completed a total of 2,329 metres of underground development at the Ermitaño mine where six surface rigs and two underground rigs completed 15,591 metres of exploration drilling. This represents a 57% increase compared to 9,911 metres of exploration drilling completed in the previous quarter. The total exploration cost for the six-month period ended June 30, 2024, was US\$5.2 million.

On July 29, 2024, First Majestic announced the discovery of the Navidad vein system¹, located within the Company’s royalty area of interest. An exploratory seven-hole diamond drill program by First Majestic, testing for the fault-offset and high grade western end of the Ermitaño vein, intersected multiple banded quartz veins with visible silver sulphides at depth. Six drill holes returned significant intersects from the main Navidad Vein, its splays, and a separate structure in the hanging wall. The Navidad Vein has an apparent strike continuity of 750 metres and dip continuity of 225 metres. Vein thickness for both areas range from 1.5 metres to 6.0 metres. The zone is open in all directions. Due to the early stage of drilling, the full extent and geometry of the Navidad vein system is not yet known and exploration potential remains open in all directions. First Majestic has assigned additional drill rigs to Navidad for the remainder of 2024 with four rigs currently located on the vein system.

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Expanded Silicon Project - Nevada, US

The Company holds a 1.0% NSR royalty on the Expanded Silicon gold project, owned and operated by AngloGold Ashanti NA (“AngloGold”). The Expanded Silicon gold project consists of two deposits, the Merlin deposit that currently has an initial inferred Resource of 9.05² million ounces gold and the Silicon deposit that currently has an Indicated Resource of 3.40³ million ounces gold and an Inferred Resource of 0.81 million ounces gold. The Merlin deposit is separate and contiguous to the Silicon deposit.

Expanded Silicon gold project Summary of Mineral Resources:

Deposit	Category	Tonnes (million)	Grade (g/t)	Contained Gold (million ounces)
Silicon	Indicated	121	0.87	3.40
	Inferred	36	0.70	0.81
Total Silicon		158	0.83	4.22*
Total Merlin	Inferred	284	0.99	9.05

**Note: Some figures may be rounded. AngloGold reports content for gold to two decimal places.*

In AngloGold’s H1-2024 Exploration Report⁴, over 66,000 metres of drilling was completed⁴ to support the Mineral Resource definition at Merlin, with numerous high tenor results. Recent highlight drill results within the Merlin deposit include⁵:

- 10.53 g/t gold over 144.5 metres in drill hole MER-24-0267-RD
- 5.85 g/t gold over 161.6 metres in drill hole MER-23-243-RD
- 5.12 g/t gold over 190.4 metres in drill hole MER-23-245-RD
- 8.53 g/t gold over 30.4 metres and 1.18 g/t gold over 67.2 metres in drill hole MER-23-0113-RD

In the first quarter of 2024, significant but unspecified intercepts were received from a piezometer hole drilled 900 metres north of the Silicon deposit, underscoring the scale and potential of the mineralizing system⁴. During the second quarter, a Terean passive seismic survey was conducted in the vicinity of this intercept to trial the technique and identify potential fault structures.

Drilling and development of the Expanded Silicon gold project continues in support of a Pre-Feasibility Study expected to be completed by the end of 2025⁶.

Save the Date – Orogen’s Project Generation Showcase

Date & Time: Wednesday September 18, 2024, at 10:00AM PST / 1:00PM EST

Zoom Webinar Registration: <https://orogenroyalties.com/pgday/>



The poster features the Orogen logo at the top left. The main title 'Project Generator Day' is centered in a large, white serif font. Below the title, there is a 'Topic' section describing the event's focus on Silicon analogues in Nevada. To the right, four circular headshots are arranged vertically, each with a name and title. At the bottom left, there is a 'Date and Time' section and a 'Save the Date' button.

OR O G E N

Project Generator Day

Topic
Orogen's portfolio of available Silicon analogues in Nevada. Meet the team responsible for the creation of these projects and for the identification of the Silicon project.

Date and Time
Wednesday September 18th
10:00am PST | 1:00pm EST

Save the Date

Paddy Nicol
President and CEO

Laurence Pryer
VP Exploration

Eli Turner
Project Geologist

Mark Coolbagh
Chief Geoscientist
America

Join Orogen’s exploration team to learn more about our portfolio of drill ready precious and base metal projects in western North America that are available for option and sale. The free event is open to anyone including interested companies, geologists and other technical professionals, shareholders and interested investors.

Our inaugural event will be dedicated to “Expanded Silicon Analogues”, projects sharing geological similarities to the Expanded Silicon gold project (Merlin gold deposit: 9.05 million ounces inferred and Silicon gold deposit: 3.4 million ounces indicated, and 800,000 ounces inferred). Don’t miss this opportunity to interact with the technical team responsible for the creation of these projects and for the identification of the Expanded Silicon gold project.

Qualified Person Statement

All technical data, as disclosed in this press release, has been verified by Laurence Pryer, Ph.D., P.Geo., VP Exploration for Orogen. Dr. Pryer is a qualified person as defined under the terms of National Instrument 43-101.

Certain technical disclosure in this release is a summary of previously released third-party information and the Company is relying on the interpretation provided. Additional information can be found on the links in the footnotes.

About Orogen Royalties Inc.

Orogen Royalties is focused on organic royalty creation and royalty acquisitions on precious and base metal discoveries in western North America. The Company's royalty portfolio includes the Ermitaño gold and silver Mine in Sonora, Mexico (2.0% NSR royalty) operated by First Majestic Silver Corp. and the Expanded Silicon gold project (1.0% NSR royalty) in Nevada, U.S.A, being advanced by AngloGold Ashanti NA. The Company is well financed with several projects actively being developed by joint venture partners.

On Behalf of the Board
OR O G E N ROYALTIES INC.

Paddy Nicol
President & CEO

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To find out more about Orogen, please contact Paddy Nicol, President & CEO at 604-248-8648, and Marco LoCascio, Vice President of Corporate Development at 604-248-8648. Visit our website at www.rogenroyalties.com.

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Forward Looking Information

This news release includes certain statements that may be deemed “forward looking statements”. All statements in this presentation, other than statements of historical facts, that address events or developments that Orogen Royalties Inc. (the “Company”) expect to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by securities laws, the Company undertakes no obligation to update these forward looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

Forward-looking information in this news release includes disclosures regarding NSR royalty payments to be paid to the Company by First Majestic Silver Corp. (“First Majestic”) the owners and operator of the Ermitaño mine located in Mexico and that the forecasted revenue which are based on First Majestic “NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates” having an effective date of June 30, 2021. In addition to the technical report, the disclosure herein also contains and the updated mineral reserve and resource estimates for the Ermitaño mine based on the Santa Elena Mineral Reserve, Resource Estimates with an effective date of December 31, 2023 as announced by First Majestic on April 1, 2024 and as disclosed in their December 31, 2023 AIF, and First Majestic’s MD&A for the period ended December 31, 2023. Forward-looking statements are based on several material assumptions, which management of the Company believe to be reasonable, including, but not limited to, the continuation of mining operations in respect of which the Company will receive NSR royalty payments, that the commodity prices will not experience a material adverse change, mining operations that underlie the royalty will operate in accordance with the disclosed parameters and other assumptions may be set out herein.

Except where otherwise stated, the disclosure in this news release relating to properties and operations in which Orogen holds a royalty are based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at the date hereof, and none of this information has been independently verified by Orogen. Specifically, as a royalty holder and prospect generator, the Company has limited, if any, access to properties on which it holds royalty or other interests in its asset portfolio. The Company may from time to time receive operating information from the owners and operators of the mining properties, which it is not permitted to disclose to the public. Orogen is dependent on, (i) the operators of the mining properties and their qualified persons to provide information to Orogen, or (ii) on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which the Company holds royalty or other interests, and generally has limited or no ability to independently verify such information. Although the Company does not have any knowledge that such information may not be accurate, there can be no assurance that such third-party information is complete or accurate. Some reported public information in respect of a mining property may relate to a larger property area than the area covered by Orogen’s royalty or other interest. Orogen’s royalty or other interests may cover less than 100% of a specific mining property and may only apply to a portion of the publicly reported mineral reserves, mineral resources and or production from a mining property.

Non-IFRS Measures

The Company has included certain results in this news release that do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) including total GEOs sold, average realized gold price per GEO, and cash flow from operating activities excluding changes in non-cash working capital adjustments. The Company’s royalty revenue is converted to a gold equivalent ounce by dividing the royalty revenue received during the period by the average gold price of the period. The Company has also used the non-IFRS measure of operating cash flows excluding changes in non-cash working capital. This measure is calculated by adding back the decrease or subtracting the increase in changes in non-cash working capital to or from cash provided by (used in) operating activities.

References

- 1 https://www.firstmajestic.com/_resources/news/nr-20240730.pdf
- 2 https://thevault.exchange/?get_group_doc=143/1708693258-PreliminaryFinancialUpdate2023-Report.pdf
- 3 <https://reports.anglogoldashanti.com/22/wp-content/uploads/2023/05/AGA-RR22.pdf>
- 4 https://thevault.exchange/?get_group_doc=143/1722929593-H12024ExplorationReport.pdf
- 5 https://thevault.exchange/?get_group_doc=143/1722933731-HY12024EarningsReleasePresentation.pdf
6. https://thevault.exchange/?get_group_doc=143/1722933111-HY12024EarningsReleaseReport.pdf

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