



Orogen Royalties Announces Profitable Q1-2023 Financial Results

Vancouver, B.C. May 25, 2023 (TSX.V:OGN) (OTCQX:OGNRF) Orogen Royalties Inc. (“Orogen” or the “Company”) is pleased to report profitable financial results from its operations for the three-month period ended March 31, 2023.

Paddy Nicol, CEO of Orogen, commented: “Orogen’s first quarter financial results in 2023 represent the Company’s fifth consecutive quarter of profitability. During the period, royalty revenue from our 2% NSR royalty on the Ermitaño mine increased by 78% compared to the same period in 2022. Our prospect generation business was also robust with a 415% growth in revenue compared to the same period last year along with the creation of three new royalties due to the transactions completed on Ball Creek and Cuprite. In Nevada, project owner AngloGold Ashanti NA continues an aggressive drilling campaign with eight drill rigs in a planned 45,000 metre program at the Silicon and Merlin areas, where Orogen holds a 1% NSR royalty. To date over 200,000 metres of drilling has been completed within Silicon and Merlin and we look forward to an integrated concept study in Q3-2023.”

Q1-2023 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- **Net Income from Operations:** Net income was \$632,213 or \$0.003 per share for the three-month period ended March 31, 2023, compared to a net profit of \$426,081 or \$0.002 per share in 2022, representing a \$206,132 or 48% increase in net income. This was due to an increase in royalty revenue and a profitable prospect generation business that was offset by higher G&A and overhead expenses.
- **Royalty Revenue:** Royalty revenue of \$1,314,066 was earned from the Ermitaño royalty during the current period with 508 attributable gold equivalent ounces (“GEOs”) sold at average price of US\$1,877 per ounce. This is an increase of \$575,224 or 78% compared to a revenue of \$738,842 earned in 2022. The Company holds a 2.0% uncapped and non-buyable net smelter return (“NSR”) royalty on the Ermitaño Mine with First Majestic Silver Corp. (“First Majestic”) as the operator.
- **Prospect Generation:** Net income of \$940,059 from prospect generation activities compared to \$182,459 reported in 2022, representing a 415% increase. This includes \$938,034 (2022 - \$177,741) for net gains from project sales and option agreements. Gains are recognized in a project when total recoveries including proceeds received from sale, option payments, and/or other reimbursement are greater than the project’s total carrying value.
- **G&A Expenses:** General and administrative expenses of \$1,493,432 were incurred in 2023 compared to \$863,288 incurred in 2022, representing a 73% increase. The increase in G&A expenses during the current period was due to higher salaries and share-based compensation costs.
- **Cash flow:** Cash flow of \$1,149,770 was generated from operating activities in the current period compared to \$90,412 in 2022. Cash flow generated from operating activities in the current period, excluding changes in non-cash working capital, was \$246,032 (2022 - \$229,246).
- **Working Capital:** The Company has working capital of \$15,683,481 at March 31, 2023 compared to \$12,083,375 at the beginning of the fiscal year. The Company has no long-term debt.

For complete details of the Company’s financial results, please refer to the condensed interim consolidated financial statements and MD&A for the three-month periods ended March 31, 2023, and 2022. The Company’s filings are

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available on SEDAR at www.sedar.com and on Orogen's website at www.rogenroyalties.com. Please also see non-IFRS Measures at the end of this news release.

Summary of Results

Consolidated Statement of Income and Comprehensive Income	Three-Month Periods Ended March 31,			
	2023		2022	
Income from Royalties	\$	1,314,066	\$	738,842
Income from Prospect Generation activities		940,059		182,459
Other income		55,489		18,767
Total income		2,309,614		940,068
G&A		1,493,432		863,288
Operating income before other adjustments	\$	816,182	\$	76,780
Other income		13,616		1,971
Gain (loss) on marketable securities fair value adjustment		(197,585)		347,330
Net income and comprehensive income for the period	\$	632,213		426,081
Basic income per share	\$	0.003	\$	0.002
Diluted income per share	\$	0.003	\$	0.002
Non-IFRS and Other Measures				
GEOs		508		315
Average realized gold price per GEO	US\$	1,877	US\$	1,877
Cash flow from operating activities, excluding changes in non-cash working capital	\$	246,032	\$	229,246

To date, the Company has over 44 royalty and mineral property assets in Canada, United States, Mexico, Argentina, and Kenya including 23 royalties, 14 mineral properties under option, five projects that are available for sale or option and two alliances. During the current quarter, the Company had completed the following transactions:

- **Cuprite:** On January 23, 2023, the Company sold a 100% interest in the Cuprite gold project located in Nevada to Strikepoint Gold Inc. for a total consideration of \$450,000 and a 3.0% NSR royalty on the project. The Cuprite project was generated under the Nevada Generative Alliance with Altius Minerals Corporation and as such, the total consideration received was split evenly between the Company and Altius with the Company retaining \$225,000 of the total consideration and a 1.5% NSR royalty on the project.
- **Ball Creek:** On March 3, 2023, the Company announced that it has divided the Ball Creek project into two claim blocks that included Ball Creek East and Ball Creek West. The Company entered into a purchase and sales agreement with P2 Gold Inc. for 100% interest in Ball Creek West for a total consideration of \$1.0 million, a 1.0% NSR royalty, and the right to acquire an additional 1.0% NSR royalty.

The Company also entered into an option agreement with Kingfisher Metals Inc. whereby Kingfisher can earn 100% interest in Ball Creek East by issuing \$3.5 million in fair value of Kingfisher common shares and incurring \$7.5 million in exploration expenditures over a four-year period. After Kingfisher satisfies its obligation to the option agreement and exercises its option to acquire the project, the Company will retain the right to acquire 1.0% NSR royalty on the project. As additional consideration, Kingfisher has granted the Company a 1.0% NSR on its Ecstall project, located in central coast British Columbia, Canada.

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- **Project Acquisitions:** During the quarter, the Company acquired the Celts project located in Walker Lane, Nevada and the Cuervo project located in British Columbia. Both are epithermal gold-silver targets and were acquired through staking under the Company's generative exploration programs.

The Company reported a gain of \$938,034 from these prospect generation activities. Gains are recognized in a project when total recoveries including proceeds received from sale, option payments, and/or other reimbursement are greater than the project's total carrying value.

During the current period, the Company incurred \$1,493,432 in G&A and overhead expenses, representing a 73% increase compared to \$863,288 incurred in 2022. The increase in G&A expenses during the current period was due to higher salaries and share-based compensation costs. Over 2022, the Company conducted a benchmarking study of its compensation policy against its peers to ensure that the Company's compensation metrics are comparable to compensate performance, attract, and motivate employees to deliver on the Company's short and long-term objectives and strategies. As a result, the Company adopted short and long-term incentive plans that include salary, annual bonus, and share based compensation that aligns with personal and corporate performance. The compensation policy was adopted on January 1, 2023, and resulted in higher salary and share-based compensation expenses compared to 2022. Higher salary expenses incurred during the current quarter were due to salary increases, and 2022 annual bonuses paid to employees. Higher share-based compensation expenses incurred were due to stock options, restricted share units and deferred share units granted to directors, officers, employees, and consultants as part of the Company's long-term incentive plan that vests for a period between two to three years from the date of grant.

Ermitaño Royalty (Sonora, Mexico)

First Majestic Silver Corp. ("First Majestic") operates the Ermitaño mine where the Company holds an uncapped and non-buyable 2.0% NSR royalty. For the three-month period ended March 31, 2023, the Company reported royalty revenue of \$1,314,066 earned from the Ermitaño royalty with 508 GEOs sold at an average price of US\$1,877 per ounce. This is an increase of \$575,224 or 78% compared to a revenue of \$738,842 earned in 2022. Higher revenue and production during the current period were due to transitioning to 100% Ermitaño ores at the Santa Elena mine by First Majestic whereas production in previous periods was based on a combination of Ermitaño and Santa Elena ores. The Santa Elena mine was suspended to focus on exploration and definition drilling. In accordance with First Majestic's 2023 guidance, the Company forecasts that quarterly royalty revenue for the remainder of the year will be US\$850,000 per quarter, a 20% increase in revenue compared to 2022.

Silicon Royalty (Nevada, USA)¹

Orogen holds an uncapped and non-buyable 1.0% NSR royalty on 125 square kilometres of ground at the Silicon project that includes the Silicon deposit and the Merlin area located in Nye County, Nevada. The project is owned and operated by AngloGold Ashanti NA ("AngloGold"). Drilling at the Silicon and Merlin areas continues with eight drill rigs following the 4.22 million ounce resource announced at Silicon in February 2023. (see Orogen press releases from February 23, 2023 and March 30, 2023). At Silicon, drilling is targeting extensions at depth where mineralization remains open. At Merlin, mineral resource delineation continues to deliver results that AngloGold describes as "very promising".

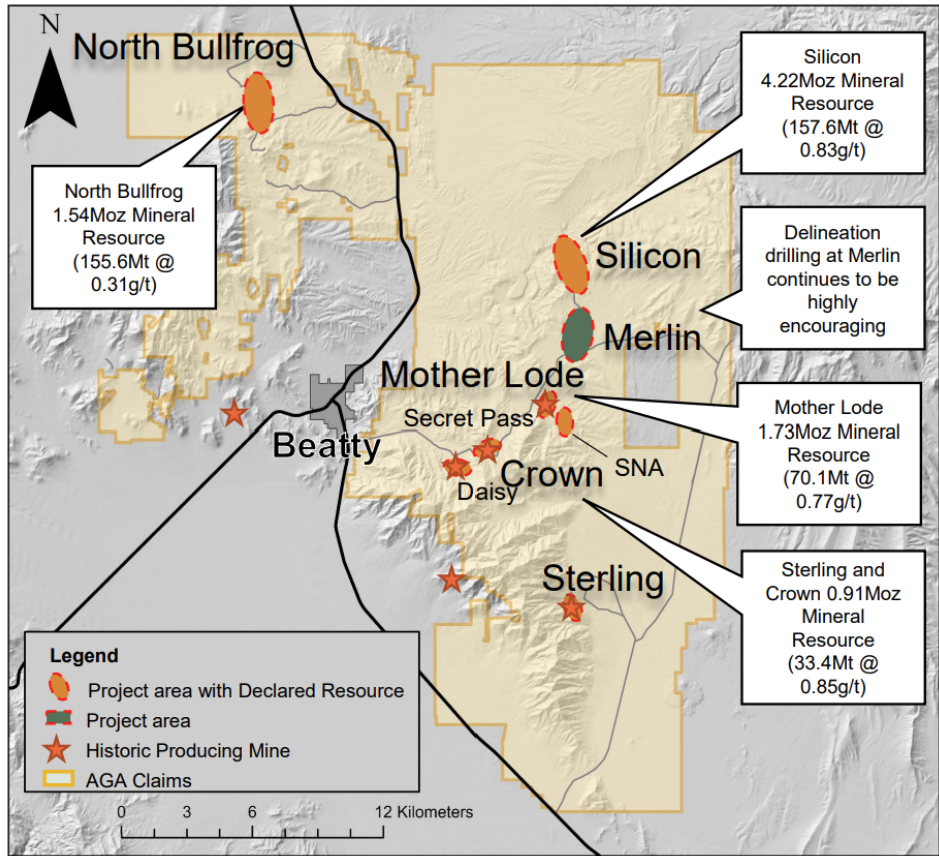


Figure 1 - Map of Silicon area showing Silicon deposit and Merlin areas where Orogen holds a 1% NSR royalty.

Source: <https://www.anglogoldashanti.com/investors/reporting/financial-results/>

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 Silicon gold project (1.0% NSR royalty) in Nevada, U.S., being advanced by AngloGold Ashanti. The Company is well financed with several projects actively being developed by joint venture partners.

On Behalf of the Board
OROGEN ROYALTIES INC.

Paddy Nicol

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President & CEO

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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1. <https://www.anglogoldashanti.com/investors/reporting/financial-results/>

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.

Although the Company believe the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward looking statements. Factors that could cause the actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions.

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, 2022 as announced by First Majestic on March 31, 2023 and as disclosed in their December 31, 2022 AIF, and First Majestic’s MD&A for the period ended March 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.

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.

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.

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