

# Orogen Royalties Announces Second Quarter 2022 Results and Provides Royalty Update

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VANCOUVER, August 23, 2022 - (TSXV:OGN)(OTCQX:OGNRF) [Orogen Royalties Inc.](#) ("Orogen" or the "Company") is pleased to report operating and financial results for the second quarter ended June 30, 2022 ("Q2-2022"), and updates on corporate and operational activities.

Paddy Nicol, CEO of Orogen, commented: "Our second quarter results demonstrate the continued growth of our paying 2% NSR on the Ermitaño mine. Strong gold grades and volumes at Ermitaño translated into increased revenue and a second consecutive quarter of positive operating cash flow. The challenging market conditions of recent months underline the importance of Orogen's financial stability. Our shareholders participate in the exciting developments across our royalty and prospect generation portfolios without incurring ongoing share dilution, while the Company's strong balance sheet with zero debt creates opportunities to grow."

## Q2 2022 Highlights

All amounts are in Canadian dollars unless otherwise stated.

- Revenue of \$959,825 comprised of \$942,325 earned from the Ermitaño royalty and \$17,500 generated from prospect generation activities
- Attributable gold equivalent ounces ("GEOs") sold of 373 based on an average price of US\$1,871 per ounce
- Incurred \$433,535 in prospect generation costs and recovered \$448,914 in expense reimbursements from partners on optioned projects where the Company is the operator and receivables of anniversary payments on active option agreements
- General and administrative expenses were \$875,220 for Q2-2022 compared to \$663,297 during the same period in 2021 and the increase was mainly due to higher shared-based compensation expenses from stock options vested
- Loss of \$754,876 was recognized on fair value adjustments of marketable securities
- Net loss from operations was \$648,635 or \$0.005 per share compared to a net income of \$934,809 or \$0.005 per share in 2021
- Cash flow from operating activities of \$131,280
- Cash from operating activities, excluding changes in non-cash working capital of \$257,946
- Working capital of \$10,552,862 including \$3,054,016 in cash and cash equivalents and \$5,130,030 in short term investments and no long-term debt

For complete details of the Company's financial results, please refer to the Condensed Interim Consolidated Financial Statements and Management Discussions and Analysis. The Company's filings are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Orogen's website at [www.orogenroyalties.com](http://www.orogenroyalties.com). Please also see non-IFRS Measures at the end of this news release.

## Summary of Results

Interim Consolidated Statement of Three-Month Period Ended June 30, Income and Comprehensive Income	
2022	2021

Royalty revenue	\$ 642,325	\$ -
Income from Prospecting Generation Activities	7,500	1,472,237
Other income	21,614	9,862
Total revenue	981,439	1,482,099
G&A	317,220	663,297
Operating income (loss) before other adjustments	\$ 106,219	\$ 818,802
Other income (loss)	22	32,486
Gain (loss) on marketable securities fair value adjustment	(754,876)	83,521
Net income (loss) and comprehensive income (loss) for the period	\$ (648,635)	\$ 934,809
Basic and diluted income (loss) per share	\$ (0.005)	\$ 0.005
Non-IFRS and Other Measures		
GEO	0.73	-
Average realized gold price per GEO	1,871	-

Cash  
flow  
from  
operating  
activities,  
excluding  
changes  
in  
non-cash  
working  
capital

\$125,946	\$ (648,576)	)
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## 2022 Outlook

### Ermitaño (Sonora, Mexico)

Orogen holds a 2.0% uncapped and non-buyable net smelter return ("NSR") royalty on the Ermitaño Mine operated by [First Majestic Silver Corp.](#) ("First Majestic"). As disclosed in First Majestic's 2022 Second Quarter Management Discussion and Analysis, the completion of Santa Elena's dual-circuit project to improve metallurgical recoveries of Ermitaño ores and to allow higher plant throughput capacity, strong ore production, and improved gold-silver grades from the Ermitaño mine enabled Santa Elena to set an all-time new quarterly production record of 2.2 million silver equivalent ounces. First Majestic is planning for higher production rates from Ermitaño in H2-2022, leading to a 28% increase in fiscal year 2022 guidance for Santa Elena production. As guidance, the Company estimates 800 attributable GEOs for H2-2022 and 1,490 attributable GEOs for fiscal year 2022 from Ermitaño. Expected royalty revenue over the same period is \$1,800,000 for H2-2022 and \$3,480,000 for fiscal year 2022 based on an average gold price of US\$1,750 and US\$1,832 per ounce for H2-2022 and 2022 fiscal year, respectively.

Note: First Majestic's 2022 Second Quarter MD&A was filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on August 4, 2022.

### Other Royalty Updates

#### Silicon (Nevada, USA)

The Company holds an uncapped and non-buyable 1.0% NSR royalty on the Silicon project located in Nevada, USA with AngloGold Ashanti NA ("AngloGold") as the operator. According to AngloGold's Interim 2022 Results Report for the period ended June 30, 2022, integration of Corvus' assets and project data was undertaken during H1-2022 to establish priorities for the remainder of the year. For H2-2022, multiple activities are planned to take place with work at North Bullfrog and commencement of a prefeasibility study at Silicon to convert Mineral Resource to Ore Reserve and further drilling at the Merlin deposit. During AngloGold's conference call, executive management stated, "with what we currently have, we see a district [which includes Silicon] that is conservatively expected to yield upwards of 300,000 ounces of annual production within the decade for around 20 years." In addition, a wildlife permit was received from the Silicon project area during Q1-2022 and project permitting for North Bullfrog is expected to commence in H2-2022.

Note: AngloGold's Interim 2022 Results Report for the six-month period ended June 30, 2022 was filed on August 5, 2022 and can be found at [www.anglogoldashanti.com](http://www.anglogoldashanti.com) or on EDGAR at [www.sec.gov](http://www.sec.gov).

### Other Royalties

Year to date, the Company has acquired and generated six new royalties bringing the total number of royalties in its portfolio to 19. These new royalties include:

- A 2.0% NSR royalty on the Onjo project, a copper-gold porphyry prospect, located in British Columbia, Canada. The royalty was generated through the sale of the project to [Pacific Ridge Exploration Ltd.](#) in February 2022

- A 3.0% NSR royalty on three prospective mineral licenses in western Kenya operated by Shanta Gold Limited in the Liranda Corridor, a structural zone within the northern-most greenstone belt in the Lake Victoria Gold Fields. These royalties were acquired from Advance Lithium Corp. ("Advance") in July 2022
- As part of the consideration to Advance for the western Kenya royalties acquisition, the Company transferred 100% of its interest in the Sarape Gold project to Advance while retaining a 1.5% NSR royalty. The Sarape project, located in Sonora, Mexico, was identified through the Company's generative programs
- A 0.5% NSR royalty on the Spruce Mountain project in Nevada. The royalty was generated through the sale of data on the project to Conquest Nevada LLC, a private exploration company

The growth of its royalty portfolio with quality projects and operators, either generated organically through its prospect generation model or acquired directly, is exciting to the Company in a highly competitive royalties market.

#### Corporate Update

The Company is pleased to announce that Laurence Pryer, Ph.D., P.Geo, was appointed VP Exploration on July 1, 2022. Laurence has been employed and held various positions with the Company since 2017. Paddy Nicol, President & CEO of the Company, commented, "Laurence's contribution is integral to the Company's exploration strategy and growth and we are excited to welcome Laurence as a senior management member."

#### 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.

#### 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

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.orogenroyalties.com](http://www.orogenroyalties.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.

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. Furthermore, the extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions, physical distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact as of the date of approval of these condensed interim consolidated financial statements, continuation of the prevailing conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

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, 2021 as announced by First Majestic on March 31, 2022 and as disclosed in their December 31, 2021 AIF, and First Majestic's MD&A for the six-month period ended June 30, 2022. 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.

#### 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.

The 2022 forecast herein assumes an annual average gold price of US\$1,832 per ounce for the fiscal year ended December 31, 2022 based on actual average gold price of US\$1,874 for H1-2022 and forecasted average gold price of US\$1,750 for H2-2022. The forecast was derived using information that is available in the public domain as at the date hereof, which included guidance and estimates prepared and issued by First Majestic, the operator of the Ermitaño mine, the Company's only royalty currently in commercial production, to which the Company's forecast is sensitive to its performance and operating status. None of the information has been independently verified by Orogen and may be subject to uncertainty. There can be no assurance that such information is complete or accurate.

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.

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