

# Orosur Mining Inc

18:00 12 Oct 2010

## Orosur Mining moves into profit as gold price spikes and costs tumble

South America focused gold miner Orosur Mining (LON:OMI, TSX-V:OMI) moved decisively into profit during the first quarter of the financial year thanks to a sharp rise in the value of the precious metal.

The company, which has operations in Uruguay and Chile, posted net income of US\$3.5 million for the three months to August 31 compared with a loss of US\$2.16 million a year earlier.

Cash costs from its only gold producing asset – the San Gregorio open pit in Uruguay – fell to US\$839 an ounce from US\$880, while production was steady at 12,937 ounces.

The average price the company received for its gold production jumped to US\$1,216 an ounce from US\$912.

Orosur has almost US\$11 million of cash – up from US\$8.7 million a year ago – which means it has the funds to finance its current exploration programme.

Production costs will tumble significantly once the company brings into production the Arenal Deeps project, adjacent to San Gregorio.

The Arenal Deeps feasibility study, carried out by Amec, is a conservative assessment of the cash costs (US\$545 per ounce) and the gold payable (135,000 ounces in total) and doesn't take account of the silver that will be mined.

However the real excitement is provided by the Chilean properties acquired as part of the Fortune Valley deal.

Chief among them is the Pantanillo project that comprises 11,750 of hectares optioned from Anglo-American.

It is located in the Maricunga Belt, an area rich in gold which is home to 60 million ounces of the metal.

First phase drilling has defined a maiden JORC resource of 1.05 million ounces at Pantanillo Norte, a small part of the total exploration area, and a second phase aims to build on this early impressive progress.

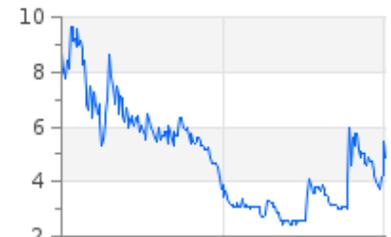
"Right now we have targeted the oxidized and mixed portion of the deposit and have confirmed (a resource of) 1 million.

"(Former owners) Kinross and Anglo were heading for two or three, so we will keep going and our objective of the next drilling campaign is to evaluate the deeper sulphide mineralisation which we believe is a significant exploration target" Ignacio Salazar, the company's chief financial officer, said in a recent interview with Proactive Investors.

**Price:** £0.05

**Market Cap:** £7.01 m

### 1 Year Share Price Graph



September 2018 March 2019 September 2019

### Share Information

**Code:** OMI

**Listing:** AIM

**52 week High Low**  
11.2 2.30002

**Sector:** Gold & silver

**Website:** www.orosur.ca

### Company Synopsis:

*Orosur Mining Inc. is a South American-focused gold producer, developer and explorer. Our mission is to create shareholder value by identifying exploration opportunities in South America and turning them into successful gold production. Orosur Mining is traded in the NEX Exchange [HERE](#).*

action@proactiveinvestors.com

A scoping study on Pantanillo began in June and will be completed by the end of the year.

"The study will look at the project and what we want to get from Pantanillo - whether we will concentrate on the oxide, or go for something bigger," Salazar said.

A programme due to get underway by the end of the year will look also at other areas on the Pantanillo property.

Orosur has another Chilean project, Anillo, which is next to Yamana's El Penon gold-silver mine, which produces 400,000 gold equivalent ounces a year.

Outside that, the group is investigating potential high grade porphyry targets at Incahausi in Chile. Meanwhile, earlier this month the exploration "resulted in positive drill intercepts at Vaca Muerta in Uruguay.

"In summary, operations are well on track, exploration has been delivering both in Uruguay and Chile, and financing in the medium term can be covered with cash flow from operations and debt due to the strong gold price and the result of the cost savings efforts," chief executive David Fowler told investors today.

"Looking forward, drilling will continue in Vaca Muerta, Pantanillo and Anillo and other targets during the fiscal year and the board will within the next month review and decide on Arenal Deeps."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.