



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED MAY 31, 2019**

SEPTEMBER 3, 2019

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ITEM 1 PRELIMINARY NOTES

Caution Regarding Forward-Looking Statements

All statements, other than statements of historical fact, contained in this Annual Information Form (“AIF”) 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 Newmont of those plans, Newmont’s decision to continue with the Exploration and Option agreement, the ability to continue and finalize with the remediation in Uruguay, and the approval by the Court of the Agreement in Uruguay, expectations that the Agreement will become legally binding on all creditors of Loryser and successful emergence from creditor protection proceedings and Intervenor control as well as continuation of the business of the Company on 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, to reach profitable levels of operations and to reach a satisfactory resolution of the Loryser reorganisation. 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 Company’s most recent Management’s Discussion and Analysis and 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.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Orosur’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

Glossary and Defined Terms

The following is a glossary of certain mining terms used in this AIF.

Alteration:	Refers to process of changing primary rock minerals (such as quartz, feldspar and hornblende) to secondary minerals (quartz, carbonate, and clay minerals) by hydrothermal fluids (hot water).
CIM:	Canadian Institute of Mining, Metallurgy and Petroleum.
Feasibility Study:	A comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.
g/t:	Grams per metric tonne.
Mineral Reserve:	The economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined and processed.
Mineral Resource:	A Mineral Resource refers to a concentration or occurrence of precious metals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.
Measured Mineral Resource:	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
Preliminary Economic Assessment:	means a study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project prior to the completion of a preliminary feasibility study.
Preliminary Feasibility Study:	has the meaning ascribed to such term in NI 43-101 and means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and

the evaluation of other relevant facts which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.

Probable Mineral Reserve:	has the meaning ascribed to such term in NI 43-101 and is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.
Proven Mineral Reserve:	has the meaning ascribed to such term in NI 43-101 and is the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.
Qualified Person	has the meaning ascribed to such term in NI 43-101 and means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation and/or mineral project assessment, has experience relevant to the subject matter of the disclosure and is a member in good standing of a specified professional association.
NI 43-101	National Instrument 43-101 <i>Standards of Disclosure for Mineral Projects</i> ("NI 43101") issued by the Canadian Securities Administrators (the "CSA").
Ore:	Rock, generally containing metallic or non-metallic materials, which can be mined and processed at a profit.
Pyrite:	An iron sulphide mineral (FeS ₂), the most common naturally occurring sulphide mineral.
Strike:	The direction, or bearing from true north, of a vein or rock formation measured on a horizontal surface.
Sulphide (Sulfide):	A compound of sulphur (sulfur) and some other metallic element.
Tailings:	Gangue minerals extracted from ore through various mineral processes and deposited in an enclosed ground storage area.
Technical Reports:	Technical Reports prepared according to NI 43-101.
Trenching:	The mechanical or human excavation of ground material to expose material below surface.

ITEM 2 CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

On October 16, 1996, Orosur was incorporated as 713257 Alberta Ltd. pursuant to the *Business Corporations Act* (Alberta). On January 31, 1997, the Corporation changed its name to Uruguay Goldfields Inc. The Corporation amalgamated pursuant to a Certificate of Amalgamation dated February 13, 1998 (the "Amalgamation Date") under the laws of the Province of Alberta; the amalgamating corporations were Canadian Black River Petroleum Ltd. ("CBR") and Uruguay Goldfields Inc. This amalgamation enabled the Corporation to commence trading on The Canadian Dealing Network Inc. in Toronto, Ontario.

On February 13, 1998, the Corporation became a "reporting issuer" in Alberta due to its amalgamation with CBR. The Corporation is a "reporting issuer" in Alberta, British Columbia, Ontario and Quebec.

On March 29, 2000, the common shares of the Corporation were admitted for listing on The Canadian Venture Exchange Inc. ("CDNX"), a predecessor to the TSX Venture Exchange.

On February 8, 2002, the Corporation changed its name to Uruguay Mineral Exploration Inc. and continued from the Province of Alberta to the Yukon Territory to be governed by the corporate laws of the Yukon Territory.

In June 2002, the CDNX was acquired by The Toronto Stock Exchange as a wholly owned subsidiary. The name of the CDNX was changed to the TSX Venture Exchange ("TSX-V"), where the Corporation's common shares continued to trade under the symbol OMI. On December 15, 2004, the common shares of the Corporation were admitted for listing on the London Alternative Investment Market ("AIM").

On January 8, 2010, OMI completed a plan of arrangement whereby it acquired 100% of the shares of Fortune Valley Resources Inc. ("Fortune Valley") and changed its name to Orosur Mining Inc., with its shares continuing to trade under the symbol "OMI" both on TSX-V and AIM markets.

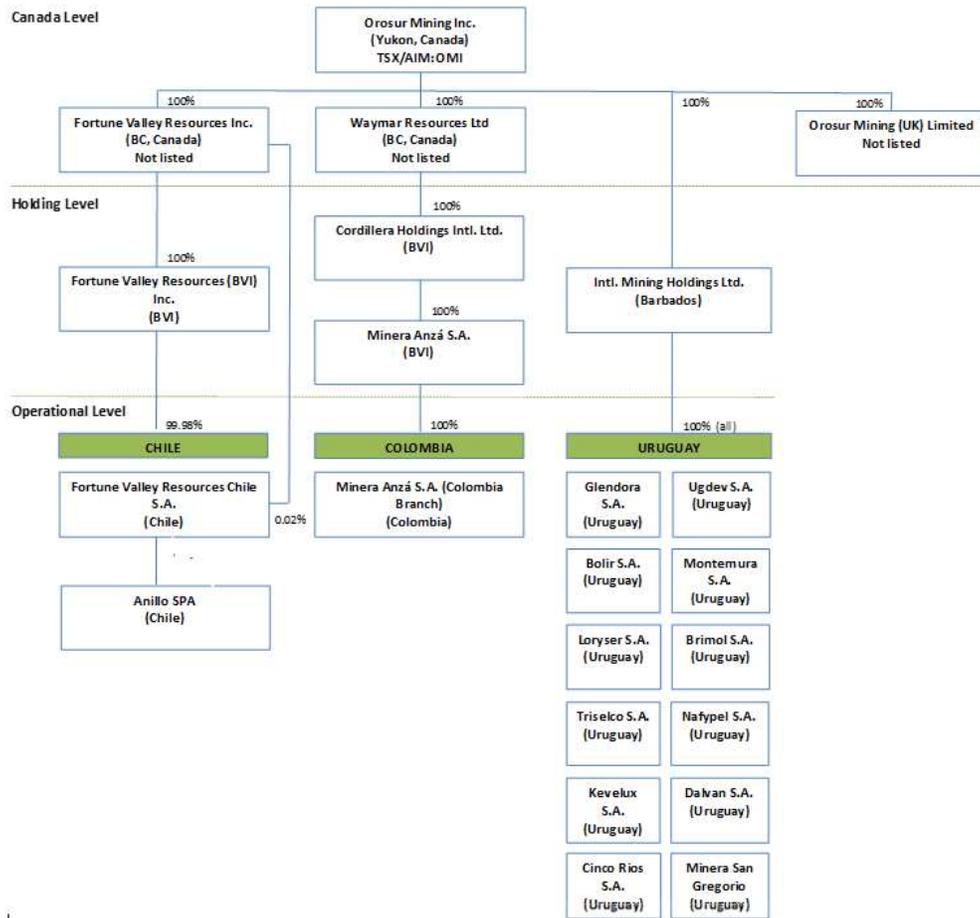
On May 14, 2012, the Corporation delisted from TSX-V and commenced trading on the Toronto Stock Exchange ("TSX").

On July 9, 2014, OMI completed an Arrangement Agreement whereby OMI acquired 100% of the shares of Waymar Resources Ltd. ("Waymar"), thus adding the Anzá gold project in Colombia to its exploration portfolio.

The registered office of the Corporation is located at 250 – 1075 West Georgia St, Vancouver, BC, Canada, V6E 3C9.

2.2 Intercorporate Relationships

The following diagram sets forth the corporate structure of the Corporation, as of May 31, 2019:



ITEM 3 GENERAL DEVELOPMENT OF BUSINESS

3.1 Three Year History

The following is a summary of the general development of the Corporation's business over the last three financial years.

June 2018 – May 2019 (“FY 2019”)

Colombia

- As announced on September 10, the Company completed the following agreements with Newmont Colombia S.A.S and Newmont Mining Corporation (“Newmont”) in respect of the Anzá exploration property in Colombia:
 - a non-brokered private placement of \$2 million, and
 - an exploration agreement with venture option (the “Exploration and Option Agreement”). The Exploration and Option Agreement includes a three-phase earn-in structure allowing Newmont to earn up to a 75% ownership interest in the Anzá project by making cash payments to Orosur totalling \$4 million over Phases 1 and 2, spending a minimum of \$30 million in qualifying expenditures over twelve years, and completing a National Instrument 43-101 Standards for Mineral Projects (“NI 43-101”) compliant pre-feasibility and feasibility studies.
- On January 10, 2019, the Company filed a technical report prepared by Andes GMS SPA in accordance with NI 43-101 on the Anzá gold exploration project in Colombia. A copy of the full report can be accessed via the following link: <http://www.orosur.ca/operations/technical-reports>.

- Exploration activities at the Anzá project commenced in July 2019 within the scope of the Exploration and Option Agreement. The Company has already relogged 2,400 metres of the drill core from an area north of APTA.
- In order to maintain the Phase 1 earn-in right, Newmont has made the first two of four semi-annual \$0.5 million cash payments to Orosur (paid in February and August 2019) and must also complete a \$1 million minimum work commitment by September 7, 2019 or pay any shortfall in cash to Orosur by November 7, 2019. As at the date of this announcement, the \$1.0 million minimum work program has been partially completed.

Uruguay

- The reorganization process has been ongoing since June 2018. In August 2018, the Company's wholly-owned Uruguayan subsidiary, Loryser SA ("Loryser"), placed its San Gregorio mining operations under care and maintenance. Under the Loryser reorganisation proceedings, the term for credit verification ended in September 2018. A court appointed intervenor validated all the creditors and filed a report on the assets and debts of Loryser in October 2018.
- In December 2018, Loryser reached a payment plan agreement with its creditors (the "Agreement"). The Agreement stipulates that the net proceeds from the sale of assets in Uruguay together with the issuance of 10 million common shares in Orosur shall fully satisfy all amounts owing to Loryser's creditors as well as provide funds for Loryser to conduct this process and close its operations responsibly. The Agreement requires Loryser to manage and complete the process within two years. The issuance of common shares in Orosur is subject to the approval of the Toronto Stock Exchange.
- In May 2019, the Court approved the final list of creditors and Loryser's independent assets valuation. In August, 2019, the Intervenor filed a report informing the Court that it had verified that 71.48% of the creditors by value had consented to the Agreement. Consequently, the Intervenor declared that the legal majority had been reached and the Court gave public notice of the Agreement.
- Loryser has already started implementing some of the commitments included in the Agreement. In March 2019, Loryser signed a brokerage agreement with Savona Equipment Ltd to assist with the sale in the international markets of the specialized mining equipment from Loryser's San Gregorio mine. During the recent summer months in the Southern hemisphere, the dewatering of the tailings dam was largely completed and Loryser started the reclamation work. Loryser has also been running a process to recover the scavenger gold from the San Gregorio plant in cooperation with Goldplat Recovery Ghana Ltd/Goldplat Plc. In addition, significant reductions in costs have been achieved in Uruguay, among others reducing the Montevideo office to a small filing area, management redundancies at agreed lower terms, and negotiating lower electricity fees. Staff in Uruguay has been reduced to 18 active members currently managing the reorganisation, care and maintenance and remediation processes.

Chile

- In July 2018, the Company sold its remaining 25% interest in Talca for a consideration of \$120k. With this sale, the Company had no further interest in or obligation to Talca.
- Following the relinquishment by Fortune Valley Resources Chile S.A. ("FVRC") (an indirect, wholly-owned subsidiary of Orosur) of the Pantanillo project, Anglo American Inversiones SA ("Anglo"), sought the payment of minimum royalties totalling \$3 million and requested arbitration. On March 28, 2019, the Arbitral Tribunal rendered its decision, ruling that FVRC is required to pay Anglo approximately \$1.6 million plus interests. The Tribunal's decision is exclusively against FVRC. Orosur was not named in the decision from the Tribunal.

Financial and Corporate

- Assets held for sale in Uruguay have been recorded in the FY19 consolidated financial statements at the lower of book value or fair value. The consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted as Assets and Liabilities held for sale and Profit and Loss from discontinuing operations: This accounting treatment has been applied to the activities in Uruguay and Chile.
- On May 31, 2019, the Company had a cash balance of \$725k, of which \$199k is just accessible for Loryser within the reorganization procedure (February 28, 2019 - \$1.0 million; November 30, 2018 - \$1.0 million; May 31, 2018 - \$1.4 million). As at the date of this announcement, the Company has a

cash balance of \$760k of which US\$51k is just accessible for Loryser within the reorganization procedure.

- On April 12, 2019, Mr. Robert Schafer was formally appointed Chairman of the Board of Directors.
- The Company announces that, with effect from the date of this announcement, SP Angel Corporate Finance LLP is sole broker to Orosur.

June 2017 – May 2018 (“FY 2018”)

Operational

FY 2018 production of 27,586 oz (within last guidance of 27-30 Koz) following a significant decrease in production in Q4 (5,049 oz) due to a decision to stop open pit production and a decrease in underground mining grades (1.19g/t). Cash operating costs for the year were \$970/oz (FY17: \$829/oz),

- **San Gregorio West and Central Underground:** The San Gregorio West Underground mine was in full production, except for a brief period of reduced production in January due to a delay in development work as a consequence of a localized caving and water challenges in the mine in October 2017. Construction at the end of FY18 included horizontal development of 1,347m of waste, including 633m of mineralized development. San Gregorio Central underground was in production during March to May 2018, completing the first planned level. The second level was aborted after incorporating a new interpretation of the ore body and the decrease in grades observed on the upper level. A total of 14,073 ounces were extracted during the year from San Gregorio.
- **Open Pit:** FY18 OP production of approximately 12,600 ounces mined, with Veta A and Muro-Santa Teresa as main sources in the first half of the year. Most of the waste material derived from these mines was used for the construction of a larger tailings dam. Additionally, Perú and Sobresaliente which each needed environmental and mining authorizations, commenced operations in the 2nd half of the year. Approximately 1,100 oz from Santa Terasa low grade stockpiles was tapped into the optimize plant feed throughput during the year. In March 2018, the decision to drastically decrease operations was made as a result of declining reserves and marginal economics.

San Gregorio underground (SG UG) was a continuation at depth of the San Gregorio open pit deposit, which produced approximately 536,000 oz at an average grade of 2.12 g/t Au. From November 2016, SGW UG had been the primary source of ore feed to the plant.

A block model for SGC was finalized in Q2 18 and showed that gold grade of the mineralized structure was lower than anticipated and economically viable. At depth and to the eastern side of this sector there were reductions in both ore grade and thickness of the ore body. The SG underground mine had produced 465,943 tonnes at 1.49 g/t Au, which is approximately 30% below the Company's estimates for the project and the grade of the historical open pit production, which was 2.12 g/t Au.

As a result of the reduced grade encountered, it was critical to find ways to improve this newly-defined weaker mineralized structure at SG UG, so the Company contracted SRK Peru (“SRK”) to re-design the mine plan and alter its production sequencing. Development into deeper stopes was removed from the mine plan and marginal stopes from current levels at SGW were incorporated in order to optimise economics based on development costs already incurred. In an effort to partially compensate for this production shortfall, additional ore from open pit reserves were mined out.

The Company faced a complex and difficult situation in its long-standing operation as a consequence of the inability to delineate and develop good quality ore during the year and the lack of financing and a longer than anticipated permitting timeframe required to develop the Veta A project, which was considered at the time to be the highest-grade source of underground ore available on the San Gregorio mine complex.

On June 14, 2018, Loryser applied to commence reorganisation proceedings under Uruguayan legislation (Act N°18.387). To continue the mine plan, an immediate transition from SG UG to the Veta A underground project would have been needed. This would require external financing and the issuance of an environmental permit for Veta A, which did not materialize. As a result of the circumstances, the Board of Directors actively explored a number of alternatives for Orosur and its subsidiaries. The decision was made to apply for the Loryser Reorganisation Proceedings and creditor protection was made in consultation with

the Company's legal and financial advisors in the best interests of Loryser, the Company and its stakeholders.

Orosur and its subsidiaries (excluding Loryser) are not included in the Loryser Reorganisation Proceedings and the Company's management team continued to lead day-to-day operations.

Loryser continued production at SG UG until the end of July 2018, after which it began placing the mine on care and maintenance status. Loryser remained able to enter into transactions with its suite of Uruguayan assets. Through the course of its operations in Uruguay, the Company had been fortunate to have enjoyed a very positive relationship with the Government and even been granted two royalty exemptions in prior years. Orosur conducted conversations with the Government to identify and evaluate various options to continue its operations in Uruguay, which represented a very important source of investment and employment in the north of the country.

Exploration:

Uruguay

Near mine exploration was carried out to assure that ore was being fed to the process plant. Exploration was successful in finding two ore locations, El Muro and Santa Teresa Noreste, containing 6,481 oz Au which were extracted and processed in FY18.

Additionally, underground drilling was conducted aimed at increasing the San Gregorio West and Central deposits. At the Veta A deposit, continuity of mineralization down to the 120 m depth was confirmed and the mineralized body was shown to remain open at depth and along strike to the west.

Greenfield exploration focused on delineating a strategic discovery along the San Gregorio and Nueva Australia geological corridors and 2,492 m of drilling located revealed the existence of promising mineralized structures which warrant follow up in future drilling campaigns.

In February 2018, exploration activities ceased due to the lack of funding.

Colombia

A significant drilling campaign was carried out at the Anzá project from October 2017 to May 2018. A total of 9,359 m of drilling was completed at the Company's APTA project and Charrascal target. APTA drilling totaled 6,314 m distributed among 18 holes. Drilling intersected a high gold grade orebody and in the northern part of the project with gold mineralization detected down to 400 m depth. In the central and southern part of APTA, spatial continuity of the orebody was confirmed, leaving open the possibility to extend at depth in an eastern dipping orientation as well as along strike.

At Charrascal, a total of 3,045 m of scout drilling was completed in 5 drill holes. Drilling detected strongly anomalous gold within 4 of the 5 holes drilled and a priority follow up zone was identified. The presence of gold in the system was confirmed within an attractive geological setting for the mineralization to occur and follow up zones were selected for further exploration.

Chile

In May 2018, the Company terminated the option agreement on its Anillo gold exploration project located close to Antofagasta in Region II, Chile with Corporación Nacional del Cobre de Chile ("Codelco"), Chile's national mining company, and focused its resources on its core properties in Colombia and Uruguay.

In July 2018, the Company sold its remaining 25% interest in Talca for a consideration of \$120k. With this sale, the Company was left with no interest or obligation in Talca.

Corporate

Officers and employees were granted a total of 1,410,000 stock options and the balance equivalent to 515,000 stock options were granted to Directors pursuant to the annual grant, which shall vest in three equal parts: the first part immediately and the second and third parts on November 17, 2018 and November 17, 2019, respectively.

On June 19, 2018, Robert Schafer was appointed as Non-Executive Director of the Company and Roger Davey retired as Non-Executive Director. With the unfortunate passing of Chairman, John Walmsley, in early 2019 Mr. Schafer assumed the role of Non-Executive Chairman.

In July 2018, the Company received an advance of US\$250,000 from Newmont to subscribe for 3,603,077 common shares of Orosur at a price of CAD\$0.091 per share to finance the next stage of exploration at the Anzá project in Colombia.

As part of the cost reduction measures taken during the year, non-essential corporate and support costs were drastically reduced and directors and officers have temporarily reduced their fees and salaries by 20%.

June 2016 – May 2017 (“FY 2017”)

Operational

FY 2017 production of 35,371 oz (within stated guidance of 35-40 Koz) following a significant increase in production in Q4 (10,748 oz). Cash operating costs for the year were \$829/oz (FY16: \$877/oz),

- **San Gregorio West Underground:** The San Gregorio West Underground (“SGW UG”) mine commenced full production from its maiden stope on November 24, 2016. The project was completed on budget and on schedule following a safe and efficient transition of equipment and staff from Arenal. Construction at the end of FY17 included horizontal development of 2,179m, including 771m of mineralized development and a ventilation shaft, with raise boring having concluded in December 2016. A total of 12,551 ounces were mined during the year.
- **Arenal:** The Company developed and processed an additional 90,000 tonnes grading 1.4 g/t from the Arenal UG, which were not previously in the mine-plan or reserve base. The end of UG operations was during November 2016 and no rock fill was necessary.
- **Veta Rey:** The Phase 2 was completed and some superficial ore was mined around the sector, summing around 8,600 oz. The reconciliation for the year was positive in +2,787 ounces. The waste material was used for the construction of the tailings dam and to backfill the pit.

Exploration:

Uruguay

In Uruguay, the Company aimed to extend its mine life with a particular focus into the Central and East areas of SG UG. SRK Consulting was engaged to prepare a scoping study covering an expanded SG UG project to include not only the extensions to Central, East and Deeps, but also the neighbouring deposits of Veta Sur, Ombú and Veta A. Additional near mine OP exploration activities added more than 8 koz of reserves in Veta Rey extensions and El Muro mines, while detailed exploration work was carried out in Zapucay area as well.

Chile

The deadline for Asset Chile (“AC”) to make its decision to finance Phase 2 in Anillo (which is strategically located between Yamana’s El Peñon and Pampa Augusta Victoria) was extended to December 2017.

Colombia

During the second half of the FY16 and early part of FY17 the Company carried out an exploratory metallurgical and density test programme on the composited core from historical Waymar drilling. The Company also constructed a preliminary geological model on which a review of the potential for gold discovery was carried out. Encouraging results prompted the Company to go ahead with a follow up drilling campaign during 2017.

The Company announced its plans to commence a 15,000m - 30,000m drilling campaign in 2017 in Colombia, culminating in the preparation and publishing of a maiden NI 43- 101 compliant resource report

for the APTA project. The Company committed to updating the market once the exploration programme had been designed and validated, and a drilling contractor engaged.

On August 11, 2017, the Company announced the raising of gross proceeds of approximately C\$4,000,000 (\$3,200,000) through a placing and subscription of 16,740,502 new common shares at a price of C\$0.241 per share, together with a grant of unlisted warrants over new common shares on the basis of one subscription warrant for every two subscription shares. The net proceeds of this subscription were deployed for drilling and associated activities at the Company's highly prospective Anzá gold project in Colombia.

Corporate

As disclosed in the 2016 Management Information Circular, Mr. Pablo Marcet did not stand for re-election as a director.

During FY 2017, Jorge Aceituno was added as an Executive Director and was appointed as Chief Operating Officer. Alejandra Lopez was promoted to Chief Financial Officer.

The Company issued a total of 1,443,332 common shares following multiple exercises of options by its employees.

The Company increased its focus and efforts with respect to corporate strategy and shareholder communications during the year. On January 22-23, 2017, the Company participated in the Vancouver Resource Investment Conference, on March 8, 2017 in the Prospectors & Developers Association of Canada, Investor Exchange ("PDAC") and in April 2017 in the European Gold Forum in Zurich. Further conferences and marketing are planned for the remainder of calendar 2017.

3.2 Significant Acquisition and Dispositions

In May 2018, the Company terminated the option agreement on its Anillo gold exploration project in Chile with Corporación Nacional del Cobre de Chile ("Codelco"), Chile's national mining company, located close to Antofagasta, in Region II, Chile and focused its resources on its core properties in Colombia and Uruguay.

In July 2018, the Company sold its 25% remaining interest in Talca in Chile for a consideration of US\$120,000. With that sale, the Company was left with neither an interest nor obligation relating to Talca.

In September 2018, Newmont purchased 29,213,186 common shares at a price of C\$0.091 (GBP0.054) per share, for aggregate proceeds of US\$2.0 million which included the initial advance of US\$0.25 million previously announced on July 10, 2018. As a result of the Private Placement, the number of common shares issued and outstanding is 146,800,091. The total number of options and warrants outstanding shall remain unchanged at 17,207,677. The common shares issued pursuant to the Private Placement are subject to a hold period expiring four months and one day following the closing date in accordance with applicable Canadian securities laws. As part of the Private Placement, Newmont was granted a right to participate in future equity offerings of Orosur to maintain its equity ownership level at 19.9%.

In September 2018, the Corporation entered into an exploration and option agreement with Newmont as described in section 4.1 of this AIF.

In October 2018, for its advisory role in in the Strategic Agreement and Private Placement announced with Newmont Mining Corporation, the Corporation issued 3,477,581 common shares to Maxit Capital LP, in full satisfaction of fees equal to CAD\$250,000 and US\$50,000. As a result of the Private Placement and advising fees paid, the number of common shares issued and outstanding increased to 150,277,672.

In December, 2018, the Corporation's wholly-owned Uruguayan subsidiary, Loryser S.A. ("Loryser"), reached a payment plan agreement with creditors in Uruguay as described in section 4.1 of this AIF.

ITEM 4 DESCRIPTION OF THE BUSINESS

4.1 General

The Corporation's principal business activity is the ongoing exploration project at Anzá, Colombia which the corporation is developing through a strategic alliance with Newmont. In Uruguay, the Corporation after putting the mine on care and maintenance is running a process to reorganise the business. Activities in Chile have been discontinued.

COLOMBIA, Anzá

High Grade Gold Discovery with multiple untested targets

- Antioquia Department, covering more than 20 km of the prospective Tonusco Fault
- Strategic alliance with Newmont, funding to BFS
- Total land holdings of 207.5 km², close to Buriticá
- High grades over significant widths from approx 27k metres drilling
- Mining and environmental permits in place

URUGUAY, San Gregorio

Greenstone Belt next to infrastructure

- Northern Uruguay, close to Brazil. Underexplored 100 km long greenstone belt
- Built many open pits and 2 underground mines
- Mine in care and maintenance
- Reached an agreement with creditors in Dec 2018 to solve voluntary creditor protection



Strategic Alliance with Newmont

In September 10, 2018, the Corporation completed a non-brokered private placement of US\$2,000,000 with Newmont Mining Corporation and an exploration agreement with venture option with Newmont Colombia S.A.S., a wholly-owned subsidiary of Newmont for the Anzá exploration property.

The Exploration and Option Agreement includes a three-phase earn-in structure allowing Newmont to earn up to a 75% ownership interest in the Anzá Project by spending a minimum of US\$30.0 million in qualifying expenditures over twelve years, completing an NI 43-101 compliant feasibility study and making cash payments to Orosur equaling a total of US\$4.0 million over Phases 1 and 2.

In Phase 1, Newmont may earn a 51% ownership interest by spending US\$10.0 million in qualifying expenditures over four years and making cash payments to Orosur equaling a total of US\$2.0 million during the first two years of the Phase 1 earn-in period. Upon Newmont's completion of Phase 1, it may elect, in its sole discretion, to exercise its option to form a joint venture with Orosur. In Phase 2, Newmont may elect to earn an additional 14% ownership interest in the Anzá Project by sole funding US\$20.0 million in qualifying expenditures within four years, completing an NI 43-101 compliant pre-feasibility study and making cash payments to Orosur equaling a total of US\$2.0 million. In Phase 3, Newmont may elect to earn an additional 10% ownership interest in the Anzá Project by completing an NI 43-101 compliant feasibility study within four years.

Exploration & Option Agreement

Phase	Spending	Other Commitments	Cash Payments	Time	Earn-In
Phase 1	\$10 mm		\$2 mm	4 years	51%
Phase 2	\$20 mm	Pre-Feasibility	\$2 mm	4 years	14%
Phase 3		Bankable Feasibility		4 years	10%
Total	\$30 mm	Bankable Feasibility	\$4 mm	12 years	75%

Reorganisation Process in Uruguay

In June 2018, Loryser S.A. (“Loryser”), the operating subsidiary of the Corporation applied to commence reorganisation proceedings (the “Loryser Reorganisation Proceedings”) under Uruguayan legislation (Act N°18.387). The San Gregorio mine and processing complex has been in operation since 1997 and has produced approximately 1.5Moz of gold during this time. Beginning in late 2017, Loryser was hindered by operational challenges in its San Gregorio Underground Mine (“SG UG”) in Uruguay. The scarcity of alternative sources of ore made it difficult to reverse this situation, resulting in financial liquidity constraints. As a result of the circumstances, the Board of Directors after exploring a number of alternatives for Orosur and its subsidiaries, decided to apply for the Loryser Reorganisation Proceedings and creditor protection in consultation with the Company’s legal and financial advisors and is in the best interests of Loryser, the Company and their stakeholders. Orosur and its other subsidiaries (excluding Loryser) are not included in the Loryser Reorganisation Proceedings and the Company’s management team continued to lead day-to-day operations. Loryser continued production at SG UG until the end of July after which it placed the mine in care and maintenance.

In December, 2018, the Corporation’s wholly-owned Uruguayan subsidiary, Loryser S.A. (“Loryser”), reached a payment plan agreement with creditors in Uruguay. Loryser worked diligently to reach a fair and balanced solution in Uruguay in the interests of all its stakeholders. The Agreement contemplates that net proceeds from the sale of Loryser and other subsidiaries’ assets in Uruguay together with the issuance of 10 million common shares of Orosur shall fully satisfy all amounts owing to Loryser’s creditors as well as provide funds for Loryser to conduct this process and close operation responsibly. As contemplated by the Agreement, Loryser would manage the process, to be completed within two years. Loryser contacted over 90% of the creditors by value, distributed the Agreement and was successful in obtaining execution of the Agreement by the majority of its creditors, with to more than 70% of the creditors by value having executed the Agreement. The support level was already above the required simple majority, being 50% of creditors by value, required to proceed. As such, on December 17, 2018 Loryser submitted the Agreement to the Court which satisfied the Court’s need for a meeting of creditors. In May, 2019, the Court approved the final list of creditors and Loryser’s independent assets valuation. In August, 2019, the Intervenor filed a report informing the Court that it had verified that 71.48% of the creditors by value had adhered to the Agreement. Consequently, the Intervenor informed that majorities legally required were reached and the Court gave public notice of the Agreement. Once finally approved by the Court, the Agreement will be legally binding for all the creditors and Loryser’s creditor protection status will cease together with Intervenor’s control over the Company.

The San Gregorio project in Uruguay is not considered a material mining and exploration project for the Company. Operations and exploration in Uruguay have been discontinued and the Company is in the process of implementing the agreement with creditors.

Chile

The Corporation has discontinued its operations in Chile after Anglo American repurchased the Pantanillo project, the Talca project was sold back to a private Chilean group and the Anillo project was returned to Codelco.

4.2 Competitive Conditions

Gold is freely sold into the international marketplace with virtually no restrictions. The price of gold is derived largely from a complex interaction of market forces.

4.3 Environmental and Regulatory

4.3.1 Colombia

Mineral tenure

Mineral property rights in Colombia are governed by the Colombian Mining Code which has been subject to various changes and amendments. The oldest version applicable is Law 20 of 1969, which was superseded by Decree 2655 of 1988. The 1988 decree was in turn amended by Law 685 of 2001 and again on 9th February 2010 when Law 1382 amended certain articles of the 2001 code. The terms and

conditions applicable to existing concessions are not amended by subsequent legislation, so active concessions can operate under either the 1969, 1988, 2001 or 2010 mining codes.

The 2001 and 2010 mining codes allow for a single concession contract covering the exploration, construction and exploitation phases. Concessions have a maximum duration of 30 years, and may be renewed on request for another 30 years under the 2001 mining code or up to 20 years under the 2010 mining code. The maximum concession size is 10,000 ha. Concessions can be specific to the named mineral so it is possible for overlapping concessions, e.g. a gold and a copper concession, to be held by different companies.

Until the promulgation of the 2010 mining code, the issuing of concessions and their registration into the National Mining Register was traditionally a lengthy process. Once an application is submitted, the delegated mining authority undertakes a technical study to define the amount of free ground that is actually available. This free area report is then provided to the applicant who must then indicate his willingness to proceed. If the applicant wishes to proceed, concession documentation is drawn up by the delegated mining authority for signature. Prior to the promulgation of the 2010 code, the process of drafting and signing concession documentation frequently took a considerable length of time, often lasting for a number of years. During this period, the applicant retained an exclusive right to the area of the concession, without having to pay concession fees, and non-invasive prospecting, such as geological mapping and stream sediment sampling, could be undertaken.

The 2010 mining code closed this loophole and required that the first year's concession fees were paid within three days of the definition of the final awardable area by the delegated mining authority. Signing of the concession contract documentation must be completed within 180 days of the awardable area being defined.

Law 1382 of 2010 was declared unenforceable by judgment C-366 of May 11, 2011 by the Colombian Constitutional Court, with effect deferred for 2 years, and ceased to apply on May 11, 2013. However, it continues applying to contracts that were perfected between February 9, 2010 and May 11, 2013.

Under the 2001 mining code the exploration phase lasts for the first three years of the concession contract and this can be extended for a further two years, giving a total of five years for exploration. This period is modified under the 2010 mining code allowing an initial exploration period of five years, extendable three times for periods of two years each, resulting in a maximum of 11 years for exploration.

In order to proceed to the construction phase, the concession holder must at least 30 days prior to the completion of the exploration phase, submit a building and works plan — Plan de Trabajos y Obras (“**PTO**”) - to the relevant mining authority for approval and concurrently submit an environmental impact study — Estudio de Impacto Ambiental (“**EIA**”) - to the relevant environmental authority.

The PTO is based upon the results obtained during the exploration phase and includes the delimitation of the area to be exploited, cartographic information of the area, details of the minerals to be exploited and their characteristics, the description and location of all facilities and mining infrastructure, site rehabilitation plans, details of the proposed mine plan and life of mine, a closure plan and an exploitation reclamation plan.

The EIA (Environmental Impact Assessment) provides the technical support parameters to obtain an environmental license. Depending on the commodity being produced and the level of production, this study must be submitted to the Ministry of the Environment or to the relevant regional environmental authority. The environmental license grants the necessary environmental permits including, concessions and authorizations, to make use of and profit from natural resources necessary to move the project forward, including resources such as water and timber. The construction phase cannot commence until the environmental license is obtained.

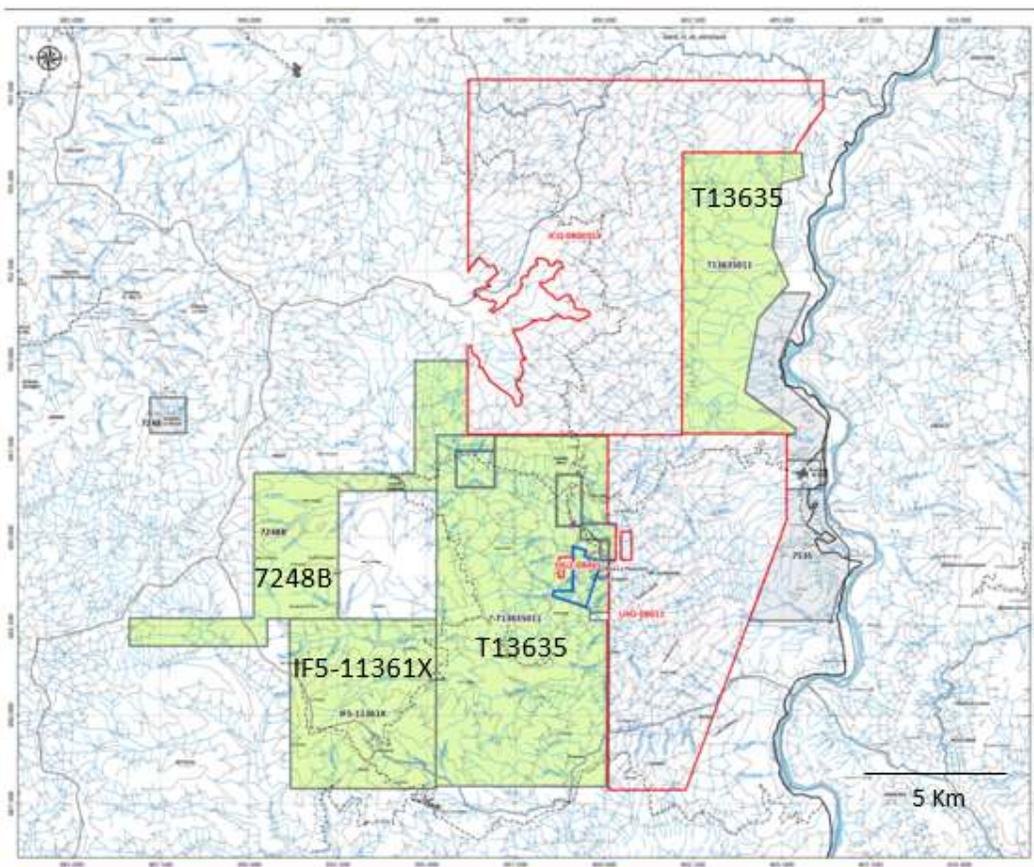
The construction phase lasts for three years, commencing on acceptance of the PTO, and may be extended for an additional year. During this phase, the holder has the right to prepare the mining area and install the services, equipment, and fixed machinery necessary to start and carry out the extraction, storage, transportation and beneficiation of minerals. The final site construction, facilities and mining equipment should conform to the specifications detailed in the approved PTO. Once the construction phase has been completed the exploitation phase lasts for the remaining duration of the concession contract.

Colombian mining law specifically provides that the owner of a concession contract, exploration license or exploitation license is entitled to use so much of the surface as is necessary to carry out the activities under the given license or contract. The law grants exclusive temporary possession of mineral deposits and provides mandatory easements to ensure efficient exploration and exploitation of legal mining titles. Remuneration payable to the surface owner should be based on the reasonable and fair market value of the land and is not to include any value attributable to the development of the mineral wealth. Any payments should only be for the surface area that is affected by, used or occupied by the exploration or mining activity. Should areas not subject to the easement be deemed to have lost value, this loss can be taken into account, when fixing the remuneration payable to the land owners. If necessary, it is possible for the concession holder to make a request to Ingeominas, or the relevant competent mining authority, for the expropriation of the lands necessary for the planned mining activities.

Mining Titles in Anzá

The Project has a total land tenure of about 231 km², which are distributed almost equally between granted rights and what is known as “Applications”.

Map: Permits and Environmental License Status in Anzá



The Green area represents the granted permits which are:

- Concession T13635: Exploitation and Exploration integrated permit, with a granted environmental license
- 7248B: exploration permit
- IF5-11361X: exploration permit

And the red line marks the boundaries of the applications.

Agreements, royalties and other encumbrances

Under the terms of the Colombian mining code concession fees are paid in single annual payments from the time that a concession contract has been granted.

For the mining concession contracts that were perfected prior to 2010 and after May 10th, 2013, Law # 685 (2001) applies and the payment of annual fees is based on the current value of the daily minimum wage. Concessions of up to 2,000 ha pay one daily minimum wage per hectare per year (currently US\$10.67/ha). Concessions covering 2,001 to 5,000 ha pay two daily minimum salaries (US\$21.34/ha) and those covering more than 5,000 ha pay three minimum daily wages per hectare per year (US\$32/ha).

Concession contracts granted between 2010 and 2013 fall under the terms of Law # 1382 (2010). Annual holding fees for these concessions are categorized by age rather than size. US\$10.67/ha are paid for the first five years of the concession; US\$13.30/ha for years six and seven; and US\$16/ha for years eight to eleven if the exploration phase is extended.

For the contracts registered after June 15, 2015, to date, the following table applies (Law # 1753 of 2015):

	Up to 5 years	5 - 8 years	8 - 11 years
Number of hectares	DMW/h		
0 -150	0,5	0,75	1.0
151 - 5.000	0,75	1,25	2.0
5.001 - 10.000	1,0	1,75	2.0

Note: DMW/h = current value of the Daily Minimum Wage per hectare

Once the exploitation phase has commenced royalties based on gross production are payable in accordance with Article 16 Law 141/1994 which was modified by Law 756/2002. For base metals, the royalty is 5% of gross production, whilst for gold and silver a nominal royalty of 4% is payable. Royalties are paid to the Royalties National Fund who then distributes the funds to provincial projects.

Environmental and other permits

During the exploration phase, all activities which exceeds prospecting, mapping and sampling, requires the submission and approval of an Environmental Management Plan - Plan de Manejo Ambiental (“PMA”). This principally covers drilling activities and should include details of the following:

- the work to be undertaken (the number of drill holes, location, direction, depth, etc.);
- the proposed sources of drilling water, and details of any diversions to existing watercourses so that appropriate water usage permits can be issued;
- the location and number of settling ponds to prevent contamination of local waterways by drilling fluids; and
- the location of fuel and oil storage areas which should be located away from watercourses.

The preparation and filing of the PMA are normally the responsibility of the drilling contractor, and these are typically approved in 15 to 30 days, although this can take up to a maximum of 90 days. No bond payment is required for exploration PMA's, and no site reclamation is required. While PMA's do not require any authorization or environmental permits, work carried out in sensitive areas such as nature reserves and national parks are governed by additional rules and restrictions.

Additional permits are required during the exploration phase for fluid discharge, atmospheric emissions, forestry clearance, and land access.

In terms of the 2001 and 2010 mining codes, an EIA is required to be submitted as part of the application for construction and exploitation status. The EIA must include details of the baseline study, an assessment of the overall environmental impact of the projects and plans for rehabilitation. Concession holders are encouraged to work with artisanal miners in order to address the environmental issues. There are no

requirements in terms of the 1988 legislation for the submission of an EIA, although a rehabilitation plan is required.

An additional impact of the 2010 mining code is the banning of exploration and mining activity from the Paramo ecosystems in Colombia. These are high altitude glacial valleys and plains featuring peat bogs intermingled with grassland, scrub and small patches of forest (Mining Weekly, 2010). In general, the Paramo is found at elevations of > 3,000 m, although the exact elevation of these ecosystems is variable. The Anza Project is outside the Paramo areas.

The 2001 and 2010 mining codes also require the concession holder to obtain an Environmental Mining Insurance Policy. During the exploration stage, the insured value under the policy must be 5% of the value of the planned annual exploration expenditures and during the construction phase the insured value under the policy must be 5% of the planned investment for assembly and construction under the PTO. During the exploitation phase the insured value under the policy must be 10% of the estimated annual production multiplied by the average price received for the product. For licenses or agreements subject to the 1988 mining code the licence holder has to obtain an insurance policy with an insured value of 10% of the estimated production for the first two years as established by the PTI.

Tropical Dry Forest Temporary Protected Area

In August 2015, the Ministry of Environment of Colombia delineated a temporary protected area with the objective to review the existence of biodiversity areas such as the tropical dry forest ("TDF") in order to give them a protected area status. This was done via a precautionary measure, thus without any prior study of the areas and for a term of 2 years, which was extended for another year in 2017, and extended one more year on October 22, 2018, through resolution 1987.

During such term, the competent environmental authorities for each area are supposed to declare, delineate and categorize the temporary areas of protection and development of the natural resources contained.

The temporary protected area includes "Polygon 15: Tropical Dry Forest" located in the jurisdiction of Antioquia which affects partially the Company's mining licences.

In 2018, a special Work Group was formed with affected parties, including the Company, the Mining Agency and the local Environmental Agency in order to define a protected area limit and category.

The environmental authority (Corantioquia) has already determined that the area to be protected within the Anzá titles will be categorized as an Integrated Management Regional District. This category allows mining activity to co-exist with the TDF under special controls and requirements.

In parallel, the Corporation is in advanced discussions with Corantioquia together with neighbour mining players in order to agree a new delimitation of the TDF which reduces the area affecting the Anzá project.

4.3.2 Uruguay

Mineral Title

Uruguay's mining code was promulgated in 1982 and was amended in 2011. Mineral rights are vested in the State, and can be granted as one of three licenses:

- Prospecting License. Allows the holder to carry out any and all work aimed at searching for one or more minerals in a given area. On completion of the first two-year period, the area covered by the license must be reduced to 75%. The holder of the license chooses which parts of the area covered by the original Prospecting License to relinquish. At the end of prospecting license term, the holder has the exclusive right to convert the prospecting permit into an exploration permit.
- Exploration License. Gives the holder the right to perform activities with the purpose of proving whether a deposit exists, identifying its characteristics, and determining the volume and quality of the mineral, as well as undertaking economic assessments. The holder of this Exploration License is allowed to

set up a pilot plant, once the holder has applied for and been given the appropriate mining and environmental authorizations.

- **Exploitation License.** Qualifies the holder to exploit one or more mineral substances, in a given area, and dispose of the output from the deposit. In order to obtain this Exploitation License, an environmental impact analysis must first be approved, according to the legal provisions in force since 1994.

Table 4.1 summarizes the key terms of the different licenses.

Table 4.1 Licenses and Durations

Type of License	Operation	Possible Extensions	Term	Maximum Area of each permit	Area Reduction after 2 nd extension
Prospecting	3 months – 36 months	3	1 year	100,000 ha	25%
Exploration	1 year – 3 years	3	1 year each	1,000 ha	25%
Exploitation	Up to 30 years	multiple	15 years	500 ha per type of mineral	N/A

The National Mining and Geology Directorate (“DINAMIGE”), which forms part of the Ministry of Industry, Energy, and Mining, is the only State agency responsible for the control of mining and the management of the subsoil. It is the competent agency in charge of granting Prospecting and Exploration Licenses, while the Ministry is responsible for awarding the concession for Exploitation Licenses.

Effective November 14, 2011, for metallic mineral deposits the government of Uruguay levies a 5% production royalty, based on a percentage of the value of free on-board mineral exports. The royalty is split with a 2% royalty paid to the underlying landowner and a 3% royalty paid to the government.

Environment

The Uruguayan Constitution establishes environmental protection as a matter of public interest. The Ministry of Housing, Territory and Environment supervises all environmental matters, through the National Environment Directorate (DINAMA). A party that causes environmental damages, environmental pollution, or breaches environmental rules or laws has civil responsibility for remediation.

On January 19, 1994, the Uruguayan Government enacted Law 16.466, (regulatory decree passed September 1994, and updated on September 2005 and December 2013) which established the requirement for mining companies to be issued with an Environmental Impact Authorization (“EIA”) prior to the commencement of construction and mining activities, including exploration.

Uruguay mining legislation requires all mining licenses to be supported by guarantees for any environmental rehabilitation requirements resulting from exploration or mining activities. These guarantees are required to be posted by qualified financial institutions.

All mining activities and the operation of the tailings storage facility at San Gregorio must be performed under specific environmental licenses issued by the Uruguayan State. Environmental licenses are also required for drilling under Exploration Licenses.

A comprehensive closure plan has been developed for the operation. Uruguayan mining and environmental legislation require environmental obligations to be supported by guarantees.

Uruguay Mega Mining Law

On September 25, 2013, Uruguayan Law N° 19.126 was published. This law regulates large scale mining operations (“*Actividad Minera de Gran Porte*”). According to the discussion and drafts presented, Orosur’s San Gregorio Complex might qualify as a large-scale project. That would imply Orosur would be subject to additional taxation in cases of extraordinary high profits. As of May 31, 2019, this law has not been implemented and is not expected to be regulated.

4.4 Employees

As of May 31, 2019, OMI had 22 direct employees of whom 18 were based in Uruguay and 1 in Colombia. There are 271 not-active employees in Uruguay incorporated into the Uruguayan unemployment benefit system (“Seguro de paro”).

4.5 Risk Factors

The principal risks are considered to be those set out below.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The Company is not currently generating cash from operations but rely on the cash payments from Newmont and their funding of commitments in Colombia to cover its financial needs outside Uruguay. The business in Uruguay is, as per the December 2018 agreement, financing itself selling its assets while covering its liabilities. There can be no assurance that this funding will be available to the Company or, if available, that it will be sufficient to cover all its needs in the future, The Company may in the future consider to raise equity capital in amounts sufficient to fund both exploration work and working capital requirements.

There can be no assurance that additional funding will be available to the Company or, if available, that this funding will be on acceptable terms. Additional measures have been undertaken or are under consideration to further reduce cash expenditures.

Forward-looking statements include, without limitation, the exploration plans in Colombia and the funding from Newmont of those plans, Newmont’s decision to continue with the option agreement, the approval by the Court of the Agreement in Uruguay, expectations that the Agreement will become legally binding on all creditors of Loryser and successful emergence from creditor protection proceedings and Intervenor control, and the outcome of the arbitration process in Chile against FV and any effects of that arbitration’s decision to the Company. 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

Key Personnel Risks

Recruiting and retaining qualified personnel is critical to the Company’s success. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Exploration, Mining and Operational Risks

The Company’s longer-term strategy depends to a certain extent on its ability to find commercial quantities of minerals, and to obtain and retain appropriate access to these minerals. The Board cannot guarantee that it will be able to identify appropriate properties, or negotiate acquisitions, on favourable terms.

The nature of resource and reserve quantification studies means that there can be no guarantee that estimates of quantities and grades of minerals will be available to extract. The figures for reserves and resources estimates are determined in accordance with National Instrument 43-101, issued by the Canadian Securities Administrators. This National Instrument lays out the standards of disclosure for mineral projects including rules relating to the determination of mineral reserves and resources.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately

developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of Orosur's exploration properties. There is no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

The Company's business activities are also affected to varying degrees by government regulations respecting, among other things, tax, royalties, utilities service supply, mining legislation and environmental legislation changes.

Title Risks

Individual titles expire from time to time and the Company manages the process of retaining its rights by re-application or conversion to other forms of title relevant to each stage of development. The process of re-application involves some risk however, as released titles must fall open before they can be re-applied for.

There can be no guarantee that the State in the jurisdictions in which the Company operates will continue to grant or respect mining titles and environmental licenses, and that the titles of the properties will not be challenged or negated for political or legal reasons.

Political and Economic Risks

Political conditions in the countries where the Company operates are stable. Changes may however occur in political, fiscal and legal system that might affect the ownership or operation of the Company's interests, including inter alia, changes in exchange control regulations, expropriation of mining rights, changes of government and in legislative, tax and regulatory (mining and environmental) regimes.

Sensitivity to commodity prices and foreign exchange rates

Gold has historically been subject to large price fluctuations, and is affected by factors which are unpredictable, including international economic and political conditions, speculative activities, the relative exchange rate of the US dollar with other currencies, inflation, global and regional levels of supply and demand and the gold inventory levels maintained by producers and others.

The Company has financial exposure to foreign exchange fluctuations in the Uruguayan, Chilean and Colombian peso and the Canadian dollar relative to the US dollar.

ITEM 5 PRINCIPAL PROPERTIES

5.1.0 Anzá Project, Colombia

Current Technical Report

In January 2019, the Corporation filed a technical report prepared by Andes GMS SPA in accordance with National Instrument 43-101 Standards for Mineral Projects ("NI 43-101") on the Anzá gold exploration project ("Anzá") in Colombia.

The Report has been prepared by or under the supervision of independent geologist Mauricio Rubio (AusIMM), a Qualified Person under NI 43-101. Andes GMS SPA have conducted a site visit allowing it to audit the Company's field procedures, sample handling and preparation techniques, analytical procedures, results and Quality Assessment / Quality Control ("QAQC") systems (check assaying) that it implements. Andes confirms that Orosur has undertaken its exploration programmes using industry best practices.

To view the full report, please visit www.orosur.ca/operations/technical-reports; the report is also available under the profile of the Corporation on SEDAR at www.sedar.com.

Anzá is an advanced exploration project and the report includes a review of the regional geology, local geology, types and degree of the mineralization, exploration history, metallurgical testing and drilling results and represents an update and replaces the technical report prepared in May 2010 by Snowden Mining Industry Consultants.

Project Description, Location and Access

The Anzá Project is located 50km west of Medellín, Colombia with access via predominantly paved roads with a shorter gravel road leading immediately into the project area. The site has existing infrastructure including water, power, roads and a camp.

It is located on the eastern side of the Cordillera Occidental of Colombia in the Metallogenic Belt of the Middle Cauca, which mainly hosts two types of gold mineralization: a porphyry style and/or an epithermal type with a strong relationship with the Cauca-Romeral fault zone, which constitutes a suture zone associated with the collision of the Choco Volcanic Arc. The most important gold mining districts of the country are located in this region.

Map: Location of Anzá and other Middle Cauca Belt projects in Colombia



Magnetometry, induced polarization, radiometry, soil and rock sampling surveys have all been completed leading to the identification of 5 initial targets within the property: APTA, Charrascalá, Guaimaralá, Jesuitas and La Cejita. APTA has been drilled and initial drilling has been conducted at Charrascalá. Initial metallurgical and rock density test work completed in mid-2016 provided average gold recoveries ranging from 95.9% – 96.1% utilising a combination of gravity concentration, flotation and cyanidation processing, which is comparable to the metallurgical recoveries of the development projects and producing mines in the region.

Historic diamond drilling of 17,409m consisting of 53 holes was completed during 2011 to 2012 by Waymar Resources, a company and assets acquired by Orosur in mid-2014. This drilling confirmed that gold and sulphide mineralization are associated with a structurally controlled hydrothermal system (fault and breccia zones). Drilling also identified three units as carriers of gold mineralization: silicified matrix-supported breccia with pyrite / sphalerite / chalcopyrite disseminated in the matrix and veins; fault zones with similar sulphides; and laminated mudstone or tuff cut by quartz-sulphide veins.

In Anzá, the terrain is steeply incised with elevations ranging from 700m to 2,000m above sea level. The area is generally covered in mixed open natural grassland with patchy scrub and woodland. The drainages are densely vegetated, and outcrop is relatively poor. The Niverengo river drainage bisects the Anzá project area and bisects the Gypsum Mine, separating the two mining sites. Agricultural activity in the vicinity focuses predominantly on subsistence farming, mango and palm nut cultivation and the rearing of livestock.

The climate is tropical with average minimum and maximum temperatures of 16°C and 27°C respectively. The average annual rainfall is approximately 1,500 mm, most of which falls in the rainy season from April to November.

The Anzá project area is reasonably well developed in terms of infrastructure and road access. The town of Anzá has a population of 1,600 people and a further 6,000 people live in the outlying rural communities. Agriculture is the main economic activity in the region.

Regional Geology

South American geology is dominated by the relationships among three principal tectonic plates, the Pacific (Nazca) plate in the west, the Caribbean plate to the north and the South American plate which forms the bulk of the continental landmass. The Northern Andean Block forms a distinct geological segment of the Andean Cordillera in Colombia and is subdivided into three mountain chains, the Occidental (western), Central and Oriental (eastern) Cordillera.

Colombia's geological history has been dominated by processes occurring along the accreting plate boundary between the Nazca and South American plates. Changes in the position of the subduction zone have resulted in the progressive accretion of the Cordilleran mountain chains onto the western margin of the Guiana Shield, forming the current complex geological framework. These plate tectonic processes are also strongly associated with ore forming processes and the formation of many of Colombia's mineral deposits.

The Anzá project lies within the Western Tectonic Realm of Colombia. This is composed of a series of oceanic terranes accreted against the western margin of the Guiana Shield during the late Mesozoic and Cenozoic periods. The Anzá prospect lies near the eastern margin the Cañas Gordas Terrane ("CGT"), a component of the Choco Arc, one of the components of the Western Tectonic Realm.

The CGT is composed of volcanic rocks and sediments of middle to late Cretaceous age. The volcanic sequence forms the Barroso Formation and the sedimentary sequence the Penderisco Formation, with the Penderisco Formation occurring in the western part of the terrane and the Barroso Formation in the east.

The volcanic rocks of the Barroso Formation are of tholeiitic basalt and andesite composition. Basalt flows, pillow lavas, agglomerates and tuffaceous pyroclastics are present. Fine sedimentary and cherty units are locally intercalated in the volcanic sequence, with diabase, possibly as sills, also reported. The Barroso Formation is interpreted to have been deposited in a subaqueous environment as part of a calc-alkaline volcanic arc.

The Penderisco Formation is a turbidite sequence composed of thin to medium bedded greywackes, mudstones, shales, calcilutites and minor volcanic tuffs. These sediments are interpreted to overlie, and locally pass into, the volcanics of the Barroso Formation.

Towards the southern end of the area where the Gypsum Mine is located, the Barroso Formation contains a localised series of andesitic to dacitic pyroclastics, including agglomerates, tuffs and volcano-sedimentary breccias. Siliceous to cherty and calcareous fine grained clastic sedimentary rocks are also present. These intermediate pyroclastic rocks host all of the gypsum and metalliferous sulphide occurrences that have been discovered to date.

The CGT was intruded in the east by the Sabanalarga Batholith during the Cretaceous (99 Ma to 112 Ma). This elongate, composite calc-alkaline pluton containing tonalite, quartz diorite and granodiorite, may be closely related to volcanic arc development. The younger, 53 Ma, Mande-Acandi calc-alkaline plutonic arc is emplaced along the western margin of the CGT. These plutons are inferred to have been emplaced prior to accretion of the CGT onto the Guyana Shield. Small stocks dated at 6 Ma to 8 Ma occur along the eastern side of the CGT and are inferred to be related to subduction and subsequent accretion of the Baudo Terrane.

The CGT is bounded on the east by the arcuate Garrapatas — Dabeiba Fault system. This fault system records the oblique, dextral obduction of the CGT onto the previously accreted Pacific and Caribbean terrane assemblages. Accretion took place during early to middle Miocene. The western boundary with the Baudo Terrane is marked by the late Miocene Atrato Fault system, which is seen in seismic sections below younger cover. The Anzá project is located on the eastern edge of the CGT, adjacent to the north trending

Romerol Fault zone, a component of the Garrapatas — Dabeiba Fault, which separates the allochthonous oceanic rocks of the Western Cordillera from the continental sub-plate of the Central Cordillera.

Local Geology

The Anzá project is located on the east side of the CGT, approximately 7 km west of the Romeral fault zone which is marked approximately by the course of the Cauca River. The project area lies within a north south trending, 10 km to 15 km wide, strip of Barroso Formation basalt and basaltic andesites. Lenticular outcrops of fine sediments (siltstones and mudstones) occur within the Barroso Formation. A major outcrop of Penderisco Formation occurs some 5 km to 7 km west of the project area. Cretaceous calc-alkaline intrusions (rock types mapped as 'undifferentiated' but include gabbro and diorite) and one Neogene intrusion occur but are a minor component of the local area. The break between the Barroso and Penderisco Formations is defined on a regional scale by the north-south trending Sepultura Fault, which is a parallel structure to the Romerol Fault. In the vicinity of the Anzá project the Sepultura Fault is mapped within the Barroso Formation, suggesting a more complex fault morphology and structural history.

The host succession to the gypsum deposits and sulphide mineralisation at the La Pastorera and Aragón mines is a local occurrence of intermediate pyroclastics and sediments within the main outcrop of basaltic Barroso Formation material. This sequence is termed the Miembro Transicional. The relationships of this clastic sequence with the Penderisco Formation are uncertain. Black carbonaceous mudstones were observed in contact with the gypsum at the La Pastorera mine and these may form part of the latter sedimentary unit

The immediate host rocks of the Gypsum Mine deposits have been mapped in detail. There are three locally mappable units at La Pastorera and form the lowest exposed units of the Miembro Transicional;

- Thick sequence of fine tuffs with intercalations of massive to pillowed basalt and minor chert and calcareous mudstones.
- Crystal-lithic intermediate tuffs, which are locally pyritised above the gypsum and sulphide. Pyritic beds or replacement zones may reach 3m thick.
- Agglomerates and crystal-lithic tuffs with minor intercalations of chert, calcareous mudstone and basalt. The gypsum and massive sulphides occur in this unit, with gypsum forming a major part of the unit.

Ownership

The Project is 100% owned with no option fees or commitments, and includes existing environmental and mining permits relating to two gypsum mines located on the property and mined since 1991 by a third party.

Waymar Resources Ltd. acquired the 100% interest in the Anzá Project pursuant to an option agreement effective June 29, 2010 (the "Niverengo Option Agreement"). On June 24, 2013, Waymar exercised the option and acquired the 100% interest in the Anzá Project which encompasses approximately 6,738 hectares of mineral rights. Pursuant to the Niverengo Option Agreement, whereby Waymar exercised the option and acquired the 100% interest in the Anzá Project, the vendor received a 2% net smelter return royalty on future production from part of the property. Orosur retained the right to purchase one-half of the NSR (1%) in consideration of a payment of US\$1.0million.

Waymar also acquired pursuant to an agreement effective June 29, 2010, 100% ownership of certain properties surrounding Anzá, originally covering approximately 16,293 hectares (prior to subsequent property area reductions), comprising concessions, exploration licenses, study areas and applications, to cover the district potential.

Orosur completed the acquisition of Waymar in July 2014.

Drilling

Since 2010, Waymar Resources Ltd. conducted geological mapping, ground geophysical surveys, a systematic geochemical sampling survey, an airborne geophysical survey, 17,408 metres of DC (in 53 drill

holes) and other complementary technical studies. This work identified one significant mineralized body, called APTA. Mineralization at APTA as shown by drilling results, extends at least 2,500 metres along the Aragón Fault. The deposit remains open to the north, to the south, and down-dip. In the FY18 a new drilling campaign take place in APTA were 6,314m in 18 holes were sunk. This drilling campaign confirm the continuity of the high-grade mineralization in the APTA corridor and intercept the high-grade structure at depth in the north sector were the mineralization occurs along 400m down dip and is still open with great results.

Other targets in the ANZA exploration area, including those identified by soil geochemistry in the immediate vicinity of the APTA deposit and others identified through airborne geophysics, have not yet been tested by drilling except in Charrascala were 5 scout diamond drill holes totalling 3,045m have confirm the presence of strong gold anomalies along an 800m north-south corridor, including intersects of 3.43 g/t Au and 30.60 g/t Ag over 1.5m and 2.62 g/t Au and 14.30 g/t Ag over 0.90m in the FY18 drilling campaign.

Some of the most significant high-grade drill results within the so-called Aragón – Pastorera Trend Area (APTA) deposit of the Anzá exploration area, include:

DDH MAP-21: 18m of 14 g/t Au
 DDH MAP-29: 12m of 11 g/t Au
 DDH MAP-33: 22m of 10 g/t Au
 DDH MAP-38: 41m of 14 g/t Au
 DDH MAP-47: 13m of 2 g/t Au and 316 g/t Ag;
 DDH MAP-48: 15m of 40 g/t Au
 DDH MAP-54: 13.8m of 4.36 g/t Au
 DDH MAP-54: 5.32m of 17.76 g/t Au
 DDH MAP-55: 13.9m of 4.89 g/t Au
 DDH MAP-59: 7m of 4.66 g/t Au
 DDH MAP-60: 25m of 4.86 g/t Au
 DDH MAP-62: 5.3m of 5.09 g/t Au
 DDH MAP-62: 23m of 5 g/t Au
 DDH MAP-70: 6m of 9.62 g/t Au
 DDH MAP-70: 7m of 9.42 g/t Au
 DDH MAP-70: 12m of 5.28 g/t Au

Selected holes with more detailed results from the FY18 drilling campaign are listed in the following table:

Hole Number	From	To	Interval	Au	Ag	Zn
	(m)	(m)	(m)	(g/t)	(g/t)	(%)
MAP_54	41.4	59.3	17.9	2.96	26.97	0.32
Including	41.4	43.2	1.8	10.25	76.9	1.22
Including	44.7	52	7.3	3.39	33.71	0.37
	97.1	110.9	13.8	4.36	1.19	0.77
Including	97.1	101.73	4.63	5.47	1.59	1.44
Including	107.6	110.9	3.3	10.35	0.83	0.14
	144.5	149.82	5.32	17.76	1.55	4.74
Including	144.5	145.7	1.2	8.71	0.9	0.8
including	145.7	146.7	1	37.96	1.3	0.7
including	146.7	148	1.3	19.76	1.4	0.25
including	148	148.87	0.87	17.63	1.5	7.56
including	148.87	149.82	0.95	5.31	2.9	17.54
	149.82	159.1	9.28	1.84	0.94	2.26
including	153	155	2	3.43	0.97	1.14
	309.2	313.2	4	2.96	5.7	0.41

MAP_55	177	190.9	13.9	4.89	4.86	1.35
Including	177	181	4	6.26	3.35	0.57
Including	185	190.9	5.9	7.24	8.73	2.78
MAP_56	223	235	12	1.33	0.9	0.05
Including	231	233	2	2.62	1	0.02
MAP_58	246	250	4	1.1	3.45	0.15
	274.5	276.5	2	4.55	6.5	0.13
MAP_59	163.5	195	31.5	1.86	2.39	0.49
Including	181	188	7	4.66	2.17	0.27
Including	192	194	2	3.4	3.55	0.56
	230.5	242.5	12	1.96	2.73	0.5
Including	230.5	236.5	6	3.15	1.75	0.63
MAP_60	70	75.5	5.5	3.34	13.32	0.19
	165	192	25	1.81	0.87	0.33
Including	180	186	6	2.92	0.67	0.2
Including	189	192	3	4.6	2.9	1.52
	222	247	25	4.86	3.23	1.73
Including	222	226	4	7.92	4.13	1.94
Including	235	238	3	9.54	5.37	0.33
Including	245	246	1	14.43	3.4	0.95
MAP_62	60	65.3	5.3	5.09	12.06	0.37
including	62.2	64.2	2	7.61	16.9	0.8
	167.5	176.5	9	1.69	0.62	-
	217	240	23	5	3.37	0.4
Including	220	221	1	16.02	9.4	0.81
Including	229.7	232.2	2.5	8.59	2.98	0.66
Including	237.7	240	2.3	14.94	7.88	0.13
MAP_064	116	122	6	1.57	17.98	1.73
	147	151	4	0.84	0.6	0.04
	190,00	197	7	3.45	1	3.79
Including	193	197	4	5.43	1.5	6.41
	265	273.7	8.7	1.67	3.13	5.35
Including	269	272	3	3.43	4.17	6.86
	283.7	285.3	1.6	3.18	1.94	3.03
	292	294	2	2.04	1.75	5.9
	297	299	2	1.03	1.05	2.18
MAP_065	140	144.1	4.1	2.22	1.37	0.04
	283.3	288.45	5.15	1.24	5.75	0.11
Including	284.3	286.1	1.8	2.7	10.3	0.09
	312	313.5	1.5	1.05	0.6	0.54
MAP_067	161.7	168.1	6.4	1.74	2.52	0.34
Including	162.8	165	2.2	4.14	3.05	0.79
	176.4	192.2	15.8	1.07	2.04	0.06

Including	179	184	5	2.24	3.28	0.13
	235	243.2	8.2	1.36	0.78	0.38
Including	237	241.2	4.2	2.09	0.87	0.49
MAP_70	168	192	24	1.84	1.64	1.09
Including	168	173	5	1.66	3.52	4.81
Including	183	184	1	23.66	3.6	0.04
Including	186	192	6	1.16	0.72	0.02
	208	212	4	1.13	1.72	0.61
	221	233	12	5.28	2.48	1.1
Including	222	226	4	6.38	3.1	2.28
Including	228	233	5	6.99	2.78	0.65
	246	248	2	6.28	6.3	1.41
	256	267	11	6.35	2.74	1.55
Including	256	263	7	9.42	3.93	2.27
	284	298	14	5.02	2.23	1.1
Including	286	292	6	9.62	2.9	1.75
	302	307	5	1.57	3.94	1.67

The intervals in the above table refer to the actual core length and may not represent the true width of the mineralization due to the limited geological knowledge of the deposit at this time.

Sampling, Analysis and Data Verification

Drillholes: Sampling, Handling and Logging

Anzá mining company, have methods for sampling, preparation and handling of drill holes stated in manuals of procedures, step by step establishing drill hole logging. This is defined as a collection and registration through written, and graphic methods of geological data from samples collected for borehole of the subsoil; Also, the procedures for cut, photograph and geomechanical logging of them. The data are stored in paper and digital formats, which are finally saved on the server of the company. In addition, each manual presents the risks and control measures, materials and activities team to perform.

The information is logged continuously, i.e., it cannot be sections without data, except in roofs and floors. For intervals without recovery, therefore, without logging, it assigns "SI" (no information). The information is captured in predesigned mapping (.xls) formats, which are pre-set terminology and codes (dictionary) that are used. Finished logging, this is encoded in log sheets, which are entered into the geological database of Minera Anzá through Microsoft Access (Waymar) and Fusion Datamine (Orosur) software for later to observe the mineralized body behavior therefore optimize the campaign. This information is processed in several geological activities (sections and plants, interpretations or geological modelling)

Geotechnical and Structures: Procedures and Logging

Geotechnical and structures logging is regulated by a procedures protocol established by Minera Anzá. As the logging of drillholes with geological description has a series of edges to complete, establishing parameters and characteristics geotechnical of the drillcore, besides to its general information on a similar template.

QA/QC

QA / QC controls have been used in 2011-2012 and 2017-2018 drillholes campaigns by Waymar and Orosur respectively. In which 76 diamond drillholes were carried out and include standard reference materials, blanks and field duplicates to check QA/QC controls in laboratories. Drilling samples were sent to SGS Colombia SA and ALS Colombia Ltd. In Medellín, Colombia, both facilities are ISO 9001 certified.

ICP analyses for silver, copper, lead and zinc use a digestion of four acids of atomic absorption spectroscopy for values on the limits. 30 grams nominal weight sample and fire assay analysis is used for gold. Standard reference materials have been inserted 1 per each 23 samples, blanks have been inserted 1 per every 26 samples and duplicates are analyzed 1 per every 32 samples. Samples taken in the drilling program more than 10% are part of QA/QC control. Labs also used their own internal QA/QC control as part of its analytical procedures.

Samples Chain of Custody

Samples chain of custody has a methodology established for the activity; this corresponds to sending samples to laboratories assuring the inalterability of these during its transfer.

Data Verification

According to the data presented, QA/QC controls have been used in the respective drilling campaigns of the years 2011-2012 and 2017-2018 by Waymar and Orosur, respectively, during which 76 diamond drill holes were carried out, and the sample stream has included standard reference materials, blanks and field duplicates to verify QA/QC controls in the laboratories. Drill holes samples were sent to SGS Colombia SA and ALS Colombia Ltd. in Medellin, Colombia, with their respective sample chain of custody. Both laboratories are certified by ISO 9001. This information is reliable and validated by quality controls, which have certificates and technical reports, which has Minera Anzá.

Exploration

The Anzá gold project includes currently two small underground gypsum mines which have their environmental and mining permits already granted by the Colombian authorities. This constitutes a strategic element of the project as it gives the possibility to fast-track an extension of those permits for a future gold mining operation. These gypsum mines were operated by a third-party contractor until the first half of 2016, at which point OMI took over operatorship. The Company is currently evaluating the project and focussed on ensuring that access to the mines are safe and putting in place safety procedures in line with the Company's other operations and Colombian regulations.

During the end of FY 2016, the Company commenced density and exploratory metallurgical test work from core samples of historic drilling in order to advance the Anzá project with a limited use of capital. Further, a preliminary geological model was constructed based on the review of the Waymar drilling campaign and the re logging of part of these core drill.

Results from the metallurgical work indicate average gold recoveries from samples tested ranging between 95.9 to 96.1 % utilizing a combination of gravity, concentration flotation and cyanidation processing. These results are in line with the metallurgical recoveries of the more advanced projects and producing mines of the mineralized belt where Anza project sits.

The FY18 drilling campaign was conceived with the specific strategic objectives of review mineralization style and continuity along the Aragón shear zone and at Depth, test the gold values associated to the gypsum mineralization towards the southern part of the APTA project and investigate the spatial coincidence of the geochemical and geophysical anomalies at Charrascalá (Charrascalá presents an equivalent linear coincidence between geophysical anomalies with APTA).

After drilling, it was confirmed that the mineralization is related to a hydrothermal system having strong structural controls (shear zone and breccias). Two possible mineralization events stand out: a possible first event of band and vein mineralization associated with units of lodolites and tuffs. A second possible event superimposed on the previous, associated with hydrothermal events. Areas of silicified breccias with presence of sulfides (Py + Cpy + Shp) in the matrix and fault zones.

Three units were identified as carriers of auriferous mineralization: silicified breccia matrix- supported with presence of Pyrite / sphalerite / chalcopyrite disseminated in the matrix and veins; fault zones with sulfides and laminated lodolite or tuffs with quartz veins with sulphides.

The Gold domains were intercepted at depth in the north sector confirming a regular high-grade structure set with 400m down-dip continuity and open at depth. Further, continuity to the south was confirmed by the presence of high-grade sectors along 2,500m north-south. In the north, the structure dips clearly 50-55° to

the east and current exploration efforts are designed to define whether this is the case with the central and southern part of the APTA deposit. In the event that they have the same dip orientation observed in the north, there holds the potential to significantly increase the size of the mineralized body in these sectors. Exploration drilling at Charrascal in FY18 intersected gold occurrences along an 800m north – south structural corridor. These mineralized intercepts range between 0.90m up to 3.8 m in thickness and are characterized by brittle veinlet zones with high sulphide content, mostly pyrite, with minor pyrrhotite, chalcopyrite and sphalerite. Hydrothermal alteration includes intense silicification and propylitization which tend to reflect the presence of structures that controls mineralization. The host rocks are intermediate to mafic volcanic flows, tuffs and 3 breccias of the Barroso Formation. The Barroso Formation is part of the igneous-sedimentary sequence that hosts many of the important mineral deposits of the Cauca Gold Belt, including the Buritica deposit.

Through its wholly owned Minera Anza SA subsidiary, the Company controls over 10,600 hectares of tenements in Anza, Colombia; through 3 Mine Contracts: (T13635011 FIAM-06, 7248B, and IF5-11361X) exploration stage and includes 112 hectares of gypsum exploitation properties in the form of two underground mines (Pastorera and Aragon). Colombia mining legislation requires all mining exploitation licenses to be supported by an environmental license given by the Government: Resolution HX-1220 of December 20/2002 extended by Resolution 130HX 1301- 6196 of December 15/2013.

5.2.0 San Gregorio Gold Project, Uruguay

The San Gregorio project in Uruguay is not considered a material mining and exploration project for the Company. Operations and exploration in Uruguay have been discontinued and the Company is in the process of implementing the agreement with creditors as explained in section 4.1 of this AIF.

On June 27, 2011, the Corporation filed the technical report titled “*Updated Technical Report on the Arenal Deeps Deposit Minas de Corrales Project, Department of Rivera, Uruguay*” dated May 31, 2011 (the “**Arenal Deeps Technical Report**”) on the System for Electronic Document Analysis and Retrieval at www.sedar.com (“**SEDAR**”).

The following information is derived from, or referenced in, the Arenal Deeps Technical Report which was authored by Steven Ristorcelli of Mine Development Associates, Inc. (“**MDA**”) who is a “qualified person” as that term is defined in NI 43-101, and prepared in accordance with the requirements of NI 43-101.

A complete copy of the Arenal Deeps Technical Report, portions of which are quoted verbatim or paraphrased herein, is available for inspection upon request from the Corporation’s head office, as well as on SEDAR.

During FY 2019, the Company produced 3,029 oz gold from San Gregorio until the mine was put in care and maintenance. The average cash operating cost for that production was US\$1,040/oz of gold.

During FY 2018, the San Gregorio operation produced 27,586 oz gold and 20,255 oz of silver. The average cash operating cost for the year was US\$970/oz of gold.

During FY 2017, the San Gregorio operation produced 35,371 oz gold and 28,343 oz of silver. The average cash operating cost for the year was US\$829/oz of gold.

5.2.1 Project Description and Location

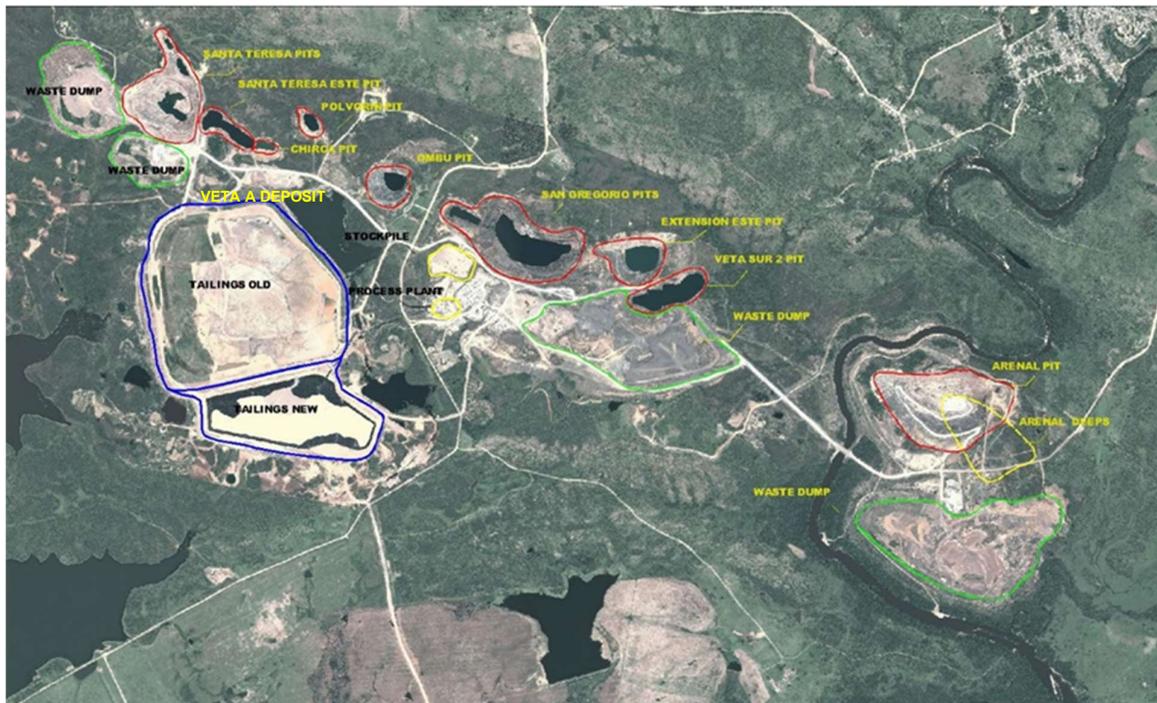
San Gregorio is situated in the Department of Rivera, in north-eastern Uruguay, approximately 450 km north of Uruguay’s capital city, Montevideo, and approximately 70 km south of the international border with Brazil (Figure 5.1). It lays at an approximate latitude and longitude of 31° 35.2’ South, 55° 30.4’ West.

The primary mineralized system at San Gregorio covers a 7 km long shear zone within the Isla Cristalina Belt. In aggregate the San Gregorio system has produced in excess of 1.2 Moz with the main contributors being the Arenal, San Gregorio and Santa Teresa deposits developed, owned and operated by Orosur. Additional resources have also been defined on veins and structures that splay off the main mineralized trend; including Veta A, Veta Sur, Veta Rey and Polvorín, and other satellite deposits including Zapucay/Argentinita, Picaflor, Castrillon, Sobresaliente, Laureles and Vaca Muerta. Further resources, outside the constraints of the Isla Cristalina Belt, have also been identified as potential satellite deposits and include Crucera, Presidente Terra and Mahoma.

5.2.2 Location of Ore Sources and Facilities at the SGGP

The production sources, processing plant, tailings storage facility and waste dumps can be seen in the aerial photograph below.

Figure 5.2.2 - Map of San Gregorio Operations Area



5.2.3 Royalties and Agreements

Effective November 14, 2011, the new legislation passed establishes a royalty of 5% on the sales value of the mineral. This rate is split between the State and the landowner in 3% and 2% respectively.

On December 4, 2015, the President of Uruguay granted Orosur a one-year exemption (covering the period from April 2015 to March 2016) on royalty payments to the Government, equivalent to 3% of sales.

On December 28, 2017, the President of Uruguay granted Orosur an exemption on the royalty payment to the Government (3% of sales). It covered the period from April 2017 to March 2018.

5.2.4 Environmental Liabilities

Uruguay mining legislation requires all mining licenses to be supported by guarantees for any environmental rehabilitation requirements and other damages resulting from exploration or mining activities. These guarantees are required to be posted by qualified financial institutions.

A site-wide decommissioning plan (the "Closure Plan") has been produced and is updated and audited every year. The Closure Plan includes the establishment of all environmental liabilities with the corresponding costs.

Activities included in the Closure Plan are:

- Pit conditioning
- Re-vegetation of waste dumps
- Treatment of effluents containing cyanide
- Sealing of the Tailing Storage Facilities
- Post-closure monitoring

According to the latest update (May 2019), the Closure Plan costs are estimated to be US\$2.9M on an undiscounted basis.

5.2.5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Project Access

SGGP is easily accessed by paved road from Montevideo, about 450 km to the south or by commercial air flights from Montevideo to Tacuarembó, some 79 km from the project. The principal towns in the region are Tacuarembó, Rivera with the small township of Minas de Corrales located 4 km on a well-maintained gravel road from SGGP.

From Montevideo, the project can be reached by travelling 426 km to the north along route 5 (main paved highway) to route 29 (secondary paved route), then turning east on route 29 and travelling 21 km, then turning south on a gravel road and travelling 3.6 km until getting to the process plant; from that point, the Arenal pit can be reached travelling 2.5 km east along an internal road and cross the Corrales River.

Physiography and Climate

The San Gregorio area comprises gently rolling grasslands divided by broad river valleys. The regional elevation varies between 100 to 350m above sea level. The grasslands are extensively farmed, primarily for beef, but also for timber and various cereal crops.

The regional climatic profile is temperate and no pronounced wet-season exists. Average annual rainfall for the period 1931 to 2004 was 1,318 mm. Data from 1996 to 2010 indicate an average annual rainfall of 1,466 mm, a minimum monthly precipitation of 4 mm (July 1997), and a maximum of 614 mm (November 2009). The lowest annual rainfall was 823 mm in 2006, and the highest was 2,553 mm in 2002. The average annual evaporation rate for the period 1931 to 2004 was 1,250 mm and 1,513 mm for the period 1999 to 2010.

The highest average daily maximum temperature is 34°C for the month of January, and the lowest is 18°C for the month of June. The highest average daily minimum temperature on record is 19°C for January, February and March and the lowest is 6°C for June.

The wind direction is predominantly from the east (58% of the time) and from the east-northeast (30% of the time).

Historically, climatic extremes have resulted in moderate flooding which has impacted the immediate areas adjacent to existing waterways. Such flooding has caused temporary closure of low-lying road sections for several days. These conditions pose no significant risk to mining operations.

As part of the diversion of the Arroyo Corrales River, two flood protection dykes were constructed. These dykes have been built to protect the Arenal open pit, and underground operation, against an estimated 1 in 1,000-year flood event.

Exploration and mining can be conducted year-round.

Local Resources and Infrastructure

The project area is not remote or isolated, and local infrastructure is relatively good.

The local road system is very good, with paved roads between regional centres and the township of Minas de Corrales. Power is generated by hydro-electric and fuel oil and the national reticulation system is extensive and is relatively reliable. The SGGP is serviced with a 150-kV high tension power line of the national grid.

Cellular telephone connection is available throughout most of the country, including the Minas de Corrales area. Optic fibre connection is also reticulated to the SGGP.

Minas de Corrales is a small town that provides basic services. More sophisticated services can be obtained at Tacuarembó and at Rivera, approximately 70 km and 110 km respectively from Minas de Corrales. Both of these cities have small airports with paved airstrips.

Process water for the existing operations is sourced from a fresh water dam adjacent to the San Gregorio process plant and from recycled tailings water. During extended periods of low rainfall and high evaporation, sufficient quantities of water are available from inoperative open pits. Currently, the SGGP has water in excess of requirements for the foreseeable future.

5.2.6 History of San Gregorio

The Spanish first mined for gold in the region during the 1770's. The British operated gold mines in the Minas de Corrales area from about 1910 to 1914, utilizing a hydro-electric plant constructed by the French in the 1870's to support gold mining in the region. The French also built a treatment plant at the same site on the Rio Cuñapiru and constructed an aerial tramway to transport ore to the plant. Total production to 1914 is estimated at approximately 90,000 oz of gold.

The San Gregorio deposit was held by American Resource Corporation prior to Rea Gold Inc. ("Rea") acquiring the project. Rea commissioned Minproc to construct the process plant, which was in operation by January 1997, treating ore from the main San Gregorio open pit. Rea experienced operational difficulties at its North American operations and sold the SGGP to Crystallex International Corporation Inc. ("Crystallex") in 1998. Crystallex held the property for five years. They focused their work on the expansion of the San Gregorio and Santa Teresa deposits because they were very limited in their land tenement holdings with OMI holding all the surrounding area. Crystallex partially drilled the mineralization on the San Gregorio eastern extension during their tenure.

OMI has been operating in Uruguay since 1996, and has compiled an extensive country wide database using information from previous explorers. OMI staked approximately 65,000 hectares of exploration ground adjacent to the Crystallex mining operation and along the strike of the Rivera Shear.

In 2003, OMI acquired the mineral assets of Crystallex in Uruguay, including the San Gregorio open pit mines and the ore treatment plant at Minas de Corrales. Since that time, OMI has been undertaking extensive drilling activities and has delineated multiple sources of mill feed from the San Gregorio, Ombú, Zapucay, Arenal, Castrillón, Crucera and Sobresaliente deposits.

During FY16, OMI mined the Laureles, Argenitinita, Veta Rey, Picaflor, Vetás, Zapucay and San Gregorio open pits as well as Arenal Deeps underground. OMI has previously mined ore from the Arenal open pit, the main San Gregorio open pit and extensions of the mineralization along strike to the east and west.

During FY17, the Company mined the Veta Rey, Santa Teresa, Chirca, and San Gregorio open pits as well as Arenal Deeps and SGW UG undergrounds.

During FY18, the Company mined the Veta Rey, Muro, Peru, Santa Teresa Oeste and Sobresaliente south open pits as well as San Gregorio West and Central UG undergrounds. Another strategic source of plant feed was low grade ore from Santa Teresa Stockpiles.

5.2.7 Geological Setting

Regional Geology

The SGGP is located within the Proterozoic greenstone/granite terrain known as the Isla Cristalina. Gold mineralization within the Isla Cristalina is spatially associated with the Rivera Shear, a regional east-west and northwest trending ductile/brittle-ductile shear zone that can be traced for approximately 110 km along strike. Most of the known economic gold mineralization is located in the western portion of this belt. The deposits associated with the SGGP are hosted in low to moderate dipping thrust faults which define the San Gregorio Fault System ("SGFS"). The known deposits occur at distinct flexures and changes of strike along the fault zone from east-west to northwest.

A number of geochemical and geophysical anomalies and exploration targets occur along the strike length of the SGFS. OMI has tenement holdings along the entire strike extent of the Rivera Shear.

The rocks within the Isla Cristalina have been metamorphosed to granulite facies within the basement volcanogenic sequence, while amphibolites facies and greenschist facies affect to basic later intrusions and overlying sediments respectively. The thrust system is characterised by extensive ductile to brittle ductile deformation with well-developed mylonites, with a Brazilian age.

In general, the Rivera Shear forms the contact between predominantly younger granitic terrain to the north and an older sequence of basement granulite and gneissic rocks which are unconformably overlain by a sequence of mafic and felsic volcanic and sedimentary units intruded by later granitic rocks to the south.

Local Geology

The historic mining district of Minas de Corrales forms the western third of the Isla Cristalina granite-greenstone belt and hosts OMI's main operation – the San Gregorio mine complex and gold processing facility. The Minas de Corrales district hosts three significant mining centers – San Gregorio, Zapucay, 29 km to the east of the plant facility and Sobresaliente, 6 km to the north. A number of additional deposits and prospects are currently in the pipeline for mining and continued exploration in this district.

In the deposits of the San Gregorio mine area, in particular Santa Teresa, San Gregorio, and Arenal, gold mineralization is generally related to an east-trending brittle-ductile fault zone – the San Gregorio Fault System (“SGFS”). The SGFS dips to the south at a moderate to steep angle, is upwards of 100m wide, and is typically well constrained by hanging wall and footwall structures. In the case of the Arenal deposit, the hanging wall and footwall structures are mapped as discrete faults locally called H1 and F1, respectively. Within the fault zone, gold mineralization clearly rakes across the structure and plunges to the southeast, while sinthetic (R1) and antithetic (R2) faults display an important role in secondary order mineralization along the SGFS. The rake appears to be controlled by sub-vertical, northwest-oriented fracturing, which commonly displays dextral offset.

Property Geology

At the San Gregorio deposit, gold mineralization was deposited along a moderately to steeply south-dipping, east-striking shear zone hosted in Proterozoic granite, monzonite, and diorite rocks that have been metamorphosed to amphibolite facies. The altered shear zone is up to 100m wide and is generally composed of silica-sericite-carbonate-pyrite alteration and strongly deformed rocks, including abundant breccias in the footwall.

Gold mineralization at Minas de Corrales consists of epigenetic mesothermal style mineralization. In the Main San Gregorio pit, mineralization is associated with shear zone mylonites and occurs within zones of intense silicification, brittle fracture, and quartz veining, generally at the contact between hanging wall felsic and footwall mafic igneous rocks. A relatively high-grade ore shoot has been defined at the base of the main San Gregorio open pit. The shoot plunges to the west-southwest below the current base of the main San Gregorio open pit at its western end, below the San Gregorio West Extension open pit.

The most consistent mineralization at San Gregorio occurs in a roughly tabular zone that, in general, strikes east-west and dips moderately to steeply southward. The zone seems to steepen and narrow with depth. The mineralized zone is commonly bounded by a footwall structure referred to as “F1”; instead of a distinct hanging-wall structure, the upper contact of the San Gregorio mineralized zone is a gradational boundary characterized by an increase in pyrite and quartz ± carbonate veinlets moving into the mineralized zone. The best mineralization is usually marked by several percent of finely crystalline pyrite and multiple generations of cross-cutting quartz ± carbonate veinlets.

5.2.8 Exploration, SGGP Processing plant and laboratory

Exploration by Previous Owners

Regional airborne geophysical surveys were flown over the area by Rea in 1996, resulting in aeromagnetic and radiometric data was acquired by OMI when it purchased the Crystallex subsidiary that operated San Gregorio and performed regional exploration. The surveys were carried out at a line spacing of 200m, and the data are semi-regional in nature.

A number of soil sampling grids have been established at various locations along the SGFS by previous operators.

Crystallex partially drilled the San Gregorio eastern extension mineralization.

Exploration by Current Owners

OMI has undertaken a number of soil sampling programs along the SGFS in an effort to infill and confirm previous soil anomalies and to test other structural and geophysical targets.

The exploration program in the project area was comprised of multi-geoscientific disciplines with focus on quality control and quality assurance to maintain best industry standards.

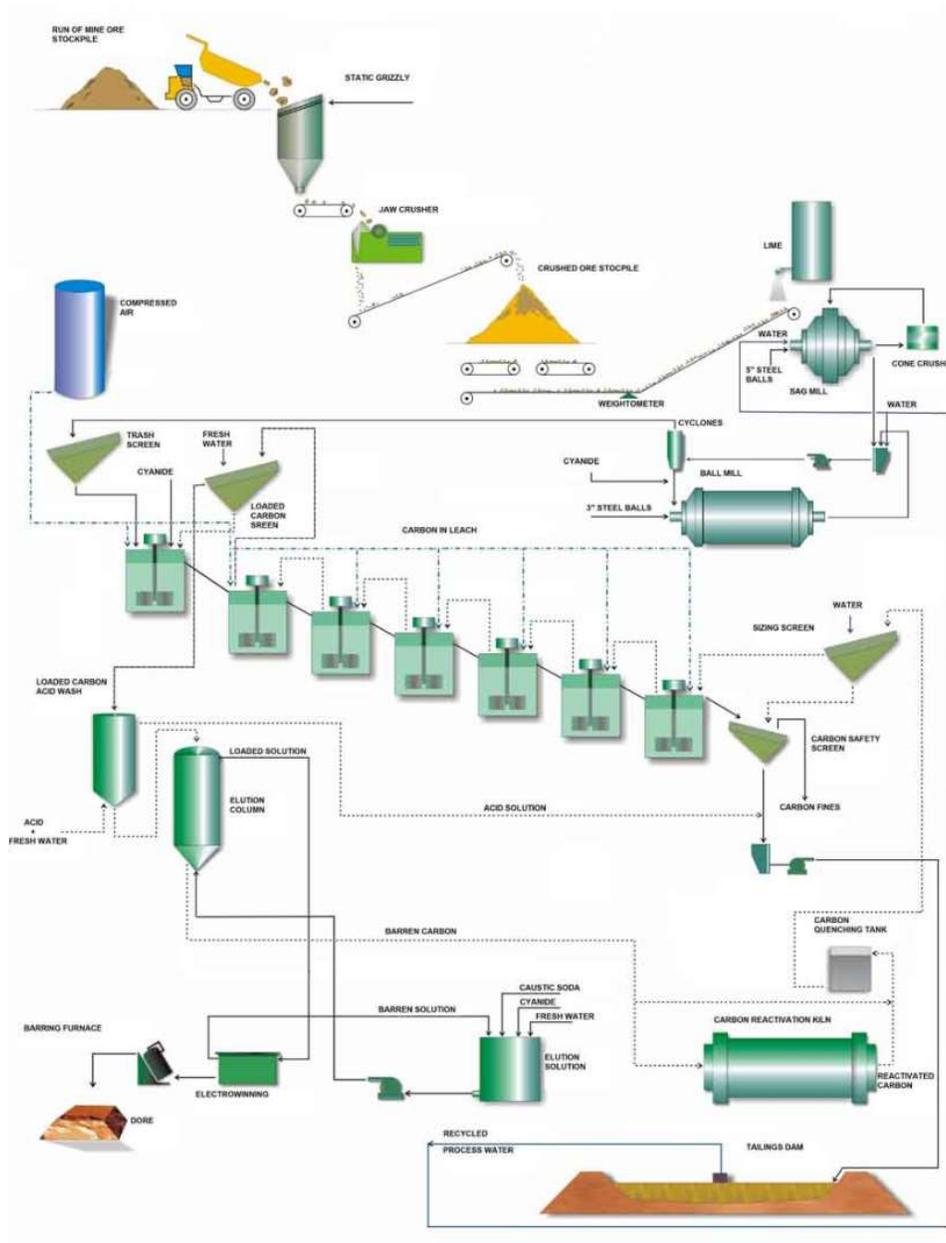
An increase of in-house exploration expertise was complemented with external consulting experts. Geochemical investigation of soils and outcrops, field mapping, structural mapping on regional and local bases, trenching, RC drilling and diamond core (DC) drilling.

OMI personnel conducted all geochemical investigations, geological mapping and trenching. Structural interpretation from aerial photography has been performed by Michael Baker, Geological Consultant, and structural appraisal on the ground has been conducted by Holcombe Coughlin & Associates as well as Telluris Consulting.

Exploration and resource drilling by Orosur consisted of a combination of RC, core drilling ("DDH") and shallow drilling with RAB and/or Pantera Tamrock drills. RC and DDH drilling were also outsourced to a contractor and DDH and Tamrock Pantera drilling were performed with equipment owned by the Corporation (three drilling machines).

San Gregorio Plant and Processing

The SGGP processing plant, which has a nameplate capacity of 1.03 Mtpa, is comprised of a crushing circuit, ball and SAG mill, grinding circuit and precious metal recovery through CIL and electrowinning. The finished product is doré, which is subsequently air freighted to Europe for refining and sold into spot markets. Currently the SGGP processing plant is in care and maintenance.



San Gregorio Laboratory

The Corporation owns and operates its own assay laboratory at the San Gregorio site. Currently the San Gregorio laboratory is in care and maintenance.

The average turnaround time for mine samples was 24 hours and 48 hours for samples derived from exploration projects.

ITEM 6 DIVIDENDS

No dividends have been declared by the Corporation in the past five years or are planned at this point in time.

ITEM 7 DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of common shares of which 150,277,672 were issued and outstanding as at May 31, 2019, and as of the date of this AIF.

Additionally, as of May 31, 2019, there were 8,417,425 stock options outstanding and as of the date of this AIF, there were 8,094,092 stock options outstanding. There were 8,370,251 warrants outstanding as of May 31, 2019 and as of date of this AIF.

Each shareholder is entitled to one vote for each common share held. The rights of the holders of common shares are equal in all respects and include the right to receive the remaining property of the Corporation upon dissolution.

ITEM 8 MARKET FOR SECURITIES

8.1 Trading Price and Volume

The common shares are traded on the Toronto Stock Exchange ("TSX") and on the Alternative Investment Market of the London Stock Exchange under the trading symbol "OMI". The following table sets out the high and low prices and trading volume of the Corporation's common shares as reported by the TSX for the periods indicated.

Period	Highest (CDN\$)	Lowest (CDN\$)	Total volume for the period
May, 2019	0.060	0.045	650,930
April, 2019	0.060	0.050	814,800
March, 2019	0.085	0.055	954,050
February, 2019	0.120	0.080	500,420
January, 2019	0.110	0.085	696,450
December, 2018	0.135	0.085	574,677
November, 2018	0.150	0.090	554,610
October, 2018	0.175	0.095	2,859,870
September, 2018	0.200	0.025	25,329,360
August, 2018	0.060	0.020	4,497,121
July, 2018	0.070	0.045	1,661,280
June, 2018	0.080	0.025	3,016,480

8.2 Prior Sales during FY19

On July 10, 2018, the Corporation agreed to issue 3,603,077 common shares to Newmont for an advance of US\$250,000 in respect of a transaction aimed at to financing the next stages of exploration at the Anzà project in Colombia.

On September 10, 2018, Newmont purchased 29,213,186 common shares at a price of C\$0.091 (GBP 0.054) per share for aggregate proceeds of US\$2.0 million which includes the initial advance of US\$0.25 million previously announced on July 10, 2018.

On October 26, 2018, the Corporation agreed to issue 3,477,581 common shares to Maxit Capital, LP in consideration of transaction fees relating to the transaction with Newmont in Colombia.

Stock options and warrants granted in FY2019			
Date	Number	Strike Price (C\$)	Expiry Date
October 26, 2018	1,845,000*	\$0.11	October 23, 2023

*These represent stock options granted to directors, officers and employees of the Corporation.

ITEM 9 DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holding

In February 2019, Mr. Victor Hugo was appointed Chief Financial Officer of the Corporation.

In March 2019, John Walmsley, Chairman of the Corporation sadly passed away after an illness. Mr. Walmsley joined the Board of Directors as Chairman in 2013 and served in that capacity since that time.

In April, 2019, Robert Schafer was formally appointed Chairman of the Board of Directors.

These tables set out the names and province/state and country of residence of the Corporation's directors and executive officers as at May 31, 2019 and their principal occupations during the last five years.

Directors as of May 31, 2019		
Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
Ignacio Salazar London, UK	Chief Executive Officer (since March 2013) and Director (since August 2008)	Mr. Salazar has been the CEO of Orosur Mining since March 2013. He joined the Corporation in September 2008 as Finance Director. He has more than 25 years of international experience in mining and oil and gas (O&G). Ignacio was President of the Chamber of Mines of Uruguay from 2009 to 2018. Prior to Orosur, he worked in different functions in Finance and New Business Development for the Royal Dutch Shell group living in several countries in Europe and South America. He holds a MSc in Economics and Business Administration and a Master Degree in Law, both from the University of Deusto in Spain.
Robert Schafer Salt Lake City, Utah	Non-Executive Director (since June 2018, Chairman of the Board since April 2019) (Member of Audit and Remuneration Committees)	Mr. Schafer joined the Corporation in June 2018 and has nearly 40 years of experience in the mineral industry, working in the international sector with both major and junior mining companies. He has held executive and senior management positions with Hunter Dickinson Inc., Kinross Gold Corp., and BHP Minerals over the past 20 years. Throughout his career Mr. Schafer has worked internationally, with notable experience in the far east of Russia, Southern Africa, South America and Australia. His work has included the structuring and implementation of successful exploration strategies, project reviews and valuations leading to acquisitions, and the management of local and expatriate exploration teams operating in a wide variety of geologic environments. In addition, he is the Past-President of the PDAC and Past-President of the Canadian Institute of Mining and Metallurgy (CIM) in Canada, and a Past President of the Mining and Metallurgical Society of America and the Geological Society of Nevada in the USA.
Hong Dih Lee Vancouver, Canada	Non-Executive Director (since July 2014) (Chairman of Audit and Remuneration Committees)	Mr. Lee joined the Corporation in July 2014. He was Chief Financial Officer and Corporate Secretary of Eastern Platinum Ltd. from 2007 to 2016. Mr. Lee obtained his Chartered Accountant designation with Deloitte LLP and holds an MBA from the University of British Columbia. He has more than 30 years of experience in finance, accounting, treasury and administration in public mining companies. Prior to Eastern Platinum, he held senior financial positions with TSX listed companies Northern Orion Resources Inc., Ivanhoe Mines Ltd. and Diamond Fields Resources Inc.

Directors and Officers Holding Information (as of the date of this AIF)				
Directors	Shares	% Holding	Stock Options	Strike Price (CND)
Ignacio Salazar (Chief Executive Officer)	723,000	0.48%		
			700,000	\$ 0.185
			200,000	\$ 0.105
			135,580	\$ 0.130
			89,985	\$ 0.180
			58,517	\$ 0.280
			190,462	\$ 0.235
			150,000	\$ 0.235
			175,000	\$ 0.240
200,000	\$ 0.110			
H.D. Lee (Non-Executive Director)	64,386	0.04%	300,000	\$ 0.185
			125,000	\$ 0.105
			75,000	\$ 0.235
			75,000	\$ 0.240
			100,000	\$ 0.110
Robert Schafer (Non-Executive Director) ⁽¹⁾	-	0.00%	200,000	\$ 0.110
Ryan Cohen (VP Corporate Development and Corporate Secretary)	231,452	0.15%	200,000	\$ 0.185
			150,000	\$ 0.105
			75,000	\$ 0.235
			75,000	\$ 0.240
			110,000	\$ 0.110
Total	1,018,838	0.68%	4,296,980	

Senior Executives as of May 31, 2019

Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
Ignacio Salazar London, UK	Chief Executive Officer	Mr. Salazar is the CEO of Orosur Mining since March 2013. He joined the Company in September 2008 as Finance Director. He has more than 25 years of international experience in mining and oil and gas (O&G). Ignacio was President of the Chamber of Mines of Uruguay from 2009 to 2018. Prior to Orosur, he worked in different functions in Finance and New Business Development for the Royal Dutch Shell group living in several countries in Europe and South America. He holds a MSc in Economics and Business Administration and a Master Degree in Law, both from the University of Deusto in Spain.
Victor Hugo Toronto, Canada	Chief Financial Officer	Mr. Hugo currently works with Marrelli Support Services which provides CFO, accounting, regulatory, compliance and management advisory services to numerous issuers on the TSX, TSX Venture Exchange and other Canadian and U.S. exchanges. Mr. Hugo is a CPA, CMA and holds a Bachelors of Commerce with Honours specializing in accounting and cost and management accounting from Potchefstroom University in South Africa. Victor has served as CFO for several TSX Venture Exchange companies. He has over 20 years' experience in the mining and manufacturing sectors, with responsibility for accounting, budgeting and financial reporting
Ryan Cohen Vancouver, Canada	Vice President, Corporate Development and Corporate Secretary	Mr. Cohen has worked in the mining sector for over 12 years across a broad range of roles including investment banking, investor relations, corporate advisory, corporate development and operations. He has previously held management roles with other companies in the natural resource sector. Prior to that, he was a Director, Equity & Debt Capital Markets at Canaccord

Senior Executives as of May 31, 2019		
Name and province or state and country of Residence	Position in the Corporation	Principal Occupation for the Last Five Years
		Genuity. During his time with Canaccord, he advised on approximately US\$7.5 billion worth of transactions, including financings, M&A, corporate advisory and debt & commodity related finance.
Jerónimo Jáñez Minas Corrales, Uruguay	Exploration Manager	Jerónimo is a geologist with 10 years of experience, predominantly as a mine geologist. He has led gold and base metal production projects, both open pit and underground, in Argentina and Uruguay. Jerónimo's team in Uruguay are responsible for both operational and exploration activities, including ore control, brownfield and greenfield exploration activities. Jerónimo has experience in mineral exploration, resource modeling and production of numerous deposits and mines. Jerónimo holds a degree in Geology from La Plata National University.
Joaquín L. Sarroca Montevideo, Uruguay	Legal Counsel	Joaquín commenced working for Orosur in May 2014. Joaquín earned his Master of Laws in International Business Law (LLM), from Queen Mary University of London and is also a Uruguayan-qualified lawyer (Universidad de la República). He has over 12 years of legal experience at recognized law firms in both Uruguay and London where he advised on commercial litigation, corporate governance, business law and contracts to international and local corporations from different industries, including energy and mining.
Héctor M. López Minas Corrales, Uruguay	Administration and Budget Manager	Héctor has worked in the mining sector for over 12 years across a broad range of roles including, finance, accounting, treasury, budgeting and new business development. Héctor is from Minas de Corrales, the closest town to the Company's San Gregorio mine and joined Orosur in 2004. Prior to that, Hector worked for Rea Gold, the Company which first developed the San Gregorio mine. Hector possesses a deep knowledge and understanding of the mine and local area.

Each director is elected to hold office until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed.

The Committees of the Corporation's board of directors consist of the Audit Committee and the Remuneration Committee. Additional information with respect to such committees is contained in the management information circular and Annual Report of the Corporation.

As of the date of this AIF, the number and percentage of common shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, by all directors and executive officers of the Corporation as a group was 1,018,838 or 0.68% of the total issued and outstanding shares of the Corporation.

9.2 Cease Trade Order, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation is as of the date hereof, or has been, in the last ten years, a director or chief executive officer or chief financial officer of an issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no director or executive officer of the Corporation and no shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company including the Corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under the

legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or such shareholder.

To the knowledge of the Corporation, no director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, (a) has been subject to any penalties or sanctions imposed by a court relating to securities or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

9.3 Conflicts of Interest

To the knowledge of the Corporation, no director or officer of the Corporation or of any subsidiary of the Corporation has an existing or potential material conflict of interest with the Corporation or any of its subsidiaries.

Loryser SA, the Uruguayan subsidiary, started a reorganisation process in June 2018. As a consequence, the directors and officers of Loryser SA have to manage this subsidiary in the interest of the creditors and in combination with the intervenor appointed by the reorganisation judge. They are directors and officers as well of Orosur and its other subsidiaries. While the majority of the interests of Loryser SA are aligned with the interests of Orosur and its other subsidiaries, there might be circumstances, namely in relation to intercompany services, fees, obligations and liabilities where a conflict of interest may arise.

ITEM 10 LEGAL PROCEEDINGS

10.1 Legal Proceedings

The Corporation may be involved in legal proceedings from time to time, arising in the ordinary course of its business.

Following the relinquishment by Fortune Valley Resources Chile S.A. ("FVRC") of the Pantanillo project, Anglo American sought the payment of minimum royalties totaling US\$3 million and requested arbitration in September, 2017. Arbitration proceedings were conducted in Santiago, Chile. On March 28, 2019, the Arbitral Tribunal rendered its decision, ruling that FVRC is required to pay Anglo approximately US\$1.6 million plus interests at Chile's current interest rate calculated from December 2015 until its effective payment. The Tribunal's decision is exclusively against FVRC. Orosur was not named in the decision from the Tribunal nor was Orosur a party to the relevant agreements.

The legal proceedings related to the reorganisation process in Uruguay are described in section 4.1 of this AIF.

10.2 Regulatory Actions

The Corporation has not been subject to any penalties or sanctions imposed by any court relating to securities legislation or by a securities regulatory authority during FY 2019 and up to the date hereof.

The Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority in FY 2019 and up to the date hereof.

ITEM 11 INTEREST OF MANAGEMENT AND OTHER IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, of any director, executive officer, any shareholder who beneficially owns, or controls or directs, directly or indirectly more than 10% of the issued and outstanding common shares of OMI or any known associate or affiliates of such persons in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

ITEM 12 TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada with offices at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, Canada, is the transfer agent and registrar for OMI's common shares.

ITEM 13 MATERIAL CONTRACTS

Below is a list of material contracts entered into by the Corporation, including certain contracts entered into in the ordinary course of business, within the last financial year or before the last financial year but which remain in effect:

a) In September 10, 2018, the Corporation completed a non-brokered private placement of US\$2,000,000 with Newmont Mining Corporation and an exploration agreement with venture option with Newmont Colombia S.A.S., a wholly-owned subsidiary of Newmont for the Anzá exploration property as described in section 4.1 of this AIF.

b) In December, 2018, the Corporation's wholly-owned Uruguayan subsidiary, Loryser S.A. ("Loryser"), reached a payment plan agreement with creditors in Uruguay as explained in section 4.1 of this AIF.

ITEM 14 INTEREST OF EXPERTS

14.1 Name of Experts

Unless stated for each specific section, this AIF has also been updated by the Corporation to the date by Miguel Fuentealba, a consultant of Orosur and "qualified person" under NI 43-101.

14.2 Interest of Experts

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, are the independent auditors of the Corporation (in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario) for financial statements for the year ended May 31, 2019 which are incorporated into and form an integral part of this AIF.

Mr. Miguel Fuentealba acts as QP for this AIF. Mr. Flores acted as the QP in the Anzá technical report in January 2019. Neither of them holds any common shares of the Corporation, directly or indirectly, or through stock options.

None of the other experts named in the foregoing section, or any designated professionals (as defined in Form 51-102F2) of MDA or AMEC, received any securities of the Corporation at the time that the respective report was prepared, or will receive any securities of the Corporation or are expected to be elected, appointed or employed as directors, officers or employees of the Company or any of its affiliates.

ITEM 15 INFORMATION CONCERNING THE CORPORATION'S AUDIT COMMITTEE AND EXTERNAL AUDITOR

The Corporation's Audit Committee has various responsibilities as set forth in Multilateral Instrument 52-110 made under securities legislation, among such responsibilities being a requirement that the Audit Committee establish a written charter that sets out its mandate and responsibilities.

15.1 The Audit Committee Charter

The text of the Corporation's Audit Committee Charter (the "Charter") is set out in Annexure 1 to this AIF.

15.2 Composition of the Audit Committee

The following are the current members of the Committee:

Robert Schafer	Independent ⁽¹⁾	Financially literate
Hong Dih Lee	Independent ⁽¹⁾	Financially literate

⁽¹⁾As defined by National Instrument 52-110 (NI 52-110).

Reliance of Certain Exemptions

A vacancy on the Audit Committee was created upon the death of John Walmsley. The Company has relied upon the exemption in section 3.5 of NI 52-110 which is provided for a period ending on the later of the next annual meeting of shareholders and the date that is six months from the day the vacancy was created.

15.3 Relevant Education and Experience

For information on the education and experience of the members of the Audit Committee, please refer to details under the heading “Directors and Officers” referred to herein.

15.4 Pre-Approval Policies and Procedures

All services to be performed by the Corporation’s independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors’ independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimis non-audit services allowed by applicable law or regulation.

15.5 External Auditor Service Fees

Fiscal Year End	Audit Fees (\$)	Audit Related Fees ⁽¹⁾ (\$)	Tax Fees ⁽²⁾ (\$)	All Other Fees ⁽³⁾ (\$)
2019	101,000	-	-	-
2018	165,562	-	6,450	-
2017	164,165	11,097	4,042	30,654

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

ITEM 16 ADDITIONAL INFORMATION

Additional information on the Corporation can be found on SEDAR at www.sedar.com.

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of OMI’s securities and options to purchase securities, where applicable, will be contained in OMI’s Management Information Circular to be prepared for the Annual General Meeting of the shareholders of OMI. Additional financial information is provided in OMI’s audited financial statements and management discussion and analysis for the year ended May 31, 2019.

ANNEXURE 1 – AUDIT COMMITTEE CHARTER

Composition

1. The Committee will be comprised of no less than three directors of the Corporation, all of whom must be independent. Unless waived, 24-hour notice must be given. Quorum of meetings shall be a majority of members. Meetings may be by telephone or in person.
2. The length of term to be served by directors on the Committee will be determined by the Board of Directors of the Corporation (the “Board”), giving consideration to the benefits of periodic rotation of committee membership.
3. One of the members will be appointed Chairman of the Committee by the Board.
4. A secretary to the Committee will be appointed by the Chairman of the Committee. The Secretary of the Committee may or may not be a member of the Committee.
5. With the approval of the Board, the Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities.

Responsibilities

The responsibilities which the Committee is required to satisfy itself of, on behalf of the Board, are to:

1. recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditor.
2. oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between the management and external auditor regarding financial reporting;
3. pre-approve all non-audit services to be provided to the Corporation or to its subsidiaries by the Corporation’s external auditor;
4. ensure that the Corporation’s annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;
5. ensure that the information contained in the following financial publications is not significantly incomplete, misleading or erroneous:
 - (i) Management Discussion and Analysis (“MD&A”)
 - (ii) Annual Information Form (“AIF”)
 - (iii) Quarterly Financial Information
 - (iv) Prospectuses
6. review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
7. ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the public disclosure referred to in subsection (e), and must periodically assess the adequacy of those procedures.
8. ensure that there are established procedures for:

9. the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (i) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (ii) review and approves the Corporation's policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
10. ensure that the Corporation has implemented appropriate systems of internal control over financial reporting, and appropriate systems of internal control to ensure compliance with legal, regulatory and ethical requirements; and

Meetings

1. The Committee will meet at least four times per year. The meetings will be scheduled to permit timely review of the interim and annual financial statements and for meetings with the external auditors, prior to a submission of observation and recommendations to the Board. Additional meetings may be held as deemed necessary by the Chairman of the Committee or as requested by any member or the external auditors.

Reporting

1. The minutes of all meetings of the Committee, signed by the Chairman of the Committee and the Secretary to the Committee, are to be provided to the Board. Oral reports on recent matters not yet minuted are to be provided to the Board by the Chairman of the Committee.
2. Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary to the Committee.