

# Orea JV Wins Lawsuit Against French Government on its 5 Million Oz\* Montagne d'Or Gold Deposit



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**Orea Mining Corp. →**

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VANCOUVER, BC, July 22, 2021 /CNW/ - **Orea Mining Corp. ("Orea")** (TSX: OREA) (OTCQX: OREAF) (FRA: 3CG) is very pleased to announce that the Administrative Court of Appeal of Bordeaux has rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020, which ordered the renewal of the Montagne d'Or gold project mining concessions, owned 44.99% by Orea and 55.01% by operator Nord Gold plc (the "**JV**") (see news releases dated December 31, 2020 and February 11, 2021).

In its ruling, the Court of Appeal concluded that the arguments put forth by the French Government were without merit and that the JV submitted complete applications and met all requirements for the renewal of the mining concessions. This ruling provides strong arguments in support of the additional court claim by the JV made on June 25<sup>th</sup> for the French Government to pay 10,000 Euro a day in penalties, for every day that the mining concessions are not renewed.

**Rock Lefrançois, President and CEO of Orea, commented** *"Two courts have now agreed with us that we have the right to the renewal of the mining concessions to our world-class gold deposit. We've prepared all applications for mine construction and mining permits, including comprehensive environmental studies, and are set to file as soon as the Supreme Court puts an end to these delays. Fortunately, Orea is fully carried until all permits are received and is not required to fund the legal costs."*

The Government has two months to file one final appeal to the Supreme Court (*Conseil d'Etat*). An appeal, if filed, would, in principle, have no suspensive effect; the Supreme Court would not reconsider the facts and would limit its review to interpretation of relevant law.

**\*About Montagne d'Or**

Montagne d'Or is a permitting-stage open pit gold deposit that hosts Measured Mineral Resources of 10.3 Mt at 1.804 g/t (600,000 oz), Indicated Mineral Resources of 74.8 Mt at 1.350 g/t (3.25 Moz) and additional Inferred Mineral Resources of 20.2 Mt at 1.48 g/t gold (960,000 oz), prepared in accordance with the requirements of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The Mineral Resources are confined within a pit shell defined by a gold price of US\$1,300/oz and a cut-off grade of 0.4 grams per tonne gold. Mineral Reserves have also been defined with Proven Mineral Reserves of 8.25 Mt at 1.99 g/t (530,000 oz) and Probable Mineral Reserves of 45.87 Mt at 1.50 g/t (2.2 Moz). The Proven and Probable Mineral Reserves were estimated using a gold price of US\$1,200 per ounce at varied cut-off grades from 0.552 to 0.665 grams per tonne gold, dependent on lithological rock types, economics and estimated metallurgical recovery. Montagne d'Or ore can be readily processed to recover the contained gold and silver values using unit operations considered standard to the industry. It is a large and unique Paleoproterozoic gold-rich volcanogenic sulfide deposit, presently drill-defined over a strike extent of 2,300 meters and to a vertical depth of 200 to 250 meters.

Montagne d'Or is located in northwestern French Guiana, 180 kilometers west of the capital Cayenne and is accessed by 125 kilometers of laterite road from the commune of Saint-Laurent du Maroni, the second largest city in French Guiana. Nord Gold first earned a 50.01% interest in the project in September 2017 by spending US\$30 million and completing a Bankable Feasibility Study ("**BFS**"). Nordgold then acquired an additional 5% interest pursuant to a share purchase agreement.

The 2017 BFS contemplates an open pit operation over a 12-year mine life. Highlights of the BFS at a gold price of US\$1,250 per ounce are as follows:

- After-tax Net Present Value (NPV) at a 5% discount rate: US\$370 million
- After-tax Internal Rate of Return (IRR): 18.7%
- After-tax payback period: 4.1 years
- Average annual gold production for years 1 to 10: 237,000 ounces
- Average gold grade for years 1 to 10: 1.73 grams per tonne gold
- All-In Sustaining Cost (AISC) for years 1 to 10: US\$749 per ounce of gold
- Initial capital expenditures (after surplus tax credit): US\$361 million

The BFS economic model gold price sensitivity shows that the after-tax project NPV at a 5% discount rate changes approximately US\$1.24 million for every US\$1 change in gold price. At a gold price of US\$1,500 per ounce, the NPV and IRR increase respectively to US\$681 million and 26.7%.

#### Upside Potential of Montagne d'Or

There are several opportunities to increase the current Mineral Reserves and mine life within the designed resource pit. Approximately 2 million ounces of Mineral Resources are not converted to Mineral Reserves, which include Inferred Mineral Resources of 960,000 ounces of gold at average grade of 1.48 grams per tonne gold. Infill drilling has the potential to convert some of these Inferred Mineral Resources to higher resource classification categories.

There is also the potential to lower the cut-off grade used for the Mineral Reserve estimates, in consideration of the current higher gold price, which could convert some additional Indicated Mineral Resources into Mineral Reserves.

Limited drilling has been carried-out outside the resource pit. The 2017 drilling program was successful in confirming gold mineralization up to 400 meters on strike to the west (0.56 g/t gold over 58.1 meters, including 2.32 g/t gold over 9.0 meters) and at depth, 100 meters below the resource pit (0.92 g/t Au over 41.2 meters, including 1.92 g/t Au over 17.7 meters) (see Orea's news release dated August 15, 2017).

*For more information, see Orea's news release titled "Columbus Gold Announces Positive Bankable Feasibility Study for Montagne d'Or Gold Project, French Guiana" dated March 20, 2017 and filed on SEDAR and the technical report prepared in accordance with the requirements of NI 43-101 titled "NI 43-101 Technical Report, Bankable Feasibility Study – Montagne d'Or Project, French Guiana" by SRK Consulting for Columbus Gold (now Orea Mining) and Nordgold with an Effective Date of March 6, 2017, and a report date of April 28, 2017, which was filed on SEDAR on April 28, 2017.*

## **Qualified Person**

Rock Lefrançois, President & Chief Executive Officer of Orea and Qualified Person under National Instrument 43-101, has reviewed this news release and is responsible for the technical information reported herein, including verification of the data disclosed.

## **About Orea Mining**

Orea Mining is a leading gold exploration and development company operating in a prospective and underexplored segment of the Guiana Shield, South America. Its mission is to develop gold deposits with a reduced environmental footprint using innovative technologies, and upholding the highest international standards for responsible mining. In French Guiana, Orea holds a major interest in the world-class Montagne d'Or mine development project, and is also advancing the Maripa gold exploration project.