

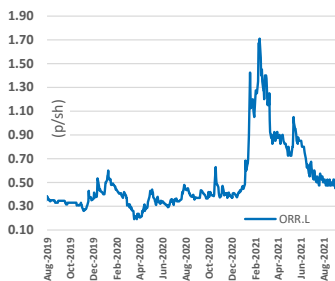
8th September 2021

Sector: Mining

Gold exploration in Cameroon and Senegal

Market data

Ticker	ORR.L
Price (p/sh)	0.485
12m High (p/sh)	1.94
12m Low (p/sh)	0.32
Shares (m)	1577.6
Mkt Cap (£m)	7.7
Market	AIM



Source: IRESS

Description

Oriole Resources PLC is an AIM-quoted exploration company focused on early-stage gold exploration in Cameroon. The company also has a JV in Senegal with mid-tier gold producer IAMGOLD.

www.orioleresources.com

Board & key management

Independent Non-Exec- Chairman	John McGloin
CEO	Tim Livesey
Executive Director & VP Exploration/Bus Dev	Claire Bay
CFO	Bob Smeeton
Independent NED	David Pelham

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Oriole Resources PLC

Encouraging progress in Cameroon and Senegal

Oriole has a lot going on. The results from first-pass stream sediment sampling at the district-scale licence package in Cameroon indicate multiple occurrences of gold in drainage, many of which coincide with major structures and previously defined remote sensing targets. Elsewhere in Cameroon, Oriole is preparing to kick off Phase 2 drilling at Bibemi following up on mineralisation identified in Phase 1. Results have been flowing in from Senala in Senegal where Oriole has a JV with IAMGOLD, in addition to a maiden resource estimate at the Faré South prospect.

- ▶ **Central Cameroon - first results back.** Assay results received from stream sediment sampling over 2 of the company's 8 Central Cameroon licences returned encouraging results. Anomalous results from 2 of the easternmost licences include 87 samples with gold values \geq 2ppb Au, 51 samples \geq 5ppb Au with the highest-grade sample returning 95ppb Au. Assay results from the remaining 3 easternmost licences are due in Q3 whilst sampling of the 3 western licences will resume in Q4 after the rainy season. Importantly, either sampling is yet to be carried out, or results are yet to be received proximal to approximately 7 of the 12 previously defined high-priority targets identified along structures via remote sensing.
- ▶ **Compelling district potential.** We view these results as highly encouraging given the early-stage of exploration and the huge size of the 3,592km² district scale land package in Central Cameroon. The results indicate elevated gold in multiple drainage basins and many of these anomalous gold values coincide with significant structure lineaments. Two of the best results in the 51-100ppb range were located almost 20km apart. Compellingly, Oriole believes that the results are associated with the northeast-trending Tcholliré- Banyo shear zone corridor and interpreted north-northwest trending cross-cutting structures. Clearly this is an enormous area and to have honed in on anomalous gold already is solid validation of the package's potential, an area where Oriole has the first mover advantage.
- ▶ **At Bibemi,** preparatory work is underway for the Phase 2 drill programme due to kick off in September following completion of the maiden 29-hole (3,118m) diamond drill programme in Q2. This programme returned multiple mineralised intersections including the widest zones of mineralisation to date from the southern end of the Bakassi Zone 1 prospect including 12.4m at 0.71 g/t Au, 2.45m at 2.96 g/t Au and 3.6m at 1.75 g/t Au.
- ▶ **Senala success.** Recent drilling by Oriole's JV partner IAMGOLD at the Senala licence in Senegal as part of the Year 4 programme continues to support the development and commercial potential of the licence. Encouraging drill results have been received from both the Faré prospects in the northern portion of the licence and Madina Bafé in the south. Long intervals with high gold grades, typically from shallow depths have been returned. E.g. RC drilling at Faré Far South: 35m at 3.61g/t Au from 59m including an interval of 18m at 6.46g/t Au, diamond drilling at Faré: 70m at 1.46g/t Au from 1m and diamond drilling at Madina Bafé: 10m at 1.69g/t Au. The results provide further confirmation that Faré has the potential to become a standalone operation, whilst Madina Bafé could become an important satellite deposit to IAMGOLD's nearby Boto development project. Further results from the Year 4 programme are expected in Q3.
- ▶ **Maiden resource at Faré South.** Oriole has reported a maiden JORC-compliant Inferred Mineral Resource Estimate (MRE) for Faré South, one of three targets at the Faré prospect, part of the Senala licence. The MRE was completed independently of IAMGOLD but undertaken by Independent consultants. The MRE is 155,000oz of gold at 1.26g/t Au, all within the Inferred category. The MRE sits within a larger JORC-compliant Exploration Target for Faré South of up to 280,000oz grading 1.1g/t Au. Given that mineralisation within the MRE is shallow and predominantly within oxides, we see good potential for simple, low-cost open pit mining and low cost / high-recovery processing techniques. The MRE excludes data from recent drilling which may provide further resource upside. *Further details in the note....*

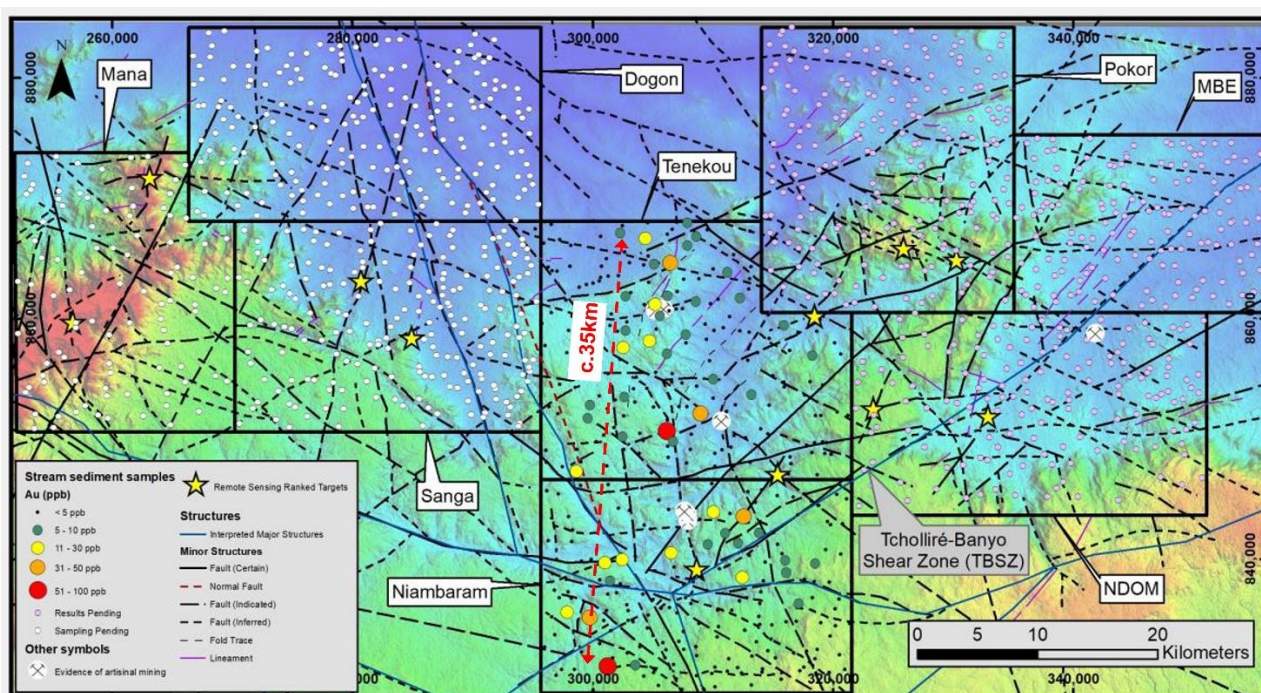
There are exciting times ahead for Oriole with the scale and prospectivity of the district play in Central Cameroon starting to become clear. At the Senala JV, the maiden MRE is a major milestone for Oriole and exploration continues to deliver highly encouraging results. We view ORR's current market cap of £7.7m as extremely unchallenging given how the true potential in both Cameroon and Senegal is starting to emerge at a rate of knots.

First results from Central Cameroon

Results have been received from first pass exploration at Oriole's district-scale 3,592km² land package in Central Cameroon. The Licences were applied for in 2019, following an in-house, country-wide prospectivity analysis that deemed the district as having significant potential to host orogenic-type gold mineralisation. The package is split into 8 separate licences:

- ▶ **Eastern licences.** 5 licences (Tenekou, Pokor, Mbe, Niambaram and Ndom) are held through Oriole's 90%-owned subsidiary Oriole Cameroon SARL and referred to as the "easternmost" or "eastern" licences withing the package.
- ▶ **Western licences.** The remaining three licences (Mana, Dogon, Sanga) were granted to Oriole's partner Reservoir Minerals Cameroon Sarl, a subsidiary of Bureau d'Etudes et d'Investigations Géologico-minières, Géotechniques et Géophysiques SARL ('BEIG3'). Oriole has a 90% beneficial interest.
- ▶ **Progress.** Oriole's first pass stream sediment sampling programme has now been completed over the 5 easternmost licences, with assay results received for samples taken on two licences so far; Niambaram and Tenekou. Multi-element sample results from the remaining 3 eastern licences are due in Q3 2021 and mapping and sampling over the remaining three licences in the west of the package will resume in Q4 2021 after the seasonal rains.
- ▶ **Results highlights:** Results from 376 stream sediment samples from the Niambaram and Tenekou licences have been returned (see map below) which include 87 samples with gold values ≥ 2 ppb Au, 51 samples ≥ 5 ppb Au with the highest-grade sample returning 95ppb Au. The results indicate elevated gold in multiple drainage basins and many of these anomalous gold values coincide with significant structure lineaments. Two of the best results in the 51-100ppb range were located almost 20km apart and looking at results from both licences statistically significant gold results were returned over a widespread area, a distance of c.35km between the northern most and southern most samples.

Figure 1 - Map showing sampling results (with elevated gold) from Central Cameroon licence package



Source: Oriole Resources PLC, adapted by Shard Capital

▶ **Compelling potential at an early stage.** We view the initial results as highly encouraging in the context of a greenfield exploration play. Oriole selected the licences in 2019 on the back of a country-wide prospectivity analysis which highlighted the potential for orogenic gold. In addition to the geology and host rocks, the licences were selected to target the Tcholliré-Banyo shear zone corridor (TBSZ) which is a major splay off the larger scale Central African Shear Zone and postulated to be a major structural control on the location of gold mineralisation. Oriole believes that the results received so far are associated with the northeast-trending TBSZ corridor and interpreted north-northwest trending cross-cutting structures. Prior remote sensing work indicates that the TBSZ passes through at least 6 of Oriole's licences within the wider district package.

▶ **Only scratching the surface.** An independent remote sensing desk-based study commissioned by Oriole had previously identified 12 high-priority targets based on geology, alteration and structure in combination with historically recorded gold occurrences including data collected by the French Geological Survey. Results are still pending, or samples yet to be taken around most of these high-priority targets. We stress that this is first pass exploration with the aim of defining areas of interest for further mapping, sampling and ultimately drilling. Nevertheless, the elevated levels of gold identified in the drainage systems is highly encouraging and a further 498 samples are awaiting assay. Oriole is dealing with an enormous area (3,592km²) and the initial sampling density for the stream sediment samples averages only 0.4 samples per Km². As such we believe the programme has the potential to generate numerous targets for follow-up work.

▶ **Dominant position.** As we have previously written, Oriole retains the first-mover advantage in Cameroon, with the drill-stage Bibemi project, earlier stage Wapouzé project and the Central Licence Package. It's rare for a company to be able to consolidate such a comprehensive land position in a new frontier and we continue to see potential for Central Licence Package to emerge as one of the next exciting gold plays globally.

Phase 2 drilling to commence at Bibemi

▶ **Drilling to commence shortly.** Over at Oriole's 90%-owned Bibemi project in the north of Cameroon, preparatory work is underway prior to commencing a Phase 2 drill programme. This second programme is due to kick off in September and will follow-up on the maiden 29-hole (3,118m) diamond drill programme completed in Q2. The maiden programme returned multiple mineralised intersections including the widest zones of mineralisation to date that have been returned from the southern end of the Bakassi Zone 1 prospect including 12.4m at 0.71 g/t Au, 2.45m at 2.96 g/t Au and 3.6m at 1.75 g/t Au. See our note from 29th June "*Gold confirmed at all four Bibemi prospects*" for further details.

▶ **Analogues in a new frontier.** Oriole believes that the significant scale of Bibemi's north-east trending shear-related system, and its potential to host multiple mineralised zones over a multi-kilometre strike length, is broadly analogous to a number of Pan African to Birimian-aged deposits world-wide, including the 3.14Moz Valentine Lake project in Newfoundland and the Chirano gold deposit in Ghana which had a total resource of 4.64Moz in 2010 at the time of the Kinross acquisition of Redback Mining.

Senala IAMGOLD JV update

Latest drill results from Senala demonstrate potential

Oriole provided several updates recently on drilling at its Senala gold project in Senegal. Senala is part of a JV with IAMGOLD Corporation where partner IAMGOLD has the option to spend up to US\$8m to earn a 70% interest in the project. IAMGOLD is currently in Year 4 of the earn-in. Subject to completion of the Year 4 expenditure plan, IAMGOLD will have the right to acquire a 51% interest in the project.

Year 4 exploration recap. IAMGOLD's year 4 programme was split into two phases:

- ▶ **Phase 1** - focussed on the northernmost Faré prospect which Oriole believes has the potential to become a standalone deposit. The programme comprised 689.5m diamond drilling and 4,854 m reverse circulation ('RC') drilling. The programme has now been paused for the rainy season and will resume in October 2021.
- ▶ **Phase 2** – focussed on the Madina Bafé prospect which is located in the southern portion of the Senala licence area and situated c.10km from IAMGOLD's 2.5Moz Boto development project. The programme comprised 493m diamond drilling (completed) and a 5,000m RC programme of which 3,111m has been completed. The remainder of the Phase 2 programme will be completed after the seasonal rains.

Results:

- ▶ **Partial results from Phase 1 RC at Faré.** Oriole reported (RNS 18-8-2021) results from 38 out of 42 RC holes drilled to test near-surface gold mineralisation at the Faré North and Faré Far South anomalies. According to Oriole, the results continue to support the potential for the definition of open-pittable resources at Faré with "results indicative of the typical grades considered mineable in West African orogenic gold systems but the intersection of significant mineralised widths, often close to surface, points to the huge untapped potential at Faré". The results included multiple wide zones of near-surface mineralisation including best intersections of:

Faré North:

- 11m at 1.22g/t Au from 5m
- 2m at 11.74 g/t Au from 84m, inc 1m at 22.67 g/t Au

Faré Far South.

- 35m at 3.61g/t Au from 59m inc 18m at 6.46g/t Au from 69m
- 14m at 2.09 g/t Au from 4m inc 7m at 3.58 g/t Au from 9m

- ▶ **Diamond drilling results continue to support standalone potential at Faré and satellite deposit potential (for Boto) at Madina Bafé.** Oriole reported (RNS 16-8-2021) full diamond drilling results for Faré and Madina Bafé. Best results from included:

- **Faré:** 70m at 1.46g/t Au from 1m inc 31m at 2.72g/t Au from 17m.
- **Madina Bafé:** 10m at 1.69g/t Au from 21m.

The results confirm that **the orogenic gold system at Faré continues to at least 350m below surface and remains open at depth.** This continues to support Oriole's belief that Faré has the opportunity to host a stand-alone resource and ultimately the potential to host a mine development. At Madina Bafé, the results provide encouragement for the prospect to host a satellite deposit for IAMGOLD's nearby Boto mine development project. We believe Madina Bafé will increasingly come into focus as potential for truckable ore feed once IAMGOLD approves the Boto development which is highly likely in our view. Having an operating mill nearby also changes the required hurdle rates for nearby deposits given the infrastructure and processing synergies.

Open-pittable widths and grades continue to be defined.

Faré Far South anomaly: located c.1 km to the southwest of Faré South, where the system has been drill-tested at depth for the first time.

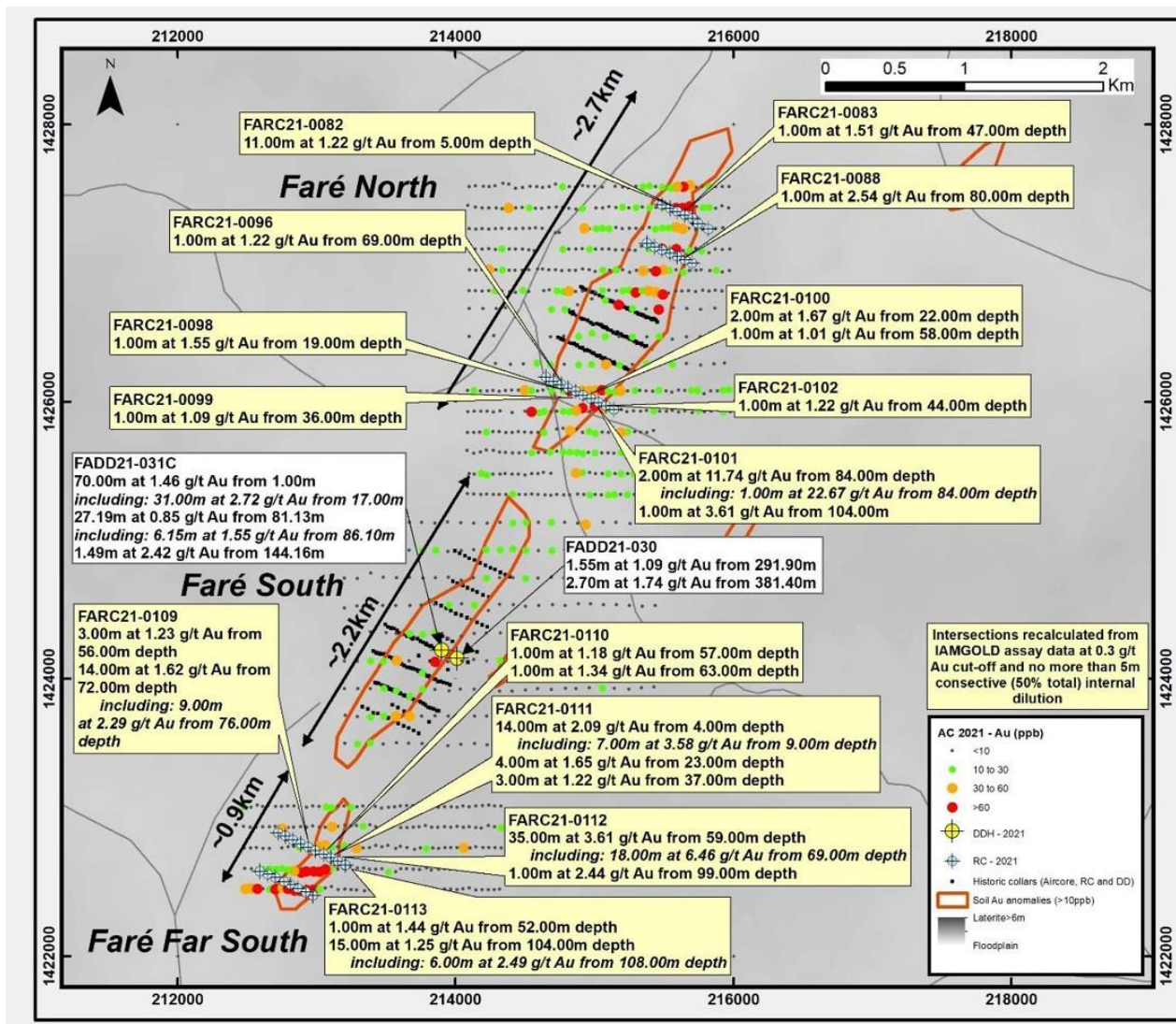
70m at 1.46g/t Au from surface (1m) at Faré South is highly significant.

Large intervals of consistent gold mineralisation from a near-surface at Faré will support future resource estimation work and starts to put the prospect into a commercial context.

► **What's remaining for the Year 4 plan?** - primarily completion of the RC programme Madina Bafé where 3,111m of the planned 5,000m programme has been completed. It is anticipated that IAMGOLD will restart drilling in October after the seasonal rains. Results from the first 3,111m are expected in Q3. Results for a further four RC holes, drilled on the southernmost fence line at Faré Far South are still awaited and are expected before the end of Q3 2021. Subject to completion of the Year 4 expenditure plan, IAMGOLD will have the right to acquire a 51% interest in the Senala project and will thereafter need to spend a further US\$4m over two years to earn a 70% interest.

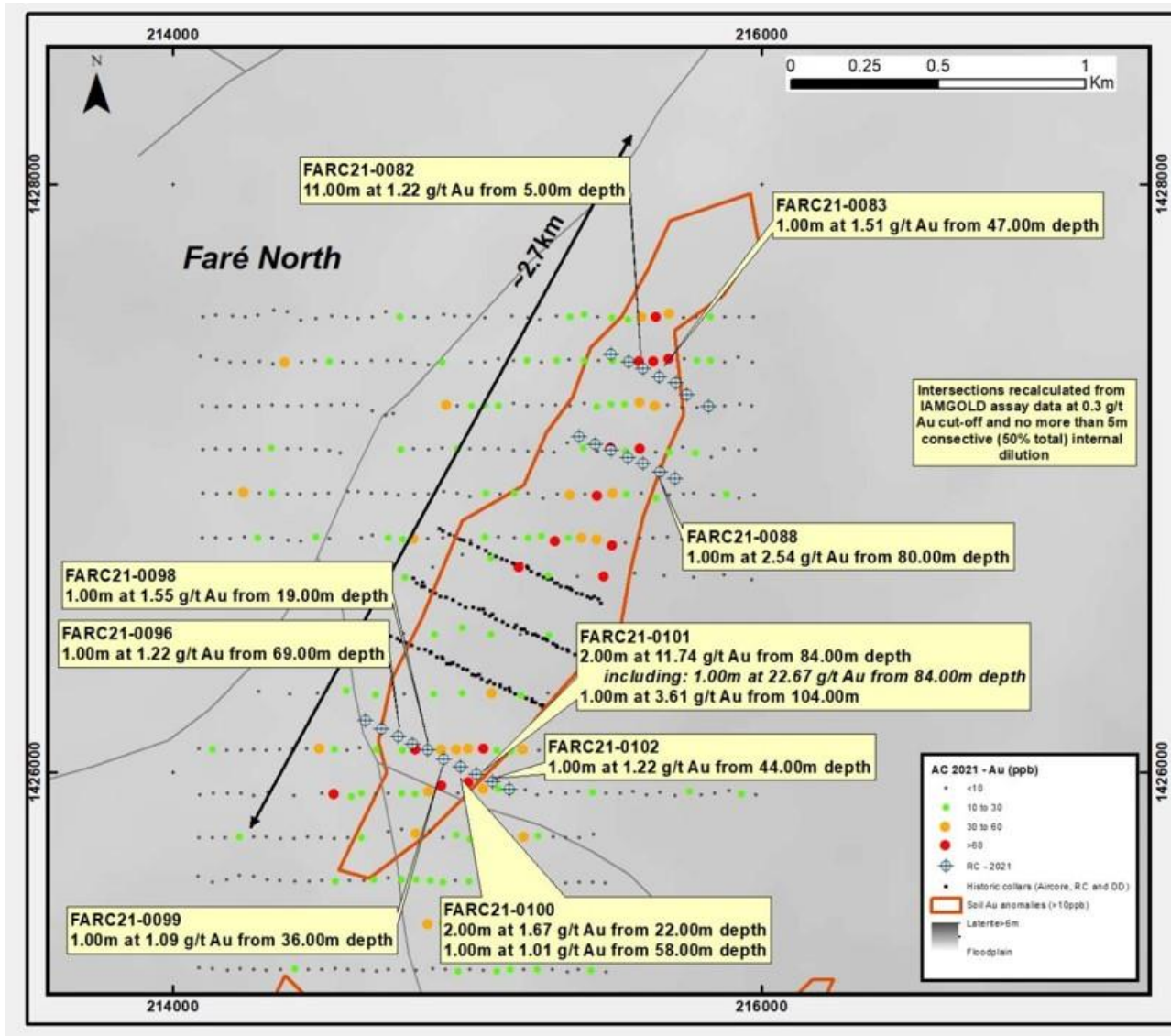
We also await further news flow from IAMGOLD's Boto development project which is located c.10km from Madina Bafé. IAMGOLD have spent \$22.7m of the planned 2021 budget of \$55m at Boto progressing an early works package, including a road providing permanent access to the site, engineering for critical plant equipment and sustainability programs. A development decision is pending. We note IAMGOLD's continuing support for greenfield exploration and district-scale evaluation in general. For example, although IAMGOLD's Côte gold project in Canada is currently under construction, IAMGOLD is still budgeting \$2.8m for greenfield exploration on the wider property.

Figure 2 - Faré prospect – best results to date from diamond drilling and RC drilling



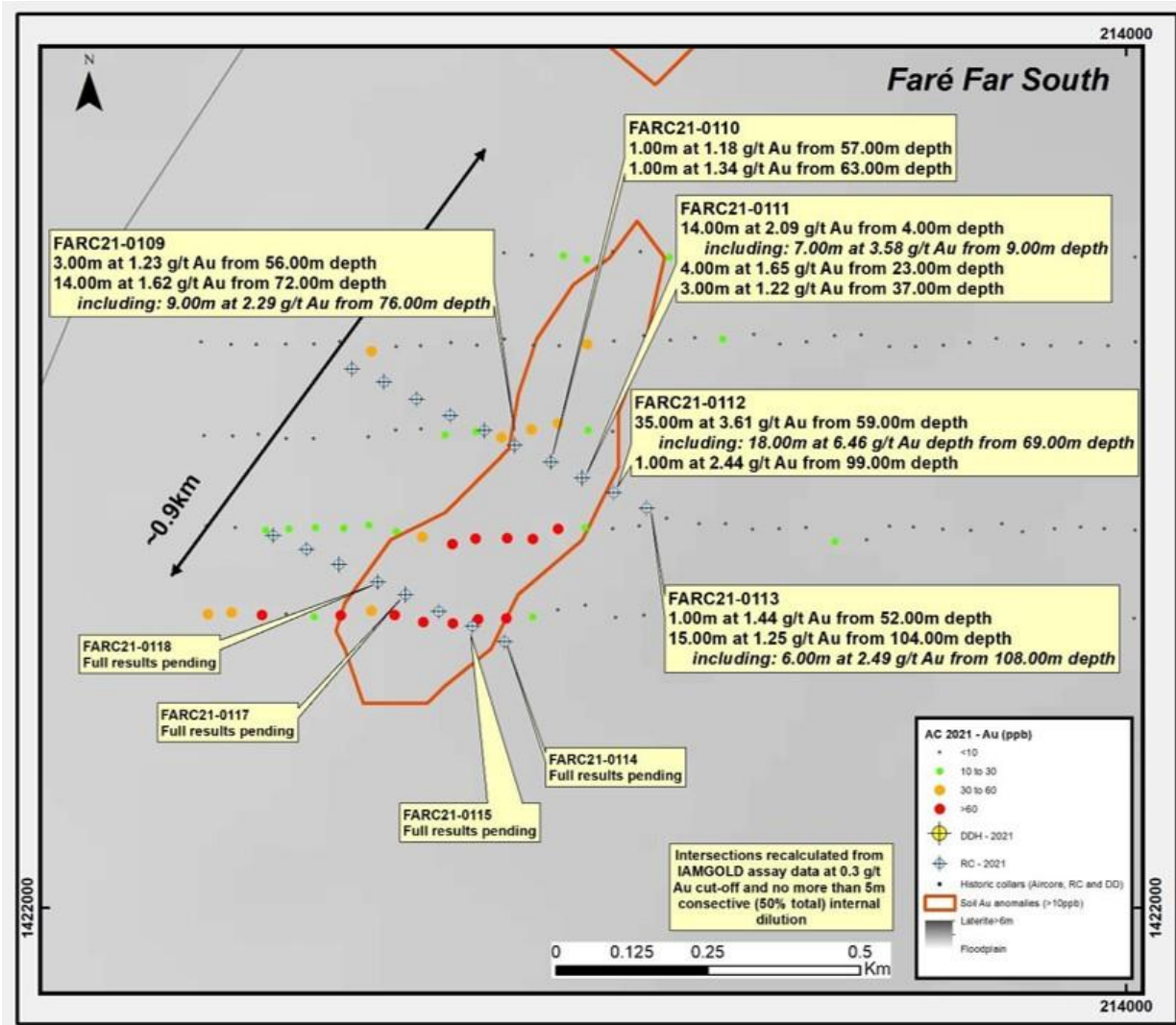
Source: Oriole Resources PLC

Figure 3 - Faré North anomaly – best results from 2021 RC drilling

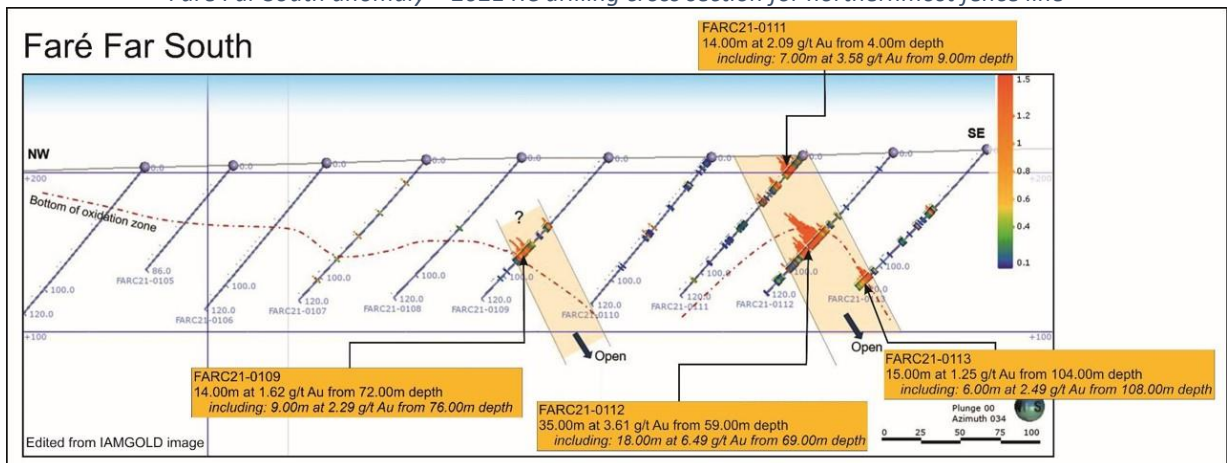


Source: Oriole Resources PLC

Figure 4 - Faré Far South anomaly – best results from 2021 RC drilling



Faré Far South anomaly – 2021 RC drilling cross section for northernmost fence line



Source: Oriole Resources PLC

Maiden Inferred Resource estimate for Faré South

Following recent drilling as part of IAMGOLD's Year 4 exploration programme at Senala, Oriole has reported a maiden JORC-compliant Inferred Mineral Resource Estimate (MRE) for Faré South, one of three targets at the Faré prospect, part of the Senala licence. The MRE was completed independently of IAMGOLD but undertaken by Independent consultants:

- ▶ **Maiden JORC MRE:** Inferred 155,000oz at 1.26g/t Au
- ▶ **Exploration Target:** The inferred resource reported above sits within a larger JORC-compliant Exploration Target for Faré South of up to 280,000oz grading 1.1g/t Au.

Basis for the MRE. The MRE has been estimated using 25 diamond holes and 55 RC holes for a total 8,496.80m. This includes the highly encouraging 70m at 1.46g/t Au from 1m returned from Phase 1 diamond drilling at Faré South which also included an interval of 31m at 2.72g/t Au from 17m. The fact that the MRE includes data from diamond holes provides greater confidence than an MRE based purely on RC drilling, in our view.

First step towards a potentially low-cost mining operation. The entire MRE has been defined within the limit of an US\$1,800/oz pit shell, with more than two-thirds (105koz of the total 155koz) of the Resource being attributed to near-surface oxide material. Consequently, the bulk of the resource is associated with the oxides which means 1.) shallow mineralisation easily exploitable by simple low-cost open pit methods and 2.) potentially amenable to conventional and low-cost oxide gold processing techniques – i.e., minimal crushing/grinding required and potential for heap leach or other low cost and high recovery techniques.

Figure 5 – Resource tabulation for Faré South using a 0.3 g/t Au cut off and within a US\$1,800/oz pit shell

Material	Classification	Tonnage	Grade (g/t Au)	Total contained gold (oz)	
				Gross	Net Attributable* (85%)
Oxide	Inferred	2,610,000	1.26	105,000	89,250
Fresh	Inferred	1,240,000	1.27	50,000	42,500
Total	Inferred	3,850,000	1.26	155,000	131,750

*Oriole currently holds an 85% net attributable interest through the licence holding company, Stratex-EMC S.A. The Company's joint venture partner, EMC S.A., holds the remaining 15% interest.

Source: Oriole Resources

Sensitivity. The MRE has been reported at a cut-off grade of 0.3g/t Au but Oriole points out that in a higher gold price environment the cut-off grade of the Resource could be reduced to 0.2 g/t Au or even 0.1 g/t Au. This would have the effect of increasing the total tonnage inventory and increasing the total contained gold, albeit with a slight reduction in grade. Oriole's sensitivity table below shows an increase in the resource to 170,000oz at a 0.1g/t Au cut-off.

Figure 6 – Grade tonnage sensitivity for Faré South resource at 0.1 g/t Au intervals

Cut-off Grade (g/t Au)	Tonnage	Grade (g/t Au)	Total Contained Gold (oz)
0.1	4,500,000	1.17	170,000
0.2	4,200,000	1.21	160,000
0.3	3,850,000	1.26	155,000
0.4	3,500,000	1.32	150,000
0.5	3,110,000	1.4	140,000
0.6	2,720,000	1.48	130,000

Source: Oriole Resources

Further upside. The reported MRE excludes the recently reported (*RNS 18-8-2021*) results for 38 RC holes drilled at the Faré North and Faré Far South anomalies. This drilling as described on page 4 of this note returned best intersections of up to 11m at 1.22 g/t Au and 35m at 3.61 g/t Au respectively. As these ore-grade intersections are not part of the current MRE calculation, this provides further resource upside.

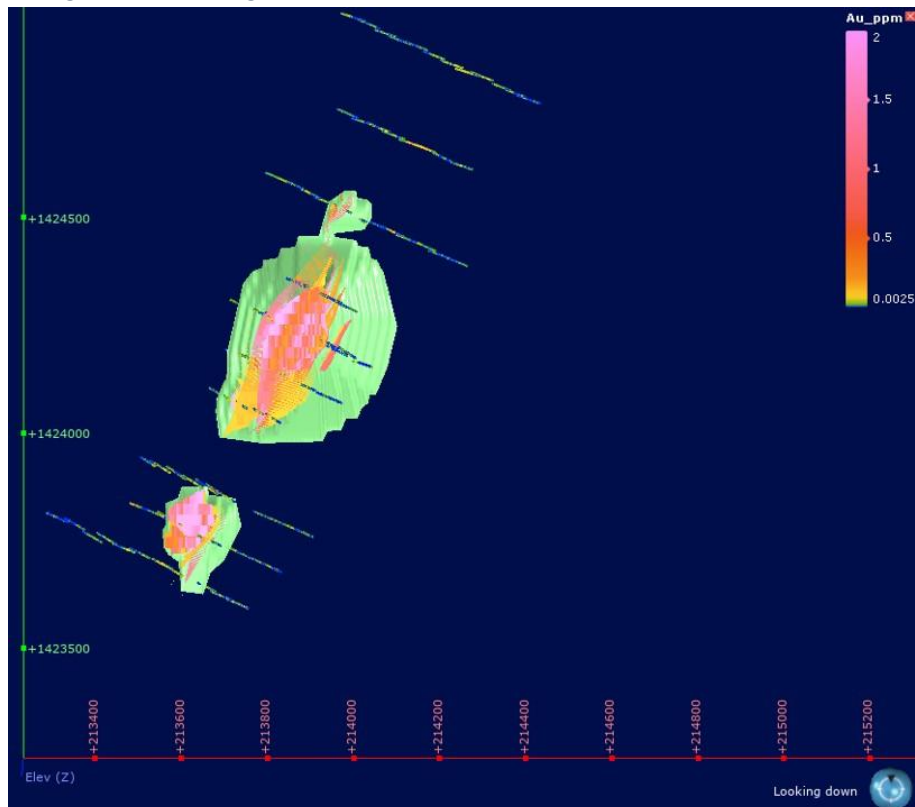
Exploration Target. The 155koz Inferred MRE is contained within a larger JORC-compliant Exploration Target of up to 280koz gold at 1.1g/t Au for Faré South. According to Oriole the Exploration Target is “along strike of the Mineral Resource in areas of the deposit where there is insufficient sample support to be Classified as Inferred Resource”. Oriole anticipates that the size and confidence level of the existing MRE will be increased on the back of additional in-fill drilling and incorporate a portion of the ounces from the Exploration Target. Some of the ounces within the Exploration Target would have been included in the MRE but the present drill spacing is insufficient to give continuity between the two zones.

Figure 7 – Exploration Target for Faré South

Tonnage Range	Grade Range (g/t Au)	Total Contained Metal Range (oz Au)
6,700,000 - 10,000,000	0.8-1.1	190,000 - 280,000

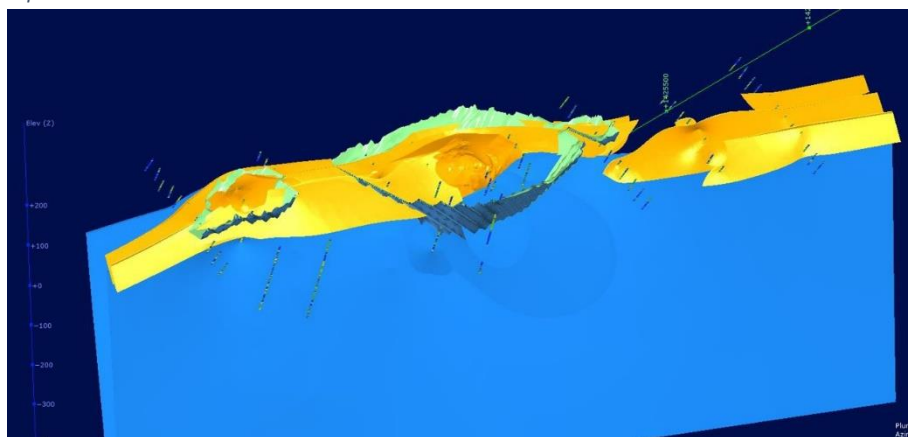
Source: Oriole Resources

Figure 8 – Plan view of the Faré South block model, constrained to show blocks above a 0.3 g/t cut-off within a US\$1,800/oz Resource pit shell. Downhole colouration also corresponds to Au grades shown in legend.



Source: Oriole Resources

Figure 9 – Faré South wireframe model relative to the US\$1,800/oz Resource pit shell. Pit outline is in green, blue shapes represent ‘fresh’ sulphide mineralisation, orange shapes represent ‘oxide’ mineralisation.



Source: Oriole Resources

Our view: The maiden MRE on one of the Senala targets is a major milestone for Oriole. Although very much in the exploration phase, the definition of a first MRE starts to put some ink on the page in terms of the commercial evaluation of the Faré prospects. There is a lot to like within the initial MRE with decent grades and widths from shallow depths and predominantly oxide material clearly supporting a low-cost open pit approach and simple processing. All drilling to date suggests that gold mineralisation is non-refractory. Notably, both the MRE and the Exploration Target remain open to depth and along strike and with further drilling we see good potential for both an incremental increase in ounces with and around the MRE and the discovery of additional zones along strike. We view the maiden MRE as a good base and we see excellent potential to grow the resource base not only at Faré South in and around the existing resource envelope but also in the wider licence area.

Drilling is still relatively wide spaced and intersections in other areas may ultimately add ounces to the existing MRE or define additional resources along strike. This raises the potential for a number of small open pit deposits that could feed into a larger combined operation. The strike length from the Faré Far South target to Faré North is around 6.5km and we see plenty of scope to build a substantial resource base along this trend with additional drilling. Faré Far South is starting to look very interesting, an area that has seen little in the way of drilling but returned a compelling intersection of 35m at 3.61g/t Au from 59m but also including a very high-grade interval of 18m at 6.46g/t Au from 69m. IAMGOLD will not be short of targets to drill for the Year 5 exploration programme, in our view.

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