

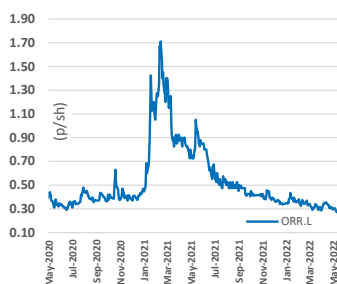
18th May 2022

Sector: Mining

Gold exploration in Cameroon and Senegal

Market data

Ticker	ORR.L
Price (p/sh)	0.26
12m High (p/sh)	1.04
12m Low (p/sh)	0.26
Shares (m)	1994.0
Mkt Cap (£m)	5.1
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-Chair	Eileen Carr
CEO	Tim Livesey
CFO	Bob Smeeton
Exec Director & VP	Claire Bay
Exploration/Bus Dev	
Independent NED	David Pelham

Analyst

phil.swinfen@shardcapital.com
020 7186 9008
Phil Swinfen

Oriole Resources PLC

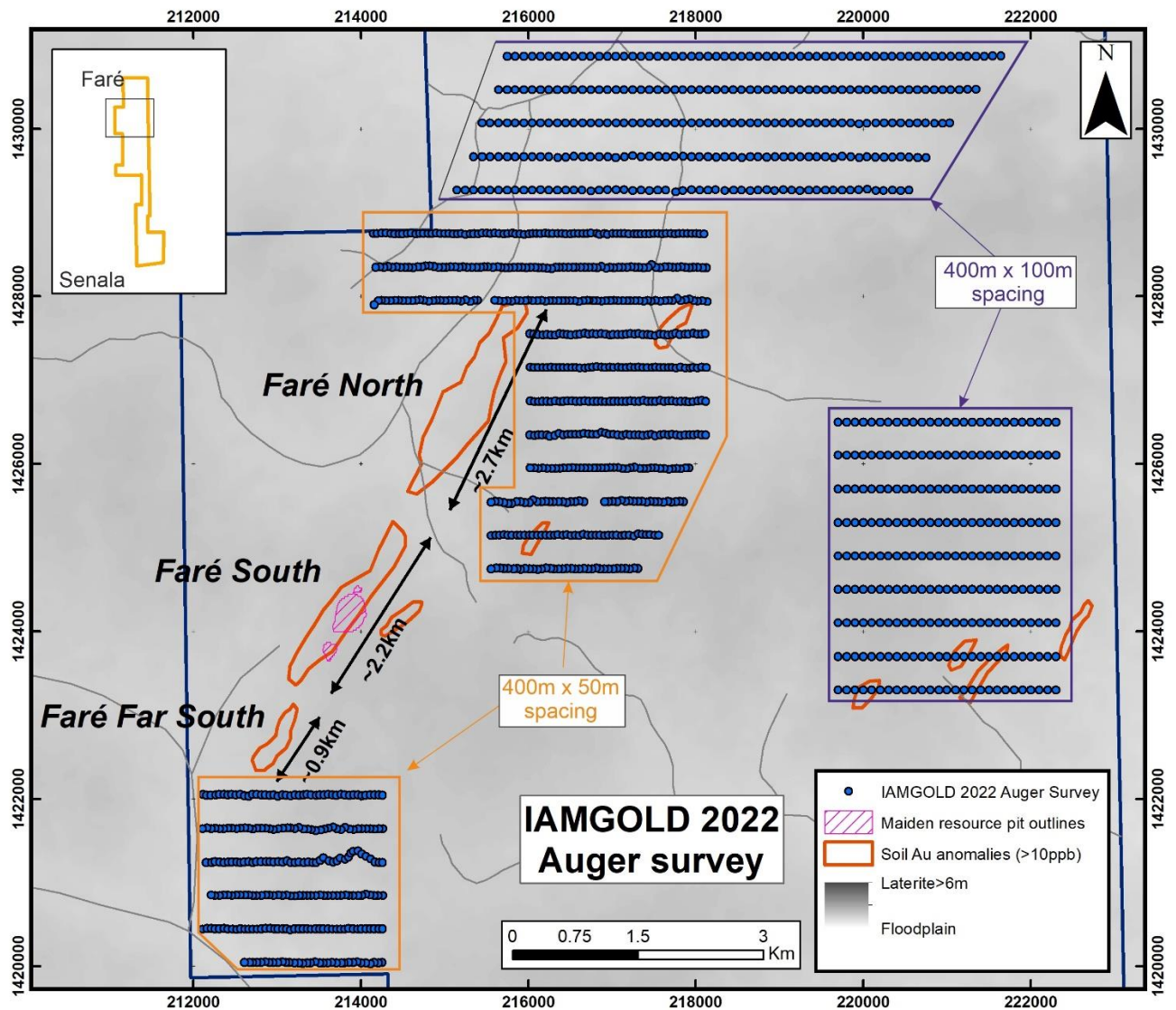
IAMGOLD commences 2nd option work programme in Senegal

Oriole reports that IAMGOLD has commenced its Year 5 exploration programme at the Senala gold project in Senegal, a JV between Oriole's 85% subsidiary, Stratex-EMC and IAMGOLD. This marks the start of the 2nd Option period at Senala and follows confirmation by Oriole that IAMGOLD has completed the US\$4m in exploration expenditure which defines the basis of the 1st option period under the terms of the earn-in agreement. Consequently, IAMGOLD's move to a 51% interest is being finalised. IAMGOLD has kicked off year 5 exploration with a US\$1.5m auger programme at Faré.

- ▶ **1st option period completed.** A review of exploration expenditure on the highly prospective Senala gold project in Senegal indicates that IAMGOLD has incurred expenditure in excess of US\$4m within the first 4 years of the JV. Consequently, as outlined by the terms of the 1st option agreement, IAMGOLD now has the right to a 51% interest in Senala. The situation prior to exercise of the 1st option was that Oriole held an 85% net attributable interest in the licence with the 15% balance held by Energy and Mining Corporation S.A, Oriole's JV partner. Discussions are underway to formalise IAMGOLD's 51% interest.
- ▶ **2nd option period underway.** IAMGOLD has now committed to the 2nd option period which gives IAMGOLD the right to spend a further US\$4m on exploration at Senala by 28th February 2024. Once completed, IAMGOLD will have earned an additional 19% interest in Senala for an aggregate interest of 70%.
- ▶ **Year 5 programme kicks off.** IAMGOLD has already kicked off exploration under the 2nd option period which marks Year-5 of exploration under the joint venture. A US\$1.5m programme is already underway and comprises a planned 9,600m of auger drilling at the Faré prospect to assess the sub-surface geology and to identify potential extensions to the existing gold mineralisation. The auger holes will be shallow (holes drilled to an average depth of 8m) and two samples will be collected per hole. The programme will be completed by the end of May.
- ▶ **Focus on extensions to the main 6km Faré structure.** The auger programme will focus on testing the strike extension of the main 6km long structure at Faré in addition to testing a previously identified gold-in-soil anomaly c.3km to the east of Faré. The southwest and northeast extension of the system will be sampled using a 400m x 50 m grid, moving to a 400m x 100m spacing further to the north (outside of the currently-defined limits of Faré) and over the eastern anomaly.
- ▶ **Vote of confidence.** We view the completion of the 1st option period and start of the 2nd option period as a **huge vote of confidence in the prospectivity and potential of the Senala licence**. IAMGOLD Corporation (NYSE:IAG, TSX: IMG) is a major player in the gold sector with a market cap of US\$1bn and a strong focus on Africa. IAMGOLD's 2022 guidance is 570-640koz Au at an AISC of US\$1,650-1,690/oz. We see IAMGOLD's continued commitment to Senala as testament to the quality of the geological setting and the potential scope for the development of a standalone mining operation at Faré. In 2021, IAMGOLD spent US\$27.8m on greenfield exploration projects and US\$19.6m on brownfield exploration. The company is not short of exploration opportunities and the decision to proceed with the next US\$4m option period reinforces the exploration and possible commercial potential of the Senala licence. A reminder of **recent drill results at Faré highlights the rationale for continued exploration** - previously reported best intersections including **70m at 1.46g/t Au** and **35m at 3.61g/t Au**. Furthermore, Oriole has produced, independently of IAMGOLD, a maiden JORC-compliant Resource and Exploration Target for the Faré South anomaly of 155koz at 1.26g/t Au (Inferred) within a larger Exploration Target of up to 280koz at 1.1g/t Au. It's worth noting that encouragingly, this resource was defined on the basis of exploration work and not systematic resource definition type drill spacing.

This is fantastic news for Oriole. The prospectivity and potential scale of the gold system at Senala and Faré is becoming clearer with every additional round of exploration. Having a major mining company and quality operator press on with exploration at Senala is highly encouraging. Meanwhile, Oriole continues to focus efforts to leverage its first mover advantage in Cameroon with the exciting Bibemi gold prospect where a gold-mineralised system of 12km strike has been identified and not forgetting the district-scale 3,600km² Central Licence Package. **Considering the early-stage exploration risk-reward opportunity here and the current very low entry price, we think Oriole should have a place in every gold bug's portfolio.**

Figure 1 - IAMGOLD's 2022, Year 5 Auger drill programme at Faré



Source: Oriole Resources PLC

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