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Stock Data

Ticker	ORR LN
Share Price:	0.34p
Market Cap:	£13m

Price Chart



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Abundant gold in Mbe trenching

Oriole Resources is an AIM-quoted gold exploration company holding an expansive suite of prospective gold licences across West and Central Africa, with a particular focus in Cameroon, a deeply under-explored and recently reformed mining jurisdiction.

The Company provided an update for its 80% owned Mbe gold project in Cameroon, where Oriole is free-carried as BCM International earns up to 50% of the project.

Substantial channel sampling gold results reported from Mbe trenching

- Oriole has announced results from its ongoing trenching programme at its highly promising Mbe gold prospect.
- September's trenching results for the MB01-S sub-prospect follow on from the previously reported MB01-N trenching results which reported highlights of 50m at 1.1g/t Au, 68m at 0.8g/t Au (inc. 24m at 1.2g/t Au).
- MB01-S lies c.1km southeast of MB01-N, with both lying within the 12.5km long trend of gold-in-soil anomalism. **Highlights include:**
 - Gold mineralisation was present over almost the entire 540m and 532m length of trenches MBT007 and MBT008 respectively. MBT007: 51m at 1g/t Au, 32m at 1.3g/t Au, including 8m at 2.2g/t Au and 6m at 3.5g/t Au, 36m at 0.8g/t Au, including 15m at 1.3g/t Au
 - MBT008: 88m at 0.7g/t Au, inc. 30m at 1.2g/t Au, 48m at 1.23g/t Au, 27m at 0.7g/t Au, inc. 9m at 1.0g/t Au, 19m at 0.8g/t Au, inc. 12m at 1.1g/t Au
 - MBT009: 28m at 0.4g/t Au, 18m at 0.39g/t Au
 - MBT006: 10m at 0.9g/t Au, including 6m at 1.1g/t Au
- Trenches MBT005 and MBT004 targeted a smaller gold anomaly and returned gold up to 7m at 0.6g/t Au.

Extensive gold mineralisation intervals build on successful trenching at MB01-N

- Highlights from the first three trenches include best channel intersections of:
 - MBT001 - 50m at 1.1g/t Au, including 20m at 2.2g/t Au
 - MBT002 - 38m at 0.6g/t Au
 - MBT003 - 68m at 0.8g/t Au, including 12m at 1.0g/t Au, 24m at 1.2g/t Au

Simple Geology in line with regional orogenic gold discoveries

- Mineralisation within the trenches is hosted within felsic porphyry and mafic amphibolite units and is structurally controlled. The exploration team notes a dominance of sulphide-rich quartz veins and veinlets, with envelopes of lower grade gold mineralisation. The wider sub-1g/t Au envelopes will likely support the economics of the project should mineralisation continue at depth.
- African orogenic, quartz sulphide vein gold discoveries are often presaged by positive trenching results, with WIA Gold's recent Namibian discovery Kokoseb yielding 18m at 2g/t Au and 2m at 0.89g/t Au. Similarly, Predictive Discovery's Bankan project, with similar geology to Mbe, yielded trenching results of 92m at 1.7g/t Au.

Conclusion and Valuation Discussion

Trenching at both MB01-S and MB01-N has now returned highly encouraging results at promising grades (highs of 12.6g/t Au over 2m) and widths (i.e. 51m at 1g/t Au). Results will now guide a maiden drilling programme, which will start in the 2024/25 field season. Although it is too early to suggest a valuation for Mbe, we highlight below a range of gold developer EV/Resource multiples and their implications for Oriole, which highlights Oriole's

rerate potential should drilling justify management's belief that Mbe holds multi-million-ounce potential.

African gold developers provide guidance for Mbe potential

Below we have highlighted a range of African gold development Companies which provide a useful benchmark for current market valuations. Towards the higher end of our range sit Turaco, Predictive and Montage at \$124/oz, \$90/oz and \$98/oz respectively on an Enterprise Value/Measured, Indicated & Inferred (EV/MI&I) basis. Predictive and Montage are more advanced projects, and both have investments from assumed suitors in Barrick, Zijin, Perseus and the Lundin family. Alternatively, our lower ranking peers include Kefi Minerals, Newcore and Roscan at \$25/oz and \$21/oz respectively. These projects are working on financing currently, with jurisdiction also likely weighing on current valuations.

Recent takeovers highlight African M&A hunger for undeveloped gold projects

We also include Osino and OreCorp, which are two African gold developers that have been acquired this year, providing useful indications of acquisition multiples. On an EV/MI&I basis, Osino's Namibian project was acquired by Yintai Gold in February for \$67/oz, whilst OreCorp's Tanzanian project was taken out by Perseus for \$44/oz (see Table)

Mbe holds potential to support major rerate for Oriole shareholders

Whilst we recognise that Mbe remains pre-discovery, we highlight a range of sensitivities below to both the NPV of the project, and the fully diluted impact per share in Oriole. We have assumed BCM International earns into its full 50% interest by the date of MRE delivery, should drilling prove fruitful. Mbe remains an early-stage exploration project, and the below sensitivity analysis should be considered indicative only.

However, it highlights the potential impact a gold discovery at Mbe could have on Oriole's current share price, with the market currently only attributing value to Bibemi. We see Mbe as a potential company-maker for Oriole and the recent trenching programme, which has highlighted the potential scale of the anomaly, alongside the clear presence of mineralisation at site, as a crucial development for the Project.

Company	Flagship Project	Location	EV \$m	PP koz	MI koz	MI&I koz	EV/PP	EV/MI	EV/MI&I
Explorers/Developers									
KEFI Gold and Copper	Tulu Kapi	Ethiopia, Saudi Arabia	53	799	1,596	2,084	66	33	25
Montage Gold	Kone	Cote d'Ivoire	464	3,609	4,383	4,743	128	106	98
Newcore Gold	Enchi	Ghana	47	-	669	1,544		70	30
Oriole Resources	Bibemi	Cameroon, Senegal	14	-	-	326			43
Predictive Discovery	Bankan	Guinea	413	2,590	3,522	4,570	159	117	90
Roscan Gold	Kandiolo	Mali	27	-	916	1,095		30	25
Toubani Resources	Kobada	Mali	42	1,124	1,791	1,980	37	23	21
Turaco Gold	Afema	Cote d'Ivoire	159	-	770	1,280		206	124
WIA Gold	Kokoseb	Namibia	107	-	-	1,698			63
Mean							98	84	58
Median							97	70	43

M&A (Target / Buyer)	Project	Location	Tx Value	PP koz	MI koz	MI&I koz	EV/PP	EV/MI	EV/MI&I
Osino Resources / Yintai Gold	Twin Hills	Namibia	276	2,157	2,927	4,119	128	94	67
OreCorp / Perseus	Nyanzaga	Tanzania	143	2,603	2,832	3,285	55	51	44

Mbe NPV Sensitivity US\$m	MI&I Ounces, K - for 100%					
EV/Ounce Multiple, \$/Oz	500	1000	1500	2000	2500	3000
97	48.5	97.0	145.5	194.0	242.5	291.0
70	35.0	70.0	105.0	140.0	175.0	210.0
43	21.5	43.0	64.5	86.0	107.5	129.0

Share Price Sensitivity (GBP/ORR share*)	MI&I Ounces, K					
EV/Ounce Multiple, \$/Oz	500	1000	1500	2000	2500	3000
97	0.41	0.83	1.24	1.66	2.07	2.49
70	0.30	0.60	0.90	1.20	1.50	1.80
43	0.18	0.37	0.55	0.74	0.92	1.10

*We assume Oriole will hold a 45% Interest in Mbe once diluted from BCM International's funding; USD:GBP - 1.3:

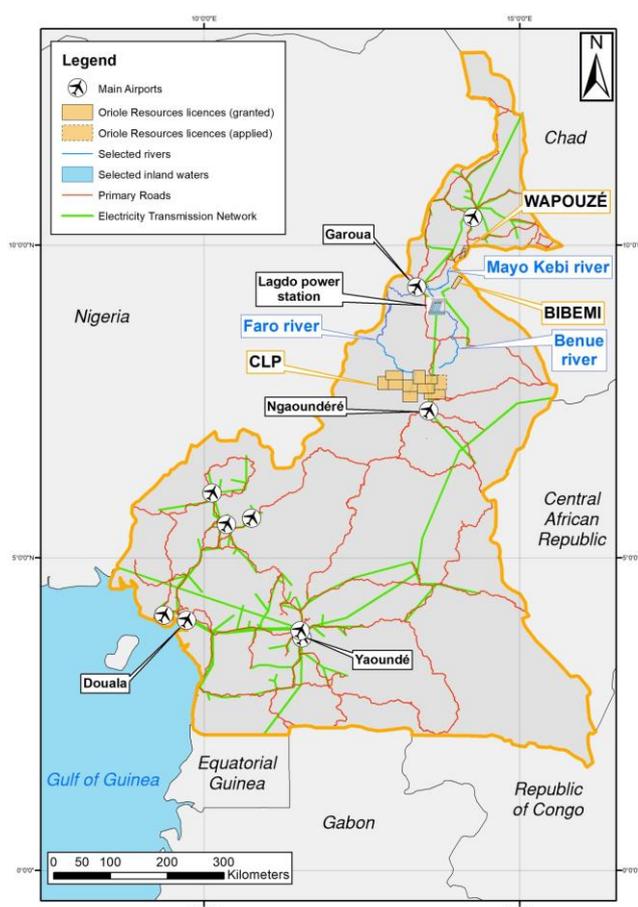
Confidence in Cameroonian Mining Sector boosted following encouraging round table

We were reassured by a recent meeting with the Cameroonian Mining Minister in London. The Minister emphasised his desire to expand and improve the process of exploration and development of mining projects in country. He highlighted his ongoing efforts to support the improvement of the mining registry system and cadastre. The Company echoed this improvement, with management noting the improved timelines in licence applications over the past couple of years.

Cameroon introduced a new mining code in 2023 which provided more detail following the initial 2016 code. The Minister highlighted that there are currently 15 projects in development in Cameroon, including the Kribi Lobe Iron Ore Project, expected to produce 10mtpa concentrate grading 60% Fe pa for 20 years, backed by Chinese miner Sinosteel. We were encouraged to hear of the Minister’s endorsement of the Botswana, Guinea and Namibian mining codes, with each country holding acceptable royalty rates and Botswana and Guinea providing a 15% interest to the government.

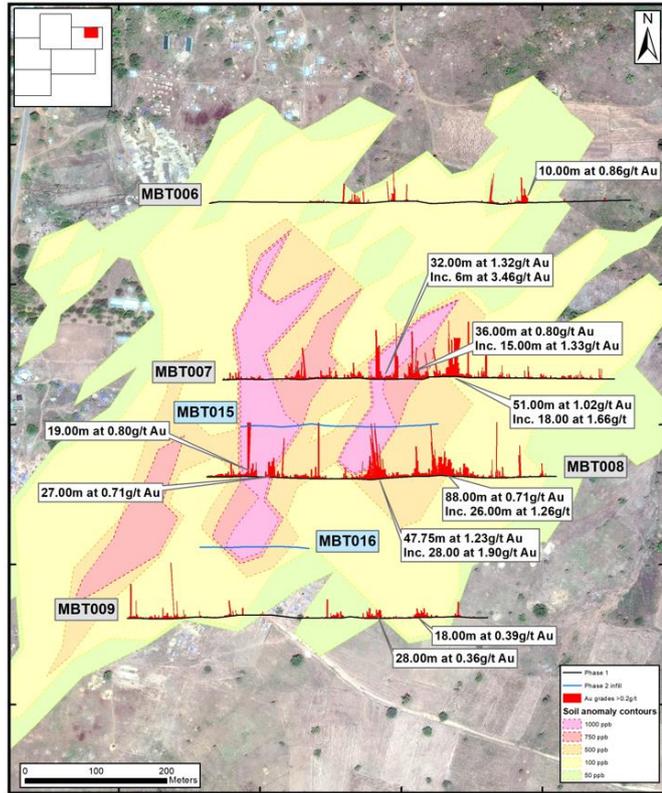
Ultimately, Oriole’s current discounted EV/Ounce multiple likely reflects an under-appreciation for the fast-improving environment in Cameroon for mining, with the Government working hard to boost the country’s competitiveness and international investor appeal. The Minister was highly complimentary of Oriole’s work in-country, and we anticipate that this amicable relationship will support Oriole’s project development as it continues to advance Mbe and Bibemi with BCM.

Location map showing Oriole’s portfolio of licences in Cameroon, and the in-country infrastructure

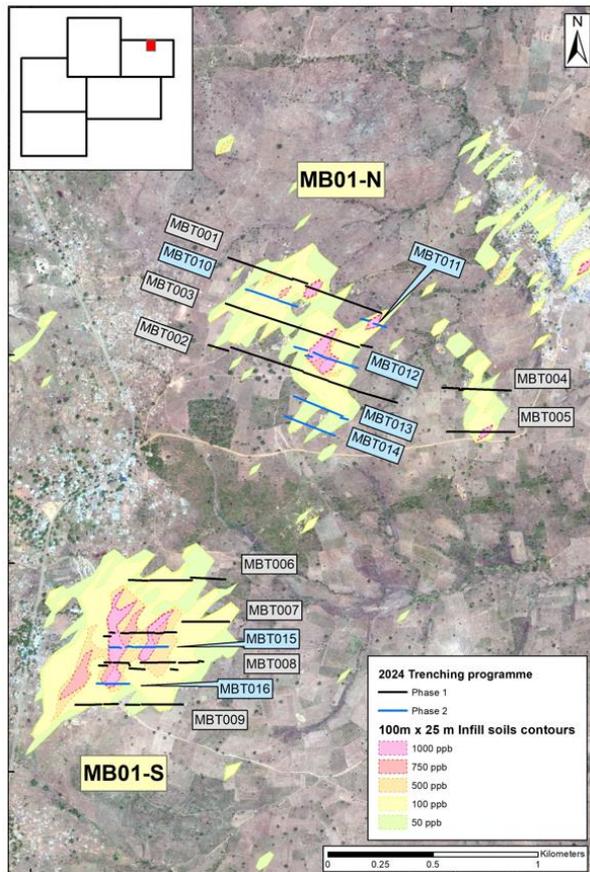


Source: Company

Results from Phase 1 trenching at MB01-S

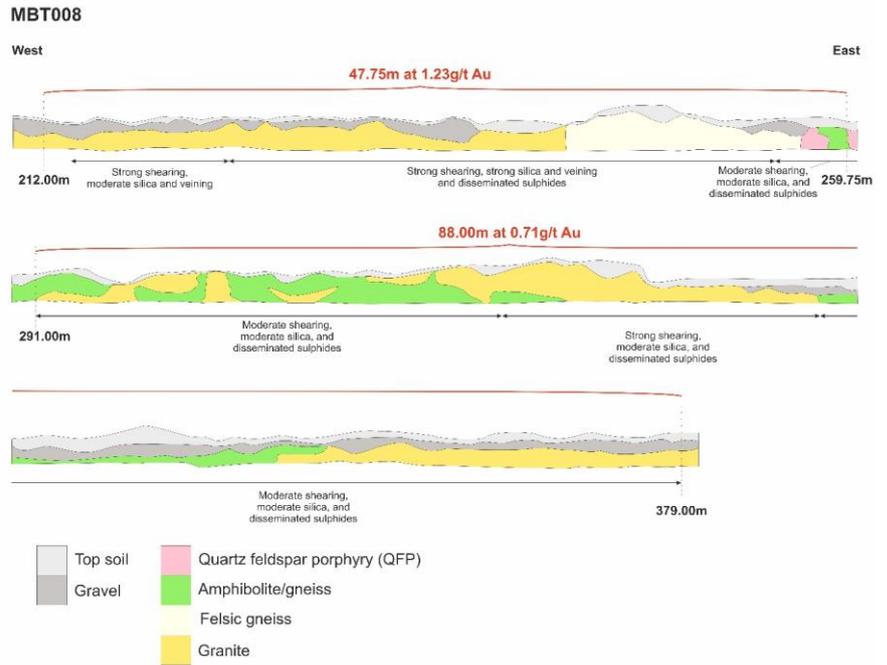


Trench plan showing the location of Phase 1 and Phase 2 trenches at MB01

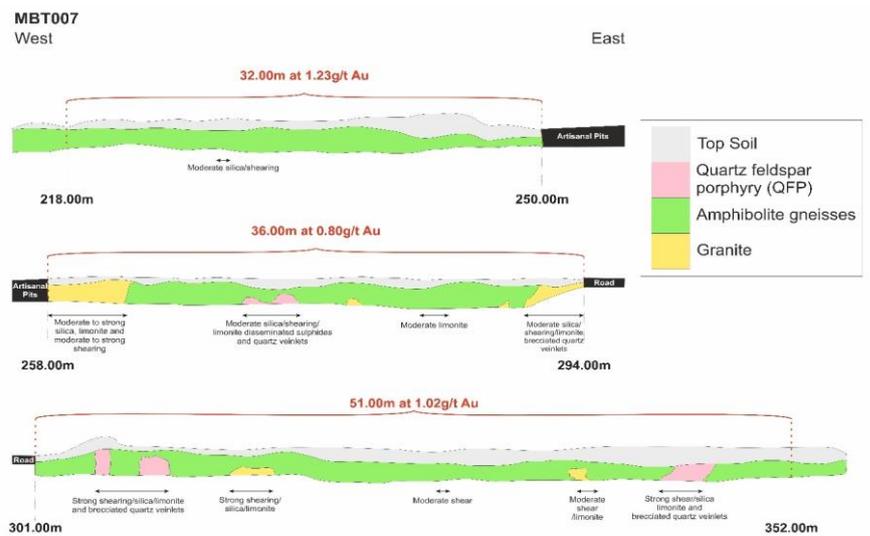


Source: Company

Schematic cross-section of selected intersections from MBT008 from 212m to c.260m and 291m to 379m



Trench MBT007 schematic cross-section between 218m – 352m



Source: Company

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