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THE TIMELESS PRECIOUS METAL FUND

OROMONTE RESOURCES INC. (TSXV: ORR): NEW RECOMMENDATION / June 27, 2006

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OROMONTE RESOURCES INC.: RETURN ON CAD 10,000 INVESTMENT					
Purchase Date	No. of Shares	Purchase Price	Cost (CAD)	Price Today	Value Today
June 23, 2006	12'500	0.80	10'000.00		
<b>Total</b>	<b>12'500</b>	<b>0.80</b>	<b>10'000.00</b>	<b>0.80</b>	<b>10'000.00</b>
<b>Profit</b>					<b>0.00</b>
<b>Profit (in %)</b>					<b>0%</b>

## Oromonte Resources Inc.

<a href="#">SHARES OUTSTANDING</a>	<a href="#">MARKET CAP</a>
16,583,000	CAD 12.9 Million
<a href="#">52 WEEK LOW / HIGH</a>	<a href="#">AVERAGE TSXV</a>
CAD 0.105 to 1.30	107,700 (200-day)
<a href="#">RECOMMENDATION</a>	<a href="#">RISK RATING</a>
BUY	HIGH

### EXPLORATION FOR GOLD IN SOUTHEASTERN ECUADOR

#### Business Summary

Oromonte Resources is a Canadian based junior exploration company focused on **gold exploration and development in southern Ecuador**, having undergone a **major change in corporate structure and Management in the last six months**.

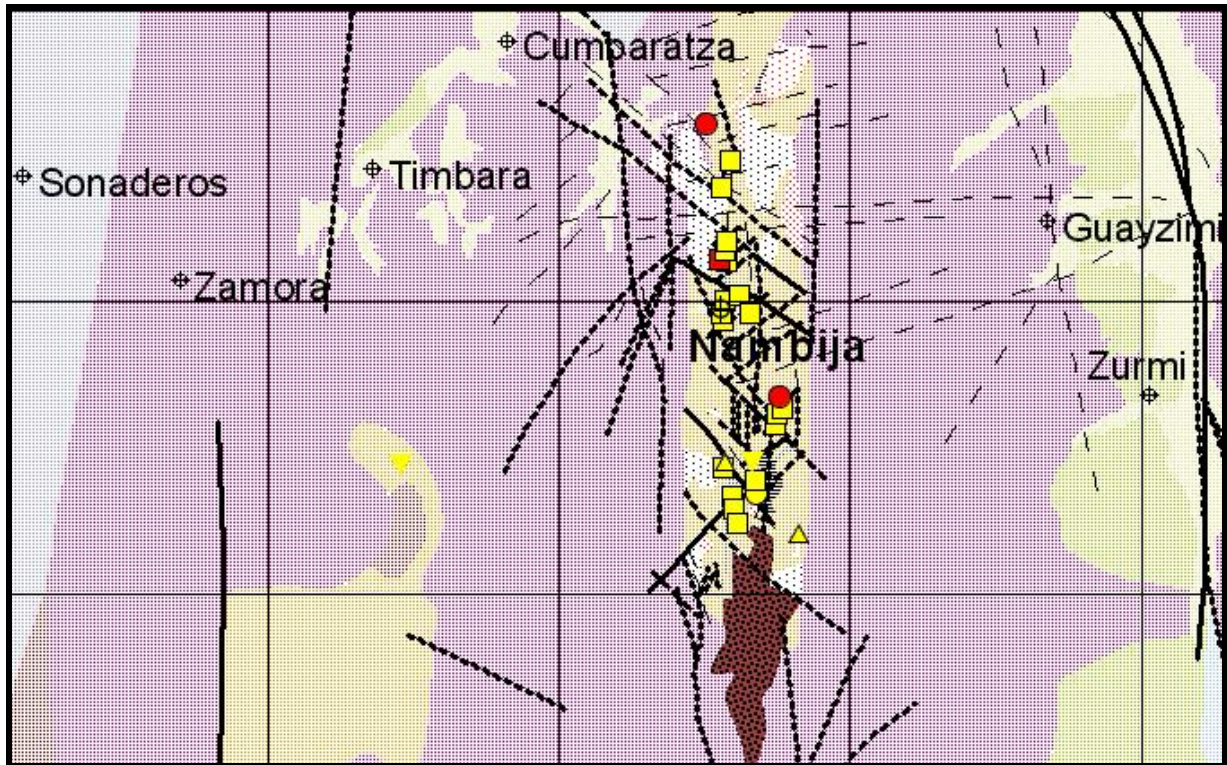
**Oromonte has two properties it is currently invested in.** It has a lease purchase agreement on **Nambija** plus additional ownership of rights and equipment on Nambija and has a **Placer deposit Joint Venture in final stages of ownership transfer also in Nambija region**. The Nambija Property while it is small in size, 68 hectares, it is historical rich in gold production. The Central bank records show 1.3 mln ounces of Au was produced from 1983-93.

The 43-101 report completed in 2005, is optimistic that the property has mineral resources in the 4-6 million tonnes Au having a grade of 4-5 g/t on over 1 sq kilometer, (over 1 million ounces).

The Company is producing gold from the Gold Star in Nambija on small basis at the moment of 30 tonnes of ore per day.

The company is committed to its exploration program and showing corporate social and environmental stewardship in the area. Mr. Gerhard Jacob a successful, seasoned geologist is leading the management team on the ground in Ecuador as VP Exploration and Mining Operations. He has a capable management and operations team, led by Jorge Guzman Miranda, a local Ecuadorian.

## Project



The Nambija Exploration project is a full scale exploration work to firm up the reserve estimates and indicated resources for production on the same property.

The corporation has commissioned a small plant that is capable of processing 30 tons of ore per day using Chilean mills.

The second property is a the Joint Venture Placer mining operation in close proximity (10 kilometers) from the mine and exploration work.

## Why Ecuador?

June, 2000, saw the release of the five-volume “**Prodeminca**” geological study funded by the **World Bank**, and jointly authored by the **British Geological Survey (BGS)** and the **Ecuadorian Ministry of Mines (MEM)**. It was the culmination of three years of geological investigation. A large component of this study was the Assessment of Ore Districts of Ecuador (*Evaluación de Distritos Mineros del Ecuador*), including the Cordillera del Condor. **The overall goal of the study was to promote and encourage international investment in the Ecuadorian mining sector, by providing the first ever comprehensive review of the many significant mineral discoveries and the geological potential of the country.** Both were largely unknown outside of Ecuador. However, the release of this study coincided with an international downturn in worldwide mineral exploration and the event went largely unnoticed and unremarked by exploration managers.

At about the same time as Aurelian geologists were reading this study they came across an odd little book of the reminiscences of one **David Samaniego Shunaula**, a prospector who traveled up and down the length and breadth of the Cordillera del Condor between 1935 and 1942. His monologues were recorded on reel-to-reel tape in 1972, but not published in book form until 1995, long after his death. **David had a prodigious memory and could accurately and vividly relate how much gold he had found per day in any given area. Crude though it was, he had provided the first reconnaissance-style gold survey of the area.**



The 2000 Prodeminca study provided key basic geological knowledge of the Cordillera, as well as demonstrated that regional fault systems and porphyritic intrusions played important roles in generating and localizing ore systems. A particular point of interest was the finding that north-south faults are the main localizing or “first-order” structural controls for ore deposition. The study built on early work released in 1994, when the United Kingdom Overseas Development Administration and the Government of Ecuador published a map of mineral occurrences covering part of the Cordillera del Condor. The Cordillera del Condor is the drainage divide that marks the international boundary between Ecuador and Peru.

#### **Recent News: OROMONTE RESOURCES INC., PURCHASES THE GOLDSTAR MINE IN NAMBIJA**

Oromonte Resources Inc. has purchased eight additional mining rights in Nambija and **a full production mining plant** currently capable of processing 30 tons of ore per day.

This facility and property is known as Goldstar.

"Oromonte is very pleased to conclude this purchase as it is a strategic piece of the Nambija mining property. It ensures that there will be no disruptions to both our current exploration and production work as the company now has **the mining rights on the concession until 2032**," says Peter Barker, chief executive officer.

**"Our plan is to continue to acquire mining rights and property in Nambija.** The drilling program is currently focused on the Goldstar mine area and is progressing nicely. The plant will be upgraded immediately and increased so that its recovery levels are substantially improved."



## Fundamental Considerations

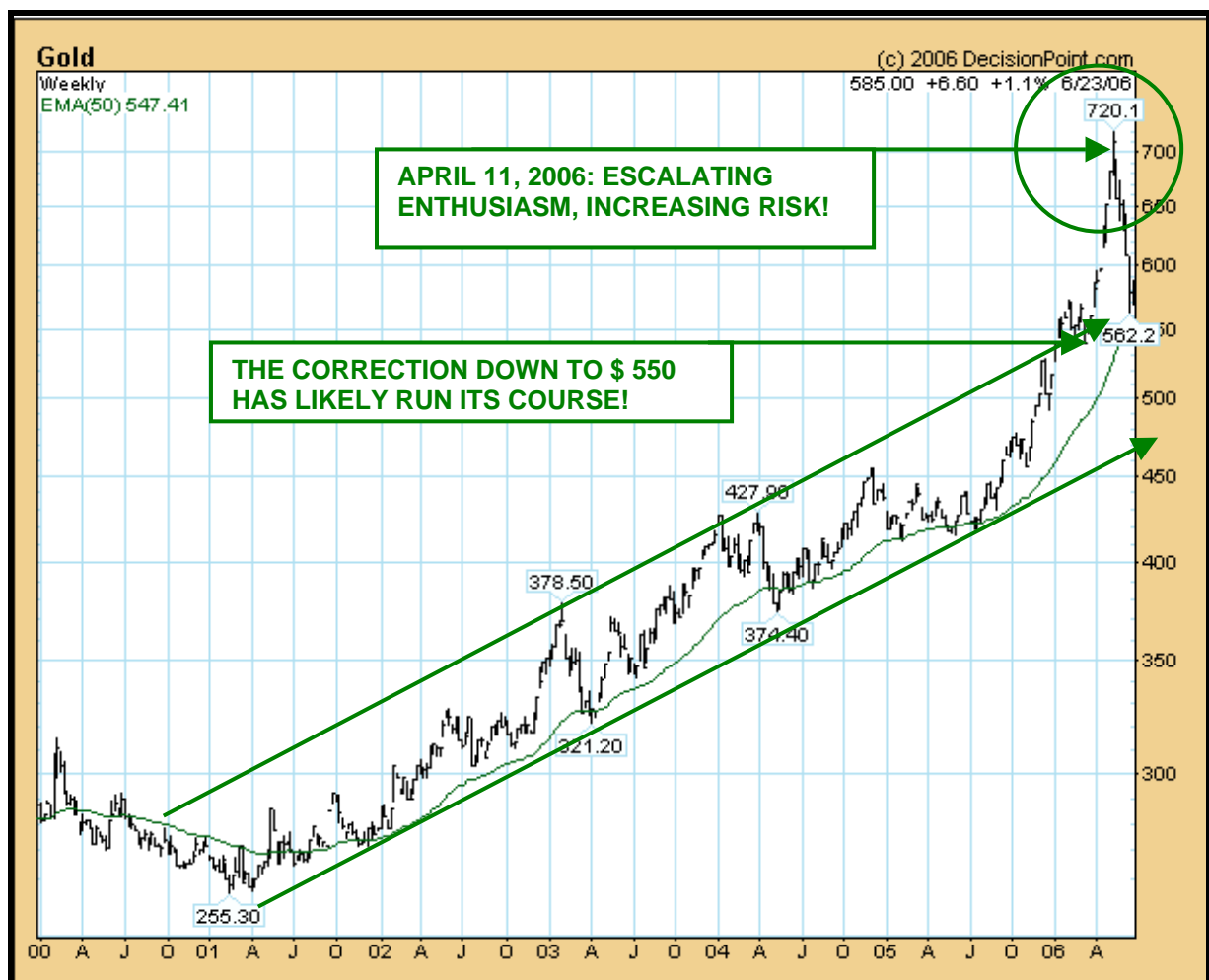
With a market capitalization of 12 million CAD, the company is tiny by any standard. Nevertheless, the 43-101 report completed in 2005, is optimistic that the property has mineral resources in the 4-6 million tonnes Au having a grade of 4-5 g/t on over 1 sq kilometer, (over 1 million ounces) which translates into a market cap of approximately 10\$ per ounce of gold. This in turn is not a high valuation by any standard.

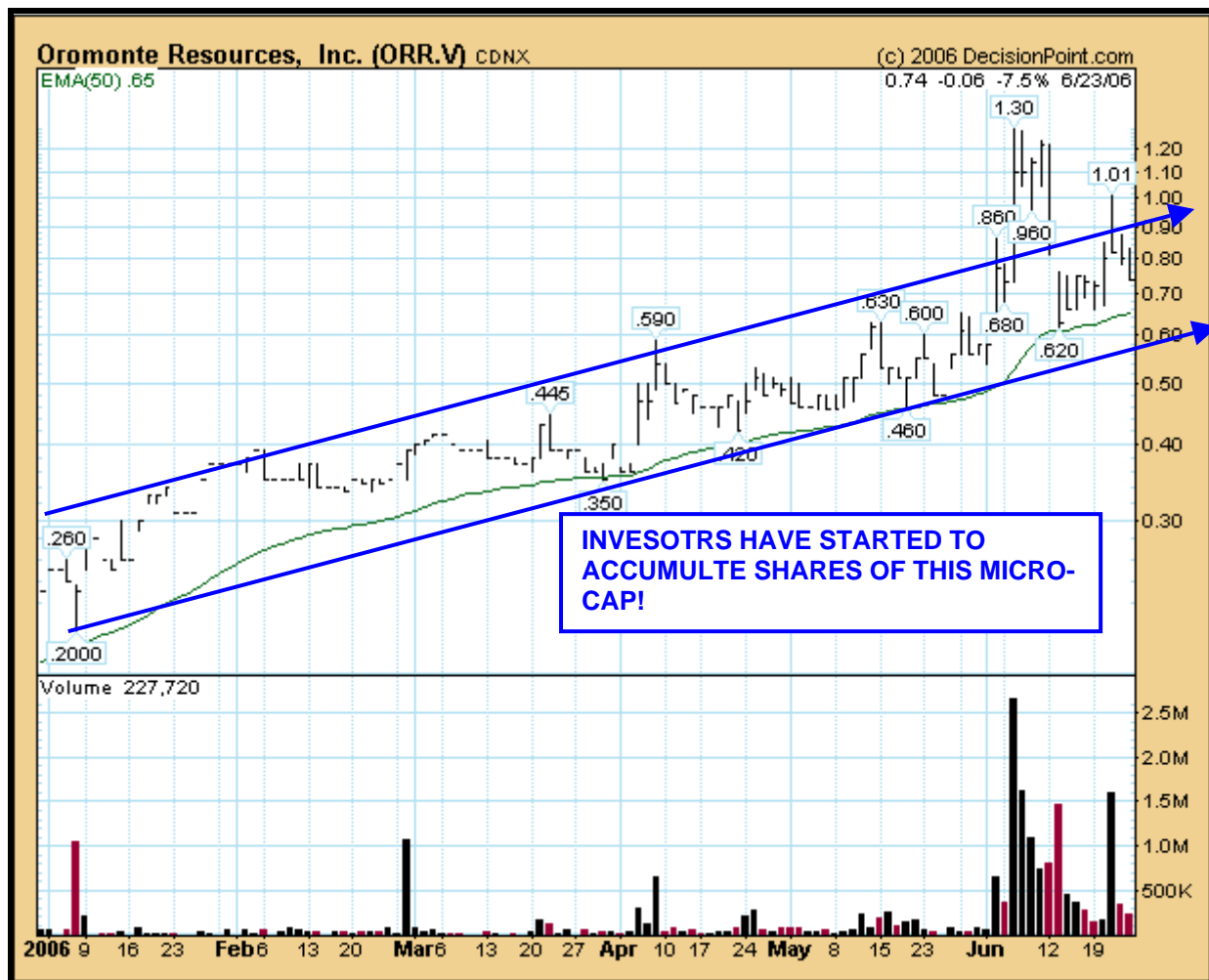
Considering the average grade of 4 to 5 g/t as stated in the 43-101 report and the grades published in the recent news release (see below), such a low valuation is unlikely to remain for long.

"Oromonte Resources Inc. has provided exploration and underground drilling results: The results of the first 100 metres of drilling (of the 2,000-metre program) has one intercept of 4.5 metres long with **an average grade of 23.3 grams per tonne (g/t) gold (Au) including one metre of 33.3 g/t Au**. The drilling in holes GS 1 to GS 6 confirmed the extension of a particularly high-grade discrete skarn lens to the southwest. The underground workings exposed this specific discrete lense by at least 68 metres to the north of the current workings."

Also the fact that the company has commissioned a small plant that is capable of processing 30 tons of ore per day using Chilean mills adds attractiveness to the company's vision **"to become a sizable and profitable junior gold mining company"**

## Technical Considerations





**WARNING:** This recommendation is not meant for people with a delicate heart condition as price fluctuations could be dramatic in both directions as above chart amply demonstrates.

**Peter Zihlmann**



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#### **THE TIMELESS PRECIOUS METAL FUND**

is a shareholder in the company and will benefit from any increase in the company's share price.

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**Disclosure:** The author has not been paid to write this article, nor has he received any other inducement to do so. The author is a shareholder in the company and will benefit from any increase in the company's share price.

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