

**EURO SUN MINING INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

**May 8, 2025**

This Management Information Circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Euro Sun Mining Inc. (the “**Corporation**”) for use at the annual general meeting (the “**Meeting**”) of shareholders of the Corporation to be held at 198 Davenport Road, Toronto, Ontario M5R 1J2 on Wednesday, June 18, 2025 at 11:00 a.m. (Toronto time) for the purposes set forth in the attached Notice of Meeting (the “**Notice**”) and at any adjournment(s) thereof.

Shareholders and/or their appointees may participate in the Meeting by way of conference call; however, votes cannot be cast on the conference call. Please register at <https://us02web.zoom.us/meeting/register/86oSvF5VQdegX5yT0jdmRw> to receive conference call details. Electronic copies of the Meeting materials may be obtained at the Corporation’s profile at [www.sedarplus.ca](http://www.sedarplus.ca), at <https://docs.tsxtrust.com/2185>, or on the Corporation’s website at <https://www.eurosunmining.com/investors/#company-documents>.

Unless otherwise indicated, the information in this Circular is given as of May 8, 2025, and all dollar amounts are in Canadian dollars.

The Corporation’s registered office is located at 198 Davenport Road, Toronto, Ontario M5R 1J2.

**VOTING INFORMATION**

Shareholders may vote before the Meeting or vote at the Meeting, as described below.

*Appointment of Proxies*

The persons named in the enclosed Form of Proxy are officers of the Corporation.

**A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for or on behalf of the shareholder at the Meeting other than the persons designated in the enclosed Form of Proxy. Such right may be exercised by striking out the names of the persons designated in the Form of Proxy, or by preparing another proxy in proper form, and inserting in the blank space provided for that purpose the name of the desired person and delivering the executed proxy to TSX Trust Company, 100 Adelaide St W #301, Toronto, ON M5H 4H1 or fax at 416-595-9593, at any time prior to 11:00 a.m. (Toronto time) on June 16, 2025. Shareholders may also vote online at [www.voteproxyonline.com](http://www.voteproxyonline.com) by entering the 12-digit control number found on their Form of Proxy.**

A shareholder forwarding the enclosed Form of Proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The common shares of the

Corporation (the “**Common Shares**”) represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A shareholder who has given the enclosed Form of Proxy has the right under subsection 148(4) of the *Canada Business Corporations Act* (the “**CBCA**”) to revoke the proxy (i) by instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation at any time prior to 4:30 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, or (ii) in any other manner permitted by law.

A shareholder that is not registered on the books of the Corporation (each, a “**Non-Registered Holder**”) should follow the instructions included on the voting instruction form provided by his/her/its Intermediary (as defined below).

#### *Non-Registered Holders*

Only registered shareholders (each, a “**Registered Shareholder**”), or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a Non-Registered Holder are registered either:

- A. in the name of an intermediary (each, an “**Intermediary**” and collectively, the “**Intermediaries**”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- B. in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Corporation has distributed copies of the form of proxy and supplemental mailing card (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, in addition, if applicable, to the procedures set out below under “VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF”, depending on the type of form they receive:

- A. **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder’s behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, or over the internet in accordance with the directions on the form. If a Non-Registered Holder wishes

to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must appoint themselves in advance of the proxy cut-off date, complete the Request for Control Number form (<https://tsxtrust.com/resource/en/75>) and email this form to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in order to receive a control number to vote online.

or

- B. **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to TSX Trust Company, as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must strike out the person named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered. In addition, if applicable, Non-Registered Holders should follow the procedures set out below under "VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF".

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary in accordance with the instructions received from the Intermediary, except that an Intermediary may not act on a revocation of a voting instruction form or a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary in sufficient time prior to the Meeting.

A Non-Registered Holder may fall into two categories – those who object to their identity being made known to the issuers of the securities which they own ("**Objecting Beneficial Owners**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**Non-Objecting Beneficial Owners**" or "**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Owners from Intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners. The Corporation is sending Meeting Materials directly to Non-Objecting Beneficial Owners; the Corporation uses and pays Intermediaries and agents to send the Meeting Materials. The Corporation also intends to pay for Intermediaries to deliver the Meeting Materials to Objecting Beneficial Owners.

These securityholder materials are being sent to both Registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent sent these materials directly to you, your name, address and information about your holdings of

securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instruction form as specified in the request for voting instructions that was sent to you.

### **Exercise of Discretion By Proxies**

The persons named in the enclosed Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted FOR each of the matters identified in the Notice and described in this Circular.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters that may properly come before the Meeting. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice.

### **ADOPTION OF NOTICE AND ACCESS**

In accordance with the notice and access rules adopted by the Ontario Securities Commission under NI 54-101, the Corporation has sent its proxy-related materials directly to registered holders and NOBOs using notice-and-access. Therefore, although shareholders still receive a Form of Proxy or Voting Information Form in paper copy, this Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, shareholders may access these materials on the Corporation's website at <https://www.eurosunmining.com/investors/#company-documents> or under the Corporation's profile page on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Registered Shareholders or Non-Registered Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869 or email at [tsxtis@tmx.com](mailto:tsxtis@tmx.com). Requests for paper materials should be received by June 9, 2025 in order to receive the Meeting Materials in advance of the Meeting in time to vote before the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date of this Circular, a total of 397,821,034 Common Shares and no preferred shares were issued and outstanding.

Each Common Share entitles the holder thereof to one vote at all meetings of shareholders of the Corporation.

Shareholders of record as of May 9, 2025 shall be entitled to either (i) attend in person and vote at the Meeting the Common Shares held by them or, (ii) attend by proxy and vote at the Meeting

the Common Shares held by them, provided a completed and executed proxy shall have been delivered to the Corporation as specified above under the heading "Appointment of Proxies".

As of the date of this Circular, to the knowledge of the directors and senior officers of the Corporation, no one shareholder owns, directly or indirectly, more than 10% of the issued and outstanding Common Shares. As of the date of this Circular, the directors and officers of the Corporation own or control, directly or indirectly, in the aggregate, 39,897,659 Common Shares representing approximately 10.03% of the current issued and outstanding Common Shares.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Financial Statements and Auditors' Report**

The directors of the Corporation will present to the shareholders at the Meeting the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2024, together with the auditors' report thereon. No vote by the shareholders with respect to such financial statements is required or proposed to be taken.

### **2. Election of Directors**

The Articles of Incorporation of the Corporation provide that the board of directors (the "**Board**") shall consist of not more than ten directors and not less than one director to be elected annually.

**Unless otherwise specified, the persons named in the enclosed Form of Proxy will vote FOR the election of the nominees whose names are set forth below.**

All of the nominees are current directors of the Corporation. All of the nominees are eligible to be directors and have expressed a willingness to act as such. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if this should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the close of the next annual meeting of shareholders of the Corporation following his or her election, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The following sets out the name of each person proposed to be nominated for election as a director, his or her present principal occupation or employment, the date on which he or she was first elected or appointed a director of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which he or she exercises control or direction as at the date of this Circular. Shareholders will be asked to vote for each nominated director on an individual basis.

Director	History
<p><b>Grant Sboros</b></p> <p>Greece</p> <p><b>Director since: December 1, 2022</b></p> <p><b>Age: 46</b></p> <p><b>Independent: No</b></p>	<p>Grant Sboros is the Chief Executive Officer of the Corporation. He previously worked as the Chief Financial Officer of Katanga Mining Limited from 2017 to 2019. From 2013 to 2017, he was DCFO of Mopani Copper Mines PLC. From 2007 until 2013, Grant was Head of Auditing as a Deloitte partner in Mozambique. He is a Chartered Accountant and holds an Honors degree in Accounting Science from the University of South Africa. Mr. Sboros has extensive mining experience in Africa in both operations and finance.</p>
<b>Securities Held<sup>(1)</sup></b>	
Common Shares	19,955,359
Outstanding Options	Nil
Deferred Share Units	4,250,000
Restricted Share Units	Nil
Warrants	3,561,126
<b>Other Public Company Board Membership</b>	
None.	

Director	History
<p><b>Neil Said</b></p> <p>Toronto, Ontario</p> <p><b>Director since: December 1, 2022</b></p> <p><b>Age: 45</b></p> <p><b>Independent: Yes</b></p>	<p>Neil Said is a businessman and corporate securities lawyer who has worked as an officer and legal consultant to numerous Canadian-listed companies in the technology, cannabis, mining, oil &amp; gas and healthcare industries. Mr. Said began his career as a securities lawyer at Osler, Hoskin &amp; Harcourt LLP, where he worked on a variety of corporate and commercial transactions. Mr. Said obtained a Juris Doctor from the Faculty of Law at the University of Toronto, and he received a Bachelor of Business Administration with a minor in Economics from Wilfrid Laurier University.</p>
<b>Securities Held<sup>(1)</sup></b>	
Common Shares	Nil
Outstanding Options	1,700,000
Deferred Share Units	Nil
Restricted Share Units	Nil
Warrants	Nil
<b>Other Public Company Board Membership</b>	
None.	

Director	History
<b>Deborah Battiston</b> <b>Fort Erie, Ontario</b> <b>Director since: January 31, 2023</b> <b>Age: 67</b> <b>Independent: Yes</b>	Deborah Battiston is a Chartered Professional Account and an ICD.D (“Institute of Corporate Director’s Director”) obtained from the University of Toronto’s Rotman School of Management. Ms. Battiston also holds a BA in Economics from the University of Guelph. She has over 35 years of financial management experience, 24 of which are in the public company sector. Ms. Battiston has broad experience in the mining sector, having been CFO and director of multiple mining companies in various stages of exploration, development, and production. Her experience includes mergers and acquisitions, divestitures, US and Canadian IPO’s, tax, and financing.
<b>Securities Held<sup>(1)</sup></b>	
Common Shares	Nil
Outstanding Options	850,000
Deferred Share Units	Nil
Restricted Share Units	Nil
Warrants	Nil
<b>Other Public Company Board Membership</b>	
McFarlane Lake Mining Limited	
Brazil Potash Corp.	

Directors	History
<b>Martin Schuermann</b> <b>Germany</b> <b>Director since: January 31, 2023</b> <b>Age: 60</b> <b>Independent: Yes</b>	Mr. Schuermann has been a serial entrepreneur throughout different industries and has been involved in the clean energy sector since 2009, becoming the CEO of Vision Motor Corp and Vision Industries where they were focused on developing zero emission transportation solutions, using hydrogen as the dominant energy storage medium. Vision was the first company in the world to put hydrogen powered class 8 trucks through regular duty cycles in the ports of Los Angeles and Long Beach. Mr. Schuermann holds a BA from Westfaelische Wilhelms Universitaet Muenster (Germany) and an MBA from Azusa Pacific University and UCLA (Los Angeles).
<b>Securities Held<sup>(1)</sup></b>	
Common Shares	Nil
Outstanding Options	850,000
Deferred Share Units	Nil
Restricted Share Units	Nil
Warrants	Nil
<b>Other Public Company Board Membership</b>	
None.	

Directors	History
<p><b>Carlo LiVolsi</b></p> <p><b>Woodbridge, Ontario</b></p> <p><b>Director since: September 23, 2024</b></p> <p><b>Age: 53</b></p> <p><b>Independent: Yes</b></p>	<p>Mr. LiVolsi is currently the Chief Executive Officer at Apex Branded Solutions, Inc. and was formerly a director of Apollo Healthcare Corp., previously listed on the Toronto Stock Exchange. In this role, Mr. LiVolsi sat on the audit committee and represented Apollo in connection with the successful acquisition of Apollo by Anjac SAS.</p>
<b>Securities Held<sup>(1)</sup></b>	
Common Shares	18,010,000
Outstanding Options	Nil
Deferred Share Units	Nil
Restricted Share Units	Nil
Warrants	8,906,000
<b>Other Public Company Board Membership</b>	

None.

Notes:

- (1) The information as to the number of Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective proposed directors individually.
- (2) Independent refers to the standards of independence established under National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("NI 52-110").

### **3. Board Meetings**

The attendance record of each director for all board and committee meetings held during the fiscal year ended December 31, 2024, while the relevant director was on the Board or committee, is as follows:

Name	Board Meetings	Audit Committee Meetings	Corporate Governance and Nominating Committee Meetings	Human Resources and Compensation Committee Meetings
Carlo LiVolsi <sup>(1)</sup>	0 of 1	N/A	N/A	N/A
Martin Schuermann	5 of 5	4 of 4	N/A	N/A
Deborah Battiston	5 of 5	4 of 4	N/A	N/A
Neil Said	5 of 5	4 of 4	N/A	N/A
Grant Sboros	5 of 5	N/A	N/A	N/A

(1) Mr. LiVolsi was appointed as a member of the board of directors effective September 23, 2024.

#### **(i) Committees of the Board**

The Audit Committee of the Board is currently composed of three directors, being Ms. Deborah Battiston (Chair), Mr. Said and Mr. Schuermann.

The Corporate Governance and Nominating Committee of the Board is currently composed of three directors, being Mr. Said (Chair), Mr. Schuermann and Ms. Battiston.

The Human Resources and Compensation Committee of the Board is currently composed of three directors, being Mr. Schuermann (Chair), Ms. Battiston and Mr. Said.

(ii) Majority Voting Policy

The Board has adopted a majority voting policy, which stipulates that if a nominee for election as a director of the Corporation receives a greater number of votes “withheld” than votes “for”, with respect to an election of directors by shareholders, such nominee director will be expected to offer to tender his or her resignation promptly following the meeting of shareholders at which such director is standing for election. The Board will consider such offer to resign and make a decision whether to accept it or not after having taken into account all of the relevant circumstances concerning same. A director who offers to resign in such a situation should not be part of any committee or Board deliberations pertaining to the resignation offer. This policy only applies in circumstances involving uncontested elections of directors. An “uncontested election of directors” means that the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board.

(iii) Advance Notice By-Law

Section 35(A) of the Corporation’s By-law No. 1 (the “**Advance Notice By-Law**”), which sets out advance notice requirements for director nominations, was confirmed by the Corporation’s shareholders at the annual and special meeting held on August 4, 2016. The Advance Notice By-Law sets forth a procedure requiring advance notice to the Corporation by any shareholder who intends to nominate any person for election as a director of the Corporation. Among other things, the Advance Notice By-Law fixes a deadline by which shareholders must notify the Corporation of their intention to nominate directors and sets out the information that shareholders must provide in the notice for it to be valid. These requirements are intended to provide all shareholders with the opportunity to evaluate and review all proposed nominees and vote in an informed and timely manner regarding said nominees. The procedures provided for by Section 35(A) do not interfere with the ability of shareholders to requisition a meeting or to nominate directors for election by way of a shareholder proposal in accordance with the CBCA. The Advance Notice By-Law is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). As of the date of this Circular, the Corporation has not received any notice of a shareholder’s intention to nominate directors at the Meeting pursuant to the Advance Notice By-Law.

(iv) Additional Disclosure Relating to Proposed Directors

Other than as disclosed below, none of the proposed directors are, as at the date of this Circular, or have been, within the 10 years prior to the date of this Circular, a director or executive officer, of any company that, while that person was acting in such capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease

trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the proposed directors have, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

None of the proposed directors have been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **4. Appointment of Auditors**

Shareholders of the Corporation will be asked at the Meeting to re-appoint McGovern Hurley LLP, Chartered Professional Accountants, as the Corporation's auditors to hold office until the close of the next annual meeting of shareholders of the Corporation or until their successors are appointed. McGovern Hurley LLP, Chartered Professional Accountants, have been the auditors of the Corporation since June 21, 2016.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended December 31, 2024 and 2023.

<b>Service</b>	<b>2024</b>	<b>2023</b>
Audit Fees	\$85,600	\$80,250
Audit-Related Fees	Nil	Nil
Tax Fees	\$7,597	\$6,955
Other Fees	Nil	Nil
<b>Total:</b>	<b>\$93,197</b>	<b>\$87,205</b>

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Human Resources and Compensation Committee

The compensation program of the Corporation is administered by the Board with the assistance of the Human Resources and Compensation Committee. Based on recommendations from the Human Resources and Compensation Committee, the Board makes decisions in respect of compensation matters relating to senior executives and directors of the Corporation, ensuring consistent application in accordance with industry standards.

The responsibilities of the Human Resources and Compensation Committee include assisting the Board with: (a) establishing key human resources and compensation policies; (b) establishing goals relevant to the performance and incentive compensation of the Chief Executive Officer (the “**CEO**”); (c) evaluating the performance and related incentive compensation entitlement of the CEO; (d) reviewing and evaluating of the performance of senior management as determined by the CEO and related incentive compensation recommendations; and (e) evaluating and setting of compensation for directors.

Specifically, in carrying out these duties, the Human Resources and Compensation Committee:

- reviews and recommends for approval by the Board the compensation philosophy and structure, including short and long-term incentive plans, for the CEO and the other senior officers of the Corporation and to oversee the implementation and administration of compensation policies and programs concerning executive compensation, executive employment contracts, incentive plans, retirement plans and other benefits;
- reviews and recommends for approval by the Board the annual salary/fees, short and long-term incentive awards and other benefits, direct and indirect, including targets tied to corporate goals and personal objectives, for the CEO and the other senior officers (after considering the recommendations of the CEO);
- reviews and recommends for approval by the Board all equity-based grants;
- develops and maintains a position description for the CEO and assesses the performance of the CEO against such position description, corporate goals and objectives and, if applicable, the CEO’s individual goals and objectives;
- identifies any risks arising from the Corporation’s compensation policies and practices that could be reasonably likely to have a material adverse effect on the Corporation;
- ensures that the Corporation has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of senior officers;
- reviews recommendations concerning material changes or amendments to compensation policies and programs;
- reviews the adequacy and form of the compensation of directors and to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly;
- reviews the executive compensation disclosure in continuous disclosure filings; and
- monitors compensation trends and issues generally and particularly as they relate to the industry in which the Corporation operates.

The Human Resources and Compensation Committee consists of Mr. Schuermann (Chair), Ms. Battiston and Mr. Said, all of which are considered independent within the meaning of NI 52-110.

The significant industry experience of each of the members of the Human Resources and Compensation Committee as directors of other publicly-traded companies, provides them with a suitable perspective to make decisions on the appropriateness of the Corporation's compensation policies and practices and to advise and make recommendations to the other members of the Board.

### Objectives of Executive Compensation

The Corporation's executive compensation seeks to align executive compensation with the annual and longer-term business objectives of the Corporation taking into consideration the multi-stage transformation being undertaken by the Corporation as it evolves from event based to process-based management. The executive compensation program is designed to achieve the following objectives:

- establish executive compensation on an individual basis in order to attract and retain within the Corporation qualified and experienced individuals;
- ensure that compensation is fair and competitive and that it be established, when deemed reasonable and effective to do so, with reference to the market for similar positions in other comparable mining and exploration companies;
- motivate performance with pay at risk linked to the Corporation's successes;
- align management's interests with those of shareholders;
- be contemporary in pay design, employee benefits and perquisites; and
- effectively communicate goals and calculation methodologies so that they are understood by both executives and shareholders.

### Executive Compensation-Related Fees

In 2020 and 2021, the Corporation engaged Human Well (the "**Compensation Consultant**") to review the Corporation's compensation practices against a comparator group of 15 companies of similar stage of development, size and complexity identified by the Compensation Consultant and agreed by the Corporation. The Corporation did not engage a compensation consultant for the financial years ended 2024, 2023, nor 2022.

### Elements of Executive Compensation

The following elements of compensation are employed to reward the Corporation's senior executive officers:

Element	Purpose
<b><u>Base Salaries/Fees</u></b>	Base salaries/fees form an essential component of the Corporation's compensation strategy as a key to the Corporation remaining competitive, are annually reviewed and fixed and therefore not subject

Element	Purpose
	<p>to uncertainty, and can be used as the base to determine other elements of compensation and benefits. In determining the base salaries/fees of executive officers, the Human Resources and Compensation Committee and the Board consider the following:</p> <ul style="list-style-type: none"> <li>▪ the recommendations of the CEO (other than in respect of the CEO's compensation);</li> <li>▪ the base salaries of comparator companies;</li> <li>▪ the particular responsibilities related to the position;</li> <li>▪ the experience, expertise and level of the executive officer; and</li> <li>▪ the executive officer's overall performance based on informal feedback.</li> </ul> <p>The emphasis placed on any of these factors is at the discretion of the Board and may vary among the executive officers.</p>
<b><u>Short-Term Incentives</u></b>	<p>The purpose of the Corporation's short term incentive program is to provide executives with the opportunity to receive a cash incentive that is broadly related to the progress of the Corporation and individual performance.</p> <p>The Human Resources and Compensation Committee, in making recommendations to the Board in respect of bonus awards, considers the achievement of the above listed milestones. No specific weight was assigned to any criteria individually, rather, the performance of the executive is broadly considered as a whole when determining the level of bonuses, if any, to be paid.</p>
<b><u>Long-Term Incentives</u></b>	<p>Long-term incentives are designed to reward long-term executive performance, the retention of qualified executives and to align executive incentives directly with those of shareholders by retaining a proprietary interest in the equity of the Corporation while at the same time not drawing on the cash resources of the Corporation.</p> <p>The Corporation also bases its long-term incentive awards on a review of each executive's performance against the key performance indicators developed by the Corporation and listed above under "<i>Short Term Incentives</i>". There are no specific weights assigned to any criteria individually. The performance of the Corporation is also broadly considered as a whole when determining long-term incentive awards.</p> <p>The Corporation may in the future grant, subject to the approval of shareholders at the Meeting and the Board at the time of the grant, long-term incentive awards to the executives.</p> <p><b>Stock Options</b></p> <p>The Human Resources and Compensation Committee reviews Option grant recommendations made by the CEO with regard to each executive's individual performance in contributing to the strategic objectives of the Corporation and demand in the market for the skills of that executive.</p> <p>The Human Resources and Compensation Committee makes its recommendations for approval of grants to the Board along with</p>

Element	Purpose
	<p>recommendations on an Option award for the executives and Board members.</p> <p><b>Restricted Share Units</b></p> <p>Each RSU represents a right to acquire, subject to the fulfillment of any conditions and upon the vesting thereof, a Common Shares or cash equal to the value of a Common Shares on the vesting date with the election to be made at the sole option of the Corporation. The Human Resources and Compensation Committee will review RSU grant recommendations made by the CEO with regard to each executive's individual performance in contributing to the strategic objectives of the Corporation and demand in the market for the skills of that executive.</p> <p>The Human Resources and Compensation Committee will make its recommendation for approvals of grants to the Board along with recommendations on an RSU award for the executives and Board members.</p> <p><b>Deferred Share Units</b></p> <p>DSUs directly track the value of Common Shares and strengthen the alignment of interests between executives and the Corporation's shareholders by linking a portion of compensation to the future value of Common Shares. DSUs are granted at the market value of Common Shares.</p> <p>DSU awards are used to enable executives to defer a portion of their short-term incentive, effectively converting this to a long-term incentive aligned with stock performance. DSUs are also expected to become a component of director compensation.</p> <p>DSUs are paid out in Common Shares at the time the executive ceases to be eligible to participate in the DSU program, usually at the time of departure from the Corporation.</p>
<b><u>Benefits and Perquisites</u></b>	<p>Benefits and perquisites provide protection for the executive and his/her family or provide access to amenities that enable the executive to be more effective. Generally, such arrangements leverage the Corporation's ability to purchase services at a discounted rate over those that would be available to an individual.</p>

### Chief Executive Officer Compensation

The components of the CEO's compensation are the same as those that apply to the other executive officers of the Corporation, namely base salary/fee, bonus and long-term incentives. The Human Resources and Compensation Committee reviews and ensures that the compensation of the CEO complies with the principles underlying the Corporation's overall compensation philosophy. The Human Resources and Compensation Committee:

- periodically reviews the CEO's compensation and recommends any changes to the Board for approval;

- reviews corporate goals and objectives relevant to the compensation of the CEO and recommends them to the Board for approval;
- reviews the CEO's compensation against that of his or her peers at comparator companies; and
- reviews and, if appropriate, recommends to the Board for approval any agreements between the Corporation and the CEO, including protections in the event of a change of control or other special circumstances, as appropriate.

### Compensation Risks

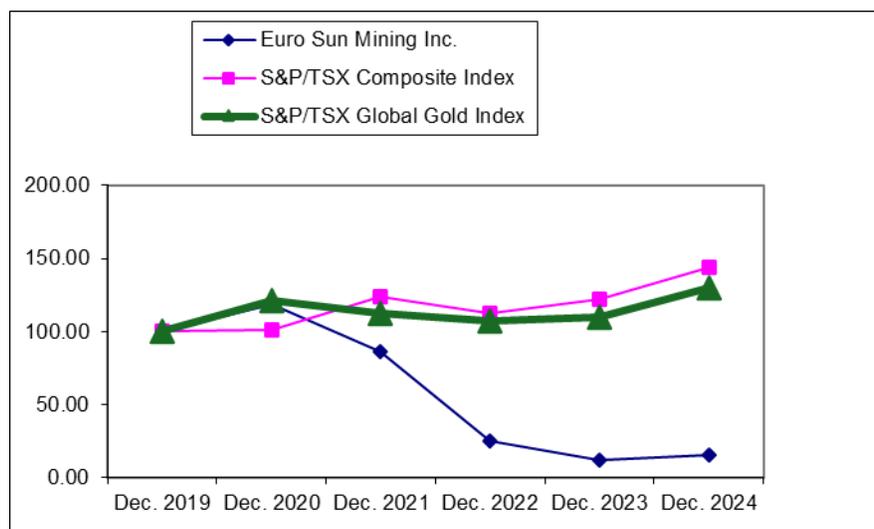
In reviewing the Corporation's compensation practices each year, the Human Resources and Compensation Committee seeks to ensure that (i) the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Corporation; and (ii) compensation practices do not encourage excessive risk-taking behaviour by the executive team. The Corporation's long-term incentives are designed to focus on the Corporation's long-term performance which should discourage executives from taking excessive risks in order to achieve short-term, unsustainable performance.

### Insider Trading and Financial Instruments

All of the Corporation's executives, other employees and Directors are subject to an insider trading policy, which prohibits trading in the Corporation's securities while in possession of material undisclosed information about the Corporation.

### Performance Graph

The following graph compares the total cumulative shareholder return for \$100 invested in the Corporation's Common Shares on December 31, 2019 against the cumulative shareholder return of the S&P/TSX Composite Index for the five most recently completed financial years.





Name and Principal Position	Year	Salary/ Fees (\$)	Share-based awards <sup>(3)</sup> (\$)	Option-based awards <sup>(4)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans <sup>(5)</sup> (\$)	Long-term incentive plans (\$)			
Ryan Ptolemy <sup>(2)</sup> CFO	2024	108,000	Nil	Nil	Nil	Nil	Nil	Nil	108,000
	2023	108,000	Nil	63,218	Nil	Nil	Nil	Nil	171,218
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenny Choi <sup>(6)</sup> Former Corporate Secretary	2024	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2023	120,000	Nil	63,218	Nil	Nil	Nil	Nil	183,218
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
G. Scott Moore <sup>(1)</sup> Former CEO	2024	/A N	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2022	522,500	Nil	Nil	Nil	Nil	Nil	Nil	522,500
Paul Bozoki <sup>(2)</sup> Former CFO	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	156,750	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	156,750
Samuel Rasmussen Former COO	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	546,714	Nil	Nil	Nil	Nil	Nil	Nil	546,714
Randall K. Ruff Former Executive Vice President - Exploration	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	174,996	Nil	Nil	Nil	Nil	Nil	Nil	174,996
Bradley Humphrey Former Vice President Corporate Development	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2022	164,208	Nil	Nil	Nil	Nil	Nil	Nil	164,208

## Notes:

- (1) Mr. Sboros became the Corporation's CEO as of November 11, 2022 following Mr. Moore's resignation. See also "Termination of Employment, Change in Responsibilities and Employment Contracts".
- (2) Mr. Ptolemy became the Corporation's CFO as of December 16, 2022 following Mr. Bozoki's resignation. See also "Termination of Employment, Change in Responsibilities and Employment Contracts".

- (3) The value ascribed to the vested share-based awards has been calculated using the number of DSUs multiplied by the closing price of the Common Shares on the last trading date of the financial year.
- (4) The value ascribed to Option grants represents non-cash consideration and has been estimated using the Black-Sholes Model as at the date of grant under the following weighted average assumptions: [expected dividend yield – 0%, expected volatility – 79% , risk-free interest rate -- 1.5%; and an expected life - 5 years].
- (5) Represents bonus amounts, payable in cash.
- (6) Mr. Choi became the Corporation's Corporate Secretary as of January 31, 2023 following Mr. Drake's resignation; he subsequently resigned from such position effective January 31, 2025. See also "Termination of Employment, Change in Responsibilities and Employment Contracts".

### Incentive Plan Awards

The following table outlines the Burn Rate (as defined below) for the past three fiscal years.

	2024	2023	2022
Burn Rate <sup>(1)</sup>	Nil	3.07%	Nil

Note:

- (1) The Burn Rate is calculated using the TSX prescribed methodology, which is the total number of Options granted under the arrangement during the applicable fiscal year, divided by the weighted average number of Common Shares outstanding for the fiscal year ("Burn Rate").

### Outstanding Option-Based Awards and Share-Based Awards

The following table provides information regarding the Option-based and share-based incentive plan awards for each Named Executive Officer outstanding as at December 31, 2024:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options <sup>(1)</sup>	Number of shares or units of shares that have not yet vested (#)	Market or payout value of share-based awards that have not yet vested (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
Grant Sboros	Nil	Nil	Nil	Nil	Nil	Nil	191,250
Ryan Ptolemy <sup>(3)(5)</sup>	1,000,000 700,000	0.05 0.06	Feb 17, 2028 Apr 11, 2028	Nil	Nil	Nil	Nil
Kenny Choi <sup>(4)(6)</sup>	1,000,000 700,000	0.05 0.06	Feb 17, 2028 Apr 11, 2028	Nil	Nil	Nil	Nil

Notes:

- (1) Value of in-the-money Options at December 31, 2024, if any, is the difference between the exercise price of the Options and \$0.045, being the closing price of Common Shares on December 31, 2024 which was the last trading day of the financial year.
- (2) In the form of DSUs and RSUs outstanding, the value of which has been calculated on the \$0.045, being the closing price of Common Shares on December 31, 2024. Payment on the DSUs is deferred until the time the individual ceases to be

eligible to participate in the Share Incentive Plan, usually at the time of departure from the Corporation. See also “*Long-Term Incentives*” for details of the Share Incentive Plan.

- (3) Mr. Ptolemy was granted 1,000,000 stock options on February 17, 2023 with an exercise price of \$0.05 and expiring on February 17, 2028 and 700,000 stock options on April 11, 2023 with an exercise price of \$0.06 and expiring on April 11, 2028.
- (4) Mr. Choi was granted 1,000,000 stock options on February 17, 2023 with an exercise price of \$0.05 and expiring on February 17, 2028 and 700,000 stock options on April 11, 2023 with an exercise price of \$0.06 and expiring on April 11, 2028.
- (5) Mr. Bozoki resigned as Chief Financial Officer of the Corporation on December 16, 2022 and was replaced by Mr. Ptolemy.
- (6) Mr. Choi was appointed Corporate Secretary of the Corporation on January 31, 2023 and served in such capacity until his resignation effective January 31, 2025.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out the value of incentive plan awards granted to the Named Executive Officers that have vested or were earned during the financial year ended December 31, 2024:

Name	Value of Option-based awards vested during 2024 <sup>(1)</sup> (\$)	Value of share-based awards vested during 2024 (\$)	Value of non-equity incentive plan compensation earned during 2024
Grant Sboros	Nil	Nil	Nil
Ryan Ptolemy	Nil	Nil	Nil
Kenny Choi	Nil	Nil	Nil

Notes:

- (1) The value ascribed to Option grants represents non-cash consideration and has been estimated using the Black-Sholes Model as at the date of grant.

### **Pension Plan Benefits**

The Corporation has no pension plan in place.

### **Termination of Employment, Change in Responsibilities and Consulting Contracts**

#### **Grant Sboros**

Grigan (a corporation incorporated in the Republic of Mauritius) entered into a consulting agreement with the Corporation as of January 1, 2023, as amended on April 1, 2023 (the “**Sboros Agreement**”) for the services of Mr. Sboros as CEO of the Corporation. Mr. Sboros receives a base monthly fee of US\$25,000, plus applicable goods and services tax. Mr. Sboros’ base fee is reviewed on an annual basis, and he may be entitled to bonuses, Options and benefits and the discretion of the Board.

The Sboros Agreement provides for a severance payment equal to 12 months of base fees to be paid within 90 days of termination in the event the Corporation terminates the Sboros Agreement without cause. The Sboros Agreement may be terminated at any time by the

Corporation for just cause without notice or payment in lieu thereof and without payment of any fees. Just cause is defined to include, but is not limited to: dishonesty or fraud; theft; breach of fiduciary duties; being guilty of bribery or attempted bribery; or gross mismanagement.

In the event that there is a change in control of the Corporation, either Mr. Sboros or the Corporation shall have one year from the date of such change in control to elect to have Mr. Sboros' appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Mr. Sboros that is equivalent to 36 months of base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Sboros in the 36 months' prior to the change in control. Therefore, Mr. Sboros would be entitled to US\$900,000 upon a change of control. Following a change in control, all Options granted to Mr. Sboros shall vest immediately. Similarly, following a change in control, all Common Shares issuable to Mr. Sboros under any share compensation plan, but not yet issued, shall be issued immediately.

#### Ryan Ptolemy

1809276 Ontario Inc. entered into a consulting agreement with the Corporation as of January 1, 2023 (the "**Ptolemy Agreement**") for the services of Mr. Ptolemy as CFO of the Corporation. Mr. Ptolemy receives a base monthly fee of \$9,000, plus applicable goods and services tax. Mr. Ptolemy's base fee is reviewed on an annual basis, and he may be entitled to bonuses, Options and benefits and the discretion of the Board.

The Ptolemy Agreement provides for a severance payment equal to 12 months of base fees to be paid within 90 days of termination in the event the Corporation terminates the Ptolemy Agreement without cause. The Ptolemy Agreement may be terminated at any time by the Corporation for just cause without notice or payment in lieu thereof and without payment of any fees. Just cause is defined to include, but is not limited to: dishonesty or fraud; theft; breach of fiduciary duties; being guilty of bribery or attempted bribery; or gross mismanagement.

In the event that there is a change in control of the Corporation, either Mr. Ptolemy or the Corporation shall have one year from the date of such change in control to elect to have Mr. Ptolemy's appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Mr. Ptolemy that is equivalent to 36 months of base fees plus an amount that is equivalent to all cash bonuses paid to Mr. Ptolemy in the 36 months' prior to the change in control. Therefore, Mr. Ptolemy would be entitled to C\$324,000 upon a change of control. Following a change in control, all Options granted to Mr. Ptolemy shall vest immediately. Similarly, following a change in control, all Common Shares issuable to Mr. Ptolemy under any share compensation plan, but not yet issued, shall be issued immediately.

#### Kenny Choi

Kenny KM Choi Professional Corporation entered into a consulting agreement with the Corporation as of January 1, 2023 (the "**Choi Agreement**") for the services of Mr. Choi as Corporate Secretary of the Corporation until his resignation in early 2025. Mr. Choi received a base monthly fee of \$10,000, plus applicable goods and services tax. Mr. Choi's base fee was reviewed on an annual basis, and he may be entitled to bonuses, Options and benefits at the discretion of the Board.

The Choi Agreement provided for a severance payment equal to 12 months of base fees to be paid within 90 days of termination in the event the Corporation terminated the Choi Agreement without cause. The Choi Agreement could have been terminated at any time by the Corporation

for just cause without notice or payment in lieu thereof and without payment of any fees. Just cause was defined to include, but was not limited to: dishonesty or fraud; theft; breach of fiduciary duties; being guilty of bribery or attempted bribery; or gross mismanagement.

In the event that there was a change in control of the Corporation, either Mr. Choi or the Corporation had one year from the date of such change in control to elect to have Mr. Choi's appointment terminated. In the event that such an election was made, the Corporation had to, within 30 days of such election, make a lump sum termination payment to Mr. Choi that was equivalent to 36 months of base fees plus an amount that was equivalent to all cash bonuses paid to Mr. Choi in the 36 months' prior to the change in control. Therefore, Mr. Choi would have been entitled to C\$360,000 upon a change of control. Following a change in control, all Options granted to Mr. Choi would have vested immediately. Similarly, following a change in control, all Common Shares issuable to Mr. Choi under any share compensation plan, but not yet issued, would have been issued immediately.

#### Definition of Change of Control

For the Sboros Agreement, Ptolemy Agreement and Choi Agreement, "change of control" is defined as any one or more of the following events:

- (1) the acquisition by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the Canada Business Corporations Act) of: (1) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation ; (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Corporation , including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation .

#### Summary of Termination Payments

Name and Position	Termination Without Cause (\$)	Termination With Cause (\$)	Change of Control (\$)
Grant Sboros, Chief Executive Officer	US\$300,000	-	US\$900,000
Ryan Ptolemy, Chief Financial Officer	\$108,000	-	\$324,000
Kenny Choi, Former Corporate Secretary	\$120,000	-	\$360,000

### **Director Compensation**

#### **Director Compensation Table**

The following table provides information regarding compensation earned by the Corporation's directors (other than the Named Executive Officers who are not compensated in their capacity as a director) during the financial year ended December 31, 2024:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Neil Said	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Deb Battiston	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Martin Schuermann	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carlo LiVolsi	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model as at the date of grant.

#### **Outstanding Incentive Plan Awards for Directors**

The following table provides information regarding the option-based and share-based incentive plan awards for each director (who is not also a Named Executive Officer) outstanding as of December 31, 2024:

Name	Option-Based Rewards	Share-Based Awards
------	----------------------	--------------------

	Number of Securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options <sup>(2)</sup>	Number of shares or units of shares that have not yet vested (#)	Market or payout value of share-based awards that have not yet vested	Market or payout value of vested share-based awards not paid out or distributed
Neil Said	1,000,000 700,000	0.05 0.06	February 17, 2028 April 11, 2028	Nil	Nil	Nil	Nil
Deborah Battiston	500,000 350,000	0.05 0.06	February 17, 2028 April 11, 2028	Nil	Nil	Nil	Nil
Martin Schuermann	500,000 350,000	0.05 0.06	February 17, 2028 April 11, 2028	Nil	Nil	Nil	Nil
Carlo LiVolsi	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Represents the total number of Options granted.
- (2) Value of in-the-money Options at December 31, 2024, if any, is the difference between the exercise price of the Options and \$0.045, being the closing price of Common Shares on December 31, 2024 which was the last trading day of the financial year.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive awards granted to the Corporation's directors (who are not also a Named Executive Officer) that have vested or were earned during the financial year ended December 31, 2024:

Name	Value of option-based awards vested during 2024 (\$)	Value of share-based awards vested during 2024 (\$)	Value of non-equity incentive plan compensation earned during 2024 (\$)
Neil Said	Nil	Nil	Nil
Deb Battiston	Nil	Nil	Nil
Martin Schuermann	Nil	Nil	Nil
Carlo LiVolsi	Nil	Nil	Nil

Notes:

- (1) The value ascribed to Option grants represents non-cash consideration and has been estimated using the Black-Sholes Model as at the date of grant.

## **EQUITY COMPENSATION PLANS**

### *Share Incentive Plan*

The share incentive plan (the “**Share Incentive Plan**”) provides eligible participants with compensation opportunities that encourage ownership of Common Shares, enhance the ability to attract, retain and motivate the executive officers and other key management and incentivize them to increase the long-term growth and equity value of the Corporation in alignment with the interests of shareholders. The Share Incentive Plan allows the Board or the Human Resources and Compensation Committee to grant long-term incentives to Directors, officers, employees, eligible contractors and others consistent with the provisions of the Share Incentive Plan.

Awards granted under the Share Incentive Plan may consist of stock options (“**Options**”), restricted share units (“**RSUs**”), deferred share units (“**DSUs**”) and performance share units (“**PSUs**”). Each award is subject to the terms and conditions set forth in the Share Incentive Plan and to those other terms and conditions specified by the Board or the Human Resources and Compensation Committee.

On April 26, 2021, the Board adopted the Share Incentive Plan, a copy of which is attached to the management information circular of the Corporation dated May 10, 2024, as Appendix “B”. The following is a summary of the principal terms of the Share Incentive Plan, which is qualified in its entirety by the provisions of the plan:

#### Shares Subject to the Share Incentive Plan

Up to 10% of the Common Shares issued and outstanding from time to time (including shares issued under any other security-based compensation arrangement of the Corporation) may be issued pursuant to awards under the Share Incentive Plan, being 39,782,103 Common Shares, as of the date of this Circular. As there are currently 9,005,000 Options outstanding (being 2.2% of the issued and outstanding Common Shares), 10,046,238 DSUs outstanding (being 2.5% of the issued and outstanding Common Shares), and 394,736 RSUs outstanding (being 0.09% of the issued and outstanding Common Shares), 15,592,423 Common Shares remain eligible for issuance under the Share Incentive Plan (being 3.9% of the issued and outstanding Common Shares).

The maximum number of Common Shares that: (i) are issuable to insiders (as defined in the Company Manual of The Toronto Stock Exchange (the “**TSX**”), including such staff notices of the TSX which may supplement the same); and (ii) may be issued to insiders within a one-year period, in each case, pursuant to awards under the Share Incentive Plan and any other share-based compensation arrangement the Corporation adopts is 10% of the Common Shares outstanding from time to time. The number of shares subject to each award, the exercise price, the expiry time, the extent to which such award is exercisable and other terms and conditions relating to such awards will be determined by the Board or the Human Resources and Compensation Committee. No participant will be granted awards in any single calendar year with respect to more than 3% of the issued and outstanding Common Shares.

An annual grant of awards (excluding any one-time grant such as those made in the fiscal year of the Director’s initial service) issued to any Director who is not an officer or employee of the Corporation under the Share Incentive Plan and any other share-based compensation arrangement adopted by the Corporation will not exceed an aggregate grant value of \$150,000 in total equity, of which no more than \$100,000 may be issued in the form of Options.

If, and to the extent, awards granted under the plan: (i) are exercised; or (ii) terminate, expire, cancel or are forfeited, Common Shares subject to such awards will again be available for grant under the Share Incentive Plan. In addition, if and to the extent an award is settled for cash, the Common Shares subject to the award will again be available for grant under the plan. In the event of any recapitalization, reorganization, arrangement, amalgamation, stock split or

consolidation, stock dividend or other similar event or transaction, substitutions or adjustments will be made by the Board or the Human Resources and Compensation Committee to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the Share Incentive Plan; (ii) the number, class and/or issuer of securities subject to outstanding awards; and (iii) the exercise price of outstanding Options (A) in a manner that reflects equitably the effects of such event or transaction and (B) is subject to the TSX's consent for so long as the Common Shares or any of the securities of the Corporation are listed on the TSX.

Awards under the Share Incentive Plan are non-assignable and non-transferable although they are assignable to and may be exercisable by a participant's legal heirs or personal representatives in certain cases.

### Amendments

The Board may amend the Share Incentive Plan or the terms of any award agreement, provided that (1) no such amendment, modification, change, suspension or termination of the Share Incentive Plan or any Share Incentive Plan award may materially impair any rights of a participant or materially increase any obligations of a participant under the Plan without the consent of the participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (2) shareholder approval is required to: (i) reduce the exercise price or purchase price of awards under the Share Incentive Plan; (ii) extend the term under an award; (iii) permit awards to be transferable or assignable by participants, other than by will or by the laws of descent and distribution; (iv) remove or increase the insider participation limits; (v) increase the maximum number of securities issuable, either as a fixed number or a fixed percentage of the outstanding capital represented by such securities; (vi) increase the limits on the total annual grant of awards permitted to be issued to any one independent director; and (vii) amend an amending provision within the Share Incentive Plan.

The Board or the Human Resources and Compensation Committee may, without shareholder approval, amend the Share Incentive Plan with respect to (i) amendments of a "housekeeping nature"; (ii) changes to the vesting or exercise provisions of the Share Incentive Plan or any award; (iii) changes to the provisions of the Share Incentive Plan relating to the expiration of awards prior to their respective expiration dates upon the occurrence of certain specified events; or (iv) the cancellation of an award.

### Termination of Service

Unless provided otherwise in the award agreement, if a participant's service with the Corporation or any of the Corporation's affiliates terminates due to resignation, the right to exercise any Option that is exercisable at the time of resignation, or in the case of a DSU, RSU or PSU that is unvested at the time of such resignation, will terminate on the date that is 90 days following the earlier of (i) the date of resignation; and (ii) the award's original expiration date. Unless provided otherwise in the award agreement, if a participant's service with the Corporation or any of the Corporation's affiliates terminates due to death or total disability, (A) the right to exercise an Option will terminate on the earlier of one year following such termination and the award's original expiration date, provided that all Options that will not vest within 12 months following the date of such participant's death shall immediately and automatically terminate, and (B) any DSUs, RSUs or PSUs will vest on the date of such death or total disability and will settle in accordance with the Share Incentive Plan, subject to with respect to PSUs, the Board shall determine the extent of satisfaction of the performance criteria in determining the number of PSUs that shall be eligible for vesting and exercise. If a

participant's relationship with the Corporation or any of the Corporation's affiliates terminates for cause, any award (whether vested or unvested) not already exercised will automatically expire and terminate as of the date of such termination. Unless provided otherwise in the award agreement, if a participant's relationship with the Corporation or any of the Corporation's affiliates terminates due to termination without cause or retirement, any unvested awards will be prorated to the date of termination.

### Change of Control

In the event of a change of control of the Corporation, and unless otherwise provided in an award agreement or a written employment contract between the Corporation and a participant, the Board may provide that: (i) the successor corporation or entity will assume each award or replace it with a substitute award on terms substantially similar to the existing award; (ii) the awards will be surrendered for a cash payment made by the successor corporation or entity equal to the fair market value thereof; or (iii) any combination of the foregoing will occur, provided that the replacement of any Option with a substitute Option shall, at all times, comply with the provisions of subsection 7(1.4) of the Income Tax Act (Canada).

If in connection with or within 12 months following a change of control, and unless otherwise provided in an award agreement or a written employment contract between the Corporation and a participant, a participant's service, consulting relationship, or employment with the Corporation, an affiliate or the continuing entity is terminated without cause, or the participant resigns from his or her employment as a result of certain events set forth in the Share Incentive Plan, then all awards then held by such participant (and, if applicable, the time during which such awards may be exercised) will immediately vest. In the event that an award is subject to vesting upon the attainment of performance criteria, then the number of Options, DSUs, RSUs or PSUs that shall immediately vest will be determined by multiplying the number of awards subject to such vesting criteria by the pro rata performance criteria achieved by the termination date.

### Options

The exercise price of any Option granted under the Share Incentive Plan will be the closing price of the Common Shares on the TSX on the trading day immediately preceding the date on which the Option is granted. The Board or the Human Resources and Compensation Committee will be entitled to determine the Option term for each Option; provided, however, that the exercise period of any Option may not exceed ten years from the date of grant. Vesting for each Option is also determined by the Board or the Human Resources and Compensation Committee.

### RSUs

Each RSU represents the right to receive from the Corporation, after fulfilment of any applicable conditions specified by the Board or the Human Resources and Compensation Committee, a payment from the Corporation (i) if settlement is made in cash, in an amount equal to the fair market value (determined at the time of distribution) of one Common Share per each RSU being settled and (ii) if settlement is being made in Common Shares, on the basis of one Common Share per each RSU being settled. Prior to settlement, an RSU will carry no voting or dividend rights or other rights associated with share ownership. Unless otherwise specified in the award agreement, an RSU award may be settled in Common Shares, cash or in any combination of both; however, a determination to settle an RSU in whole or in part in cash may be made by the Board or the Human Resources and Compensation Committee, in its sole discretion. The Board or the Human Resources and Compensation Committee is also entitled to determine the vesting

and any conditions for RSUs, provided that a RSU granted under the Share Incentive Plan must be settled on or before December 15th of the third calendar year following the calendar year in which the RSU is granted.

### DSUs

Each DSU provides for the right to receive from the Corporation, on a deferred payment basis, a Common Share or the cash equivalent of a Common Share in an amount equal to the fair market value (determined at the applicable date) on the terms contained in the Share Incentive Plan. The amount will not be paid out until the earlier of the death, retirement, or loss of office or employment of the recipient with the Corporation or any of its affiliates, thereby providing an ongoing equity stake throughout the recipient's period of service. Unless otherwise specified in the award agreement, a DSU award may be settled in Common Shares, cash, or in any combination of both, however, a determination to settle a DSU in whole or in part in cash may be made by the Board or the Human Resources and Compensation Committee, in its sole discretion.

### PSUs

Each PSU represents a right to receive from the Corporation, after fulfillment of any applicable conditions specified by the Board or the Human Resources and Compensation Committee (including achievement of certain performance criteria), a payment from the Corporation (i) if settlement is made in cash, in an amount equal to the fair market value (at the time of the distribution) of one Common Share per each PSU being settled multiplied by the payout factor, and (ii) if settlement is made in Common Shares, on the basis of one Common Share per each PSU being settled multiplied by the payout factor. Prior to settlement, a PSU will carry no voting or dividend rights or other rights associated with share ownership. Unless otherwise specified in the award agreement, a PSU award may be settled in Common Shares, cash, or in any combination of both, however, a determination to settle a PSU in whole or in part in cash may be made by the Board or the Human Resources and Compensation Committee, in its sole discretion. The Board or the Human Resources and Compensation Committee will also be entitled to determine the performance period, vesting and any performance criteria for PSUs.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance as of the date hereof:

<b>Plan Category</b>	<b>Securities to be issued upon Exercise of Outstanding Equity Compensation Plans (#)</b>	<b>Weighted-average Exercise Price of Outstanding Options (\$/Security)</b>	<b>Securities remaining available for future issuance under Equity Compensation Plans (#)</b>
Plans approved by security holders	9,005,000	0.06	28,547,510
Plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	9,005,000	0.06	28,547,510

## **AUDIT COMMITTEE**

For information regarding the Audit Committee, in compliance with the disclosure requirements of National Instrument 52-110 – *Audit Committees*, refer to the section entitled “Audit Committee” in the Corporation’s Annual Information Form dated as of March 28, 2025, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

### **CORPORATE GOVERNANCE DISCLOSURE**

The Corporate Governance Disclosure policy of the Corporation is attached to this Circular as Appendix “A”.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director or officer of the Corporation or associate of any director or officer of the Corporation is, or at any time since the beginning of the most recently completed financial year of the Corporation, has been indebted to the Corporation or any of its subsidiaries.

### **DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE**

Effective April 29, 2025, the Corporation renewed its directors’ and officers’ liability insurance in the aggregate amount of \$5,000,000 for a term of one year. The premium for this insurance policy for the period of April 29, 2025 to April 29, 2026 is \$15,000 plus applicable taxes.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Corporation, as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, or any associate or affiliate of any informed person, has any material interest in any transaction completed since the commencement of the Corporation’s last financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or its subsidiaries.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation’s issuer profile. Financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Corporation’s issuer profile or from the Corporation by telephone at 416 861 2262 or by e-mail at [aaron.atin@fmresources.ca](mailto:aaron.atin@fmresources.ca). This information is also available on the Corporation’s web site at [www.eurosunmining.com](http://www.eurosunmining.com).

### **OTHER MATTERS**

The Board is not aware of any other matters to come before the Meeting other than the matters referred to in this Circular.

**DIRECTORS' APPROVAL**

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board.

**DATED** at Toronto, Ontario, this 8<sup>th</sup> day of May, 2025.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Grant Sboros" (signed)*

Grant Sboros  
Chief Executive Officer and Director

**APPENDIX “A”****EURO SUN MINING INC.****CORPORATE GOVERNANCE DISCLOSURE****1. Board of Directors**

The board of directors (the “**Board**”) of Euro Sun Mining Inc. (the “**Corporation**”) facilitates its exercise of independent supervision over management by endeavouring to ensure it is composed of a majority of directors who are considered to be “independent”, as such term is defined in National Instrument 52-110 – *Audit Committees*. The Board, at present, is composed of five directors, four of whom are considered to be independent (being Ms. Battiston, Mr. Said, Mr. Schuermann, and Mr. LiVolsi). Mr. Sboros, as the CEO of the Corporation, is not considered independent. In determining whether a director is independent, the Board considers, for example, whether that director has a relationship, which could, or could be perceived to interfere with that director’s ability to objectively assess the performance of management.

The independent members of the Board hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

**Board Responsibilities**

The Board is responsible for the stewardship of the Corporation through the appropriate supervision of the business and management of the Corporation and is committed to adhering to the highest standards in its corporate practices. This mandate is accomplished directly and through the Audit Committee, the Human Resources and Compensation Committee, and the Corporate Governance and Nominating Committee. The Board believes that governance guidelines will continue to evolve to address all applicable regulatory and stock exchange requirements relating to corporate governance and will be modified and updated as circumstances warrant.

The key responsibilities of the Board and its committees are discharged in the following manner:

- The assignment to committees of directors of the Corporation the general responsibility for developing the Corporation’s approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors, officers and employees; and (iii) corporate governance issues and matters relating to nomination of directors;
- The formation of committees of the Board when it is deemed appropriate by the Board to deal with specific issues that arise;
- With the assistance of the Corporate Governance and Nominating Committee:
  - Developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines specific to the Corporation;
  - Reviewing the composition of the Board and ensuring it meets its independence criteria;

- To the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that such officers create a culture of integrity throughout the Corporation;
  - Assessing at least annually, the effectiveness of the Board and the committees of the Board, including, considering the appropriate size of the Board;
  - Approving disclosure and securities compliance policies, including communications policies of the Corporation; and
  - Reviewing and approving the formal charters of the committees of the Board;
- With the assistance of the Audit Committee:
    - Ensuring the integrity of the Corporation's internal controls and management information systems;
    - Ensuring the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;
    - Identifying the principal risks of the Corporation's business and ensuring that appropriate systems are in place to manage these risks, including, without limitation, implementing currency and metals hedging programs, as deemed appropriate;
    - Reviewing and approving significant operational and financial matters and providing direction to management on these matters;
    - Approving annual and interim financial statements of the Corporation together with the annual management's discussion and analysis, unless such approval is specifically delegated to the Audit Committee of the Board; and
    - As required and agreed upon, providing assistance to shareholders concerning the integrity of the Corporation's reported financial performance;
  - With the assistance of the Human Resources and Compensation Committee, establishing appropriate performance criteria for the senior management of the Corporation, and approving the compensation of the senior management and the directors;
  - With the assistance of the Chief Executive Officer ("**CEO**"), monitoring and reviewing feedback provided by the Corporation's shareholders;
  - Succession planning including selecting, appointing, training, monitoring, evaluating and, if necessary, replacing senior management to ensure management succession;
  - Reviewing and approving corporate objectives and goals applicable to the Corporation's senior management and monitoring realization of those objectives;
  - Reviewing with senior management:

- Major corporate decisions which require approval of the Board and approving such decisions as they arise;
  - Major capital expenditure decisions in excess of thresholds previously authorized in a budget or by resolution of the Board; and
  - Material decisions relating to senior personnel, major property acquisitions or divestments, major investments, and other decisions, where deemed appropriate; and
- Performing such other functions as prescribed by law or assigned to the Board in the Corporation's constating documents and by-laws.

The Board meets a minimum of four times a year and more frequently if required. The Audit Committee meets a minimum of four times a year.

#### Position Description for the Chair of the Board

The Chair of the Board shall be an independent director who is designated by the Board to act as the leader of the Board. His or her role will be to take all reasonable measures to ensure the Board fulfills its oversight responsibilities. They are responsible for the management and the effective performance of the Board, and provides leadership and direction to the Board.

The Chair will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board. The Chairman will be selected annually at the first meeting of the Board following the annual meeting of shareholders.

In addition to the responsibilities applicable to all directors of the Corporation, the responsibilities of the Chairman of the Board include the following:

- (a) Presiding at all meetings of the Corporation's shareholders and of the Board;
- (b) Preparing the agenda for each meeting of the Board;
- (c) Assisting the Board, Board committees and the individual directors in effectively understanding and discharging their respective duties and responsibilities;
- (d) Ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- (e) Chairing Board meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded;
- (f) Ensuring there is an effective relationship between the Board and senior management of the Corporation;
- (g) Overseeing all aspects of the Board and Board committee functions to ensure compliance with the Corporation's corporate governance practices;
- (h) Ensuring independent directors regularly discuss among themselves, without the presence of management, the Corporation's affairs;

- (i) Working with the CEO to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the CEO any issues that are preventing the Board from being able to carry out its responsibilities;
- (j) Working with the Corporate Governance and Nominating Committee in connection with the recruitment of new directors where necessary, approaching potential candidates once such candidates are identified and exploring their interest in joining the Board; and
- (k) Carrying out other responsibilities at the request of the Board.

#### Position Description for the Chief Executive Officer

The CEO's primary role is to manage the Corporation in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board of the Corporation in the context of the Corporation's strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value. The CEO is responsible to the Board.

Without limitation to the foregoing, the CEO is responsible for the following:

- Maintaining and developing the Corporation's goal of enhancing shareholder value by being a successful and profitable exploration, development and mining company;
- Maintaining and developing with the Board strategic plans for the Corporation and successfully implementing such plans;
- Providing quality leadership to the Corporation's staff and ensuring that the Corporation's human resources are managed properly;
- Providing high-level policy options, orientations and discussions for consideration by the Board;
- Maintaining existing and developing new strategic alliances and considering possible merger or acquisition transactions with other mining companies which will be constructive for the Corporation's business and will help enhance shareholder value;
- Providing support, co-ordination and guidance to various responsible officers and managers of the Corporation;
- Ensuring communications between the Corporation and major stakeholders, including and most importantly, the Corporation's shareholders, are managed in an optimum way and are done in accordance with applicable securities laws;
- Providing timely strategic, operational and reporting information to the Board and implementing its decisions in accordance with good governance, with the Corporation's policies and procedures, and within budget;
- Acting as an entrepreneur and innovator within the strategic goals of the Corporation;
- Co-ordinating the preparation of an annual business plan;

- Ensuring appropriate governance skills development and resources are made available to the Board; and
- Complying at all times with laws and the Corporation's Codes of Business Conduct and Ethics and ensuring a culture of high ethics throughout the organization.

## 2. **Directorships**

As of the date of this Circular, the following members of the Board and/or nominees thereto are also directors of other reporting issuers, as indicated beside their names:

Director	Other Reporting Issuers
Grant Sboros	None
Neil Said	None
Deborah Battiston	McFarlane Lake Mining Limited Brazil Potash Corp.
Martin Schuermann	None
Carlo LiVolsi	None

## 3. **Orientation and Continuing Education**

While the Corporation has not yet developed it is in the process of developing an official orientation or training program for new directors, it is expected that orientation and continuing education activities will be tailored to the particular needs and experience of each director and the overall needs of the Board and will encompass interviews with other directors and the Corporate Governance and Nominating Committee and management during which new members would be briefed on the Corporation and its activities including the role of the Board, its committees and its directors and the nature and operations of the Corporation's business.

The Corporation encourages directors to participate in seminars and/or courses that will enhance their role as a director to the Corporation.

## 4. **Ethical Business**

The Board's mandate includes satisfying itself as to the integrity of the Corporation's executive officers and endeavours to reflect, in all of the Corporation's dealings, a culture of integrity and ethical business conduct.

The Board strives to promote integrity and at all times encourages directors to exercise independent judgment in considering transactions or agreements in respect of which a director or officer has a material interest and all such transactions or agreements must be approved by the Board.

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") that addresses issues, such as conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing with shareholders, partners,

suppliers, competitors and employees, compliance with laws, rules and regulations and reporting of any illegal or unethical behaviour, as well as monitoring compliance with such a code. The purposes of the Code are to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, the securities regulators and in other public communications made by the Corporation;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting to an appropriate person of violations of the Code;
- promote accountability for adherence to the Code;
- provide guidance to employees, officers and directors to help them recognize and deal with ethical issues; and
- foster the development of a culture of honesty and accountability within the Corporation.

Violations of this Code by an employee, officer or director are grounds for disciplinary action up to and including, but without limitation, immediate termination of employment or request for resignation of a directorship.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and the rules concerning reporting conflicts of interest.

A copy of the Code is available on the website of the Corporation at [www.eurosunmining.com](http://www.eurosunmining.com).

## **5. Whistleblower Policy**

The Corporation has adopted a Whistleblower Policy that allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who has concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violations or concerns on a confidential and anonymous basis. Reporting of a violation or concern is made to the Chair of the Corporation's Audit Committee who then investigates each matter so reported and takes corrective or disciplinary action, if appropriate.

## **6. Anti-Corruption Policy**

The Corporation has adopted an Anti-Corruption Policy that outlines the requirements that must be fulfilled by all employees, consultants, officers and directors of the Corporation, as well as any third parties working for or on behalf of the Corporation. These requirements include the prohibition of bribing government officials and making facilitation payments. This policy also provides the Corporation's employees, consultants, officers and directors with further clarity regarding books and records transparency, as well as the conditions with respect to gift giving to government officials, political and charitable contributions, third-party oversight and due diligence, internal controls and management's responsibility to promote and create awareness of the policy.

## **7. Nomination of Directors**

The responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis is assumed by the Corporate Governance and Nominating Committee, which committee is comprised entirely of independent directors. The Corporate Governance and Nominating Committee is responsible for developing, assessing and improving a set of corporate governance principles applicable to the Corporation and for identifying and recommending individuals to the Board for nomination as members of the Board. The Corporate Governance and Nominating Committee is responsible for reviewing with the Board, on a periodic basis, the requisite skills and characteristics of prospective Board members as well as the composition of the Board as a whole. The Corporate Governance and Nominating Committee and the Board also consider a candidate's experience and qualifications in areas including, but not limited to, mining, financial reporting, capital markets, human resources, compensation, risk assessment, executive management, legal and corporate governance, and public company stewardship as well as diversity considerations in accordance with the Corporation's Diversity Policy. The Board seeks members who have skills and experiences in these areas and will amend the composition of the Board from time to time as considered necessary.

## **8. Term Limits**

The Board has not adopted term limits for the Directors on the Board or other mechanisms of Board renewal. Instead, the Corporate Governance and Nominating Committee has the mandate and responsibility to ensure that a process is in place for the periodic review of the performance of individual Directors, the Board as a whole and the Board committees.

## **9. Human Resources and Compensation Committee**

The Human Resources and Compensation Committee for the Corporation has been established and presently consists of three members of the Board, being Mr. Schuermann (chair), Ms. Battiston and Mr. Said, all of whom are independent. The Human Resources and Compensation Committee's purpose is to fulfill its oversight responsibilities with respect to each of the (i) key compensation and human resources strategies, programs and policies for all of the Corporation's employees, and (ii) performance management, compensation, succession and development for senior officers, including the Chief Executive Officer.

The mandate of the Human Resources and Compensation Committee is:

- review and recommend for approval by the Board the compensation philosophy and structure, including short- and long-term incentive plans, for the CEO and the other senior officers of the Corporation and to oversee the implementation and administration

of compensation policies and programs concerning executive compensation, executive employment contracts, incentive plans, retirement plans and other benefits;

- review and recommend for approval by the Board the annual salary/fees, short and long-term incentive awards and other benefits, direct and indirect, including targets tied to corporate goals and personal objectives, for the CEO and the other senior officers (after considering the recommendations of the CEO);
- review and recommend for approval by the Board all equity-based grants;
- develop and maintain a position description for the CEO and to assess the performance of the CEO against such position description, the corporate goals and objectives and, if applicable, the CEO's individual goals and objectives;
- identify any risks arising from the Corporation's compensation policies and practices that could be reasonably likely to have a material adverse effect on the Corporation;
- ensure that the Corporation has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of senior officers;
- review recommendations concerning material changes or amendments to compensation policies and programs;
- review the adequacy and form of the compensation of directors and to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director, and to report and make recommendations to the Board accordingly;
- review the executive compensation disclosure in continuous disclosure filings; and
- monitor compensation trends and issues generally and particularly as they relate to the industry in which the Corporation operates.

#### **10. Board Performance Assessment**

The Corporate Governance and Nominating Committee takes responsibility for monitoring and assessing Board effectiveness and Board committees, including reviewing the Board's decision-making processes and the quality of information provided by management, and among other things:

- Overseeing strategic planning;
- Monitoring the performance of the Corporation's assets;
- Evaluating the principal risks and opportunities associated with the Corporation's business and overseeing the implementation of appropriate systems to manage these risks;
- Approving specific acquisitions and divestitures;
- Evaluating senior management; and

- Overseeing the Corporation's internal control and management information systems.

## 11. Diversity and Inclusion

On May 12, 2022, the Board adopted an amended Anti-Discrimination, Diversity and Inclusion Policy (the "**Diversity Policy**") which was revised to reconfirm the Corporation's commitment to achieving and maintaining a diverse Board and management and set out clear targets for women representation on the Board.

As set out in the Diversity Policy, the Corporation does not tolerate discrimination based on any personal attribute such as race, ethnic origin, geographical and cultural background, colour, indigenous status, nationality, disability, religion, age, gender, sexual orientation or gender identity in any employment practices including recruitment, promotions, training, and pay. The Corporation is committed to fostering a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination.

The Corporation believes in diversity and values the benefits that diversity can bring to its Board, management and to all employees in the Corporation. Diversity promotes the inclusion of different perspectives and ideas, mitigates group think and ensures that the Corporation has the opportunity to benefit from all available talent. In particular, promoting a diverse Board and a diverse management team makes prudent business sense and makes for better corporate governance.

The Corporation seeks to maintain and encourage a diverse Board and management team which includes, but is not necessarily limited to, the personal characteristics and attributes set out above. Directors and management should also have a diverse mix of expertise, experience, education skills and backgrounds. The skills and backgrounds collectively represented on the Board and in management should reflect the diverse nature of the business environment in which the Corporation operates.

The Corporation amended its Diversity Policy to set out a clear objective of having at least two women on the Board by its annual general meeting in 2023. In order to meet this target the Corporate Governance Committee (i) maintained an evergreen list of potential candidates for election to the Board, which included a sufficient number of women candidates, (ii) periodically assessed the effectiveness of the nomination process at achieving the Corporation's diversity objectives as outlined in the Diversity Policy, and (ii) with the aim of supporting the specific objective of gender diversity, considered the level of representation of women on the Board and ensured that women were included in the short list of candidates being considered for a Board position.

Beyond the Board, the Corporation is committed to promoting diversity in its senior leadership and will consider the level of women representation based on years of service, merit, experience and qualifications, among other elements of diversity described above, when considering hiring and promotions for senior leadership positions. Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board or management will be specifically directed to include diverse candidates, including for greater certainty, female and racially diverse candidates. As of the date hereof, one member of the Board is a woman (20%) and there are no women serving as executive officers of the Corporation. There are not yet any Board members or executive officers who are persons with disabilities (0%), Indigenous (0%) or visible minorities (0%).

The Corporate Governance and Nominating Committee will continue to review the Diversity Policy regularly, and will recommend any such revisions to the Board for approval.

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**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**(Expressed in United States Dollars)**

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*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Shareholders of Euro Sun Mining Inc.

### **Opinion**

We have audited the consolidated financial statements of Euro Sun Mining Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at December 31, 2024, the Company reported an accumulated deficit and a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# McGovern Hurley

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

**McGovern Hurley LLP**

A handwritten signature in black ink that reads "McGovern Hurley LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
March 28, 2025

# EURO SUN MINING INC.

## Consolidated statements of financial position (Expressed in United States dollars)

As at:	December 31, 2024	December 31, 2023
<b>Assets</b>		
Current assets		
Cash	\$ 116,347	\$ 45,024
Restricted deposits (Note 2)	17,374	18,902
Prepaid expenses and sundry receivables	355,823	357,387
<b>Total current assets</b>	<b>\$ 489,544</b>	<b>\$ 421,313</b>
Non-current assets		
Property and equipment (Note 4)	236,371	251,689
<b>Total assets</b>	<b>\$ 725,915</b>	<b>\$ 673,002</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables (Note 5 and Note 9)	\$ 2,590,828	\$ 2,905,387
Deferred share unit liability (Note 6)	24,394	17,636
Debenture (Note 12)	-	614,734
Loan payable (Note 13)	243,241	85,603
Deposit (Note 14)	-	1,986,617
<b>Total liabilities</b>	<b>\$ 2,858,463</b>	<b>\$ 5,609,977</b>
Shareholders' deficiency		
Share capital (Note 7 (b))	\$ 243,977,343	\$ 242,266,743
Shares to be issued (Note 7 (b))	69,590	-
Contributed surplus (Note 7 (c))	863,539	1,069,037
Warrants (Note 7 (d))	2,088,458	1,788,378
Accumulated deficit	(249,478,689)	(250,104,452)
Accumulated other comprehensive loss	347,211	43,319
<b>Total shareholders' deficiency</b>	<b>\$ (2,132,548)</b>	<b>\$ (4,936,975)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 725,915</b>	<b>\$ 673,002</b>

Nature of operations and going concern (Note 1)  
 Commitments and contingencies (Notes 8, 10, 13)  
 Subsequent events (Note 20)

Approved by the Board of Directors on March 28, 2025:

"Grant Sboros", Director                      "Deborah Battistori", Director

The notes to the consolidated financial statements are an integral part of these statements.

# EURO SUN MINING INC.

## Consolidated statements of income (loss) and comprehensive income (loss) (Expressed in United States dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
<b>Expenses</b>		
Consulting and management fees (Note 9)	\$ 710,109	799,491
Professional fees	111,071	83,393
General office expenses	47,784	53,819
Travel expenses	43,847	86,671
Shareholder communications and filing fees	66,108	82,271
Share-based compensation (Note 6, 7 (c) and 9)	8,596	667,183
Exploration and evaluation expenditures (Note 8)	1,275,778	1,740,299
Change in fair value of convertible security (Note 11)	-	301,379
Loss on foreign exchange	151	(87,908)
Interest income	(903)	(2,851)
Interest expense	12,071	4,801
Loss on asset disposal	-	3,737
Financing expense (Note 15)	100,971	164,948
Gain on extinguishment of convertible security (Note 11)	-	(34,510)
Loss on convertible security (Note 11)	-	185,119
Accretion expense (Note 15)	10,455	6,508
Royalty income (Note 14)	(2,834,428)	-
<b>Net income (loss) for the year</b>	<b>\$ 448,390</b>	<b>\$ (4,054,350)</b>
<b>Other comprehensive income (loss)</b>		
Items that will subsequently be reclassified to operations:		
Currency exchange translation adjustments	303,892	(142,721)
<b>Other comprehensive income (loss) for the year</b>	<b>\$ 303,892</b>	<b>\$ (142,721)</b>
<b>Net comprehensive income (loss) for the year</b>	<b>\$ 752,282</b>	<b>\$ (4,197,071)</b>
Basic and diluted income (loss) per share (Note 16)	\$ -	\$ (0.01)
Weighted average number of common shares outstanding - basic (Note 16)	334,928,557	293,247,954
Weighted average number of common shares outstanding - diluted (Note 16)	345,870,921	293,247,954

The notes to the consolidated financial statements are an integral part of these statements.

# EURO SUN MINING INC.

## Consolidated statements of changes in shareholders' deficiency (Expressed in United States dollars)

	Share capital	Shares to be issued	Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Shareholders' deficiency
Balance, December 31, 2022	\$ 239,495,678	\$ -	\$ 4,379,259	\$ 1,782,371	\$ (250,017,006)	\$ 186,040	\$ (4,173,658)
DSUs and RSUs issued (Note 6)	-	-	-	637,386	-	-	637,386
Stock options granted (Note 7 (c))	-	-	-	248,477	-	-	248,477
Stock option expiry (Note 7 (c))	-	-	-	(1,052,977)	1,052,977	-	-
Security conversion (Note 7 (b))	1,120,578	-	-	-	-	-	1,120,578
Termination settlement (Note 7 (b))	449,674	-	-	-	-	-	449,674
RSUs converted (Note 7 (b))	315,815	-	-	(315,815)	-	-	-
DSUs converted (Note 6)	230,405	-	-	(230,405)	-	-	-
Private placement (Note 7 (b))	731,479	-	107,497	-	-	-	838,976
Share issuance costs (Note 7 (b))	(76,886)	-	-	-	-	-	(76,886)
Warrant issued (Note 7 (d))	-	-	215,549	-	-	-	215,549
Warrant expiry (Note 7 (d))	-	-	(2,913,927)	-	2,913,927	-	-
Net loss and comprehensive loss	-	-	-	-	(4,054,350)	(142,721)	(4,197,071)
Balance, December 31, 2023	\$ 242,266,743	\$ -	\$ 1,788,378	\$ 1,069,037	\$ (250,104,452)	\$ 43,319	\$ (4,936,975)
Stock option expiry (Note 7 (c))	-	-	-	(177,373)	177,373	-	-
Promissory note conversion (Note 15)	735,455	-	-	-	-	-	735,455
Private placement (Note 7 (b))	589,685	69,590	300,080	-	-	-	959,355
Share issuance costs (Note 7 (b))	(23,616)	-	-	-	-	-	(23,616)
RSUs issued (Note 6)	-	-	-	380,951	-	-	380,951
RSUs converted (Note 6)	380,951	-	-	(380,951)	-	-	-
DSUs converted (Note 6)	28,125	-	-	(28,125)	-	-	-
Net income and comprehensive income	-	-	-	-	448,390	303,892	752,282
Balance, December 31, 2024	\$ 243,977,343	\$ 69,590	\$ 2,088,458	\$ 863,539	\$ (249,478,689)	\$ 347,211	\$ (2,132,548)

The notes to the consolidated financial statements are an integral part of these statements.

# EURO SUN MINING INC.

## Consolidated statements of cash flows (Expressed in United States dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
<b>Cash flows from operating activities</b>		
Income (loss) for the year	\$ 448,390	\$ (4,054,350)
Adjustment for:		
Depreciation (Note 4)	15,318	53,743
Change in fair value of convertible security (Note 11)	-	301,379
Interest income	(903)	(2,851)
Share-based compensation (Note 6 and Note 7 (c))	8,596	667,183
Loss on asset disposal (Note 4)	-	3,737
Loss on convertible security (Note 11)	-	185,119
Gain on extinguishment of convertible security (Note 11)	-	(34,510)
Non-cash financing fees	-	164,948
Accretion expense (Note 15)	10,455	6,508
Non-cash interest expense	-	2,385
Royalty income (Note 14)	(2,578,075)	-
Financing fees	45,266	-
	\$ (2,050,953)	\$ (2,706,709)
Prepaid expenses and sundry receivables	1,564	(89,708)
Trade and other payables (Note 5 and Note 9)	64,554	421,183
<b>Net cash from operating activities</b>	<b>\$ (1,984,835)</b>	<b>\$ (2,375,234)</b>
<b>Cash flows from investing activities</b>		
Interest income	903	2,851
Purchase of restricted deposits	-	(18,226)
<b>Net cash from investing activities</b>	<b>\$ 903</b>	<b>\$ (15,375)</b>
<b>Cash flows from financing activities</b>		
Convertible security repayment (Note 11)	-	(1,800,810)
Private placement (Note 7 (b))	889,765	838,976
Share issuance costs (Note 7 (b))	(23,616)	(76,886)
Proceeds from shares to be issued (Note 7 (b))	69,590	-
Convertible promissory note proceeds (Note 15)	725,000	-
Debenture proceeds (Note 12)	-	660,000
Loan proceeds (Note 13)	243,241	80,288
Loan repayment (Note 13)	(85,603)	-
Royalty deposit (Note 14)	-	1,946,729
<b>Cash from financing activities</b>	<b>\$ 1,818,377</b>	<b>\$ 1,648,297</b>
Effect of exchange rate changes on cash	\$ 236,878	\$ (125,330)
<b>NET CHANGE IN CASH</b>	<b>71,323</b>	<b>(867,642)</b>
CASH, beginning of year	\$ 45,024	\$ 912,666
CASH, end of year	\$ 116,347	\$ 45,024
<b>Supplemental cash flow information:</b>		
Warrants issued (Note 7 (b) and Note 11)	\$ -	\$ 323,346
Conversion of convertible security (Note 11)	-	1,120,578
Conversion of promissory note (Note 15)	735,455	-
RSU/DSU conversions (Note 6 and Note 7 (c))	28,125	395,143
Debenture repayment applied to Royalty payment (Note 12)	660,000	-
RSUs issued to settle debt (Note 6 and Note 7 (c))	380,951	151,077

The notes to the consolidated financial statements are an integral part of these statements.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the "Company"), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project ("RVP") located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange ("TSX") under the symbol "ESM". The address of its registered office is 198 Davenport Road, Toronto, Ontario, M5R 1J2.

These consolidated financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the year ended December 31, 2024, the Company incurred net income of \$448,390 and as at December 31, 2024, reported an accumulated deficit of \$249,478,689 and working capital deficit of \$2,368,919 including \$116,347 in cash. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves, any permitting required for mining activities, including environmental, and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Statement of compliance

The Company prepares its consolidated financial statements in accordance with International Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Directors on March 28, 2025.

### Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise disclosed. The consolidated financial statements have been prepared on an accrual basis except for cash flow information.

The functional currency of Euro Sun Mining Inc. is the Canadian dollar. The functional currency of SAMAX Romania Limited and SAMAX Romania S.R.L. is the U.S. dollar.

### Basis of presentation

The consolidated financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company’s financial statements consolidate its subsidiaries which comprise the following at December 31, 2024 and 2023:

<b>Name of entity</b>	<b>Country of incorporation</b>	<b>Ownership</b>
SAMAX Romania Limited	Cyprus	100%
SAMAX Romania S.R.L.	Romania	100%

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies (continued)

### Translation of foreign currency

These consolidated financial statements are presented in U.S. dollars (the Company's presentation currency).

Items included in the consolidated financial statements of Euro Sun Mining Inc. and each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Non-monetary items in a foreign currency are measured in terms of historical cost and are translated using the exchange rates on the dates of the initial transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of income (loss).

The functional currency of the Parent is the Canadian dollar ("CAD\$") and the functional currency of each of its subsidiaries is the U.S. dollar at December 31, 2024 and 2023.

Assets and liabilities of the Parent are translated into the presentation currency at the period end rates of exchange, and the results of their operations are translated at the average rates of exchange for the period. The resulting translation adjustments are recognized in other comprehensive income as cumulative translation adjustments. There is no tax impact on this translation.

### Financial instruments

#### *Financial assets*

##### **Initial recognition and measurement**

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

##### **Subsequent measurement – financial assets at FVTPL**

Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of income (loss). There are no assets currently measured as FVTPL.

##### **Subsequent measurement – financial assets at amortized cost**

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of income (loss). The Company measures cash, restricted deposits, and sundry receivables at amortized cost.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies (continued)

### Financial instruments (continued)

#### **Subsequent measurement – Financial assets at FVOCI**

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss is not reclassified to profit or loss. Dividends from such investments are recognized in other income in the consolidated statements of income (loss) when the right to receive payments is established.

The Company does not measure any financial assets at FVOCI.

#### **Derecognition**

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

#### Impairment of financial assets

At each reporting date, the Company assesses whether a financial asset or group of financial assets measured at amortized cost is impaired under the expected credit loss (“ECL”) model.

Loss allowances are measured based on ECLs that result from possible default events within the 12 months after the reporting date, or (ii) ECLs that result from all possible default events over the expected life of a financial instrument (“lifetime ECLs”). The loss allowances for the Company’s financial assets are recognized at an amount equal to lifetime ECLs, except for bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

At December 31, 2024 and 2023, the Company assessed its financial assets for impairment and recorded an ECL of \$nil.

### Financial liabilities

#### **Initial recognition and measurement**

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company’s financial liabilities include trade and other payables, loan payable, debenture, and a deposit liability which are measured at amortized cost, and its deferred share unit liability, and convertible security which are measured at FVTPL. All financial liabilities are recognized initially at fair value.

#### **Subsequent measurement – financial liabilities at amortized cost**

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies (continued)

### **Subsequent measurement – financial liabilities at FVTPL**

Financial liabilities measured at FVTPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of income (loss).

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of income (loss).

### **Share-based payments**

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

Stock options vest over periods ranging from immediate to two years. The fair value of each option is measured at the date of grant using the Black-Scholes option pricing model and recorded as a compensation expense in the period the options are vested, or the performance is complete. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Any consideration paid on exercise of stock options is credited to share capital. On expiry, any amount related to the initial value of the stock option is recorded to accumulated deficit.

### **Deferred share unit plan**

Non-executive directors and executives are granted Deferred Share Units (“DSUs”) under the terms of the Company’s DSU Plan. Under the terms of the Company’s previous DSU plan, the fair value of DSUs at the time of conversion or award, as applicable, is determined with reference to the weighted average trading price of the Company’s common shares over the five trading days immediately preceding the date of conversion or award, as applicable. The fair value of the DSUs, which are settled in cash, is recognized as a share-based compensation expense with a corresponding increase in liabilities, over the period from the grant date to settlement date. The fair value of the DSUs is marked to the weighed average quoted market price of the Company’s common shares over the five trading days immediately preceding each reporting date with a corresponding change recorded in the consolidated statement of income (loss).

Under the terms of the Company’s new DSU plan, effective from June 2021, the fair value of DSUs at the time of award is determined with reference to the prior day closing price of the Company’s common shares immediately preceding the date of award. Each DSU provides the right to receive a common share or cash equivalent of a common share to the fair market value of the commons hare at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such DSUs using common shares of the Company from treasury, the fair value of the DSUs is recognized as a share-based compensation expense with a corresponding increase in contributed surplus.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies (continued)

### Restricted share unit plan

Non-executive directors and executives are granted Restricted Share Units (“RSUs”) under the terms of the Company’s RSU Plan. Under the terms of the Company’s RSU plan, effective from June 2021, the fair value of RSUs at the time of award is determined with reference to the prior day closing price of the Company’s common shares immediately preceding the date of award. Each RSU provides the right to receive a common share or cash equivalent of a common share to the fair market value of the commons hare at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such RSUs using common shares of the Company from treasury, the fair value of the RSUs is recognized as a share-based compensation expense with a corresponding increase in contributed surplus.

### Production stage

A mine that is under construction is determined to enter the production stage when the project is in the location and condition necessary for it to be capable of operating in the manner intended by management.

When a mine development asset moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property and equipment additions or improvements, open pit stripping activities that provide a future benefit or expenditures that meet the criteria for capitalization in accordance with International Accounting Standard 16 (“IAS”) IAS 16 Property, Plant and Equipment.

Pre-production stripping costs are capitalized until an “other than de minimis” level of mineral is extracted, after which time such costs are either expenses, capitalized to inventory or, if it qualifies as an open pit stripping activity that provides a future benefit, capitalized to property and equipment. Various relevant criteria are considered to assess when an “other than de minimis” level of mineral is produced. Some of the criteria considered would include, but not limited to, the following:

- The amount of minerals mined versus total ounces in the life of mine;
- The amount of ore tons mined versus total life of mine expected ore tons mined;
- The current stripping ratio versus the life of mine ratio; and
- The ore grade versus the life of mine grade.

Stripping costs incurred during the production stage of a pit are accounted for as costs of inventory produced during the period that the stripping costs are incurred, unless these costs are expected to provide future economic benefit to the identifiable component of the ore body. Components of the ore body are based on the distinct development phases identified by the mine planning engineers when determining the optimal development plan for the open pit. Production phase stripping costs generate a future economic benefit when the related stripping activity:

- Improves access to a component of the ore body to be mined in the future;
- Increases the fair value of the mine (or pit) as access to future mineral reserves becomes less costly; and
- Increases the production capacity or extends stripping costs that are expected to generate a future economic benefit are capitalized as open pit mine development costs.

Mine development costs are depreciated on a unit of production basis whereby the denominator is the estimated ounces of gold in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current life of mine plan in the current component of the ore body that has been made accessible through strip activity and all future components in the current plan that benefit from the particular stripping activity. Mine development assets are depreciated once the open pit has entered production and the future economic benefit is being derived.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
For the years ended December 31, 2024 and 2023  
(Expressed in United States Dollars)

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## 2. Material accounting policies (continued)

### Mine development assets

Mine development assets, a component of property and equipment, are accumulated separately for each area of interest in which economically recoverable reserves have been identified. These assets are comprised of expenditures directly attributable to the construction of a mine and the related infrastructure.

General and administration costs are allocated to a development asset only to the extent that those costs can be related directly to development activities in the relevant areas of interest.

No amortization is recognized in respect of development properties until they are at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

### Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statement of income (loss) during the period in which they are incurred.

The Company depreciates property and equipment on the straight-line depreciation method. The assets' useful lives are as follows:

Machinery and equipment	-	4-10 years
Vehicles	-	4-5 years
Leasehold Improvements	-	1-10 years

### Exploration and evaluation expenditures

Exploration and evaluation expenditures comprise costs of initial search for mineral deposits and performing a detailed assessment of deposits that have been identified as having economic potential.

Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of income (loss) and until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets. Exploration and evaluation costs include an allocation of administration and salary costs as determined by management.

### Cash and restricted deposit

Cash consist of deposit accounts with Canadian chartered banks, trust accounts held with Canadian lawyers, and Romanian banks. Restricted deposits consist of highly liquid investments held as collateral for the Company's credit card, such as guaranteed investment certificates that are cashable within three months of the date of original issue.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
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## 2. Material accounting policies (continued)

### Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of income (loss) except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss, which may differ from earnings reported in the consolidated statement of loss due to items of income or expense that are not currently taxable or deductible for tax purposes, using tax rates substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The Company records foreign exchange gains or losses representing the impacts of movements in foreign exchange rates on the tax bases of non-monetary assets and liabilities which are denominated in foreign currencies. Foreign exchange gains and losses relating to deferred income taxes are included in deferred income tax expense or recovery in the consolidated statement of income (loss).

The Company recognizes uncertain tax positions in its consolidated financial statements when it is considered more likely than not that the tax position shall be sustained.

### Income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated whereby the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options, warrants, RSUs, DSUs, and convertible securities, if dilutive.

# EURO SUN MINING INC.

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## 2. Material accounting policies (continued)

### Provisions

#### (a) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income (loss) net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of income (loss).

#### (b) Decommissioning and site rehabilitation

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The liability incorporates consideration of risk by way of adjusting the cash flows and is discounted using a risk-free discount rate. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas.

The obligation is generally considered to have been incurred when the mine assets are constructed or the environment is disturbed at the Company's operations. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased based on the unwind of the discount rate.

The periodic unwinding of the discount is recognized in the consolidated statement of income (loss) as a finance cost. Additional disturbances or changes in rehabilitation costs attributable to development will be recognized as changes to the corresponding assets and rehabilitation liability when they occur.

Where a closure and environmental obligation arises from production activities, the costs are expensed as incurred because there are no associated economic benefits.

#### Convertible security

The initial fair value of the convertible security was determined by valuing the components of the hybrid financial instrument, including the principal liability component and the conversion option component. At the date of issue, the fair value of the hybrid financial instrument was estimated using the benchmark yields based on the Company's credit rating.

The initial fair value of the convertible component was determined using a Geometric Brownian motion model.

Both components are recorded at fair value at the end of each period with the change in fair value recorded through the consolidated statement of income (loss).

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## 2. Material accounting policies (continued)

### Fair value

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement for financial instruments are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Levels 1, 2 or 3). The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities. In these consolidated financial statements, DSU liability is included in this category. See Note 6.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. There are no assets or liabilities in this category in these consolidated financial statements.

Level 3 - valuation techniques using the inputs for the asset or liability that are not based on observable market data. In these consolidated financial statements, conversion feature, conversion right and convertible security are included in this category. See Notes 15 and 17.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company's policy for determining when transfers between levels of fair value hierarchy occur is based on the date of the event or changes in circumstances that caused the transfer. During the years ended December 31, 2024 and 2023, there were no transfers between levels.

### Impairment of non-financial assets

The Company follows the guidelines prescribed in IAS 36, Impairment of Assets with respect to the measurement for impairment of non-financial assets, which includes the Company's property and equipment. The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of non-financial assets is the greater of fair value less costs to sell and value in use. Impairment losses are recognized in the consolidated statements of income (loss).

# EURO SUN MINING INC.

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## 2. Material accounting policies (continued)

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In January 2020, IAS 1 – Presentation of Financial Statements was amended to provide a more general approach to classification of liabilities, based on contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment did not have a significant impact on the consolidated financial statements.

### Future accounting standards not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not yet applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investment in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10, and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however, early adoption is permitted.

IFRS 18 - In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

# EURO SUN MINING INC.

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### 3. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies regarding certain types of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

#### **Estimated useful life of property and equipment**

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at each reporting date and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's property and equipment in the future.

#### **Rehabilitation provisions**

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
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## 3. Critical accounting estimates and judgments (continued)

### Share-based payments

The Company grants stock options, RSUs and DSUs to directors, officers, employees and consultants of the Company under its incentive stock option plan and DSU plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates. The fair value of RSUs and DSUs is estimated using the current share price and are expensed over their vesting periods. Changes in assumptions used to estimate fair value could result in materially different results.

### Mineral reserve estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.

### Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

### Contingencies

See Note 10.

# EURO SUN MINING INC.

Notes to consolidated financial statements  
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## 3. Critical accounting estimates and judgments (continued)

### Convertible security

The initial value of the convertible security was determined by valuing the components of the hybrid financial instrument, including the liability component and the convertible debenture components, which required a number of assumptions. The significant assumptions used in determining the value of the convertible security at issuance date and each subsequent reporting date include the discount rate used in the discounted cash flow of the liability component. In determining the appropriate discount rate, the Company considered rates of benchmark yields based on management's assessment of the Company's credit rating.

Management used significant judgement in determining that the fair value on the convertible security on issuance did not equal the transaction price. The resulting difference between the transaction price and the fair value on initial recognition (the "Day 1 loss") was deferred as the fair value of the convertible security is based on a valuation technique where not all the inputs are observable. The unrecognized Day 1 loss was recorded in net loss only to the extent that it arises from a change in factor that market participants would take into account when pricing the convertible security. The Company believes that time is such a factor specific to the convertible security and the Day 1 loss is recognized on a straight-line basis in the statement of loss over the contractual life of the convertible security.

### Fair value of conversion right

The Company values the conversion right related to the royalty agreement using the Monte Carlo simulation methodology. The key estimate in this model relates to the probability of certain events occurring, the Company's share price and future volatility assumptions. These estimates require management to make judgments given the uncertainty surrounding the occurrence of certain events.

### Fair value of warrants

The Company valued the warrants issued under the royalty agreement by using a market approach to estimate the value of the royalty right and assess the probability of a third party purchasing the Royalty Right at or above the stated minimum price in the agreement. The key estimate relates to the mineral reserves available in the RVP and the Company's ability to sell the Royalty Right before the expiry of the Royalty Sale Right. The probability used is based on management's judgment including the economic environment and management's ability to obtain the Environmental Resources Management's certificate. See Note 7. Changes in assumptions can materially affect the fair value estimate of the warrants.

### Fair value of debenture

The fair value of the debenture at initial recognition is measured using the discounted cash flow model. This model requires management to make various assumptions and estimates that are susceptible to uncertainty. Judgements include considerations of a market rate of interest. The market rate of interest used is based on judgements including the Company's own credit risk, economic environment, term, and interest rate charged to comparable companies. The Company has estimated its market rate of interest to be 15.53%. Changes in assumptions can materially affect the fair value estimate of the debenture.

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## 4. Property and equipment

	Leasehold improvements, furniture and fixtures	Machinery, equipment & vehicles	Total
<b>Cost:</b>			
Balance, December 31, 2022	\$ 329,255	\$ 294,507	\$ 623,762
Disposals	(81,895)	-	(81,895)
<b>Balance, December 31, 2023 and December 31, 2024</b>	<b>\$ 247,360</b>	<b>\$ 294,507</b>	<b>\$ 541,867</b>
<b>Depreciation:</b>			
At December 31, 2022	\$ 76,135	\$ 238,458	\$ 314,593
Depreciation charge for the year	33,347	20,396	53,743
Disposals	(78,158)	-	(78,158)
Balance, December 31, 2023	\$ 31,324	\$ 258,854	\$ 290,178
<b>Depreciation charge for the year</b>	<b>5,360</b>	<b>9,958</b>	<b>15,318</b>
<b>Balance, December 31, 2024</b>	<b>\$ 36,684</b>	<b>\$ 268,812</b>	<b>\$ 305,496</b>
<b>Net book value:</b>			
At December 31, 2023	\$ 216,036	\$ 35,653	\$ 251,689
<b>At December 31, 2024</b>	<b>\$ 210,676</b>	<b>\$ 25,695</b>	<b>\$ 236,371</b>

As at December 31, 2024, the carrying value of property and equipment is comprised of \$nil in Canada (December 31, 2023 – \$nil) and \$236,371 in Romania (December 31, 2023 - \$251,689).

## 5. Trade and other payables

	December 31, 2024	December 31, 2023
Trade payables	\$ 1,510,459	\$ 1,809,372
Accrued liabilities	1,080,369	1,096,015
	<b>\$ 2,590,828</b>	<b>\$ 2,905,387</b>

# EURO SUN MINING INC.

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## 6. Deferred share units and restricted share units

Effective January 21, 2010, the Company established a Deferred Share Unit (“DSU”) Plan for directors or officers of the Company or any affiliate thereof (“Eligible Person”). Prior to June 2021, a DSU issued was equivalent in value to one common share of the Company based on the five-day average trading price of the Company’s common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. DSUs that will be settled in cash are recorded as a DSU liability on the consolidated statement of financial position and the liability is based on the weighted average trading price of the Company’s common shares over the five trading days immediately preceding the date of the consolidated statement of financial position.

In June 2021, the Company approved a change to the DSU plan such that each DSU will provide the right to receive, on a deferred payment basis, a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such DSUs using common shares of the Company, any DSUs issued after June 2021, are recorded in contributed surplus on the consolidated statement of financial position.

In June 2021, the Company approved a Restricted Share Unit (“RSU”) plan, such that every RSU will provide the right to receive a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such RSUs using common shares of the Company, any RSUs issued are recorded in contributed surplus on the consolidated statement of financial position. RSUs are settled on or before December 15 of the third calendar year following the calendar year in which the RSU is granted.

The following transactions occurred during the years noted below:

	DSUs Pre June 2021 Plan	DSUs Post June 2021 Plan	RSUs	Total
Number outstanding, December 31, 2022	866,259	1,751,624	1,578,946	4,196,829
Paid out	(116,259)	-	-	(116,259)
Converted to shares (Note 7 (b))	-	(1,980,384)	(5,680,137)	(7,660,521)
Granted	-	10,663,888	4,495,927	15,159,815
Number outstanding, December 31, 2023	<b>750,000</b>	<b>10,435,128</b>	<b>394,736</b>	<b>11,579,864</b>
Converted to shares (Note 7 (b))	-	<b>(637,500)</b>	<b>(9,320,894)</b>	<b>(9,958,394)</b>
Granted	-	-	<b>9,320,894</b>	<b>9,320,894</b>
Number outstanding, December 31, 2024	<b>750,000</b>	<b>9,797,628</b>	<b>394,736</b>	<b>10,942,364</b>
			<b>December 31,</b>	December 31,
			<b>2024</b>	<b>2023</b>
Deferred share unit liability			<b>\$ 24,394</b>	<b>\$ 17,636</b>

In January 2023, 888,888 DSUs were granted with a fair value of \$49,942 using a share price of CAD\$0.08, in February 2023, 5,750,000 DSUs were granted with a fair value of \$257,252 using a share price of CAD\$0.06, and in April 2023, 4,025,000 DSUs were granted with a fair value of \$179,114 using a share price of CAD\$0.06. All DSUs granted during the year ended December 31, 2023 vested immediately. 9,388,888 DSUs granted during the year ended December 31, 2023 were granted to officers and directors of the Company.

In May 2023, 4,495,927 RSUs were granted with a fair value of \$151,077 using a share price of CAD\$0.05. 2,100,000 RSUs granted during the year ended December 31, 2023 were granted to an officer and director of the Company.

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## 6. Deferred share units and restricted share units (continued)

In August 2024, 9,320,894 RSUs were granted with a fair value of \$380,951 using a share price of \$0.04 to settle outstanding liabilities of \$380,951. 9,320,894 of these RSUs were converted to shares during the year ended December 31, 2024. 4,577,233 of these RSUs were granted to an officer and director of the Company. There was no gain or loss recorded on the settlement of these liabilities as the recipients were shareholders of the Company prior to the settlement.

As at December 31, 2024, 10,547,628 of the total outstanding DSUs had vested (December 31, 2023 – 11,185,128) and 394,736 of the total outstanding RSUs had vested (December 31, 2023 – 394,736), and a total of 4,500,000 DSUs and no RSUs are held by officers and directors of the Company (December 31, 2023 – 8,750,000 DSUs and no RSUs).

The DSU liability was valued at December 31, 2024 using a 5-day weighted average share from the five trading days prior to December 31, 2024 of CAD\$0.047 (December 31, 2023 – CAD\$0.031).

## 7. Share capital

- (a) Authorized  
Unlimited number of common shares, without par value.  
Unlimited number of preference shares, without par value.
- (b) Issued common shares

	Note	Number of common shares	Stated value
Balance, December 31, 2022		242,585,058	\$ 239,495,678
Debenture conversion	11	39,547,346	1,120,578
Termination settlement		8,000,000	449,674
Private placement		22,750,000	731,479
Share issuance costs		-	(76,886)
RSU conversion	6	5,680,137	315,815
DSU conversion	6	1,980,384	230,405
<b>Balance, December 31, 2023</b>		<b>320,542,925</b>	<b>\$ 242,266,743</b>
RSU conversion	6	<b>9,320,894</b>	<b>380,951</b>
DSU conversion	6	<b>637,500</b>	<b>28,125</b>
Promissory note conversion	15	<b>19,769,832</b>	<b>735,455</b>
Private placement		<b>25,253,945</b>	<b>589,685</b>
Share issuance costs		-	<b>(23,616)</b>
<b>Balance, December 31, 2024</b>		<b>375,525,096</b>	<b>\$ 243,977,343</b>

In February 2023, the Company issued 8,000,000 common shares in satisfaction of termination agreements with former members of senior management of the Company, as well as 1,184,210 common shares in satisfaction of RSUs outstanding with a terminated member of management.

On April 28, 2023, the Company closed a non-brokered private placement financing of 19,750,000 Units at a price of CAD\$0.05 per unit for gross proceeds of \$727,294. Each unit consists of one common share and one half of a common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD\$0.075 until April 28, 2025. The warrants were valued at \$107,497. The Company paid commissions and other expenses of \$44,290 in relation to the private placement. Officers and directors of the Company purchased 800,000 shares as part of this private placement.

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## 7. Share capital (continued)

### (b) Issued common shares (continued)

On August 10, 2023, the Company closed a non-brokered private placement financing of 3,000,000 shares at a price of CAD\$0.05 for gross proceeds of \$111,682. The Company paid expenses of \$28,146 in relation to this non-brokered private placement.

On November 8, 2024, the Company closed the first tranche of its non-brokered private placement by issuing 9,390,038 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$337,478 (CAD\$469,502). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until November 8, 2026. In connection with closing of the first tranche, the Company paid an aggregate amount of \$1,006 (CAD\$1,400) in cash commissions and 28,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the first tranche. A director of the Company purchased 1,000,000 units and a company with a shared director and officer of the Company purchased 2,490,038 units as a part of this private placement.

On December 19, 2024, the Company closed the second tranche of its non-brokered private placement by issuing 15,863,907 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$551,985 (CAD\$793,195). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until December 19, 2026. No finders fees were paid in connection with closing the second tranche. Directors and officers of the Company purchased 9,529,426 common shares as part of this private placement.

During the year ended December 31, 2024, the Company incurred \$23,616 share issuance costs.

In December 2024, the Company received \$69,590 (CAD\$100,000) from a subscription to the third tranche of its non-brokered private placement. The shares relating to this subscription were issued in February 2025, as part of the third tranche of the private placement.

### (c) Stock options

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2022	8,385,000	\$ 0.38
Granted	9,010,000	0.05
Expired	(7,570,000)	0.36
Balance, December 31, 2023	9,825,000	\$ 0.10
Expired	(820,000)	0.44
<b>Balance, December 31, 2024</b>	<b>9,005,000</b>	<b>\$ 0.06</b>

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## 7. Share capital (continued)

As at December 31, 2024, stock options held by directors, officers, employees and consultants are as follows:

Grant date	Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Expiry date	Remaining contractual life in years	Grant date share price (CAD)	Black-Scholes Inputs				
								Expected volatility based on historical share prices	Expected life (yrs)	Expected dividend yield	Risk-free interest rate	
30-Jun-20	250,000	250,000	\$ 46,015	\$ 0.39	30-Jun-25	0.50	\$ 0.30	83%	5	0%	0.36%	
17-Feb-23	5,150,000	5,150,000	\$ 130,218	\$ 0.05	17-Feb-28	3.13	\$ 0.05	84%	5	0%	3.45%	
11-Apr-23	3,605,000	3,605,000	\$ 111,228	\$ 0.06	11-Apr-28	3.28	\$ 0.06	87%	5	0%	3.06%	
	9,005,000	9,005,000	\$ 287,461			3.12						

### (c) Stock options (continued)

During the year ended December 31, 2024, the Company granted no stock options (9,010,000 stock options granted for the year ended December 31, 2023) and no option vesting expense was recorded (\$248,477 for the year ended December 31, 2023).

### Contributed surplus

	Number of stock options	Weighted average exercise price CAD	Carrying amount of options	Number of DSUs/RSUs	Weighted average exercise price CAD	Carrying amount of DSUs/RSUs	Total carrying amount
Balance, December 31, 2022	8,385,000	\$ 0.38	\$ 1,269,334	3,330,570	\$ 0.13	\$ 513,037	\$ 1,782,371
Granted / Vested	9,010,000	0.05	248,477	15,159,815	0.06	637,386	885,863
Converted to shares	-	-	-	(7,660,521)	-	(546,220)	(546,220)
Expired	(7,570,000)	0.36	(1,052,977)	-	-	-	(1,052,977)
Balance, December 31, 2023	9,825,000	\$ 0.10	\$ 464,834	10,829,864	\$ 0.11	\$ 604,203	\$ 1,069,037
<b>Granted / Vested</b>	-	-	-	<b>9,320,894</b>	<b>0.04</b>	<b>380,951</b>	<b>380,951</b>
<b>Converted to shares</b>	-	-	-	<b>(9,958,394)</b>	<b>0.06</b>	<b>(409,076)</b>	<b>(409,076)</b>
<b>Expired</b>	<b>(820,000)</b>	<b>0.44</b>	<b>(177,373)</b>	-	-	-	<b>(177,373)</b>
<b>Balance, December 31, 2024</b>	<b>9,005,000</b>	<b>\$ 0.06</b>	<b>\$ 287,461</b>	<b>10,192,364</b>	<b>\$ 0.10</b>	<b>\$ 576,078</b>	<b>\$ 863,539</b>

### (d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)
Balance, December 31, 2022	48,766,527	\$ 0.40
Expired	(28,107,342)	0.55
Issued	74,375,000	0.09
Balance, December 31, 2023	95,034,185	\$ 0.11
Issued	25,281,945	0.05
<b>Balance, December 31, 2024</b>	<b>120,316,130</b>	<b>\$ 0.10</b>

At December 31, 2024, outstanding warrants to acquire common shares of the Company were as follows:

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## 7. Share capital (continued)

(d) Common share purchase warrants (continued)

Grant date	Number of warrants outstanding	Grant date fair value	Weighted average exercise price (CAD)	Expiry date
March 1, 2022	7,947,321	\$ 819,349	\$ 0.29	March 1, 2026
July 18, 2022	12,711,864	\$ 645,983	\$ 0.14	July 18, 2026
April 28, 2023	9,875,000	\$ 107,497	\$ 0.08	April 28, 2025
August 9, 2023	12,500,000	\$ 163,626	\$ 0.05	August 9, 2026
August 25, 2023	32,000,000	\$ -	\$ 0.13	August 25, 2028
December 15, 2023	20,000,000	\$ 51,923	\$ 0.05	December 15, 2026
November 8, 2024	9,418,038	\$ 115,160	\$ 0.05	November 8, 2026
December 19, 2024	15,863,907	\$ 184,920	\$ 0.05	December 19, 2026
	120,316,130	\$ 2,088,458	\$ 0.10	

On April 28, 2023, the Company issued 9,875,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.075 until April 28, 2025. The grant date fair value of these warrants of \$107,497 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 90% based on the Company's historical volatility, share price of CAD\$0.04, risk-free rate of 3.65% and expected life of two years.

On August 9, 2023, the Company issued 12,500,000 warrants in association with the Convertible Security issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until August 9, 2026. The grant date fair value of these warrants of \$163,626 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 92% based on the Company's historical volatility, share price of CAD\$0.05, risk-free rate of 4.04% and expected life of five years.

On August 25, 2023, the Company issued 32,000,000 warrants in association with the Company's royalty agreement. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD\$0.13 until August 25, 2028. The Company has the right, on behalf of the holder, to sell the royalty to a third party and these warrants only vest upon the Company's exercise of the right. The warrants have been assigned a value of \$nil as at December 31, 2024 and 2023 as management believes the probability that the Company will be able to exercise its royalty sale right is remote.

On December 15, 2023, the Company issued 20,000,000 warrants in association with the debenture issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until December 15, 2026.

On November 8, 2024, the Company issued 9,390,038 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until November 8, 2026. The grant date fair value of these warrants of \$114,858 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 117% based on the Company's historical volatility, share price of CAD\$0.03, risk-free rate of 3.08% and expected life of two years.

On November 8, 2024, the Company issued 28,000 broker warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until November 8, 2026. The grant date fair value of these warrants of \$314 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 117% based on the Company's historical volatility, share price of CAD\$0.03, risk-free rate of 3.08% and expected life of two years.

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## 7. Share capital (continued)

(e) Common share purchase warrants (continued)

On December 19, 2024, the Company issued 15,863,907 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until December 19, 2026. The grant date fair value of these warrants of \$184,920 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 114% based on the Company's historical volatility, share price of CAD\$0.03, risk-free rate of 3.08% and expected life of two years.

## 8. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the years presented were as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Consulting and technical	\$ 689,859	\$ 1,011,618
Surface rights	32,818	-
Environmental studies	21,650	84,565
Field office support and administration	516,133	590,373
Depreciation	15,318	53,743
	<b>\$ 1,275,778</b>	<b>\$ 1,740,299</b>

The Company owns 100% of the Rovina Valley Project in Romania; mining license number 18174/2015 which is held through its subsidiary SAMAX Romania S.R.L. The license was ratified by the Romanian Government on November 16, 2018 and is valid for 20 years, with the right of extension for successive periods of 5 years each. The project carries a 6% (gold) and 5% (copper) net smelter return "NSR" royalty payable to the Romanian state once in production. As at December 31, 2024, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

In late 2022, SAMAX Romania SRL, a wholly owned subsidiary of the Company, received a notice of action from the Cluj County court regarding an action made by Asociatia Declic against SAMAX Romania S.R.L. for the suspension of the environmental licence held by SAMAX Romania S.R.L. with respect to the Rovina Valley project, followed by an action for annulment in respect of the same environmental licence.

In October 2023, the Cluj County court ruled that the Environmental Resources Management's ("ERM") certificate issued by the Ministry of Environment was not valid at the time the Company's environmental report was submitted for obtaining the environmental endorsement. The Company will not appeal this judgement and will work on preparing new documentation for obtaining an environmental endorsement.

In July 2021, the Company was granted the renewal of its certificate of urbanization for another two years beginning July 2023. The granting of this renewal certificate is a significant milestone in the documentary process that results in a land rezoning plan, after which the environmental impact assessment will be submitted.

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## 9. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

Key management personnel compensation:

	Year ended December 31, 2024	Year ended December 31, 2023
Directors and officers compensation	\$ 466,448	\$ 468,926
Share-based payments	-	376,284
	<b>\$ 466,448</b>	<b>\$ 845,210</b>

As at December 31, 2024, the Company had \$227,836 (December 31, 2023 - \$334,558) in accounts payable owing to various current and former officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

See Notes 6, 7, 10, 12 and 13.

## 10. Commitments and contingencies

### (a) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately \$1,443,000 upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$488,000 due within one year pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

### (b) Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

See Note 8 related to ongoing matters related to the environmental license.

### (c) Legal

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

A former contractor of the Company has initiated a legal action seeking approximately \$363,000 in relation to the termination of the contract, of which the Company has accrued \$38,000 at December 31, 2024 and 2023. The Company does not believe the additional termination amounts are due to the former contractor and the Company intends to defend the matter vigorously as it believes the former contractor's claim is without merit.

A former contractor of the Company has initiated a legal action seeking approximately \$868,000 (CAD\$1,200,000) in relation to the purported breach of the contract, of which the Company has accrued approximately \$108,000 at December 31, 2024. The Company does not believe the additional amounts are due to the former contractor and the Company intends to defend the matter vigorously as it believes the former contractor's claim is without merit.

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## 10. Commitments and contingencies (continued)

(d) Going concern

See Note 1.

(e) Title to mining license

See Notes 1 and 8.

## 11. Convertible security

On February 18, 2022, the Company executed a convertible security funding agreement (“Convertible Security”) for an initial principal amount (the “First Tranche”) of \$2,748,423 (CAD\$3,500,000) and a potential additional amount of up to \$1,177,949 (CAD\$1,500,000) of convertible securities.

Pursuant to the agreement, the Company had issued to Lind Global Fund II, LP (“Lind”) a convertible security with a face value of \$3,299,257 (CAD\$4,200,000), representing a principal amount of \$2,748,423 (CAD\$3,500,000) and an interest amount of \$550,834 (CAD\$700,000) on March 1, 2022. The First Tranche was due two years from the date of issuance and had a maturity date of March 1, 2024.

The First Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on March 1, 2024. The First Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the First Tranche, the Company issued to Lind 7,947,321 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD\$ 0.28626, being 130% of the 20-day VWAP of the shares, immediately prior to execution of the agreement (Note 7 (d)).

On the issuance date, the fair value of the First Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 73% based on historical volatility of the Company’s common shares, risk-free rate of 1.42%, share price on issuance date of CAD\$0.24 and expected life of two years. The fair value of the First Tranche of the convertible security was \$3,283,513, which resulted in a loss of \$492,667 compared to funding proceeds received of \$2,669,245 net of commitment fees of \$121,601. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

On July 18, 2022, the Company issued to Lind a second convertible security (the “Second Tranche”) under the agreement with a face value of \$1,396,865 (CAD\$1,800,000), representing a principal amount of \$1,164,054 (CAD\$1,500,000) and an interest amount of \$232,811 (CAD\$300,000). The Second Tranche was due two years from the date of issuance and had a maturity date of July 18, 2024.

The Second Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on July 18, 2024. The Second Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the Second Tranche, the Company issued to Lind 12,711,864 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD\$0.1357, being 115% of the 10-day VWAP of the shares, immediately prior to execution of the agreement (Note 7 (d)).

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## 11. Convertible security (continued)

On the issuance date, the fair value of the Second Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 66% based on historical volatility of the Company's common shares, risk-free rate of 3.26%, share price on issuance date of CAD\$0.115 and expected life of two years. The fair value of the Second Tranche of the convertible security was \$1,202,336, which resulted in a loss of \$35,202 compared to funding proceeds received of \$1,120,448, net of commitment fees of \$46,686. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

The Company had recorded the Convertible Security including the host contract and embedded derivative at fair value through profit and loss. The Convertible Security had been recorded at Level 3 in the fair value hierarchy.

The Convertible Security could be converted to common shares of the Company at a rate of no more than 1/24<sup>th</sup> of the face value of the Convertible Security in any given month and at a price per share equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior to the conversion date. Lind reserved the right at any time to increase the conversion limit from 1/24<sup>th</sup> of the face value of the first closing to CAD\$500,000 per month, providing that increased amount did not exceed 15% of the aggregate trading volume of the shares for the immediately proceeding 20 days.

The Company had the right to buy-back the outstanding face value of the loan face value at any time with no penalty. If the Company elected to exercise its buy-back rights, Lind would have had the option to convert up to 33% of such face value to common shares of the Company at the price that is equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior.

On August 9, 2023, the Company signed an agreement with Lind. The Company issued 12,500,000 warrants to Lind in exchange for Lind's waiver of its ongoing conversion rights under the convertible security agreement and its right to receive common shares of the Company should the Company elect to buyback the amounts outstanding under the convertible security agreement, in each case for the period between July 31, 2023 and August 28, 2023 (Note 7 (d)).

On October 3, 2023, the Company settled the outstanding portion of its convertible security by repaying the outstanding principal and interest in cash in the amount of \$1,800,810 (CAD\$2,475,000).

The fair value of the convertible security at October 3, 2023 was \$1,835,320 (CAD\$2,522,428), which resulted in a gain on extinguishment of \$34,510 (CAD\$47,428) recognized during the year ended December 31, 2023.

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## 11. Convertible security (continued)

<b>Convertible security</b>		<b>Tranche #1</b>		<b>Tranche #2</b>		<b>Total</b>
Balance at December 31, 2022	\$	1,875,204	\$	901,836	\$	2,777,040
Early conversions		(800,013)		(320,565)		(1,120,578)
Loss on fair value adjustment		200,611		100,768		301,379
Cash repayment		(1,145,931)		(654,879)		(1,800,810)
Gain on extinguishment		(113,782)		(18,253)		(132,035)
Effect of foreign exchange currency difference		(16,089)		(8,907)		(24,996)
Balance at December 31, 2023 and December 31, 2024	\$	-	\$	-	\$	-
<b>Unrecognized day 1 loss</b>		<b>Tranche #1</b>		<b>Tranche #2</b>		<b>Total</b>
Balance at December 31, 2022	\$	(258,712)	\$	(25,350)	\$	(284,062)
Recognized loss during the period		172,576		12,543		185,119
Gain on extinguishment		84,988		12,537		97,525
Effect of foreign exchange currency difference		1,148		270		1,418
Balance at December 31, 2023 and December 31, 2024	\$	-	\$	-	\$	-
Total balance at December 31, 2023	\$	-	\$	-	\$	-
Total balance at December 31, 2024	\$	-	\$	-	\$	-

## 12. Debenture

On December 6, 2023, the Company issued a debenture for a principal amount of \$660,000, maturing on June 15, 2024. The debenture is non-interest bearing and is secured against all assets and property of the Company.

In connection with the debenture, the Company issued 20,000,000 common share purchase warrants to the lenders of the debenture. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD\$0.05 per common share until December 6, 2026.

On initial recognition, the loan payable was initially recorded at \$608,237 using a discounted cash flow model and a market interest rate of 15.53%. The residual amount of \$51,923 of the total gross proceeds was allocated to the warrants issued by the Company (Note 7(d)).

On June 14, 2024, amounts owed on the debenture were applied to the Royalty payment and the amount owed on the debenture was discharged.

## 13. Loan payable

In October 2023, the Company entered into an unsecured loan agreement with a corporation that shares a common officer and director. The principal amount of the loan was \$80,368 (CAD\$110,000) with an interest rate of 12% per annum. The Company repaid \$85,603 of principal and accrued interest during the year ended December 31, 2024, which represents a full repayment of the loan.

In December 2024, the Company entered into a loan with an interest rate of 8% per annum with a director of the Company with a principal amount of \$243,241 (CAD\$350,000). The loan matures on December 19, 2025 and is secured by all assets and property of the Company.

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## 14. Royalty agreement

On August 25, 2023, the Company entered into a net smelter return royalty agreement (the "Agreement") with certain purchasers (together, the "Holder") for the Company's RVP. Under the Agreement, the Holder acquired a right to a 1.0% net smelter return royalty on all minerals produced (the "Royalty Right") for consideration of \$3,024,346 (CAD \$4,000,000), with \$1,986,617 (CAD \$2,627,500) paid upfront and the remaining \$1,039,619 (CAD \$1,372,500) to be paid on or before June 24, 2024. A director of the Company holds 25% of the Royalty Right.

On June 14, 2024, the Company entered into an amendment of the Agreement ("Amended Agreement"). Under the Amended Agreement, the Holder was required to pay \$660,000 (CAD\$910,800) by June 14, 2024, and pay the final payment of \$339,154 (CAD\$464,200) by September 30, 2024. The Company applied the balance of the of \$660,000 convertible debenture to the royalty on June 14, 2024 and final payment in August 2024. The Company provided a 25% discount on the final payment to the Holder, provided the payment was made in August 2024. As a result of this discount, the Company recorded the Royalty Income net of a loss on settlement of the royalty of \$84,789 on the consolidated statement of comprehensive income during the year ended December 31, 2024.

The Agreement contains a conversion right whereby if the final payment is not received by the Company by June 24, 2024, the initial payment received will convert into common shares of the Company (the "Conversion Right") and the Royalty Right will be cancelled. Under the Amended Agreement, the Conversion Right was extended to September 30, 2024. Final payment was received in August 2024. A sale of the Royalty Right was recorded at this time, and the previously recorded deposit liability was extinguished. As such, the Conversion Right has expired.

Upon payment of the final consideration by the Holder on or before September 30, 2024, the Company has the right, on behalf of the Holder, to sell the royalty to a third-party purchaser subject to minimum purchase prices for a period of two years following the final payment (the "Royalty Sale Right"). Should the Company exercise the Royalty Sale Right, the Company agrees to grant the current Holder a separate 1.0% net smelter return royalty on all copper produced at the RVP.

The Company issued 32,000,000 common share purchase warrants to the Holder, which only vests upon the Company's exercise of the Royalty Sale Right. See Note 7 (d).

## 15. Convertible promissory note

Convertible promissory note as at December 31, 2023	\$	-
Principal amount		338,785
Derivative liability		386,215
Accretion		10,455
Conversion of principal to shares		(735,455)
Convertible promissory note as at December 31, 2024	\$	-

On February 22, 2024, the Company entered into a convertible promissory note with two individuals (the "Lenders"), providing for a principal amount of \$125,000 (the "February Principal Amount") and maturing on February 22, 2025 (the "February Note"). The February Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The February Principal Amount and all accrued interest is convertible into common shares of the Company at a price of CAD\$0.035 per conversion share.

On March 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "March Principal Amount") and maturing on March 22, 2025 (the "March Note"). The March Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The March Principal Amount is convertible into common shares of the Company at a price of CAD\$0.045 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

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## 15. Convertible promissory note (continued)

On April 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "April Principal Amount") and maturing on April 22, 2025 (the "April Note"). The April Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The April Principal Amount is convertible into common shares of the Company at a price of CAD\$0.0587 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

On May 27, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "May Principal Amount") and maturing on May 27, 2025 (the "May Note"). The May Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The May Principal Amount is convertible into common shares of the Company at a price of CAD\$0.0656 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

In July 2024, the Company converted the principal of \$725,000 plus all accrued interest on the convertible promissory note to 19,769,833 common shares of the Company. In connection with this conversion, the general security agreement over the Company's property and assets has been released.

The components of the convertible promissory notes are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. The conversion option of the convertible promissory notes does not meet the criteria for equity classification as the currency of the convertible promissory notes is different than the functional currency of the legal entity in which they were issued. As such, the conversion option component is accounted for as a derivative liability.

These conversion features are measured first using the Black-Scholes option pricing model, and the residual value is assigned to the debt component. Subsequent to initial recognition, the conversion feature components are re-measured at fair value at each reporting period with the changes in fair value recognized in operations. Subsequent to initial recognition, the liability components are accounted for at amortized cost using the effective interest rate method until the instrument is converted or the instrument matures.

On the date of issuance, the fair value of the conversion option component was determined to be \$338,785 with a residual amount of \$386,215 allocated to the liability. The fair value of the conversion option component of the debentures at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 107% -117%, risk-free interest rate of 4.13%-4.36%, share price of CDN\$0.03-CAD\$0.07, and an expected life of one year.

For the year ended December 31, 2024, \$10,455 and \$875 of accretion and interest expense was recorded by the Company.

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## 16. Income (loss) per share

Basic income (loss) per share is calculated based on the weighted average number of common shares issued and outstanding during the period. Basic weighted average shares for the year ended December 31, 2024 is 334,928,557 (December 31, 2023 – 293,247,954). Diluted weighted average shares for the year ended December 31, 2024 is 345,870,921 (December 31, 2023 – 293,247,954). Stock options, RSUs, DSUs, warrants, and convertible debt are considered anti-dilutive and therefore are excluded from the calculation of diluted loss per share for the year ended December 31, 2024.

For the years ended December 31, 2024 and 2023, the income (loss) per share was as follows:

	Year ended December 31,	
	2024	2023
Numerator:		
Net income (loss)	\$ 448,390	\$ (4,054,350)
Denominator:		
Weighted average number of common shares - basic	334,928,557	293,247,954
Weighted average effect of dilutive RSUs and DSUs	10,942,364	-
Weighted average number of common shares - diluted	345,870,921	293,247,954
Basic earnings per share	\$ 0.00	\$ (0.01)
Diluted earnings per share	\$ 0.00	\$ (0.01)

## 17. Financial risk factors

The Company's financial instruments comprise cash, restricted deposits, sundry receivables, trade and other payables, deferred share unit liability, debenture payable, loan payable and deposit liability. The carrying values of these financial instruments approximate their fair value due to the short term nature of these instruments.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are; credit risk, liquidity risk and market risk. Management reviews and agrees policies for managing each of these risks, which are summarized below:

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity has been prepared for the years ended December 31, 2024 and 2023 using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

### (a) Credit Risk

The Company's exposure to credit risk is primarily relating to its financial assets consisting of cash, restricted deposits and sundry receivables. Cash and restricted deposits consist of deposit accounts held at various Canadian and Romanian high credit quality financial institutions, from which management believes the risk of loss to be minimal. The carrying amounts of financial assets represents the maximum credit exposure.

# EURO SUN MINING INC.

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## 17. Financial risk factors (continued)

### (b) Liquidity Risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at December 31, 2024, the Company had a cash balance of \$116,347 (2023 - \$45,024) to settle trade and other payables of \$2,590,828 (2023 - \$2,905,387), deferred share unit liability of \$24,394 (2023 - \$17,636), debenture payable of \$nil (2023 - \$614,734), and loan payable of \$243,241 (2023 - \$85,603). Current liabilities consist of trade and other payables, deferred share unit liability, debenture payable, loan payable and deposit, all generally due within one year.

### (c) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, foreign exchange rates or commodity prices will affect the value of the Company's financial instruments.

#### (i) Interest rate risk

The Company has cash and restricted deposit balances as at December 31, 2024 and 2023. The Company considers interest rate risk to be minimal as cash is held on deposit at major financial institutions. The interest rate on the Company's loans are fixed and as such, do not present an interest rate risk for the terms of the loans.

#### (ii) Foreign currency risk

The Company is affected by currency transaction and translation risk primarily with respect to the Canadian dollar and Romanian Lei. Consequently, fluctuations in the U.S. dollar currency against these currencies could have a material impact on the Company's business, financial condition and results of operations. The Company does not engage in hedging activity to mitigate this risk.

The following summary illustrates the fluctuations in the exchange rates applied during the years ended December 31, 2024 and 2023:

	2024		2023	
	Average rate	Closing rate	Average rate	Closing rate
RON	0.2175	0.2093	0.2186	0.2224
CAD	0.7300	0.6950	0.7409	0.7561

A 1% strengthening or weakening of the US dollar against the Romanian Lei at December 31, 2024 would result in an increase or decrease in operating loss of approximately \$3,100. A 1% strengthening or weakening of the US dollar against the Canadian dollar would result in an increase or decrease in other comprehensive income of approximately \$21,300.

#### (iii) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments. As the Company is not in production, its exposure to commodity price risk is reduced.

# EURO SUN MINING INC.

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## 18. Capital disclosures

The Company manages its capital structure, defined as cash, restricted deposits, share capital, contributed surplus and warrants, to ensure sufficient funds are available to the Company to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company has cash and restricted deposits held with large Canadian chartered banks and Romanian banks.

The properties in which the Company currently has an interest are in the exploration stage and as such the Company may need to access additional capital through the issuance of shares. The Company will continue to assess new properties and continue to explore and develop existing properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the Toronto Stock Exchange ("TSX") which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in the consolidated financial statements regarding the listed issuer's ability to continue as a going concern.

The Company's capital items are the following:

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	<b>December 31,</b>	December 31,
	<b>2024</b>	2023
Cash and cash equivalents	<b>\$ 116,347</b>	\$ 45,024
Restricted deposits	<b>17,374</b>	18,902
Share capital	<b>243,977,343</b>	242,266,743
Warrants	<b>2,088,458</b>	1,788,378
Contributed surplus	<b>863,539</b>	1,069,037
	<b>\$ 247,063,061</b>	\$ 245,188,084

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# EURO SUN MINING INC.

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## 19. Income taxes

(a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2023 - 26.5%) were as follows:

	2024	2023
Loss before income taxes from continuing operations	\$ 448,390	\$ (4,054,350)
Expected income tax recovery based on statutory rate	119,000	(1,074,000)
Adjustment to expected income tax benefit:		
Share-based compensation	2,000	177,000
Expenses not deductible for tax purposes	433,000	(99,000)
Other	(3,000)	(25,000)
Change in benefit of tax assets not recognized	(551,000)	1,021,000
Deferred income tax provision (recovery) from continuing operations	\$ -	\$ -

(b) Deferred income taxes

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Non-capital loss carry-forwards (Canada)	\$ 53,708,000	\$ 59,899,000
Share issue costs (Canada)	93,000	489,000
Other (Canada)	5,012,000	5,489,000
Capital loss carry-forwards (Canada)	77,471,000	84,283,000
	\$ 136,284,000	\$ 150,160,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

As at December 31, 2024, the Company had estimated non-capital losses for Canadian income tax purposes of approximately \$53,708,000 (2023 - \$59,899,000) available to use against future taxable income. The non-capital losses expire between 2026 and 2044.

In addition, the Company has capital losses available for Canadian income tax purposes of approximately \$77,471,000 (2023 - \$84,283,000) to reduce future taxable capital gains. Capital losses carry forward indefinitely.

As at December 31, 2024, the Company had estimated non-capital losses for Romanian income tax purposes of approximately \$nil (2023 - \$nil) available to use against future taxable income.

# EURO SUN MINING INC.

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For the years ended December 31, 2024 and 2023  
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## 20. Subsequent events

On February 7, 2025, the Company closed the third tranche of its non-brokered private placement by issuing 5,700,900 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$199,361 (CAD\$285,045). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until February 7, 2027. In connection with closing of the third tranche, the Company paid an aggregate amount of \$2,448 (CAD\$3,500) in cash commissions and 170,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the third tranche.

On February 13, 2025, the Company closed the fourth tranche of its non-brokered private placement by issuing 5,480,000 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$192,375 (CAD\$274,000). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until February 13, 2027. In connection with closing of the fourth tranche, the Company paid an aggregate amount of \$6,389 (CAD\$9,100) in cash commissions and 182,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the fourth tranche. A director of the Company purchased 1,280,000 common shares as a part of this fourth tranche of the private placement.



## **Management Discussion and Analysis**

**For the year ended December 31, 2024**

(all amounts in U.S. dollars unless otherwise noted)

**Date: March 28, 2025**

This Management Discussion and Analysis (“MD&A”) relates to the financial condition and results of operations of Euro Sun Mining Inc. (“Euro Sun” or the “Company”) as at and for the year ended December 31, 2024. This MD&A should be read in conjunction with the Company’s audited consolidated financial statements and related notes as at and for the years ended December 31, 2024 and 2023. The audited consolidated financial statements and related notes of Euro Sun have been prepared in accordance with International Financial Reporting Standards (“IFRS”). Unless otherwise noted, all references to currency in this MD&A are in U.S. dollars.

Certain information contained in the MD&A is forward-looking which involves risks and uncertainties. The forward-looking information is not based on historical fact, but is rather based on the current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company’s industry, business and future financial results. Actual results could differ materially from the results contemplated by this forward-looking information due to a number of factors, including those set forth in this MD&A and under the “Cautionary Statement Regarding Forward Looking Information” and “Risk Factors” sections.

The MD&A was prepared in accordance with the requirements set out in National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

Mr. Sivanesan Subramani, B.Sc. (Hons) Geology and Economic Geology, Pri.Sci.Nat. (400184/06), of Caracle Creek International Consulting MinRes (CCIC MinRes) (South Africa), an independent Qualified Person (as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”)) has reviewed and approved the scientific and technical information in this MD&A under the sections “Company Overview”, “Rovina Valley Project – History and Latest Developments”, “Rovina Valley Project Definitive Feasibility Study”, “Rovina Valley Project Preliminary Economic Assessment”, “2022 DFS Highlights”, “Highlights” and “Outlook”.

The scientific and technical information contained in this MD&A has been reviewed and approved by Dr. Andreas Rompel, PhD, a member of the South African Council for Natural Scientific Professions (Pr. Sci. Nat. 400274/04), FSAIMM, an independent consultant, who is a “Qualified Person” as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

Management is responsible for the information disclosed in this MD&A and the accompanying financial statements and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. The audit committee of the board of directors of the Company has reviewed this MD&A and the consolidated financial statements as at and for the year ended December 31, 2024, and Euro Sun’s board of directors approved these documents prior to their release.

## **Company Overview**

The Company is principally a mineral exploration and development company. Through its subsidiaries, the Company is currently focused on advancing its exploration and development plans on its 100%-owned Rovina Valley gold and copper project (the “Rovina Valley Project” or “RVP”) located in west-central Romania. The Rovina Valley Project consists of three copper-gold porphyry systems referred to as Rovina, Colnic and Ciresata on which the Company has carried out extensive exploration programs. RVP is the second largest gold deposit in Europe containing measured and indicated mineral resources of 7.09 million ounces of gold grading 0.55 g/t and 1.41 billion pounds of copper grading 0.16%.

## **Rovina Valley Project – History and Latest Developments**

The Company holds the Rovina Valley Project through a mining license which covers a total of 27.68 square kilometres (the “Rovina Licence”). The Rovina License was officially ratified by the Romanian Government during Q4 2018. This license secures the mineral tenure and allows the Company to begin the permitting process. The Rovina Valley Project is the Company’s sole exploration-development project in Eastern Europe and the main focus of its exploration efforts there since 2005 when it was awarded the Rovina exploration license through a public tender and bid process. Subsequent exploration by the Company defined three copper-gold porphyry systems or deposits: Rovina (the “Rovina Deposit”), Colnic (the “Colnic Deposit”) and Ciresata (the “Ciresata Deposit”). The Colnic Deposit is located approximately 2.5 km south of the Rovina Deposit and the Ciresata Deposit is approximately 4 km south of the Colnic Deposit.

The area covered by the Rovina License lies within the historic ‘Golden Quadrilateral’ mining district and has good road access, as well as proximity to nearby high-tension electric power and water supplies. The topography of the area is hilly with forest vegetation and interspersed grasslands with elevations of 300 to 700 metres above sea-level.

Drilling activities on the Rovina Valley Project stopped on July 5, 2012 due to the impending expiry of the exploration license on August 29, 2012 and closure of the work program for the submittal of final documentation for the conversion to a mining license. In August 2012, the final exploration report was submitted to the Romanian National Agency for Mineral Resources (“NAMR”) and accepted. Romanian mining law states that the holder of an exploration license has the exclusive right to apply for a mining license at any time or within 90 days after the expiration date of the exploration license. The Company, through its wholly owned subsidiary, SAMAX Romania SRL (“SAMAX”) notified NAMR of its intention to exercise its exclusive statutory right to apply for a mining license.

On May 27, 2015, NAMR approved a 20-year mining license for the Rovina Valley Project which represents the first and most important step in the licensing process. During the conversion process from an exploration license to a mining license, no disruptive physical field work (i.e., drilling, land clearing, etc.) can be carried out on the property until after the mining license has been approved.

Under Romanian law, a mining licence may come into effect upon final review by several government departments and its publication in the official gazette. The Rovina Mining License was approved by the Romanian government in November 2018. Following the conversion to a mining license, approval to begin construction and mining operations will require a building authorization permit that will include land re-zoning and final environmental reviews and government approval resulting from a full Environmental Impact Assessment (“EIA”) study. Public consultation is a legal and integral part of the government environmental approval process. Surface rights are severed from mineral rights, and prior to receiving the final construction permit surface rights need to be acquired.

Through SAMAX, the Company continues to maintain its proactive local stakeholder engagement program. The program includes local community hall public meetings, a public information centre and partnership programs with local NGO’s and community leaders to implement community-based projects. The Company’s good relations with the community have allowed unhindered surface access for drilling in the Rovina Valley Project area which requires permission from landowners. In addition, the Company continues with its long lead time work activities for both the EIA and the strategic environmental assessment (the “SEA”) documentation that will be required for the permitting of the project.

In the fourth quarter 2018, the Company engaged AGP Mining Consultants Inc. and Lycopodium Engineering Inc. to complete an independent resource estimate update and to complete a Preliminary Economic Assessment (“PEA”) to disclosure standards defined in NI 43-101. The Company announced the results of the resource estimate update and PEA on February 20, 2019, and the supporting NI 43-101 Technical report is filed on SEDAR in accordance Standards of Disclosure for Mineral Projects.

In May 2020, the company announced that it had selected NEW SENET (Pty) Ltd. To lead a consortium of specialized independent consultants to deliver a definitive feasibility study (“DFS”) for the Rovina Valley Project in Romania to disclosure standards defined in NI 43-101. This DFS included a detailed resource review and update for the Colnic and Rovina deposits, which were the subject of the study.

On March 1, 2021 the company announced the results of the DFS including a resource update for the Colnic and Rovina deposits. This DFS is filed in SEDAR in accordance with NI 43-101.

In late 2022, SAMAX, received a notice of action from the Cluj County court regarding an action made by Asociatia Declic against SAMAX for the suspension of the environmental endorsement held by SAMAX Romania SRL with respect to the Rovina Valley project (the “Environmental Endorsement”), followed by an action for annulment in respect of the same Environmental Endorsement.

In July 2023, the Company was granted the renewal of its Certificate of Urbanisation for another two years beginning July 2023.

In October 2023, the Cluj County court ruled that the Environmental Resources Management’s (“ERM”) certificate issued by the Ministry of Environment was not valid at the time the Company’s environmental report was submitted for obtaining the Environmental Endorsement. The Company will not appeal this judgement and is preparing new documentation for obtaining a new environmental endorsement.

On March 25, 2025, the Company announced that the Rovina Valley project has been included on the European Union's first list of strategic assets following their May 27, 2024, call for applications under the Critical Raw Materials Act. This decision allows Euro Sun to fast-track the permitting process under new European legislative guidelines to facilitate the development of the Rovina Valley project.

### **Rovina Valley Project Definitive Feasibility Study**

During the development of the DFS, the decision was taken to include the Rovina deposit in the production schedule immediately following the completion of processing of the Colnic deposit ore. Due to the proximity of the Rovina open pit, processing of Rovina ore is possible in the initial processing facility located near Colnic with minimal additional infrastructure. This decision significantly improved the Life of Mine (LOM) and economic results for the project.

### **Updated Definitive Feasibility Study**

In June, 2021, the Company received new geotechnical laboratory testwork results as part of the work undertaken in the 2021 DFS. Based on these results, a decision was taken at this time to update the DFS with new mining plans for both the Colnic and Rovina open pits taking into account new pit design parameters.

Key Highlights from the updated DFS Include (summary table set out in Table 3):

- Pre-Tax NPV increased 41% to \$630 million, with an IRR of 22.7%, based on \$1,675/oz gold and \$3.75/lb copper
- Estimated to produce 1.47Moz of gold and 403Mlbs of copper over the life of the project at an AISC of \$787/gold equivalent ounce
- Approximately 43 million tonnes or 19% less waste material expected to be mined resulting in a 1.45:1 strip ratio over LOM

- The updated study incorporates the most current cost and capital expenditure data, with initial CAPEX of \$448 million
- The Rovina Valley Project incorporates dry stack tailings and is a cyanide free operation

### **Rovina Valley Project Resource Estimate Update**

On March 1, 2021, Euro Sun announced its updated NI 43-101 mineral resource estimate ("2021 Resource Estimate") as prepared by independent consultants Caracle Creek International Consulting MinRes (CCIC MinRes) (South Africa), on its 100% owned Rovina Mining License in west-central Romania. The 2021 Resource Estimate includes the Colnic and Rovina. The Ciresata 2019 Resource Estimate prepared by AGP remains unchanged. These three gold-rich copper porphyry deposits are collectively referred to as the Rovina Valley Project. All three deposits are in close proximity and mill feed will be treated at a central facility. Colnic and Rovina are amenable to open-pit mining and Ciresata to bulk underground mining.

The 2021 Resource Estimate for Colnic and Rovina is an update to the 2019 Resource Estimate (completed by AGP) to primarily reflect the information used in the development of the Definitive Feasibility study. This includes updates to operating costs and metal prices used in the resource constraining Lerchs-Grossmann pit shells. The geologic model and interpolated block model from the 2012 Resource Estimate are not changed in this current estimate (see the 2019 Resource Estimate 43-101 Technical Report filed on SEDAR on April 1, 2019). Mineral resources were estimated in conformance with the 2019 CIM Mineral Resource and Mineral Reserve definitions referred to in NI 43-101 and are considered to have reasonable prospects for economic extraction.

In March 2020, the Company commissioned NEW SENET Pty. Ltd. to complete a DFS on the open-pit Rovina and Colnic deposits. As part of this study, CCIC MinRes completed a detailed technical audit of the resource models, including an assessment on the possible impact of the Euro Sun-Barrick exploration collaboration drilling on the mineral resource estimates. CCIC MinRes also recommended that the Company not update the 2012 geological and mineral resource block models until more holes are added to the resource database. The outcome of the technical audit confirmed the robustness of the AGP mineral resource models for the Rovina and Colnic deposits.

The March 2021 mineral resource estimate for the Rovina and Colnic deposits is, therefore, updated to reflect current metal prices and updated operating parameters derived during the DFS and to make it current and in conformance with the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Mineral Resource and Mineral Reserve definitions referred to in the NI 43-101, Standards of Disclosure for Mineral Projects. Mr Sivanesan Subramani, BSc Hons (Geology), Pri.Sci.Nat. (400184/06), is the QP for this mineral resource estimate. The mineral resources are constrained to a Lerchs-Grossmann pit shell using different metal equivalent cut-off grades for the Rovina and Colnic deposits. The geological model and mineral resource block models remain unchanged in this current estimate. The mineral resource estimate for Ciresata remains unchanged from February 2019.

As part of the updated DFS, mineral resource estimates were also again updated. Table 1 summarises the latest mineral resource estimates for the Rovina and Colnic deposits, stated above a 0.25 % Cu equivalent grade cut-off for the Rovina deposit, and above a 0.35 g/t Au equivalent grade cut-off for the Colnic deposit. The total Measured mineral resources for the Rovina and Colnic deposits amount to 62.2 Mt grading at 0.49 g/t Au and 0.21 % Cu, containing 0.99 Moz Au and 288 Milb Cu; with the Au equivalent grading of 0.79 g/t. The total Indicated mineral resources for the Rovina and Colnic deposits amount to an additional 182.7 Mt grading at 0.39 g/t Au and 0.15 % Cu, containing 2.28 Moz Au and 607 Milb Cu, with the Au equivalent grading of 0.60 g/t.

**Table 1: 2021 Mineral Resource Estimate – Rovina and Colnic Deposits**

Deposit	Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Au (Moz)	Cu (Mlb)	Au Eq* (g/t)	Au Eq* (Moz)
Colnic	Measured	29.2	0.65	0.12	0.61	74	0.81	0.76
	Indicated	103.6	0.48	0.10	1.61	224	0.62	2.07
Rovina	Measured	33.2	0.36	0.29	0.38	213	0.77	0.82
	Indicated	79.1	0.26	0.22	0.67	384	0.57	1.46
Colnic & Rovina	Measured	62.4	0.49	0.21	0.99	288	0.79	1.58
	Indicated	182.7	0.39	0.15	2.28	607	0.60	3.53
<b>Total</b>	<b>Measured &amp; Indicated</b>	<b>245.1</b>	<b>0.42</b>	<b>0.17</b>	<b>3.27</b>	<b>895</b>	<b>0.65</b>	<b>5.11</b>

**Notes:**

- *\*Au and Cu Equivalent determined by using a long-term gold price of US\$1,700/oz and a copper price of US\$3.50/lb with metallurgical recoveries not taken into account.*
- *Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
- *Mineral Resources are contained within a conceptual pit shell that are generated using the same economic and technical parameters as used for Mineral Reserves but at gold price of US\$1,700/oz and a copper price of US\$3.50/lb.*
- *Colnic and Rovina deposits are amenable to open pit mining and Mineral Resources are Pit constrained and tabulated at a base case cut-off grade of 0.35 g/t AuEq for Colnic and 0.25 % CuEq for Rovina*
- *Minor summation differences may occur, because of rounding.*
- *Mineral Resource estimates follow the CIM definition standards for Mineral Resources and Reserves and have been completed in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101.*

The Ciresata underground mineral resource estimate remains unchanged from the 20 February 2019 estimate by AGP. Table 2 summarises the mineral resource estimate for Ciresata, stated at above a 0.65 g/t Au equivalent grade cut-off. The Measured mineral resources amount to 28.5 Mt grading at 0.88 g/t Au and 0.16 % Cu, containing 0.81 Moz Au and 102 Mlb Cu, with the Au equivalent grading of 1.13 g/t. The Indicated mineral resources amount to an additional 125.9 Mt grading at 0.74 g/t Au and 0.15 % Cu, containing 3.01 Moz Au and 413 Mlb Cu, with the Au equivalent grading of 0.97 g/t.

**Table 2: 2019 Mineral Resource Estimate – Ciresata Deposit**

Deposit	Resource Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Au (Moz)	Cu (Mlb)	AuEq* (g/t)	AuEq* (Moz)
Ciresata	Measured	28.5	0.88	0.16	0.81	102	1.13	1.03
	Indicated	125.9	0.74	0.15	3.01	413	0.97	3.92
	Inferred	8.6	0.70	0.14	0.19	26	0.94	0.25
<b>Total</b>	<b>Measured &amp; Indicated</b>	<b>154.4</b>	<b>0.77</b>	<b>0.15</b>	<b>3.82</b>	<b>515</b>	<b>1.00</b>	<b>4.95</b>

NOTES:
1. The Ciresata deposit is amenable to bulk underground mining and resources are tabulated at a base case 0.65 g/t AuEq.
2. No Mineral Reserves have been defined at the Ciresata deposit. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Minor summation differences may occur as a result of rounding.
* The Au and Cu equivalents were determined by using a long-term gold price of US\$1,500/oz and a copper price of US\$3.50/lb.
Source: From Table 14-20, AGP PEA NI 43-101 2019 Report (available on SEDAR)

It must be noted that the quantity and grade of Inferred resource reported above are conceptual in nature and are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade or quality continuity. For these reasons, an Inferred mineral resource has a lower level of confidence than an Indicated mineral resource, and it is reasonably expected that the majority of Inferred mineral resources could be upgraded to an Indicated mineral resource with continued exploration. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade, and contained metal content.

Changes in the current metal prices and updated operating parameters from the 2012 mineral resource estimate resulted in a shrinkage of the Lerchs-Grossmann mineral resource constraining shell and, therefore, a reduction in the overall mineral resource estimates for the Rovina and Colnic deposits. The total Measured mineral resource tonnage increased by 1.4 %, with the Au and Cu grades remaining the same. The total Indicated mineral resource tonnage decreased by 2.8 %, from 180.7 Mt to 175.6 Mt, with the Au and Cu grades remaining the same. The total Inferred mineral resource tonnage decreased by 10.4 %, from 19.6 Mt to 17.6 Mt, with the Au and Cu grades remaining the same.

**Table 3: 2022 Updated DFS Highlights**

<b>2022 DFS Highlights</b>	<b>Life of Mine</b>	<b>First 10 Years</b>
Gold price	\$1,675/oz	
Copper price	\$3.75/lb	
Processing Rate	21,000 tonnes per day	
Mine Life	<b>17.2 years</b>	
<b>Average annual gold equivalent production</b>	<b>136,000 ounces</b>	<b>139,000 ounces</b>
Average annual gold production	82,000 ounces	107,000 ounces
Average annual copper production	23.2 million pounds	14.0 million pounds
<b>All-in sustaining costs</b>	<b>\$787/oz Au eq</b>	<b>\$823/oz Au eq</b>
Pre-strip Capital	\$14.1 million	
Initial Capital	\$447.7 million	
Sustaining Capital	\$68.3 million	
<b>Pre-Tax NPV (5% discount rate)</b>	<b>\$630 million</b>	
<b>Pre-Tax IRR</b>	<b>22.7%</b>	
<b>Post-Tax NPV (5% discount rate)</b>	<b>\$512 million</b>	
<b>Post-Tax IRR</b>	<b>20.5%</b>	

The updated DFS was prepared by NEW SENET Pty. Ltd. and Caracle Creek International Consulting MinRes (CCIC MinRes) (South Africa). The updated DFS was filed on SEDAR (on March 21, 2022, in accordance with *National Instrument 43-101: Standards of Disclosure for Mineral Projects* (“NI 43-101”).

The updated DFS has defined maiden reserves for the Rovina Valley Project for the Colnic and Rovina deposits shown in Table 4. The Ciresata deposit, which is amenable to bulk underground mining, was not considered in the current DFS, but will be evaluated in future studies.

**Table 4: 2022 Mineral Reserves Estimate – Colnic and Rovina Deposits**

Deposit	Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Au (koz)	Cu (t)
Colnic	Proven	25.60	0.65	0.11%	535.0	28,158.7
	Probable	47.99	0.55	0.09%	848.6	43,190.4
Rovina	Proven	22.58	0.34	0.29%	243.3	67,005.8
	Probable	27.13	0.24	0.22%	211.6	60,166.7
Colnic & Rovina	Proven	48.18	0.50	0.20%	778.3	94,164.6
	Probable	75.12	0.44	0.14%	1 060.2	103,357.2
<b>Total</b>	<b>Proven &amp; Probable</b>	<b>123.30</b>	<b>0.47</b>	<b>0.16%</b>	<b>1 838.5</b>	<b>197,522</b>

The Mineral reserve estimate uses a base gold price of \$1,550/oz and a base copper price of \$3.30/lb

**Notes:**

- All tonnes quoted are dry tonnes. Differences in the addition of deposit tonnes to the total displayed is due to rounding.
- The estimate of Rovina Valley Gold Project Mineral Reserves are not at this stage materially affected by any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political, or other relevant issue. Furthermore, the estimate of Project Reserves is not materially affected by any known mining, metallurgical, infrastructure, or other relevant factor.
- Mineral Reserve estimates follow the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) definitions standards for Mineral Resources and Reserves and have been completed in accordance with the Standards of Disclosure for Mineral Projects as defined by National Instrument 43-101.

Further information on the Rovina Valley Project, including the 2022 updated Definitive Feasibility Technical Report, can be found on the Company’s web site at [www.eurosunmining.com](http://www.eurosunmining.com).

All exploration or development field activities undertaken by the Company in Romania must occur on valid mining license, exploration licenses, or prospecting permits issued by NAMR in Bucharest, which is responsible for the administration of all mining and exploration licenses and prospecting permits. According to the regulations and standard practices in Romania, the Company must submit reports of work completed and follow-up work programs on an annual basis to NAMR.

Prior to initiation of any exploration activity, environmental approval of a proposed exploration program must be obtained from various land management agencies having local, county and/or regional jurisdiction. These local agencies are responsible for forestry, surface waters, archaeology and history, and are coordinated through the local environmental agency. The levels of environmental studies and approvals are determined by the local environmental agency following an approval template referred to as the ‘urbanization certificate’. In practice, exploration activities, including drilling, are classified as low impact, and as such do not require comprehensive environmental impact studies.

Environmental permits for exploration are granted for one to two-year periods, and all local agencies have the right to monitor and inspect environmental impacts to evaluate compliance with issued permits even though such monitoring tends to be minimal in scope and nature. Any changes to the exploration activity that result in a greater environmental impact require approval.

Since SAMAX is an exploration and evaluation stage company, the activities it conducts on its projects are largely restricted to drilling and ancillary activities associated with the drilling programs, such as access road and drill pad construction. As such, the reclamation costs in respect of drilling activities are not material to the Company and are factored into the Company's budgets for exploration programs. When the Company wishes to enter the production stage, it will need to prepare a feasibility study as well as extensive environmental impact assessments studies. These environmental impact assessments will provide the Company with a better idea of the future costs of compliance with applicable environmental requirements and will also provide a better estimate of the eventual costs of reclamation obligations at the end of the mine life. The Company having completed an updated DFS in Q1 2022, is currently advancing Environmental Assessment studies for land re-zoning and environmental permitting (see Outlook below).

## **Highlights**

### ***Convertible promissory note***

On February 22, 2024, the Company entered into a convertible promissory note with two individuals (the "Lenders"), providing for a principal amount of \$125,000 (the "February Principal Amount") and maturing on February 22, 2025 (the "February Note"). The February Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The February Principal Amount and all accrued interest is convertible into common shares of the Company at a price of CAD\$0.035 per conversion share.

On March 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "March Principal Amount") and maturing on March 22, 2025 (the "March Note"). The March Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The March Principal Amount is convertible into common shares of the Company at a price of CAD\$0.045 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

On April 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "April Principal Amount") and maturing on April 22, 2025 (the "April Note"). The April Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The April Principal Amount is convertible into common shares of the Company at a price of CAD\$0.0587 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

On May 27, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "May Principal Amount") and maturing on May 27, 2025 (the "May Note"). The May Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The May Principal Amount is convertible into common shares of the Company at a price of CAD\$0.0656 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

In July 2024, the Company converted the principal of \$725,000 plus all accrued interest on the convertible promissory note to 19,769,833 common shares of the Company. In connection with this conversion, the general security agreement over the Company's property and assets has been released.

### ***Board Appointment***

In September 2024, the Company announced the appointment of Carlos LiVolsi as an independent director of the Company and as the new Chairman of the Board.

### ***Glencore Memorandum of Understanding***

In October 2024, the Company announced it had entered a binding Memorandum of Understanding ("MOU") with Glencore International AG ("Glencore") by which the Company grants Glencore the right of first refusal for an offtake of all future concentrate to be produced at the Company's Rovina Valley Project in Romania. In addition, Glencore

has the right to nominate one director to the Company's board of directors.

### ***Private placement***

On November 8, 2024, the Company closed the first tranche of its non-brokered private placement by issuing 9,390,038 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$337,478 (CAD\$469,502). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until November 8, 2026. In connection with closing of the first tranche, the Company paid an aggregate amount of \$1,006 (CAD\$1,400) in cash commissions and 28,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the first tranche. A director of the Company purchased 1,000,000 units and a company with a shared director and officer of the Company purchased 2,490,038 units as a part of this private placement.

On December 19, 2024, the Company closed the second tranche of its non-brokered private placement by issuing 15,863,907 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$551,985 (CAD\$793,195). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until December 19, 2026. No finders fees were paid in connection with closing the second tranche. Directors and officers of the Company purchased 9,529,426 units as part of this private placement.

On February 7, 2025, the Company closed the third tranche of its non-brokered private placement by issuing 5,700,900 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$199,361 (CAD\$285,045). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until February 7, 2027. In connection with closing of the third tranche, the Company paid an aggregate amount of \$2,448 (CAD\$3,500) in cash commissions and 170,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the third tranche.

On February 13, 2025, the Company closed the fourth tranche of its non-brokered private placement by issuing 5,480,000 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$192,375 (CAD\$274,000). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until February 13, 2027. In connection with closing of the fourth tranche, the Company paid an aggregate amount of \$6,389 (CAD\$9,100) in cash commissions and 182,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the fourth tranche. A director of the Company purchased 1,280,000 common shares as a part of this private placement.

### **Outlook**

The Company's primary focus is to complete the remaining two approvals for the PUZ approval process as soon as practical. The Company will also prioritize resubmission of new documentation required to obtain its environmental endorsement.

Sixteen of eighteen required review group approvals have been received to date regarding the PUZ.

The Company continues to work diligently in these final PUZ and EIA permitting steps and dialogues closely with local and national authorities for timely approval which allows construction to begin. Meanwhile, the project team continues basic and detailed engineering work, bridge engineering and front-end engineering design.

In July 2023, the Company was granted the renewal of its certificate of urbanization for another two years beginning July 2023. The granting of this renewal certificate is a significant milestone in the documentary process that results in a land rezoning plan, after which the environmental impact assessment will be submitted.

Fundraising will continue to support on-going permitting, operating, and engineering support activities.

### Selected Annual Information

	2024	2023	2022
Net income (loss) for the year	\$ 448,390	\$ (4,054,350)	\$ (7,559,634)
Basic and diluted loss per share	-	(0.01)	(0.04)
Total assets	\$ 725,915	\$ 673,002	\$ 1,489,514
Number of weighted average shares	334,928,557	293,247,954	185,629,487

### Selected Quarterly Financial Information

The following tables set out selected financial information for the last eight quarters:

For the quarters ended	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Net (loss) income	\$ (605,244)	\$ 2,365,869	\$ (672,218)	\$ (640,017)
Basic and diluted loss per share	-	-	-	-

For the quarters ended	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net loss	\$ (650,637)	\$ (886,638)	\$ (1,024,133)	\$ (1,492,942)
Basic and diluted loss per share	-	-	-	(0.01)

## Results of operations for the three and twelve months ended December 31, 2024

### *Selected financial information*

	<b>Three months ended December 31, 2024</b>	Three months ended December 31, 2023	<b>Year ended December 31, 2024</b>	Year ended December 31, 2023
Income (loss) income from operations	\$ (605,244)	\$ (650,637)	\$ 448,390	\$ (4,054,350)
Income (loss) per share from operations	-	-	-	(0.01)
Expenses:				
Consulting and management fees	\$ 172,908	\$ 264,331	\$ 710,109	\$ 799,491
Professional fees	21,391	22,916	111,071	83,393
General office expenses	10,414	12,012	47,784	53,819
Travel expenses	8,053	19,838	43,847	86,671
Shareholder communications and filing fees	6,549	5,362	66,108	82,271
Share-based compensation	(3,202)	(4,207)	8,596	667,183
Change in fair value of convertible debenture	-	(19,742)	-	301,379
Other expenses	(8,817)	(116,784)	11,319	(85,958)
Finance expense	(84,789)	(502)	16,182	164,948
Accretion expense	(72)	6,508	10,455	6,508
Loss on asset disposal	-	3,737	-	3,737
Gain on extinguishment of convertible security	-	(34,510)	-	(34,510)
Loss on convertible debenture	-	323	-	185,119
Royalty revenue	19,586	-	(2,834,428)	-
Loss on royalty settlement (Note 14)	84,789	-	84,789	-
	<b>\$ 226,810</b>	<b>\$ 159,282</b>	<b>\$ (1,724,168)</b>	<b>\$ 2,314,051</b>
Exploration and evaluation expenditures:				
Consulting and technical	\$ 174,941	\$ 179,308	\$ 689,859	\$ 1,011,618
Surface rights	16,234	-	32,818	-
Environmental studies	-	107	21,650	84,565
Field office support and administration	184,358	276,414	516,133	590,373
Depreciation	2,901	35,526	15,318	53,743
	<b>\$ 378,434</b>	<b>\$ 491,355</b>	<b>\$ 1,275,778</b>	<b>\$ 1,740,299</b>

### *Results of operations for the three months ended December 31, 2024 (“Q4 2024”)*

The net loss for Q4 2024 was \$605,244 compared to a net loss of \$650,637 for Q4 2023. The associated income per share was \$0.00 in Q4 2024 and a loss per share of \$0.00 in Q4 2023.

Consulting fees incurred during Q4 2024 were \$172,908 compared to \$264,331 in the comparative period. This decrease was primarily due to fewer consultants in 2024.

Travel expenses of \$8,053 in Q4 2024 compared to \$19,838 in Q4 2023. This decrease was primarily due to reduced travel in an effort to preserve working capital.

The Company has decreased its exploration and evaluation expenditure in Q4 2024 to \$378,434 from \$491,355 in the comparative period. This change is primarily due to decreased consulting and technical fees, environmental study costs, and depreciation, and field office costs partially offset by increased surface rights.

### ***Results of operations for the twelve months ended December 31, 2024 (“Q4 2024 YTD ”)***

The net income for Q4 2024 YTD was \$448,390 compared to a net loss of \$4,054,350 for Q4 2023 YTD. The associated loss per share was \$0.00 in Q4 2024 YTD and a loss per share of \$0.01 in Q4 2023 YTD.

Professional fees incurred during Q4 2024 YTD were \$111,071 compared to \$83,393 in the comparative period. This increase was primarily due to increased legal fees, combined with higher audit fees in 2024.

Travel expenses of \$43,847 in Q4 2024 YTD compared to \$86,671 in Q4 2023 YTD. This decrease was primarily due to reduced travel in an effort to preserve working capital.

Stock-based compensation of \$8,596 in Q4 2024 YTD compared to \$667,183 in Q4 2023 YTD. The decrease was primarily due to stock options and RSUs issued in 2023 that were not repeated in 2024.

The Company has decreased its exploration and evaluation expenditure in Q4 2024 YTD to \$1,275,778 from \$1,740,299 in the comparative period. This change is primarily due to decreased consulting and technical fees, environmental study costs, and depreciation, and field office costs partially offset by increased surface rights.

Royalty revenue of \$2,834,428 in Q4 2024 YTD compared to \$nil in Q4 2023 YTD. The Company entered into an agreement to sell a 1% NSR in 2023.

### ***Liquidity and Capital Resources***

The recovery of resource property related expenditures is dependent on the ability of the Company to obtain necessary financing to complete the development of its Rovina Valley Project or other potential projects and attain future profitable production. The Company's financial success will depend on its ability to raise financing to construct potential projects. At present, the Company has no established sources of income, and the success of its exploration and development programs will be contingent upon the Company's ability to raise sufficient equity financing on terms favourable to the Company. The Company does not expect to generate any internal cash flows to help finance the development costs of the Rovina Valley Project.

As at December 31, 2024, the Company had cash and cash equivalents of \$116,347 (December 31, 2023 - \$45,024) and working capital deficiency of \$2,368,919 (December 31, 2023 - \$5,188,666). The Company's cash flow needs are for funding the continuing operations of the exploration work in Romania, working capital requirements and corporate administration.

On February 22, 2024, the Company entered into a convertible promissory note with two individuals (the "Lenders"), providing for a principal amount of \$125,000 (the "February Principal Amount") and maturing on February 22, 2025 (the "February Note"). The February Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The February Principal Amount and all accrued interest is convertible into common shares of the Company at a price of CAD\$0.035 per conversion share.

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In July 2024, the Company converted the principal of \$725,000 plus all accrued interest on the convertible promissory note to 19,769,833 common shares of the Company. In connection with this conversion, the general security agreement over the Company's property and assets has been released.

On November 8, 2024, the Company closed the first tranche of its non-brokered private placement by issuing 9,390,038 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$337,478 (CAD\$469,502). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until November 8, 2026. In connection with closing of the first tranche, the Company paid an aggregate amount of \$1,006 (CAD\$1,400) in cash commissions and 28,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the first tranche. A director of the Company purchased 1,000,000 common shares and a company with a shared director of the Company purchased 2,490,038 common shares as a part of this private placement.

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On February 13, 2025, the Company closed the fourth tranche of its non-brokered private placement by issuing 5,480,000 units of the Company at a price of CAD\$0.05 per unit for gross proceeds of \$192,375 (CAD\$274,000). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD\$0.05 per common share until February 13, 2027. In connection with closing of the fourth tranche, the Company paid an aggregate amount of \$6,389 (CAD\$9,100) in cash commissions and 182,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD\$0.05 for a period of 24 months from the date of the closing of the fourth tranche. A director of the Company purchased 1,280,000 common shares as a part of this private placement.

The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves, any permitting required for mining activities, including environmental, and future profitable operations.

Current market conditions to raise finance for development stage mining projects are challenging. Failure to raise sufficient finance and / or a default on the Company's convertible security would cast material uncertainty on the

Company's ability to continue as a going concern.

### **Operating Segments**

The Company has concluded that it has only one material operating segment, the development of its Romanian mining permit, for financial reporting purposes.

### **Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

### **Financial Commitments, Contingencies and Litigation**

#### Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately \$1,443,000 upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$480,000 pursuant to the terms of these contracts.

#### Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

### **Related Party Transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

Key management personnel compensation:

	Year ended December 31, 2024	Year ended December 31, 2023
Directors and officers compensation	\$ 466,448	\$ 468,926
Share-based payments	-	376,284
	<b>\$ 466,448</b>	<b>\$ 845,210</b>

As at December 31, 2024, the Company had \$241,501 (December 31, 2023 - \$334,558) in accounts payable owing to various officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

In February 2023, the Company issued 8,000,000 common shares in satisfaction of termination agreements with former members of senior management of the Company, as well as 1,184,210 common shares in satisfaction of RSUs outstanding with a terminated member of management.

### **Material accounting policies**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In January 2020, IAS 1 – Presentation of Financial Statements was amended to provide a more general approach to classification of liabilities, based on contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment did not have a significant impact on the consolidated financial statements.

### **Internal Control over Financial Reporting**

Euro Sun’s management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting (“ICFR”). Under their supervision, the Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company’s internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of the Company; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the annual or interim financial statements.

The CEO and CFO have certified that internal controls over financial reporting have been designed and are operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as at December 31, 2024. Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control 2013 (“COSO 2013”) Framework to design the Company’s internal control over financial reporting.

There were no changes in the Company’s ICFR that have occurred during the period beginning on January 1, 2024 and ended on December 31, 2024 that have materially affected or is reasonably likely to materially affect the Company’s internal control over financial reporting.

### **Limitations of Controls and Procedures**

The Company’s management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### **Risk Factors**

Investing in the Company involves risks that should be carefully considered. The business and operations of the Company as well as those of its subsidiaries are speculative due to their nature, the locations in which they operate, and their relative stages of development. Investors should be aware that there are various risks, that could have a material adverse effect on, among other things, title to the projects, permitting, the operating results, earnings, business and condition (financial or otherwise) of the Company. For a listing of risk factors, investors should refer to the

Company's Annual Information Form in respect of the year ended December 31, 2024 filed on SEDAR as well as the additional risk factor below on International Conflict.

### **International Conflict**

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action and the escalation of war between Israel and Hamas in Gaza, any of which may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Corporation's business, financial condition, financing options, and results of operations. The extent and duration of the current Russia-Ukraine conflict or the Israel and Hamas conflict in Gaza and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, the financial statements of the Corporation or the AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on shareholders of the Corporation, and third parties with which the Corporation relies on or transacts, may materialize and may have an adverse effect on the Corporation's business, results of operation, and financial condition.

### **Additional Information and Continuous Disclosure**

Additional information, including the Company's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

### **Outstanding Share Data**

As at the date of this MD&A, the Company has:

- a) 386,705,996 common shares outstanding.
- b) 131,497,030 warrants outstanding with expiry dates ranging from April 28, 2025 to February 13, 2027 with exercise prices between CAD\$0.05 and CAD\$0.29. If all the warrants were exercised, 131,497,030 shares would be issued for proceeds of CAD\$12,482,526.
- c) 9,005,000 stock options outstanding with expiry dates ranging from June 30, 2025 to April 11, 2028 with exercise prices from CAD\$0.05 to CAD\$0.39. If exercised, 9,005,000 shares would be issued for proceeds of CAD\$571,300.
- d) 10,547,628 deferred share units with no fixed expiry.
- e) 394,736 restricted share units with no fixed expiry.

### **Cautionary and non-GAAP Measures and Additional GAAP Measures**

Note that for purposes of this section, GAAP refers to IFRS. The Company believes that investors use certain non-GAAP and additional GAAP measures as indicators to assess gold mining companies. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared with GAAP. Non-GAAP and additional GAAP measures do not have standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other companies.

### **Cautionary Statement Regarding Forward-Looking Information**

Except for statements of historical fact relating to Euro Sun certain information contained herein constitutes forward-looking information within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Company's expected production from, and further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking statements/information can be identified by the use of words such as

"plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements/information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral resource estimates and the realization of such estimates are set out herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Euro Sun and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; global conflicts, potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of Euro Sun's shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry. Although Euro Sun has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Euro Sun does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information.