



# LAVRAS GOLD



ANNUAL INFORMATION FORM  
For the year ended December 31, 2021

August 24, 2022

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# ANNUAL INFORMATION FORM

## Preliminary Notes

This annual information form (“**AIF**”) of Lavras Gold Corp. (“**Lavras Gold**” or the “**Company**”) is prepared in the form prescribed by National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

## FORWARD-LOOKING INFORMATION

This AIF contains forward looking statements and forward-looking information within the meaning of applicable Canadian securities laws (such forward looking statements and forward-looking information being collectively hereinafter referred to as “**forward-looking statements**”). Such forward-looking statements are based on expectations, estimates, and projections as at the date of this AIF.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects”, “is expected”, “anticipates”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases (including negative and grammatical variations), or stating that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: availability of financing, changes in domestic and international government regulation, general economic condition, general business conditions, limited time being devoted to business by directors, escalating professional fees, escalating transaction costs, completion of acquisitions and/or sales, competition, fluctuation in foreign exchange rates, competition, stock market volatility, unanticipated operating events and liabilities inherent in industry.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance and are inherently uncertain. Events or circumstances could cause the Company’s actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements.

Forward-looking statements are based on the beliefs of the Company’s management, as well as on assumptions, which such management believes to be reasonable based on information available at the time such statements were made. Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information.

However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual results, performance or achievements to differ from those expressed or implied by the forward-looking statements, including, without limitation, factors relating to the Company's business, operations and financial performance, including the Company's growth strategy, its ability to effectively compete in the global gaming industry, and its ability to successfully acquire and integrate new operations; market and global conditions and economic factors beyond our control, including the potential adverse effects of the ongoing global coronavirus ("COVID-19") pandemic on capital markets, general economic conditions, unemployment and our liquidity, operations and personnel; intense competition and competitive pressures from other companies worldwide in the industries in which the Company operates; the Company's ability to raise financing in the future; its success in retaining or recruiting officers, key employees or directors; and litigation and the ability to adequately protect its intellectual property rights, which are outlined in the section entitled "*Risk Factors*" in this AIF. In addition, the global financial and credit markets have experienced significant debt and equity market price volatility which could have a particularly significant, detrimental, and unpredictable effect on forward-looking statements.

The list of risk factors set out in this AIF is not exhaustive of the factors that may affect any forward-looking statements of the Company. Actual results, performance or achievements could differ materially from those projected in the forward-looking statements resulting from the matters set out in this AIF generally and certain economic and business factors, some of which may be beyond the control of the Company.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether resulting from new information or future events or otherwise, except as may be required under applicable securities laws. For all these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

## GLOSSARY

Unless otherwise indicated or the context otherwise requires, the following definitions are used in this AIF. Capitalized terms not otherwise defined herein have the meaning ascribed thereto in the Exchange policies and applicable securities law.

**“affiliate”** means, with respect to any person, any other person which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For the purposes of this definition and the definition of “subsidiary”, “control” (including with correlative meanings, the terms “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, by contract or otherwise.

**“AIF”** means this annual information form.

**“Amarillo”** means Amarillo Gold Corporation, a corporation organized under the laws of the Province of British Columbia.

**“Amarillo Shareholders”** means the shareholders of Amarillo prior to the Effective Time.

**“AMB”** means Amarillo Mineração do Brasil Ltda, a subsidiary of Amarillo.

**“ANM”** means Brazil’s National Mining Agency, a federal government agency created by Law 13.575/2017.

**“Arrangement”** means the arrangement completed by Amarillo, Hochschild, 1334940 B.C. Ltd. and Lavras Gold under Division 5 of Part 9 of the BCA on the terms set out in the Arrangement Agreement and the related Plan of Arrangement.

**“Arrangement Agreement”** means the arrangement agreement dated November 29, 2021, between Amarillo, Hochschild, Hochschild Subco, and Lavras Gold, as amended.

**“associate”** has the meanings respectively attributed thereto under Securities Laws.

**“BCA”** means the Business Corporations Act, S.B.C. 2002, c. 57.

**“BCSC”** means the British Columbia Securities Commission.

**“Business Day”** means any day of the year, other than a Saturday, Sunday, or any other day when major banks are closed for business in Toronto, Ontario, London, England, or Vancouver, British Columbia.

**“Butiá Prospect”** means the exploration prospect known as the Butiá Prospect located 4 kilometres west of the town of Lavras do Sul, in the state of Rio Grande do Sul, Brazil, as described more particularly in the Butiá Technical Report.

**“Butiá Technical Report”** means the technical report titled “NI 43-101 Technical Report Mineral Resource for Butiá Gold Prospect”, dated March 21, 2022, and prepared for Lavras Gold by VMG and Volodymyr Myadzel, MAIG, MAIG #3974, PhD and Frank Richard Baker, B.Met, MMet, MIMMM, MAusIMM.

“**Cerrito Prospect**” means the exploration prospect known as the “Cerrito Prospect located 2 kilometres northeast of the town of Lavras do Sul, in the state of Rio Grande do Sul, Brazil, as described more particularly in the Cerrito Technical Report.

“**Cerrito Technical Report**” means the technical report titled “NI 43-101 Technical Report Mineral Resource for Cerrito Gold Prospect”, dated May 20, 2022, and prepared for Lavras Gold by VMG and Volodymyr Myadzel, MAIG, MAIG #3974, PhD and Frank Richard Baker, B.Met, MMet, MIMMM, MAusIMM.

“**CIM**” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“**Common Share**” means a share in the capital of Lavras Gold Corp.

“**Compensation Committee**” means the Compensation and Nominating Committee of the Lavras Gold Board.

“**Computershare**” means Computershare Investor Services Inc.

“**Consolidation**” has the meaning ascribed thereto in the section “General Development of the Business – History”.

“**Contribution Agreement**” means the agreement entered on the Effective Date between Amarillo, AMB, LDS, and Lavras Gold dated as of the Effective Date concerning the transfer of the Lavras Gold Assets to, and the assumption of the Lavras Gold Liabilities by, Lavras Gold pursuant to the Arrangement.

“**Court**” means the Supreme Court of British Columbia.

“**Effective Date**” means April 1, 2022, the date on which the Arrangement was completed.

“**Effective Time**” means 12:01 a.m. (Pacific Time) on the Effective Date.

“**Governmental Entity**” means: (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, in Canada or otherwise; (ii) any subdivision or authority of any of the above; (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; (iv) any arbitrator or arbitration tribunal; (v) any Securities Authority; or (vi) any stock exchange including the TSXV.

“**Hochschild**” means Hochschild Mining PLC, a corporation organized under the laws of England and Wales.

“**Hochschild Subco**” means 1334940 B.C. Ltd.

“**IFRS**” means International Financial Reporting Standards as incorporated in the Chartered Professional Accountants of Canada Handbook, at the relevant time applied on a consistent basis.

“**Lavras Assets**” has the meaning ascribed thereto in Item 4 – Corporate Structure.

“**Lavras Gold**” means Lavras Gold Corp., a corporation organized under the laws of the Province of British Columbia.

“**Lavras Gold Board**” or the “**Board**” means the board of directors of Lavras Gold.

“**Lavras Gold Liabilities**” has the meaning ascribed thereto in Item 4 – Corporate Structure.

“**Lavras Gold Properties**” means all the rights, titles, and interests of Lavras Gold in the mineral properties of Lavras Gold, LDS and LDSM, which comprise the LDS Project.

“**Lavras Gold Pre-Acquisition Reorganization**” has the meaning ascribed thereto in General Development of the Business section.

“**Lavras Gold Share**” means a common share in the capital of Lavras Gold.

“**Lavras Gold Shareholder**” means a holder of one or more Lavras Gold Shares.

“**LDS Project**” means the gold project in southern Brazil in the state of Rio Grande do Sul near to the town of Lavras do Sul, and known also as the “LDS Project”.

“**LDSM**” means LDS Mineração do Brasil Ltda, which is a subsidiary of Lavras Gold.

“**Mara Rosa Royalty**” means the 2.0% net smelter revenue royalty on certain exploration properties outside Amarillo’s Posse resource at its Mara Rosa Project as provided for under the Mara Rosa Royalty Agreement.

“**Mara Rosa Agreement**” means the net smelter revenue royalty agreement governing the Mara Rosa Royalty entered into between Amarillo Mineração do Brasil Ltda and LDS Mineração do Brasil Ltda in the form of which is appended as Schedule “F” to the Arrangement Agreement.

“**NI 43-101**” means National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

“**NI 52-109**” means National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings.

“**NI 52-110**” means National Instrument 52-110 – Audit Committees.

“**NI 58-101**” means National Instrument 58-101 – Disclosure of Corporate Governance Practices.

“**Plan of Arrangement**” means the plan of arrangement in connection with the Arrangement.

“**Order**” means any order, writ, judgment, temporary, preliminary or permanent injunction, decree, ruling, stipulation, determination, or award made by, or entered into by or with, any Governmental Entity.

“**OSC**” means the Ontario Securities Commission.

“**person**” includes any individual, partnership, association, body corporate, company, corporation, organization, trust, estate, trustee, executor, administrator, legal representative, government (including a Governmental Entity), syndicate or other entity, whether or not they have legal status.

“**Securities Laws**” means the Securities Act (Ontario), all other applicable securities Laws of a province, territory or state, together with the rules and regulations and published policies thereunder, now in effect and as they may be promulgated from time to time, and includes the rules and policies of the TSXV.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval.

“**subsidiary**” means, with respect to any person, any other person which is controlled directly or indirectly by that person.

“**TSXV**” means the TSX Venture Exchange.

“**VMG**” means VMG Consultoria e Soluções Ltda.

## CORPORATE STRUCTURE

### Name, address, and incorporation

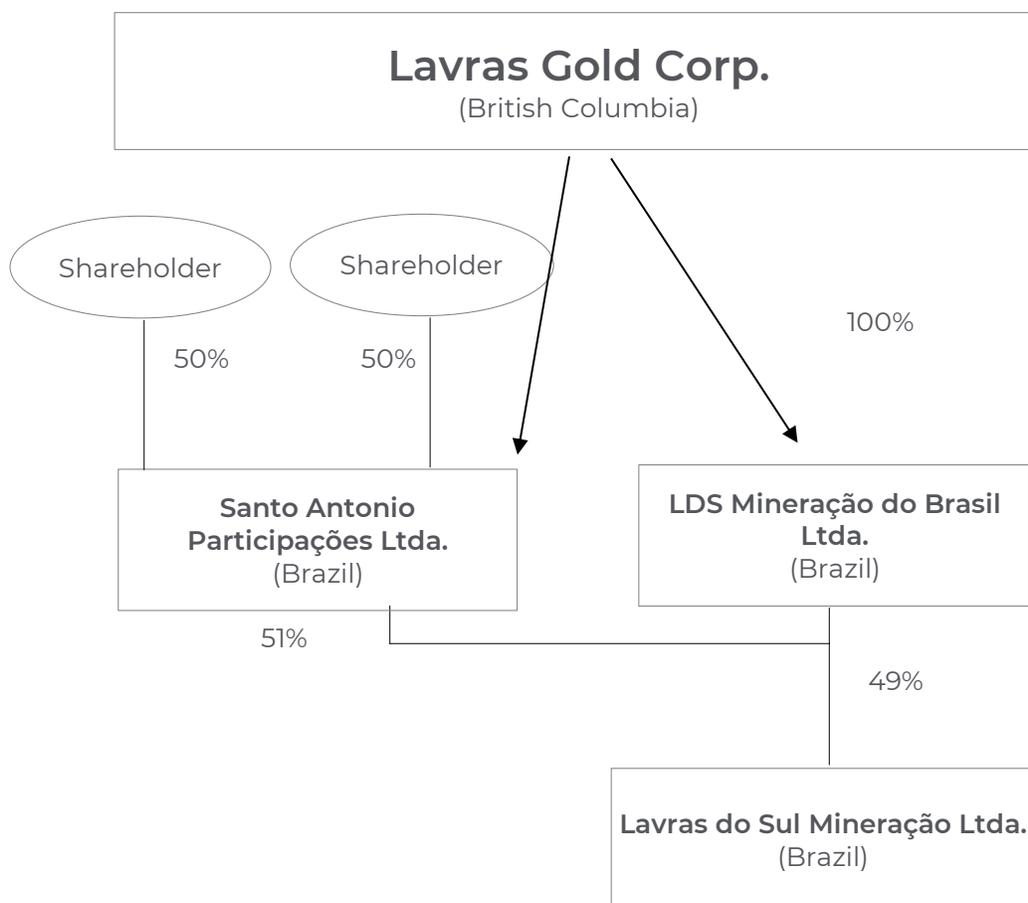
Lavras Gold was incorporated under the name “Lavras Gold Corp.” under the BCA on November 25, 2021, as a wholly-owned subsidiary of Amarillo in connection with the completion of the Arrangement.

The registered and records office of Lavras Gold is 1055 West Hastings Street, Suite 1700, The Guinness Tower, Vancouver, BC V6E 2E9. The head office is 82 Richmond St. East, Suite 201, Toronto, ON M5C 1P1.

As of the date of this AIF, the Company has 41,103,869 Common Shares issued and outstanding. The Common Shares are listed for trading on the TSXV under the trading symbol “LGC”.

### Inter-corporate relationships

Lavras Gold owns, directly and indirectly, the following subsidiaries (the “**Lavras Gold Subsidiaries**”), in the percentage amounts and as set out below:



## GENERAL DEVELOPMENT OF THE BUSINESS

### History

On April 1, 2022, Amarillo, Lavras Gold, Hochschild, and Hochschild Subco completed the Arrangement under the terms of the Arrangement Agreement between the parties and the associated plan of arrangement. At the Effective Time, Hochschild Subco acquired all the previously outstanding common shares of Amarillo, and Amarillo Shareholders received, in respect of each common share of Amarillo held, \$0.40 in cash and one Lavras Gold Share.

Prior to or upon the completion of the Arrangement, Amarillo, Hochschild, and Lavras Gold implemented several reorganization steps (the “**Lavras Gold Pre-Acquisition Reorganization**”). The Lavras Gold Pre-Acquisition Reorganization resulted in the transfer, directly or indirectly through subsidiaries of Amarillo, Hochschild or Lavras Gold, to Lavras Gold of certain assets (the “**Lavras Gold Assets**”), consisting primarily of:

- (i) shares of LDS representing 100% of its outstanding equity;
- (ii) the various contractual rights through which Lavras Gold holds, directly or indirectly, all of Amarillo’s former interests in the LDS Project, including the Butiá Prospect and the Cerrito Prospect, which form part of the LDS Project;
- (iii) approximately, \$10 million of cash; and
- (iv) the Mara Rosa Royalty, a 2% net smelter return royalty over certain of Amarillo’s exploration properties located outside of the then current Posse resource and mine plan at Amarillo’s Mara Rosa property in Goiás state, Brazil.

The transfer of the Lavras Gold Assets to Lavras Gold was conducted pursuant to the terms of a reorganization and contribution agreement (the “**Contribution Agreement**”) entered into by Amarillo, AMB, LDS and Lavras Gold according to the terms of the Arrangement Agreement. Under the Contribution Agreement, Lavras Gold also assumed all the liabilities related to the Lavras Gold Assets (the “**Lavras Gold Liabilities**”).

On April 8, 2022, the Company announced that it had filed a Form 2B Listing Application as part of its application to list the Common Shares on the TSXV. On April 12, 2022, the Common Shares were formally listed on the TSXV for trading.

On April 21, 2022, the Company announced that it had appointed Michael Durose as President, Chief Executive Officer, and director. In conjunction with the appointment of Mr. Durose, the Company announced the resignation of Michael Mutchler as President and Chief Executive Officer, but that Mr. Mutchler would remain a director of the Company. The Company also announced the resignation of Antenor Silva as a director of the Company.

On May 31, 2022, the Company announced that it had added Paulo Serpa as Country Manager and Thiago Schlichta as Geology Coordinator for the LDS Project.

On June 7, 2022, the Company completed a consolidation of its issued and outstanding shares based on 10 pre consolidation Common Shares for one post-consolidation Common Share (the “**Consolidation**”). No fractional shares were issued pursuant to the Consolidation and any fractional shares that would have otherwise been issued were rounded down or up to the nearest whole Common Share, with 0.5 of a Common Share being rounded up.

## Significant acquisitions and dispositions

Other than the Arrangement, the Company has had no significant acquisitions or dispositions since the date of incorporation.

## DESCRIPTION OF THE BUSINESS

### Summary

Lavras Gold is a junior exploration company engaged in the exploration and development of the LDS Project. The Company's vision is to be a leading Canadian independent exploration and production company operating in Brazil, maximizing shareholder value by bringing its disciplined exploration approach to the LDS Project and other potential opportunities. Lavras Gold has the near-term objective of carrying out an exploration and drilling campaign on its LDS Project, with the long-term goal of identifying a significant commercial resource there.

The LDS Project is an advanced exploration stage property that is approximately 190 square kilometres and comprised of more than 23 prospects centered on historic gold workings. The Butiá Prospect ("**Butiá Prospect**") and the Cerrito Prospect (the "**Cerrito Prospect**"), which form part of the LDS Project, are both considered by Lavras Gold to be a material property for the purposes of NI 43-101.

Lavras Gold has certain cash and other assets, including:

- (i) all fixed assets and inventories of Amarillo relating exclusively to the LDS Project or located within the boundaries of the LDS Project;
- (ii) all joint venture, earn-in, other contracts entered by Amarillo, and royalties or other similar rights that relate exclusively to the LDS Project;
- (iii) all exploration information, data reports and studies including all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies of all nature concerning the LDS Project that were previously in Amarillo's possession or control relating to the LDS Project;
- (iv) the Mara Rosa Royalty;
- (v) cash on hand; and
- (vi) the shares of the Lavras Gold Subsidiaries.

### Market opportunities

Lavras Gold considers the acquisition of additional mineral property interests, or corporations holding mineral property interests, on a going-forward basis, with the objectives of:

- (i) creating additional value for shareholders through the acquisition of additional mineral exploration properties; and
- (ii) helping to minimize exploration or production risk by attempting to diversify Lavras Gold's portfolio of properties.

As a result, acquiring additional mineral properties, some of which may be prospective in other commodities, may minimize overall production and exploration risk and risks associated with fluctuating commodities. Accordingly, Lavras Gold may seek to acquire additional mineral resource properties in the near future. However, there can be no assurance that Lavras Gold will be able to identify suitable additional mineral properties, that Lavras Gold will have sufficient financial resources to acquire such mineral properties, or that such properties will be available on terms acceptable to Lavras Gold or at all.

In determining whether to make an expenditure to acquire an additional mineral property that Lavras Gold considers prospective, the board of directors of Lavras Gold (the “**Lavras Gold Board**”) will consider criteria such as the exploration history of the property, its location, or a combination of these and other factors. There can be no assurances that Lavras Gold will be able to identify any such properties, or to acquire any such properties on favorable terms.

Risk factors to be considered in connection with Lavras Gold's search for and acquisition of additional mineral properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by Lavras Gold may not result in discoveries of commercial quantities of minerals; environmental risks; risks associated with land title, option and/or joint venture agreements, and property disputes; the competition faced by Lavras Gold; and the potential failure of Lavras Gold to generate adequate funding for any such acquisitions.

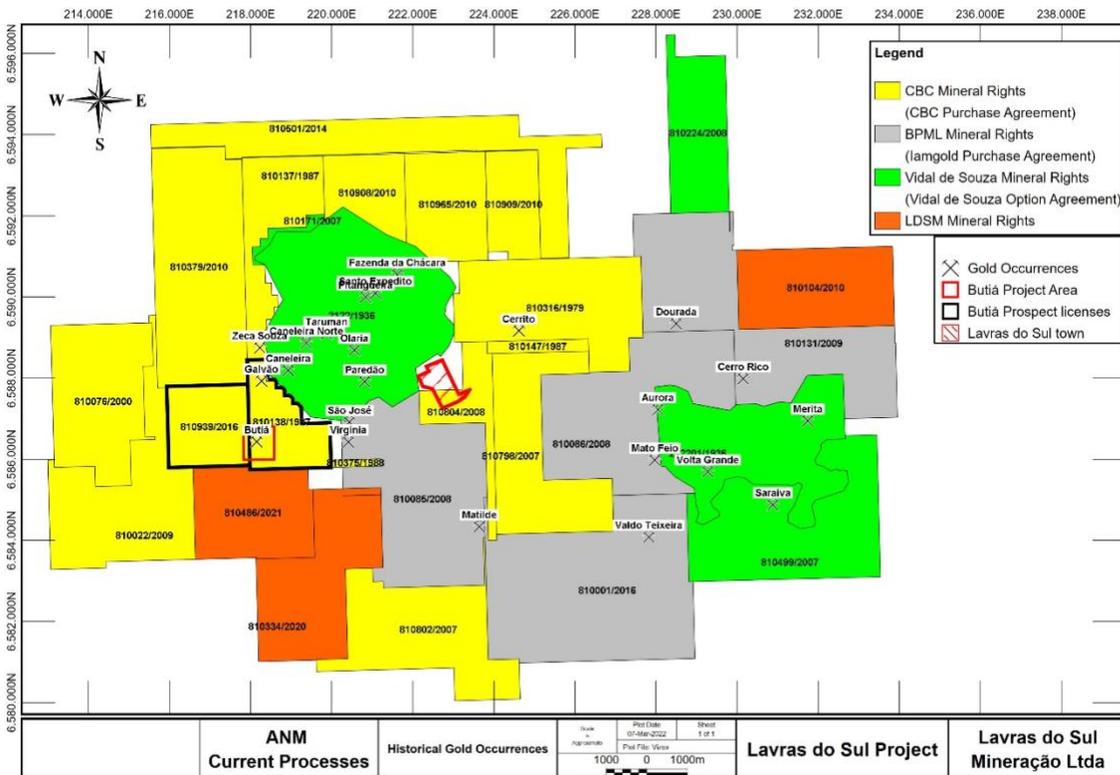
As Lavras Gold's portfolio of properties grows, Lavras Gold anticipates that there will be a greater emphasis on the exploration of such properties, with the long-term goal of developing the properties and achieving commercial production. Lavras Gold may enter partnerships or joint ventures to fully exploit the exploration and production potential of its assets.

## Mining property rights held by Lavras Gold

### Contractual rights

The Lavras Gold Assets, directly or indirectly, held by Lavras Gold include contractual interests in the mineral rights comprising the LDS Project.

The image below shows the geographic distribution of the mineral rights comprising the LDS Project and identifies the mineral rights underlying the LDS Project in which Lavras Gold or its subsidiary, as applicable, holds a contractual or direct interest and the applicable related agreement.



## Land status of LDS Project

The agreements governing Lavras Gold’s contractual interests in the mineral rights comprising the LDS Project referred to in the above image are described below:

1. the asset purchase agreement (the “**CBC Purchase Agreement**”) dated November 16, 2021, between Amarillo, AMB, LDS, Lavras do Sul Mineração Ltda. (“**LDSM**”) and Companhia Brasileira do Cobre, Mineração Carmec Ltda, and Mineração Carbre Ltda (collectively, “**CBC**”), and the related assignment (the “**CBC Assignment**”) thereof by Amarillo and AMB of its respective rights to, and the assumption of obligations thereunder by, Lavras Gold and LDSM, as applicable, dated January 25, 2022;
2. the asset purchase agreement (the “**IAMGOLD Purchase Agreement**”), dated May 28, 2021, between the Amarillo, Border Prospecções Minerais Ltda. (“**BPML**”), and, as intervenors, IAMGOLD Corporation (“**IAMGOLD**”) and IAMGOLD Brasil Prospecção Mineral Ltda (“**IAMGOLD Brasil**”), and the related assignment (the “**IAMGOLD Assignment**”) thereof by Amarillo of its rights to, and the assumption of obligations thereunder by Lavras Gold, dated March 10, 2022;

3. the option agreement (the “**RTDM Option Agreement**”) dated October 9, 2006, between AMB and Rio Tinto Desenvolvidimentos Minerais Ltda. (“**RTDM**”), among others, as amended on January 28, 2021, and the related assignment (the “**RTDM Assignment**”) thereof by AMB of its rights to, and the assumption of obligations thereunder by, LDS, dated January 17, 2022; and
4. the option agreement (the “**Vidal de Souza Option Agreement**”) dated August 30, 2004, between RTDM, Maria Lúcia Vidal de Souza, Luzia Jurema Vidal de Souza, Maria Deniz Vidal de Souza, Ursula Emilia Vidal de Souza, and Paulo Alcides Vidal de Souza.

### **CBC Purchase Agreement**

On November 16, 2021, Amarillo, AMB, LDS, LDSM, and CBC entered into the CBC Purchase Agreement.

Under the terms of the CBC Purchase Agreement, CBC agreed to assign and transfer a 100% interest in the mineral rights (the “**CBC Mineral Rights**”) set out in the table below, which include the mineral rights related to the Butiá Prospect, subject to the CBC Royalty (as defined below).

Pursuant to the CBC Assignment, all rights and obligations of Amarillo and AMB were assigned to, and assumed by, Lavras Gold and LDSM, as applicable.

In consideration for the rights granted under the CBC Purchase Agreement, LDSM agreed to pay to CBC the following amounts, payable in Brazilian reais:

- (a) US\$250,000 within 10 days of the date of execution of the CBC Purchase Agreement (paid);
- (b) US\$150,000 within one year of the date of execution of the CBC Purchase Agreement;
- (c) six annual installments of US\$100,000, the first of which being payable within one year, after the payment set out in (b) above; and
- (d) the amounts payable under (b) and (c) are payable in full upon the approval by the ANM of the transfer of the properties in favour of LDSM.

LDSM also agreed to grant to CBC a royalty (the “**CBC Royalty**”) in an amount that is equal to 1.5% of the gross revenue of the future undertaking of the transferred CBC Mineral Rights, if and when there is mining activity in the area of the Mineral Rights. LDSM has a right of first refusal with respect to any proposed transfer by CBC of the CBC Royalty.

The CBC Purchase Agreement provides that, if mining activities in the area of the CBC Mineral Rights are not initiated within 10 years from the date of the CBC Purchase Agreement, CBC shall be entitled to a payment in an amount of Brazilian Reais equivalent to \$USD 50,000 per annum until mining activities are commenced.

The Company must also make the following payments to RTDM:

- US\$1,806,000 upon receipt of the installation license, which covers the LDS Project; and
- A 0.5% net smelter return on production from the mineral rights underlying the RTDM Option Agreement.

In accordance with the CBC Purchase Agreement, the parties have entered definitive instruments of assignment of the CBC Mineral Rights, which have been submitted to ANM for its approval of the transfer.

Pursuant to the terms of the CBC Purchase Agreement and the related power of attorney granted by CBC to LDSM, LDSM has the full power to represent CBC with respect to matters related to the CBC Mineral Rights. Among other thing, these powers include the right to represent CBC before the ANM, environmental authorities and any other governmental body, or any third party in connection with the Mineral Rights.

## CBC MINERAL RIGHTS

<b>DNPM Number</b>	<b>Status</b>	<b>Tenement in:</b>	<b>Registered</b>	<b>Target</b>	<b>Area (ha)</b>
810.316/1979	Mining Request	3/2/2022	Mineração Carbre Ltda	Cerrito	1000.00
810.137/1987	Mining Request	1/4/2013	Mineração Carmec Ltda	Zeca Souza	501.83
810.138/1987	Mining Request	9/8/2016	Mineração Carmec Ltda	Butiá	363.08
810.147/1987	Mining Request	3/2/2022	Mineração Carmec Ltda	Cerrito Sul	75.00
810.076/2000	Research Authorization	28/06/2018	Mineração Carmec Ltda		837.47
810.802/2007	Research Authorization	24/07/2019	Mineração Carmec Ltda	Meireles	905.17
810.798/2007	Research Authorization	25/03/2019	Mineração Carmec Ltda	Matilde Extension	814.15
810.804/2008	Research Requirement	10/01/2022	Mineração Carmec Ltda	Matilde Extension II	298.20
810.022/2009	Research Authorization	25/03/2019	Mineração Carmec Ltda	Panteras	978.26
810.908/2010	Research Authorization	28/06/2018	Mineração Carmec Ltda		339.64
810.909/2010	Research Authorization	28/06/2018	Mineração Carmec Ltda		338.74
810.965/2010	Research Authorization	28/06/2018	Mineração Carmec Ltda		518.70
810.379/2010	Research Authorization	16/10/2018	Mineração Carmec Ltda	Jaguari	1295.15
810.501/2014	Research Authorization	07/12/2021	Mineração Carmec Ltda	Lavras Norte	981.95
810.939/2016	Research Authorization	13/03/2018	Mineração Carmec Ltda	Butiá	399.89
810.375/1988	Research Authorization	19/10/2020	Companhia Brasileira do Cobre	Virginia	21.73

## Iamgold Purchase Agreement

On May 28, 2021, Amarillo, BPML, IAMGOLD, and IAMGOLD Brasil entered the IAMGOLD Purchase Agreement. Under the terms of the IAMGOLD Purchase Agreement, BPML agreed to assign and transfer to Amarillo a 100% interest in the mineral rights (the “**BPML Mineral Rights**”) set out in the table below. Pursuant to the IAMGOLD Assignment, all rights and obligations of Amarillo were assigned to, and assumed by, Lavras Gold and LDSM.

The purchase price payable by Lavras Gold for the BPML Mineral Rights is USD\$700,000, payable as follows:

- (a) US\$50,000, payable within 12 months from the date of execution of the IAMGOLD Purchase Agreement, which has been paid;
- (b) US\$50,000, within 10 days from the date the BPML Mineral Rights are transferred and assigned to Lavras Gold;
- (c) US\$100,000, within 10 days from the date that Lavras Gold submits to the ANM an economic exploitation plan for any of the titles comprising the BPML Mineral Rights that indicates the technical and economic feasibility of the project;
- (d) US\$100,000, within 10 days from the date that Lavras Gold discloses in a news release for the first time a feasibility study for any of the titles comprising the BPML Mineral Rights;
- (e) US\$400,000, within 12 months from the date that Lavras Gold discloses in a news release for the first time the commencement of commercial production with respect to any of the titles comprising the BPML Mineral Rights.

In addition, IAMGOLD received a 3.0% net smelter return royalty on the titles comprising the BPML Mineral Rights. Lavras Gold may, at any time, elect to purchase from IAMGOLD 1.0% of the royalty by paying to IAMGOLD the amount of US\$1,000,000.

As additional consideration, US\$50,000 is payable by Lavras Gold to BPML in each of the following events:

- (i) the requests for assignment of the mineral rights are not lodged with the ANM within one year from the execution of the agreement; and
- (ii) the assignment of the mineral rights is not annotated by the ANM within one year from the date the requests for assignments are lodged with the ANM.

The IAMGOLD Purchase Agreement provides that the completion of the assignment and transfer of the BPML Mineral Rights will occur after all necessary authorizations and consents therefore are obtained by Lavras Gold, including as required pursuant to the Border Law.

## BPML MINERAL RIGHTS

DNPM Number	Status	Tenement in:	Registered	Target	Area (ha)
810.085/2008	Research Authorization	25/03/2019	Border Propecções Minerais Ltda.	Matilde	1263.20
810.086/2008	Research Authorization	05/02/2020	Border Propecções Minerais Ltda.	Mateo Feio	1263.20
810.131/2009	Research Authorization	25/03/2019	Border Propecções Minerais Ltda.	Dourada/ Cerro Rico	1414.04
810.001/2016	Research Authorization	27/07/2020	Border Propecções Minerais Ltda.	Valdo Teixeira	1911.39

## RTDM Option Agreement

On August 30, 2004, RTDM entered an option agreement (the “**CBC Option Agreement**”) with CBC and on October 22, 2004, it entered the Vidal de Souza Option Agreement, pursuant to which it acquired the option to earn an interest in the CBC Mineral Rights and the Vidal de Souza Mineral Rights (as defined below), in each case, with respect to the LDS Project.

According to the terms of the RTDM Option Agreement, AMB acquired all of RTDM’s rights to the CBC Option Agreement and the Vidal de Souza Option Agreement. On November 16, 2021, Amarillo, AMB, LDS, LDSM, and CBC entered into the CBC Purchase Agreement, which replaced the CBC Option Agreement. Pursuant to the RTDM Assignment, all rights and obligations of AMB were assigned to, and assumed by, LDS.

As a result of the RTDM Assignment, LDS holds the contractual rights to acquire an interest in certain mineral rights (the “**Vidal de Souza Mineral Rights**”) as set out in the table below, which were initially granted to RTDM under the Vidal de Souza Option Agreement, subsequently transferred to AMB and acquired by LDS from AMB pursuant to the RTDM Assignment. The terms of Vidal de Souza Option Agreement are set out below.

## Vidal de Souza Option Agreement

The Vidal de Souza Option Agreement provides that, as long as RTDM incurs exploration expenditures in the amount of US\$800,000 with respect to the Vidal de Souza Mineral Rights, RTDM would be entitled to a 60% interest in such mineral rights to be conveyed through the incorporation of a joint venture company to which the mineral rights will be transferred.

Further, the Vidal de Souza Option Agreement provides that cash calls will be made pro rata based on the equity of each shareholder, and that failure to participate or meet a cash call will cause dilution of the non-participating shareholder. If the equity interest of either shareholder in the joint venture company falls below 10%, such shareholder must transfer all its interest in the joint venture company to the other shareholder in exchange for a 1.5% net smelter returns royalty. Prior to the commencement of commercial production, the net smelter returns royalty may be converted into a cash payment of US\$5,000,000.

AMB incurred more than US\$800,000 of exploration expenditures with respect to the Vidal de Souza Mineral Rights within the first three years of the Vidal de Souza Option Agreement. However, as of the date hereof, the joint venture with respect to the Vidal de Souza Mineral Rights has not yet been formed.

## VIDAL DE SOUZA MINERAL RIGHTS

DNPM Number	Status	Tenement in:	Registered	Target	Area (ha)
002.122/1936	Mining Concession		Luzia Jurema Vidal de Souza	Caneleira, Caneleira Norte	1778.30
				Paredao, Taruman, Pitangueira	
				Fazenda Da Chacara, Olaria	
				Santo Expedito	
212.201/1936	Mining Concession	10/29/1936	Luzia Jurema Vidal de Souza	Volta Grande, Merita, Aurora	1064.87
810.499/2007	Research Authorization	28/06/2018	Maria Lucia Vidal de Souza	Saraiva	1131.23
810.171/2007	Research Authorization	05/02/2020	Maria Lucia Vidal de Souza	Santa Jovita	38.55
810.224/2008	Research Authorization	20/02/2020	Maria Lucia Vidal de Souza	Hilario	568.55

## LDSM owned properties

LDSM has a 100% interest in the mineral rights (the “LDSM Mineral Rights”) set out in the table below:

DNPM Number	Status	Tenement in:	Registered	Target	Area (ha)
810.334/2020	Research Authorization	23/07/2021	Lavras do Sul Mineração Ltda	Maria Hildara	863.59
810.486/2021	Research Authorization	18/06/2021	Lavras do Sul Mineração Ltda	Panteras II	652.97
810.104/2010	Research Authorization	07/12/2020	Lavras do Sul Mineração Ltda	Hilario II	750.30

There are no known environmental liabilities associated with the mineral rights underlying the Butiá Prospect, the Cerrito Prospect, or the LDS Project as a whole.

Lavras Gold must obtain permission from the local landowners to access the properties before starting exploration work. There are no permits required to conduct exploration activities. There are no known factors that may affect title or lead to the inability of Lavras Gold to access the properties to perform exploration work.

Lavras Gold needs to complete sufficient exploration work to keep the exploration tenements in good standing. A partial report must be submitted to the ANM to provide an update of exploration activities completed and money spent.

The registered holder of mineral rights has three years from the time exploration rights are issued to complete work and submit a final geological assessment report to the ANM.

The registered holder has the right to apply to extend exploration rights for an additional three years from the end date of the first exploration rights grant. Upon approval, and after the second three-year period, the registered holder is required to file a final report with the ANM. The final report includes an estimate of the potential geological resource of a mineral occurrence on the property and a preliminary economic study.

In parallel with the submission of a final report, Lavras Gold can apply for a mining concession. Upon the grant of a mining concession, there is no set deadline for how long Lavras Gold can retain the concession, but it is typically until the mineable reserves are exhausted.

Alternatively, a registered holder can allow the exploration rights to expire if they have not established sufficient geological resources on an exploration concession to warrant applying for a mining concession.

## Environmental policies and environmental regulations

Lavras Gold aims to be a responsible operator and friendly neighbour, following good environmental and sociological practices. The Company's goal is to work with community stakeholders to make positive contributions to local economic development.

All aspects of Lavras Gold's field operations are subject to environmental regulations and generally require approval by appropriate regulatory authorities before they begin. Failure to comply with applicable environmental regulations could result in fines and penalties.

If a project advances to the production stage, more time and capital would be required to satisfy the environmental protection regulations. Compliance with such legislation can require significant expenditures or result in operational restrictions. Breaches of the regulations may also result in the suspension or revocation of necessary licenses and authorizations, potential civil liability and the imposition of fines and penalties, all of which might have a significant negative impact on Lavras Gold.

## Employees

Lavras Gold has 23 full time employees and two contractors. Lavras Gold also intends to retain, from time to time, contractors and consultants to perform specialized services.

The success of Lavras Gold is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to the precious metals and mineral exploration and production business.

The Company believes it has adequate personnel with the specialized skills required to successfully carry out its operations.

## Competitive conditions

The mining industry is competitive in all phases of exploration, development, and production. Lavras Gold competes with numerous companies and individuals that have significantly more resources to find attractive mineral properties, qualified service providers and employees, and equipment and suppliers.

The ability of Lavras Gold to acquire attractive mineral properties in the future depends not only on its success in exploring and developing its current properties, but also on its ability to select, acquire, and bring to production suitable properties or prospects for exploration, mining, and development.

As a result of this competition, Lavras Gold may be unable to acquire attractive properties in the future on terms it considers acceptable or at all. Factors beyond the control of Lavras Gold may affect the marketability of any minerals mined or discovered by Lavras Gold.

## Market trends and cycles

Lavras Gold's financial success depends on identifying mineralization and developing economically viable properties. This may take years to complete, and the resulting income, if any, is difficult to predict with any certainty. The sales value of any mineralization discovered by Lavras Gold is largely dependent upon factors beyond the Company's control, such as the market value of the commodities produced.

There are significant uncertainties regarding the price of minerals and the availability of equity financing for mineral exploration and development. Lavras Gold's performance is largely tied to the development of its current mineral property interests and the overall financial markets. Canadian financial markets are likely to be volatile in the near term, reflecting ongoing concerns about the stability of the global economy.

As a result, Lavras Gold may have difficulties raising equity financing for mineral exploration and development, particularly without excessively diluting Lavras Gold Shareholders. Continued market volatility and slower worldwide economic growth may limit Lavras Gold's ability to develop and/or further explore the LDS Project and/or other property interests acquired in the future.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on Lavras Gold's business, financial condition, or results of operations.

## Principal properties

Lavras Gold is focused on the continued exploration of the LDS Project, which includes the Butiá Prospect and the Cerrito Prospect. The Butiá Prospect and the Cerrito Prospect are each considered by Lavras Gold to be a material property for the purposes of NI 43-101.

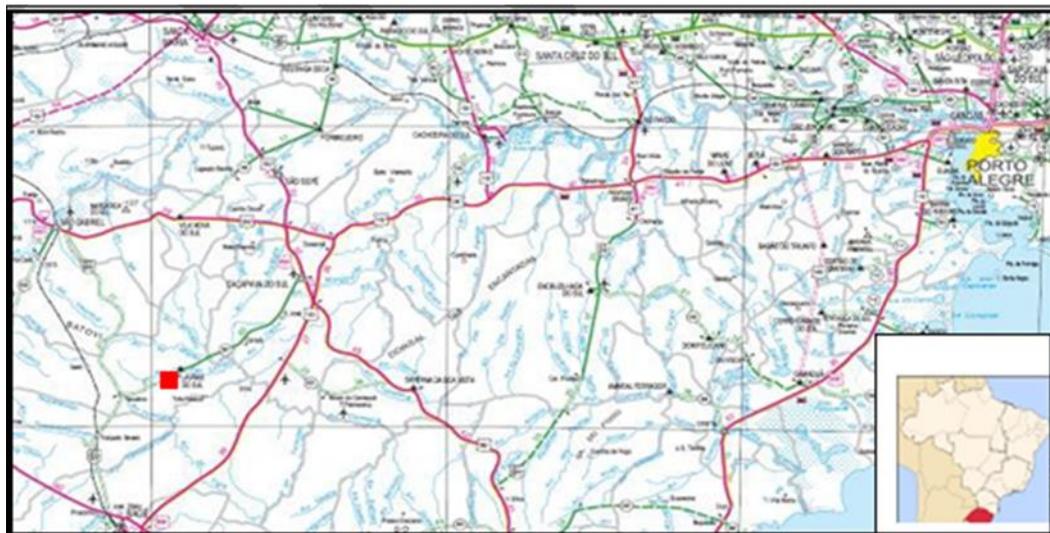
The Lavras Gold Properties are discussed in more detail below.

## LDS Project

### Butiá Prospect

#### *Property description, location, and access*

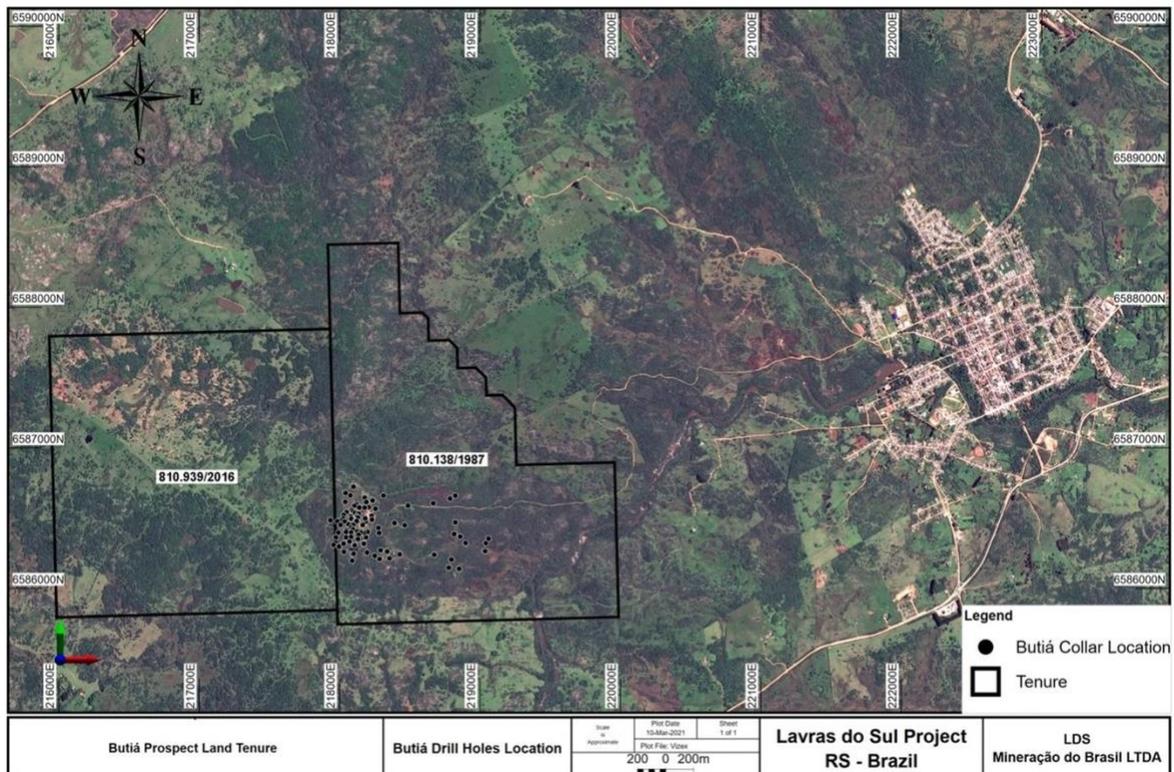
The Butiá Prospect forms part of the LDS Project and is located 4.0 kilometres (“km”) west of the town of Lavras do Sul, in the state of Rio Grande do Sul, Brazil. Access from Porto Alegre, the state capital, is by road, travelling west along highway BR290, and then south along RS357, approximately 320 km or a 4.5 hours’ drive. The last four kilometres from the village to the prospect is by dirt road. The location of the LDS Project is shown in the image below. The geographic coordinates of the town of Lavras do Sul is 21°14’42”S 45°00’00”W.



#### *Mining rights*

The Butiá Prospect lies on exploration permits granted under administrative proceeding No. 810.138/1987 and 810.939/2016, as described in the table below, and the area covered by these permits is shown in the image immediately following the table.

<b>ANM Process Number</b>	<b>Registered Owner</b>	<b>Area Hectares</b>	<b>ANM Status</b>
810.138/1987	Mineração Carmec Ltda	363.08	“Requerimento de Lavra” (Mining Request)
810.939/2016	Mineração Carmec Ltda	399.89	“Autorizacao de Pesquisa” (Research Authorization)



### *Geological setting and mineralization*

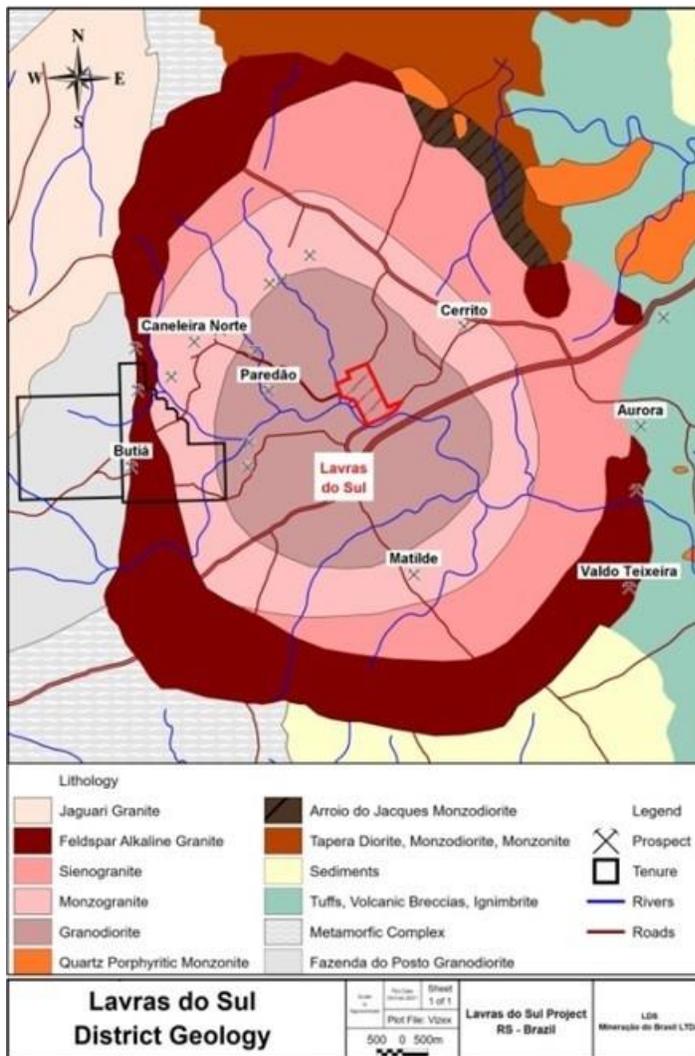
The Lavras do Sul intrusive suite is situated in the far south of the Neoproterozoic Mantiqueira Province, a 2700-km long belt of tectonically and magmatically accreted terrains from the Tonian (1000-850 Ma) through the Cryogenian (850- 650 Ma) to the Neoproterozoic III (650-540 Ma) periods. It stretches as far south as the coastline of central Uruguay into southern Bahia in Brazil.

There has been a report that there are many precious metal, base metal, and non-metallic occurrences throughout the Mantiqueira Province and the subordinate Dom Feliciano Belt and Vila Nova Belt, although many are currently thought to be small and sub-economic.

The Lavras do Sul suite of late Neoproterozoic III age intrudes rocks of various ages, including units of an early Cryogenian ocean-basin remnant. To the west, it intrudes granites and gneisses probably of Neoproterozoic age according to Gastal and Lafon (1998). The intrusive suite itself has an exposed diameter of some 11 km, suggesting a multiphase intrusion from one or many sources. Surface textures suggest that the preserved intrusion is relatively shallow.

The Lavras do Sul suite comprises an inner core of granodiorite or monzodiorite in parts porphyritic, 9 km in diameter and centered on the town of Lavras do Sul. It is surrounded by a variably thick and narrow rim of calc-alkaline to alkaline K- feldspar pink granite. A third, late phase of syenite and nepheline occurs as plugs and dykes.

FIGURE 1 – LAVRAS DO SUL DISTRICT GEOLOGY



As described in the Butiá Technical Report, others have reported that: the late-tectonic nature of the Lavras do Sul Intrusive Suite was borne out by the age for crystallization of the unit by at 597 Ma during the late Neoproterozoic III period; mineralization was dated by others studying hydrothermal zircons that are synchronous with the hydrothermal mineralization assemblage; and the age was also shown to be 580 Ma.

The Lavras do Sul mineralization does not fit neatly into any one deposit type classification. Petrographic work carried out by Amarillo has identified the following points related to the mineralization.

Lavras do Sul has a two-stage gold precipitation history resulting from a single fluid path that evolved from extremely alkaline and silica undersaturated to quartz-saturated with increased fluid focus.

The mineralization style at the Butiá Prospect can be classified as sericite-microbreccia. The rocks are hydrothermal and structurally altered igneous rocks whose inter-grain boundaries have been completely recrystallized such that the rock can be characterized as being a rounded or oval loophole.

A unique characteristic of Lavras do Sul is replacement of quartz with feldspar, and the precipitation of predominantly sericite. This is interpreted to be a metasomatic reaction that changes the granitic rocks into sericite-microbreccia.

In general, the main characteristics of gold mineralization at the Butiá Prospect are:

- Widespread gold mineralization of low content and great thicknesses associated with areas of hydrothermal alteration with fluids of alkaline affinity.
- Mineralogical association with sericite, albite, chlorite, jarosite, calcite, pyrite, galena, and sphalerite.
- Structurally controlled mineralization in fault zones oriented to 100° az, with an approximate plunge of 15° / 100°.
- The thickness of the alteration zone is on the order of 100 meters to 200 metres, with a depth of known mineralization up to 300 metres below the surface.
- The width of the mineralization on average varies from 15 metres to 20 metres.

### *Exploration*

Preliminary exploration work at the Butiá Prospect consisted of interpreting airborne geophysical gradiometric and gamma spectrometric surveys derived from a fixed wing aircraft; surface geological mapping; and soil sampling designed to generate targets for detailed exploration and drilling.

The topographic surface covering the Butiá Prospect and the surrounding area was acquired in 2012 by the GeoEye satellite, with a distance between the level curves of one meter. The holes drilled were surveyed using RTK DGPS and Omnistar. The coordinates are to an accuracy of +/-0.10m. The UTM coordinate data for the drillholes were obtained in two Datum's: SAD69 and WGS84.

Density values used for the block model was 2.62 t/m<sup>3</sup> for each block. The same density was assumed for the saprolitic and fresh rock part of the model. The density was derived from the average of 215 density measurements, 186 density measurements for fresh rock and 29 measurements for saprolitic rock.

Note that the average density measurements derived for the saprolite is higher than expectations. Therefore, it is recommended to increase the number of density samples to obtain a dataset that best represents the saprolitic rock density.

The drilling database is composed of drilling information performed on an irregular grid, with distances between holes that vary between 25 and 50 meters. Nineteen vertical sections with NE-SW orientations, and an average distance of 25 meters between sections were created.

A summary of the drilling database is presented in table below.

Description	Quantity
Diamond Drill Holes	96
Rotary Diamond Drilling metreage	22,654.97
Drill hole sampling assay	15,041
Notes on drill holes geological database	1,637
Density Analyses	215

The chemical analyses were performed at ACME Analytical Laboratories Ltd and ALS Chemex Lab following an internal QA/QC program from Amarillo.

### *Mineral processing and metallurgical testing*

Amarillo submitted drill core rock samples from the Butiá Prospect to the SGS Geosol Laboratory in Belo Horizonte, Brazil for preliminary metallurgical test work. The core samples were collected from eight separate drill holes representing different areas of the mineral deposit to create a representative composite sample.

The key findings as set out in the Butiá Technical Report were as follows:

- SGS calculated an average gold grade of 1.48 g/t from the composite sample which compares favorably with the individual drill-hole assay of 1.55 g/t Au. Butiá shows some grade variation which is explained by the presence of free gold.
- Grinding tests indicate rock material from Butiá is relatively hard having a Bond work index of 16.9KWh/ton.
- Two simulated heap leach tests on samples crushed to ¼ inch were carried out in a stop/go bottle testing system for 5 days. Recoveries averaged 36.7%. Leach kinetics indicate most of the gold extraction occurred in the first 24 hours of leaching.
- Gravity separation using a 20 kg sample ground to P80 75 microns yielded a recovery of 59%.
- Samples exposed to direct CIL for 24 hours demonstrated a gold recovery of 85.6% at P80 75 microns and 88.1% at P80 25 microns.
- Samples subjected to direct flotation followed by cyanidation achieved gold recoveries of 81.4% at P80 75 microns and 85% at P80 of 25 microns.

### *Resource estimate*

In the Butiá Technical Report, VMG has estimated Measured, Indicated and Inferred Mineral Resources for the Butiá Prospect in accordance with the CIM guidelines (CIM 2014) which have been adopted as part of NI 43-101.

To verify the influence of the nugget effect on the geological resource estimation, VMG compared the results of the calculation for interpolated grades with and without capping. The high grades samples were cut to 5.551 ppm Au. For gold, the difference in relative percentage is 23.2%, which VMG stated shows the high influence of the high-grade samples in the geological resource's estimation. The resource estimation set out in the Butiá Technical Report and summarized below, is shown with and without capping.

The results of the evaluation of resources, based on the block model interpolated by the Ordinary Kriging (OK) method, of gold mineralization of the Butiá Prospect, with classification of the Gold Resources for a 0.3 ppm Au cut-off on a dry basis.

Cut-off Au (ppm)	Class	Category	Volume m <sup>3</sup>	Tonnes t	Density (t/m <sup>3</sup> )	Au <sup>1</sup> ppm	M_Au <sup>2</sup> oz	AU-CUT <sup>3</sup> ppm	M_Au_CUT <sup>4</sup> oz
0.30	Measured	Saprolite	52,752	138,210	2.62	0.71	3,163	0.65	2,906
		Fresh Rock	1,719,414	4,504,865	2.62	1.19	172,586	0.89	128,623
	Indicated	Saprolite	94,740	248,219	2.62	1.17	9,313	0.95	7,568
		Fresh Rock	3,063,179	8,025,529	2.62	1.25	322,316	0.92	238,207
	Inferred	Saprolite	22,772	59,663	2.62	1.47	2,818	1.32	2,526
		Fresh Rock	1,380,282	3,616,339	2.62	1.19	137,882	0.96	112,115

Notes

<sup>1</sup> Au – Average gold grade without application of capping.

<sup>2</sup> M\_Au – Resource estimation without application of capping.

<sup>3</sup> Au-CUT – Average gold grade with application of capping.

<sup>4</sup> M\_Au\_CUT – Resource estimation with application of capping.

### Interpretations and conclusions

VMG conducted its evaluation of mineral resources of the Butiá Prospect based on work that took place from November 2020 to March 2021. A summary of the main related activities of VMG are summarized as follows:

- Site visit, discussions with the technical staff from Amarillo, understanding of the geology and mineralization of the deposit, and verification of the geological work performed by Amarillo and contractors on site, as well as verification of the materiality of the achieved results.
- Validation of the drilling database and the topography information.
- Verification of the QA/QC program established by Amarillo for geological work and of its conduction.
- Selection of the drilling data used in the definition of mineral resources.
- Interpretation of the geological model.
- Conducting statistical and geostatistical studies.
- Estimation of mineral resources, as well as their quantification and classification.
- Disclosure of the mineral resources for the Butiá Prospect in accordance with the NI-43-101 form.

In the Butiá Technical Report, VMG observed that the results obtained from QA/QC were acceptable, despite the high precision values sampling accuracy. The accuracy of the quality control analyzes, referring to the percentage difference between an analysis and its repetition. For example, an accuracy of 10% would mean that the initial analysis and the repetition differ by 10. VMG did not visit the assay laboratories, but the ACME and ALS Chemex Lab laboratories are reputable international groups that meet or exceed the industry standards for sample preparation and analysis.

VMG also stated that the materiality of the work developed by Amarillo, as well as the materiality of the deposit and the developed studies, are sufficient to support the disclosure of mineral resources of the Butiá Prospect in accordance with NI-43-101.

The accuracy of the quality control analyzes, referring to the percentage difference between an analysis and its repetition. For example, an accuracy of 10% would mean that the initial analysis and the repetition differ by 10%.

### *Recommendations*

VMG recommended in the Butiá Technical Report that the following work be initially conducted at the Butiá Prospect:

- Organization and systematization of the core storage and storage for duplicates of samples.
- Database: validate the name of standards.
- Infill drilling will be necessary to upgrade the Indicated Resources to Measured Resources for the main mineral deposit.
- QA/QC: the crushing duplicates should be inserted into the assay batches.
- QA/QC: the laboratory pulp duplicates should be inserted into the assay batches.
- Increase the quantity of density samples to obtain a dataset that represents better the saprolitic rock density.
- Detailed mineralogical studies for metallurgical tests.
- Detailed metallurgical tests.
- Environmental studies.
- Make instrumental topographic survey of the area.

In the Butiá Technical Report, VMG estimated the budget for this work to be as follows:

<b>Work Program</b>	<b>Units Type Work</b>	<b>Units</b>	<b>Unit Cost</b>	<b>Cost US\$</b>	<b>Cost<sup>1</sup> C\$</b>
Instrumental topographic survey	km <sup>2</sup>	5	2,000	10,000	12,800
Drilling	Metres	1,200	110	132,000	168,960
Assaying	Sample	1440	25	36,000	46,080
Density test	Sample	133	15	2,000	2,560
Mineralogical studies	Study			7,000	8,960
Metallurgical tests	Sample	12	2,100	25,200	32,256
Environmental studies	Study			100,000	128,000
Work on the organization of geological data and materials				50,000	64,000
Administrative expenses				37,800	48,384
<b>TOTAL</b>				<b>400,000</b>	<b>512,000</b>

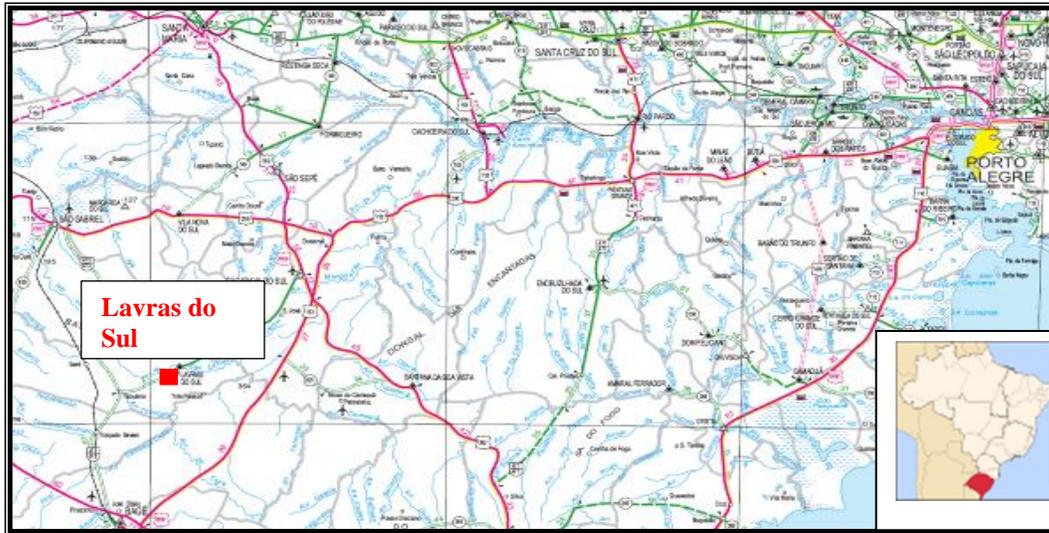
Notes:

<sup>1</sup>All amounts converted from US\$ to \$ on basis of US\$1.00 equals \$1.30.

## Cerrito Prospect

### *Property description, location and access*

The Cerrito prospect is located 2 km northeast of the town of Lavras do Sul, in the state of Rio Grande do Sul, Brazil. Access from Porto Alegre, the state capital, is by travelling west along highway BR290, and then south along RS357, approximately 320 km or a 4.5hrs drive. The last 2 km from the village to the prospect is by dirt road. The general location of the project can be seen in the figure below. The geographic coordinates of the town of Lavras do Sul are 21°14'42"S 45°00'00"W.



### *Mining rights*

The Cerrito Prospect lies on exploration permit granted under administrative proceedings No. 810.316/1979 and 810.147/1987, as described in the table below.

ANM Process Number	Owner	Area Hectares	ANM Status
810.316/1979	Mineração Carbre Ltda	1000.00	"Right to Require Mining"
810.147/1987	Mineração Carmec Ltda	75.00	"Right to Require Mining"

The status of the claims can be reviewed on the Internet site:

<https://sistemas.anm.gov.br/SCM/Extra/site/admin/dadosProcesso.aspx>

### *Geological setting and mineralization*

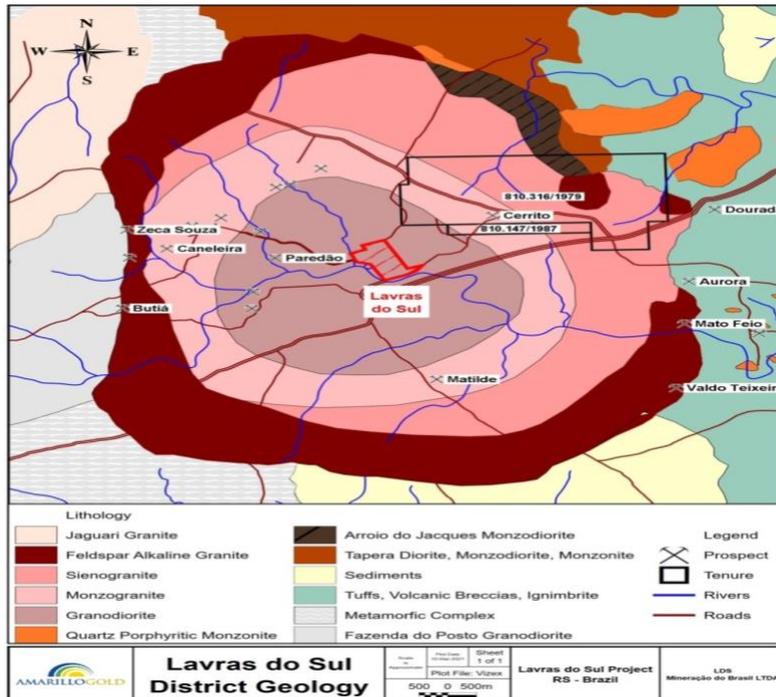
The Lavras do Sul intrusive suite is situated in the far south of the Neoproterozoic Mantiqueira Province, a 2700-km long belt of tectonically and magmatically accreted terrains from the Tonian (1000-850 Ma) through the Cryogenian (850- 650 Ma) to the Neoproterozoic III (650-540 Ma) periods. It stretches as far south as the coastline of central Uruguay into southern Bahia in Brazil.

There has been a report that there are many precious metal, base metal, and non-metallic occurrences throughout the Mantiqueira Province and the subordinate Dom Feliciano Belt and Vila Nova Belt, although many are currently thought to be small and sub-economic.

The Lavras do Sul suite of late Neoproterozoic III age intrudes rocks of various ages, including units of an early Cryogenic ocean-basin remnant. To the west, it intrudes granites and gneisses probably of Neoproterozoic age according to Gastal and Lafon (1998). The intrusive suite itself has an exposed diameter of some 11 km, suggesting a multiphase intrusion from one or many sources. Surface textures suggest that the preserved intrusion is relatively shallow.

The Lavras do Sul suite comprises an inner core of granodiorite or monzodiorite in parts porphyritic, 9 km in diameter and centered on the town of Lavras do Sul. It is surrounded by a variably thick and narrow rim of calc-alkaline to alkaline K- feldspar pink granite. A third, late phase of syenite and nepheline occurs as plugs and dykes.

FIGURE 2 – LAVRAS DO SUL DISTRICT GEOLOGY



As described in the Cerrito Technical Report, others have reported that the late-tectonic nature of the Lavras do Sul Intrusive Suite is borne out by the age for crystallization of the unit at 597 Ma during the late Neoproterozoic III period; Mineralization was dated) by others studying hydrothermal zircons that are synchronous with the hydrothermal mineralization assemblage; and the age was shown to be 580 Ma.

The Lavras do Sul mineralization does not fit neatly into any one deposit type classification. Petrographic work carried out by Amarillo (now, Lavras Gold) has identified the following points related to the mineralization.

Lavras do Sul has a two-stage gold precipitation history that occurred through a single fluid evolution path from extremely alkaline and silica undersaturated to quartz-flooding with increased fluid focus.

The type of mineralization and some sterile rocks existing within the Cerrito Prospect can be classified as sericite-microbreccia. It is a hydrothermal and structurally altered, igneous rock, whose inter-grain boundaries have been completely recrystallized insofar as the rock can be characterized as being a rounded or oval loophole.

An evident aspect in Lavras do Sul is the strong reaction of replacing quartz with feldspar, where the precipitated mineral is predominantly sericite. This is a metasomatic reaction that changes the granite intensely, producing a sericite-microbreccia.

The rocks hosting the mineralization include monzogranite and to a lesser extent, granodiorite, both belonging to Lavras do Sul Intrusive Complex (LDIC). The intervals of higher content are related to areas of intense brecciation, a high degree of hydrothermal alteration and/or the presence of veinlets and quartz veins.

In general, the main characteristics of gold mineralization in the Cerrito Prospect are:

- Disseminated mineralization and vein mineralization, of low to medium grade and moderate thickness, associated with hydrothermal alteration zones arranged in subvertical and subparallel bodies, hosted in granitoids of the Lavras do Sul Intrusive Complex and interspersed with portions of fresh and altered rock.
- It occurs in the form of simple quartz veins, associated with shear failures and fractures or extension fractures. Sometimes it occurs as parallel veins (leaf veins) and the more specific these veins branch and intertwine forming zones of stockwork.
- Mineralogical association with sericite, chlorite, albite, calcite, silicification, pyrite, gold pyrite, with less frequent presence of galena, sphalerite, molybdenite, arsenopyrite, fluorite and visible gold.
- The most promising hydrothermal strips for the occurrence of gold mineralization have tabular geometries, sometimes wavy, with orientations that range from N80 ° E to N80 ° W with variable, high-angle dips, predominantly in the south quadrant.

### *Exploration*

The preliminary exploration work consisted of interpretation of aero-geophysical gradiometric and gamma spectrometric airborne survey, using a fixed wing aircraft, surface geological mapping and soil sampling aiming at the recognition of the area and the generation of targets for detailed research from drilling.

The topographic surface covering the Cerrito Prospect and surrounding area was acquired in 2012 by the GeoEye satellite, with a distance between the level curves of 1 meter. The holes drilled have been surveyed using RTK DGPS to Omnistar. The coordinates are therefore to an accuracy of +/-0.10m. The UTM coordinate data for the drillholes were obtained in two Datums: SAD69 and WGS84.

The assignment of the density values to the block model was made by the direct assignment of 2.62 t/m<sup>3</sup> for each block. The same density was considered for the entire saprolitic part of the model and fresh rock part of the model. The density was obtained from the average of 218 density measurements, 193 density measurements for fresh rock and 25 measurements for saprolitic rock. It should be noted that the average density value for the saprolite is above expectation. It is recommended to increase the number of saprolite samples to obtain a data set that best represents the saprolitic rock density.

The drilling database is composed of drilling information performed on an irregular grid, with distances between holes that vary between 25 and 100 meters. 24 vertical sections were created with an N-S orientation and an average distance of 50 meters between sections. A summary of the drilling database is presented in the following table below:

Description	Quantity
Diamond Drill Holes	92
Rotary Diamond Drilling metreage	14,593
Drill hole sampling assay	7,842
Notes on drill holes geological database	596
Density Analyses	218

The chemical analyses were performed at ACME Analytical Laboratories Ltd. and ALS Chemex Lab following an internal QA/QC program from Lavras Gold.

### *Mineral processing and metallurgical testing*

Lavras Gold submitted drill core rock samples from the Cerrito prospect to the SGS Geosol Laboratory in Belo Horizonte, Brazil for preliminary metallurgical test work. The core samples were collected from eight separate drill holes representing different areas of the mineral deposit to create a representative composite sample.

The key findings as set out in the Cerrito Report are:

- SGS calculated an average gold grade of 0.88 g/t from the composite sample that compares favourably with the individual drill-hole assay of 0.86 g/t gold.
- Grinding tests indicate rock material from Cerrito is relatively hard having a Bond work index of 17.5kWh/tonne.
- Two simulated heap leach tests on samples crushed to a quarter inch were carried out in a stop/go bottle testing system for five days. Recoveries averaged 43.1%. Leach kinetics indicate most of the gold extraction occurred in the first 24 hours of leaching.
- Gravity separation using a 20 kg sample ground to P80 75 microns yielded an average gold recovery of 38.2%.

- Samples exposed to direct CIL for 24 hours demonstrated a gold recovery of 72.7% at P80 75 microns and 78.3% at P80 25 microns.
- Samples subjected to direct flotation followed by cyanidation achieved gold recoveries of 77.9% at P80 75 microns and 74.9% at P80 of 25 microns.
- Gravity separation using a 20 kg sample ground to P80 75 microns, with the gravity tail subjected to both CIL and flotation, and the flotation concentrate being exposed to cyanidation yielded an overall recovery of 73.2%.

### Resource estimate

VMG has estimated Measured, Indicated and Inferred Mineral Resources for the Cerrito Prospect according to the CIM guidelines (CIM 2005) that have been adopted as part of NI 43-101.

The influence of the nugget effect on the geological resource estimation has been verified by capping the results of the calculation for interpolated grades with and without capping. The high grades samples were cut to 3.07 ppm Au. For gold, the difference in relative percentage is 8.98%, which shows the high influence of the high-grade samples in the geological resource estimation. The resource estimation is shown with and without capping.

The results of the evaluation of resources, based on the block model interpolated by the Ordinary Kriging method, of gold mineralization for the Cerrito Prospect are shown in the following table, with classification of the gold resources for a 0.3 ppm gold cut-off on a dry basis:

CU-OFF Au (ppm)	CLASS	CATEGORY	VOLUME m <sup>3</sup>	TONNES t	DENSITY (t / m <sup>3</sup> )	Au <sup>1</sup> ppm	M_Au <sup>2</sup> ozt	Au_CUT <sup>3</sup> ppm	M_Au_CUT <sup>4</sup> ozt
0.3	Indicated	SAPROLITE	181092.00	474461.04	2.62	0.87	13327.91	0.78	11858.54
		FRESH ROCK	2967467.00	7774763.54	2.62	0.78	195759.12	0.70	175792.53
	Inferred	SAPROLITE	109250.00	286235.00	2.62	0.80	7338.19	0.66	6094.95
		FRESH ROCK	4912688.00	12871242.56	2.62	0.76	314329.95	0.69	287374.24

#### Notes

<sup>1</sup> Au – Average gold grade without application of capping.

<sup>2</sup> M\_Au – Resource estimation without application of capping.

<sup>3</sup> Au-CUT – Average gold grade with application of capping.

<sup>4</sup> M\_Au\_CUT – Resource estimation with application of capping.

### Interpretations and conclusions

VMG conducted the evaluation of mineral resources of the Cerrito Prospect, for Amarillo and then Lavras Gold in compliance with the NI 43-101 form. The work took place from November 2020 to April 2021 and updated in April 2022.

The main activities developed by VMG were:

- Site visit, discussions with the technical staff from Lavras Gold, understanding of the geology and mineralization of the deposit, and verification of the geological work performed by Lavras Gold and contractors on site, as well as verification of the materiality of the achieved results. Independent verification that no material work or updates have been completed on the project through a review of public press releases and discussions with Lavras Gold management.

- Validation of the drilling database and the topography information.
- Verification of the QA/QC program established by Lavras Gold for geological work and of its conduction.
- Selection of the drilling data used in the definition of mineral resources.
- Interpretation of the geological model.
- Conducting statistical and geostatistical studies.
- Estimation of mineral resources, as well as their quantification and classification.
- Disclosure of the mineral resources for the Cerrito Prospect according to NI-43-101.

VMG observed that the results obtained from QA/QC were acceptable, despite the high precision values sampling accuracy. VMG did not visit the assay laboratories but the ACME and ALS Chemex Lab laboratories are reputable international groups that meet or exceed the industry standards for sample preparation and analysis.

The materiality of the work developed by Lavras Gold, as well as the materiality of the deposit and the developed studies, are sufficient to support the disclosure of mineral resources of the Cerrito Prospect according to the NI-43-101 form.

### *Recommendations*

In the Cerrito Technical Report, VMG made the following recommendations relating to the Cerrito Prospect:

- Organization and systematization of the core storage and storage for duplicates of samples;
- Database: validate the name of standards;
- QA/QC: the laboratory pulp duplicates should be inserted into the assay batches;
- Increase the quantity of density samples to obtain a dataset that better represents the saprolitic rock density;
- Make instrumental topographic survey of the area;
- Infill drilling will be necessary to upgrade the Indicated Resources to Measured for the main mineral deposit;
- Detailed metallurgical tests; and
- Environmental studies.

In the Cerrito Technical Report, VMG estimated the budget for this work to be as follows:

Work Program	Units Type			Cost US\$
	Work	Units	Unit Cost	
Instrumental topographic survey	km <sup>2</sup>	4	2,000	8,000
Drilling	Metres	3,000	110	330,000
Assaying	Sample	27,000	25	675,000
Density test	Sample	50	15	750
Mineralogical studies	Study			8,000
Metallurgical tests	Sample	5	2,000	10,000
Environmental studies	Study			100,000
Work on the organization of geological data and materials				50,000
Administrative expenses				30,000
<b>TOTAL</b>				<b>1,211,750</b>

Note

<sup>1</sup>All amounts converted from US\$ to C\$ on basis of US\$1.00 equals C\$1.30.

## Other gold prospects

The LDS Project hosts several other gold targets in addition to Butiá and Cerrito.

Cerrito South is located approximately 2.0 kilometres northeast of the town of Lavras do Sul. It is associated with an east-west gold in soil anomaly and zone of hydrothermal alteration. Geological mapping, trenching, and sampling suggest hydrothermally altered rocks associated with east-west structures. A total of 10,431 meters of drilling in 48 holes have been carried out at these prospects. Lavras Gold plans to continue to evaluate the Cerrito South prospects and, if deemed appropriate, conduct follow-up work to test for possible extensions to known mineralization.

The Zeca Souza prospect is located approximately 4.0 kilometres northwest of the town of Lavras do Sul. Five drill holes totalling 719 metres have tested the target returning elevated gold values that require follow-up work. Elevated gold values are associated with hydrothermally altered granitoids.

The Matilde prospect is associated with a large east-west soil anomaly that measures approximately 3.0 kilometres in length. The prospect is located about 3.5 kilometres south of the town of Lavras do Sul. The gold anomaly is associated with a gold-bearing structural zone hosted within granitoids. A total of 22 holes totalling 6,309 metres have been drilled into the Matilde prospect.

Some of Matilde's better drill intercepts include 20MT001 that returned 62.53 metres grading 0.62 g/t gold, and 20MT002 that returned multiple intercepts from surface including 144.60 metres grading 0.69 g/t gold. The Matilde East Extension is associated with a north-south trending gold in soil anomaly that measures about 3.0 kilometres in extent.

The Valdo Teixeira prospect is located about 5.0 kilometres southeast of the town of Lavras do Sul. Six holes totaling 1,785 metres have been drilled into the target. Gold mineralization is hosted in hydrothermally altered granitoids. Some of the better

holes include LDH-191 that returned 2.0 metres grading 7.90 g/t gold from 19.00 metres, and LDH-193 that returned 1.00 metres grading 1.36 g/t gold.

The Dourada prospect is located about 4.0 kilometres northeast of the town of Lavras do Sul. The target is characterized by a very large hydrothermal alteration system within altered granitoids. Seven holes totalling 1,703 metres have been drilled into the target.

The Cerro Rico prospect is located approximately 7.0 kilometres east of the town of Lavras do Sul. Hydrothermally altered granitoids are associated with a gold in soil anomaly that measures approximately 1.0 kilometres in an east-west direction. Seven drill holes have tested the target returning multiple narrow anomalous gold values. Some of the better values include 1.00 metres grading 5.28 g/t gold in hole LDH-184, and 8.58 g/t gold over 1.0 metres grading 8.58 g/t gold in hole LDH 186.

Caneleira is located about 3.0 kilometres west of the town of Lavras do Sul. The target is an east-west hydrothermally altered structural zone that measures approximately 1.0 kilometres in strike length within granitoids. Twelve drill holes totalling 2,490 metres have been drilled into the target. Some of the better drill hole intercepts include 19.10 metres grading 1.99 g/t gold from 70.40 metres and 11.00 metres grading 1.13 g/t gold from 98.50 metres in hole LDH-110, and 16.75 metres grading 0.82 g/t gold from 181.25 metres in drill hole LDH-114.

The Volta Grande, Aurora, and Volta Grande South prospects are located about 6 km southeast of the town of Lavras do Sul. These properties host gold in soil anomalies and several old trenches and mining galleries. Surface exploration work including rock sampling, trenching and soil surveys are required to define drilling targets.

## Selected disclosure regarding Lavras Gold and its business in Brazil

### Foreign corporate structure

Lavras Gold's head office is in Toronto, Ontario and its business in Brazil is carried out through its wholly-owned subsidiary, LDS and its subsidiary, LDSM. Each of these subsidiaries maintains local offices, where corporate minute books and other books and records are maintained.

The board of directors of Lavras Gold has effective control over its subsidiaries in Brazil and their assets, including bank accounts, through its ownership and control of these entities. In addition, as the controlling shareholder, Lavras Gold can appoint, direct, supervise, and remove all officers and directors of its subsidiaries.

Under the supervision of Lavras Gold Board, the management of Lavras Gold makes all material decisions, enters into agreements and commitments on behalf of, and controls the funding and expenditures of, Lavras Gold and its subsidiaries.

## Corporate governance

Most of Lavras Gold's directors and executive officers have experience doing business in Brazil, both from experience gained through their service to Amarillo Gold and Lavras Gold in their respective roles and in roles at previous companies. They have an established track record of successfully navigating the linguistic and cultural challenges that accompany operating in Brazil.

Michael Durose, President and Chief Executive Officer, and Hemdat Sawh, Chief Financial Officer, of Lavras Gold, have each made site visits to Lavras Gold's offices in Brazil and certain properties in Brazil. Certain directors have also travelled to Brazil on several occasions for various purposes related to Lavras Gold's business.

As a part of carrying out the responsibilities of their respective offices, it is necessary for the directors and executive officers of Lavras Gold to familiarize themselves with the laws, requirements and roles of governments, local business culture and practices, and any differences in banking systems and controls in and between jurisdictions in relation to Lavras Gold's foreign operations. Directors and executive officers will become aware of these matters on an ongoing basis through their skills, experience, education, knowledge and a combination of written materials, meetings and other interactions with each other, site visits, legal and other professional advice, and other briefings and training, as appropriate.

Communications within Lavras Gold are primarily in English. The business and operations of Lavras Gold are in Brazil, where the principal language of business is Portuguese and where business customs are different than in Canada.

Language differences in Lavras Gold's places of business do not generally pose challenges in Lavras Gold's business and operations. All Lavras Gold's key personnel, including finance and accounting employees and its local professional advisors in Brazil, are sufficiently fluent in the English language. Information is typically communicated to Lavras Gold's head office through typical methods in English.

When material communications and documents are received in Portuguese, such as legal documents and communications from government officials, they are translated into the English language.

Lavras Gold also manages the risk doing business in a different language and culture by appointing people who are fluent in both Portuguese and English to key positions, including Paolo Serpa, Country Manager.

## Audit Committee

The Audit Committee is responsible for Lavras Gold's financial reporting process and the quality of its financial reporting and has all the authority required by section 4.1 of National Instrument 52-110 - Audit Committees. In carrying out their duties, all members of the Audit Committee have access to Lavras Gold's professional advisors, senior management, and accounting staff in each applicable foreign jurisdiction.

## Legal rights

Lavras Gold is satisfied that has completed all the necessary requirements to own and retains its property interests. It engages local counsel to advise the Company on acquiring, owning, and retaining the permits, property interests, and rights for its material mineral properties. Lavras Gold's management team also communicates directly with local government officials on an as needed basis.

The Company will continue to work with its legal counsel to ensure that all related matters are attended to on a timely basis. Lavras Gold consults regularly with its Brazilian legal advisors to confirm, among other things, that all applicable permitting requirements for its operations have been obtained. It will also, from time to time, retain local legal advisors to provide updated title opinions, as appropriate.

In addition, Lavras Gold has, on several occasions, obtained legal opinions on its material properties in connection with financing and other transactions.

Lavras Gold relies on the oversight by qualified persons (as defined in NI 43-101), who have done a review of Lavras Gold's projects in Brazil. Consultants hired by the Company in Canada and Brazil during the permitting, licensing, and regulatory application and approval process have also confirmed that Lavras Gold has all required material permits, business licenses, and other regulatory approvals for doing business in Brazil.

## RISK FACTORS

The risks presented in this AIF may not be all the risks that the Company may face, although they are management's current assessment of the risk factors that may cause actual results to be different from expected and historical results.

Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly.

### Commodity prices

The price of Lavras Gold's securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals and, particularly the price of gold.

Precious metal prices fluctuate widely and are affected by numerous factors beyond Lavras Gold's control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors continue to adversely affect the price of gold, the market price of Lavras Gold's securities may decline.

### Project risk

The ability of Lavras Gold to successfully explore its properties and find sufficient mineral resources and reserves to consider mine development, and there after sustain or increase levels of gold production will be dependent in part on the success of its projects.

The only significant project contemplated for the next few years is the LDS Project. However, this project may not proceed, and other projects may arise. Risks and unknowns inherent in all projects include, but are not limited to, the accuracy of reserve estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital and operating costs of such projects; the future price of gold; and scoping of major projects including delays, aggressive schedules and unplanned events and conditions.

The significant capital expenditures and long time period required to develop new mines or other projects are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics.

Actual costs and economic returns may differ materially from Lavras Gold's estimates or Lavras Gold could fail or be delayed in obtaining the governmental approvals necessary for the execution of a project, in which case, the project may not proceed either on its original timing or at all.

Lavras Gold may be unable to develop projects that demonstrate attractive economic feasibility at low gold prices. The number of projects in the future may outweigh Lavras Gold's capital, financial and staffing capacity restricting the ability to concurrently execute multiple projects and adversely affecting the potential timing of when those projects can be put into production.

The inability to execute adequate governance over developmental projects can also have a major negative impact on project development activities.

## Exploration

The exploration process generally begins with the identification and appraisal of mineral prospects. Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements.

Mining projects frequently require many years and significant expenditures during the mine development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits, acquiring title to prospects and the receipt of adequate financing.

The economic feasibility of development projects is based on many factors such as:

- estimation of reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- estimates of future gold prices; and
- anticipated capital and operating costs of such projects.

Exploration and development of mineral deposits thus involve significant financial risks which a combination of careful evaluation, experience and knowledge may not eliminate.

The discovery of an ore body may result in substantial rewards, however, few properties that are explored are ultimately developed into producing mines. A mine must generate sufficient revenues to offset operating and development costs such as the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore.

Once in production, it is impossible to determine whether current exploration and development programs at any given mine will result in the establishment of new reserves.

The only material property interest of Lavras Gold is its interest in the Butiá Prospect and Cerrito Prospect, which form part of the Lavras Project, located in Brazil. As a result, unless Lavras Gold acquires additional property interests, any adverse developments affecting this property could have a material adverse effect upon Lavras Gold and would materially and adversely affect the potential mineral resource production, profitability, financial performance, and results of operations of Lavras Gold.

While Lavras Gold may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that Lavras Gold will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to Lavras Gold or at all.

## Mineral resources

Mineral resources are based on estimates of mineral content and quantity derived from limited information acquired through drilling and other sampling methods and requires judgmental interpretations of geology, structure, grade distributions and trends, and other factors. No assurance can be given that the estimates are accurate or that the indicated level of metal will be produced. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Until mineral reserves or mineral resources are mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. Any material changes in mineral reserves, mineral resources, grade, or stripping ratio at Lavras Gold's properties may affect the economic viability of Lavras Gold's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

There is a risk that inferred mineral resources referred to in this AIF cannot be converted into measured or indicated mineral resources. Due to the uncertainty relating to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological and grade continuity to constitute measured and indicated resources as a result of continued exploration.

## Titles

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral deposits may be disputed.

Although Lavras Gold believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired.

Third parties may have valid claims on underlying portions of Lavras Gold's interests, including prior unregistered liens, agreements, transfers, or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, Lavras Gold may be unable to operate its properties as permitted or to enforce its rights in respect of its properties.

Moreover, where Lavras Gold's interest in a property is less than 100%, or a third party holds a form of profit sharing interest, Lavras Gold's entitlement to, and obligations in respect of, the property are subject to the terms of the agreement relating to that property, or in the absence of an agreement subject to provincial or federal laws and regulations, which in certain circumstances may be the subject of differing interpretations between the parties.

## Permitting

Mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses according to the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to Lavras Gold in a timely manner, or at all, or, if they are issued, that they will be renewed, or that Lavras Gold will be able to comply with or afford to comply with all conditions that may be imposed.

## Government regulations

**Lavras Gold's operations are subject to numerous governmental permits, which are difficult to obtain, and it may not be able to obtain or renew all the permits it requires, or such permits may not be timely obtained or renewed.**

Government approvals and permits are sometimes required for Lavras Gold's operations. Although Lavras Gold believes it has all of the material approvals and permits to carry on its operations, Lavras Gold may require additional approvals or permits or may be required to renew existing approvals or permits from time to time.

Obtaining or renewing approvals or permits can be a complex and time-consuming process. There can be no assurance that Lavras Gold will be able to obtain or renew the necessary approvals and permits on acceptable terms, in a timely manner, or at all. To the extent such approvals are required and not obtained, Lavras Gold may be delayed or prohibited

Under current regulations, all exploration activities undertaken by Lavras Gold through its subsidiaries must be carried out on valid exploration licences or prospecting permits issued by the ANM, a department of the Brazilian federal government. The ANM is responsible for the administration of all mining and exploration licences, and prospecting permits. According to local regulations, Lavras Gold must submit a final exploration report before any licence or permit expires, usually three years from the date of grant.

However, Brazilian mining laws and regulations are undergoing a major restructuring, and draft legislation has been submitted to the federal legislature for review and approval. If adopted, this restructuring will have far reaching effects on how mining rights are acquired and maintained in the country. Current proposals include an auction process for new licences, minimum expenditures designed to eliminate the “warehousing” of mining permits and licences, new fee schedules, as well as providing for landowner participation where applicable.

Environmental permits are granted for one- to 10-year periods and all local agencies have the right to monitor and evaluate compliance with the issued permits even though such monitoring tends to be minimal in scope and nature. Any changes to the exploration activities that result in a greater environmental impact require approval.

The work Lavras Gold carries out on its exploration licences is largely restricted to drilling and ancillary activities associated with the drilling programs (i.e., low impact road construction, drilling stations). As such, the reclamation costs for drilling activities are not material to Lavras Gold and are factored into the budget for exploration programs.

Under the CBC Agreement and the IAMGOLD Agreement, Lavras Gold and LDSM, as applicable, agreed to purchase certain mining rights. The assignment and encumbering of a mining concession is allowed, subject to the ANM’s prior approval. Any encumbrance or assignment will be effective only after it has been registered with the ANM. There is a risk that such approvals and registration of the transfer of the purchased rights will not be approved.

## **Border law**

The Brazilian Federal Constitution defines the border area (the “Border Area”) as an area within 150 kilometers of Brazil’s border with other countries. This area is considered of special interest for national defense, and, for this reason, legislation may establish special conditions for the occupation and use of the Border Area. In as much as mining is concerned, the Constitution also expressly authorizes legislation to create special conditions for exploration and mining activities within the Border Area.

Federal Law No. 6634/79, together with the Regulations passed by Decree No. 85064/1980 (collectively the “Border Law”), establish restrictions to foreign investment in exploration and mining in the Border Area and provide that companies that perform mining activities within the Border Area must have at least the majority of the corporate capital belonging to Brazilian citizens; a majority of the members of the management of such companies must be Brazilian citizens who shall have predominant management powers over Lavras Gold; and two thirds of its workforce must be composed of Brazilian nationals.

The Lavras Project is in the Border Area. Lavras Gold has implemented a corporate structure to comply with the Border Law and, in particular, to ensure that Brazilian nationals own a majority of the equity of LDSM. While Lavras Gold believes that the ownership structure of LDSM formally complies with the Border Law, there is a risk

that the LDSM ownership structure could be challenged by Brazilian authorities as being non-compliant with the Border Law. If any such challenge occurred, this could adversely impact Lavras Gold's ability to acquire the mineral rights that it agreed to purchase under the CBC Agreement and the IAMGOLD Agreement, in the manner currently contemplated or, if a suitable alternative structure for doing so is not approved, at all.

**Lavras Gold is subject to substantial environmental laws and regulations that may increase its costs and restrict its operations.**

All phases of Lavras Gold's current and planned future operations are or will be subject to environmental regulations in the jurisdictions where it operates. These laws address emissions into the air, discharges into water, management of waste and hazardous substances, protection of natural resources and reclamation of lands disturbed by mining operations.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. This is especially true following the high-profile Brumadinho dam disaster that occurred on January 25, 2019, when Dam I – a tailings dam at Vale's Córrego do Feijão iron ore mine, 9 kilometres east of Brumadinho, Minas Gerais, Brazil – suffered a catastrophic failure.

Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in, or the cancellation of, Lavras Gold's intended activities. There can be no assurance that future changes in environmental regulation, if any, will not be materially adverse to Lavras Gold's operations. Specifically, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a materially adverse impact on Lavras Gold, increase costs, cause a reduction in levels of production, and/or delay or prevent the development of new mining properties.

The properties in which Lavras Gold holds interests may contain environmental hazards presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties. If Lavras Gold's properties do contain such hazards, this could lead to Lavras Gold being unable to use the properties or may cause Lavras Gold to incur remediation costs. In addition, Lavras Gold could become subject to litigation should such hazards result in injury to any persons.

**Land reclamation requirements for Lavras Gold's exploration properties may be burdensome.**

Land reclamation requirements are generally imposed on companies engaged in mining operations and mineral exploration activities to minimize long-term effects of land disturbance.

Reclamation may include requirements to control dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. In order to carry out reclamation obligations imposed on Lavras Gold in connection with its exploration activities, Lavras Gold must allocate financial resources that might otherwise be spent on further exploration and development programs. If Lavras Gold is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

## Doing business in Brazil

Lavras Gold's principal operations and mineral properties are in Brazil. There are additional business and financial risks inherent in doing business in Brazil as compared to the United States or Canada.

Since 1996, Transparency International has published the Corruption Perceptions Index ("CPI"), which annually ranks countries by their perceived levels of corruption, as determined by expert assessments and opinion surveys. The CPI ranks countries on a scale from 100 (very clean) to 0 (highly corrupt). In 2021, out of 180 countries in the world, Canada was ranked 13th with a CPI score of 74, the United States was ranked 77th with a CPI score of 67, and Brazil was ranked 96th with a CPI score of 38. The average score on the 2021 Corruption Perceptions Index was 43 out of 100. Anything below a score of 50 indicates governments are failing to tackle corruption and represents a challenge in those countries requiring extra attention by those who conduct business there.

Corruption does not only occur with the misuse of public, government, or regulatory powers, it also can occur in a business's supplies, inputs and procurement functions (such as illicit rebates, kickbacks, and dubious vendor relationships), as well as the inventory and product sales functions (such as inventory shrinkage or skimming). Employees, as well as external parties (such as suppliers, distributors, and contractors), have opportunities to commit procurement fraud, theft, embezzlement, and other wrongs against Lavras Gold.

While corruption, bribery, and fraud risks can never be fully eliminated, Lavras Gold reviews and implements controls to reduce the likelihood of these irregularities occurring. Lavras Gold uses an internal auditor, third-party security services, and closed-circuit video surveillance at its operations in Brazil.

## Key personnel

Production at Lavras Gold's mines and mine projects will be dependent on the efforts of Lavras Gold's employees and contractors. Changes in the relationship between Lavras Gold and its employees or contractors may have a material adverse effect on the Company's business, results of operations, and financial condition.

Lavras Gold will be also dependent upon key management personnel. The loss of the services of one or more key management personnel could have a material adverse effect on Lavras Gold.

Lavras Gold's ability to manage its operating, development, exploration, and financing activities will depend in large part on the efforts of these individuals. Lavras Gold faces significant competition for qualified personnel and Lavras Gold may not be able to attract and retain such personnel.

## Competition

The mining industry is intensely competitive, and Lavras Gold competes with other mining corporations for the acquisition of interests in precious and other metal or mineral mining properties that are in limited supply.

In the pursuit of such acquisition opportunities, Lavras Gold will compete with other Canadian and foreign companies may have substantially greater financial and other resources. As a result of this competition, Lavras Gold may be unable to maintain or acquire attractive mining properties on acceptable terms, or at all.

On a regular basis, Lavras Gold will evaluate potential acquisitions of mining properties and/or interests in other mining corporations, which may entail certain risks.

Consistent with its growth strategy, Lavras Gold will evaluate the potential acquisition of advanced exploration, development, and production assets on a regular basis. From time to time, Lavras Gold may also acquire securities of or other interests in corporations with whom Lavras Gold may complete acquisition or other transactions. These transactions involve inherent risks, including, without limitation:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential;
- profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of key employees or the key employees of any business Lavras Gold acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, corporations, or securities.

Any one or more of these factors or other risks could cause Lavras Gold not to realize the benefits anticipated to result from the acquisition of properties or corporations, and could have a material adverse effect on Lavras Gold's ability to grow and, consequently, on Lavras Gold's financial condition and results of operations.

Lavras Gold will seek acquisition opportunities consistent with its acquisition and growth strategy, however, it may not be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition, or to integrate any acquired business into its operations successfully. Acquisitions involve several special risks, circumstances, or legal liabilities, some or all of which could have a material adverse effect on Lavras Gold's business, results of operations and financial condition.

In addition, to acquire properties and corporations, Lavras Gold could use available cash, incur debt, issue Lavras Gold Shares or other securities, or a combination of any one or more of these. This could limit Lavras Gold's flexibility to raise additional capital, to operate, explore and develop its properties and to make additional acquisitions, and could further dilute and decrease the trading price of the Lavras Gold Shares. When evaluating an acquisition opportunity, Lavras Gold cannot be certain that it will have correctly identified and managed the risks and costs inherent in the business that it is acquiring.

At any given time, discussions and activities can be in the process on a number of initiatives, each at different stages of development. Potential transactions may not be successfully completed, and, if completed, the business acquired may not be successfully integrated into Lavras Gold's operations. If Lavras Gold fails to manage its acquisition and growth strategy successfully, it could have a material adverse effect on its business, results of operations and financial condition.

## Additional capital

Lavras Gold plans is focused on exploring for minerals and uses its working capital to carry out such exploration. However, the development and exploration of Lavras Gold's properties may require substantial additional financing. Further exploration and development of the LDS Project may be dependent upon its ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that financings will be available on favourable terms. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of Lavras Gold's projects.

## IT systems security

Lavras Gold may be exposed to pilferage of private and sensitive data to deliberate cyber-attacks or inadvertent loss of media, such as loss of laptops, phones, etc., in public places.

Unauthorized access to confidential information would have a negative effect on Lavras Gold's reputation, business, prospects, results of operations, and financial condition. The systems that are in place may not be enough to guard against loss of data due to the rapidly evolving cyber threats. Lavras Gold may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks.

## Asset valuation

Lavras Gold tests the valuation of its property, plant and equipment and exploration and evaluation assets when indications of potential impairment or reversal of a previously recognized impairment are identified.

Management's assumptions and estimates of future cash flows are subject to risks and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of Lavras Gold's control. Therefore, it is reasonably possible that changes could occur with evolving economic and market conditions, which may affect the fair value of Lavras Gold's property, plant and equipment and exploration and evaluation assets resulting in either an impairment charge or reversal of impairment.

If Lavras Gold fails to achieve its valuation assumptions or if any of its property, plant and equipment, exploration and evaluation assets or cash generating units have experienced a decline in fair value, an impairment charge may be required to be recorded, causing a reduction in Lavras Gold's earnings.

Conversely, if there are observable indicators that any of its property, plant and equipment, exploration and evaluation assets or cash generating units have experienced an increase in fair value, a reversal of a prior impairment may be required to be recorded, causing an increase in Lavras Gold's earnings.

## Financial risks

### Stock price volatility

The market price of the Lavras Gold Shares may fluctuate due to a variety of factors relating to Lavras Gold's business.

These factors include the announcement of expanded exploration, development, and production activities by Lavras Gold and its competitors, gold price volatility, exchange rate fluctuations, consolidations, dispositions, acquisitions and financing, changes or restatements in the amount of Lavras Gold's mineral resources, fluctuations in Lavras Gold's operating results, sales of Lavras Gold Shares in the marketplace, failure to meet analysts' expectations, changes in quarterly revenue or earnings estimates made by the investment community, speculation in the press or investment community about Lavras Gold's strategic position, results of operations, business or significant transactions and general conditions in the mining industry or the worldwide economy.

In addition, wide price swings are currently common in the markets where Lavras Gold's securities trade. This volatility may adversely affect the prices of Lavras Gold Shares regardless of Lavras Gold's operating performance. The market price of Lavras Gold Shares may experience significant fluctuations in the future, including fluctuations that are unrelated to Lavras Gold's performance.

Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. Lavras Gold may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

### **Lack of funding to satisfy contractual obligations**

Lavras Gold may in the future enter partnerships or joint ventures to fully exploit the exploration and production potential of its exploration assets. Lavras Gold may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and may have its property interests subject to such agreements reduced as a result or even face termination of such agreements.

### **Stock dilution**

Issuance of a substantial number of Lavras Gold Shares by Lavras Gold, for example, in connection with a potential acquisition or to raise additional capital for operations, or to reduce indebtedness, or pursuant to existing agreements, or the availability of a large number of Lavras Gold Shares that may be available for sale, could adversely affect the prevailing market prices for the outstanding Lavras Gold Shares.

A decline in the market price of the outstanding Lavras Gold Shares could impair Lavras Gold's ability to raise additional capital through the issuance of securities should Lavras Gold desire to do so.

### **Credit and capital markets**

Lavras Gold may require funds for exploration and development of Lavras Gold's Properties and continuing exploration projects that may require substantial capital expenditures. In addition, a portion of Lavras Gold's activities may be directed to the search and exploration for new mineral deposits and their development.

The availability of this capital is subject to general economic conditions and lender and investor interest in Lavras Gold and its projects. Lavras Gold may be required to seek a continuation of the current financial arrangements with its lenders and/or seek additional financing to maintain its capital expenditures at planned levels.

Financing may not be available when needed or, if available, may not be available on terms acceptable to Lavras Gold or Lavras Gold may be unable to find a partner for financing. Failure to obtain any financing necessary for Lavras Gold's capital expenditure plans may result in a delay or indefinite postponement of exploration, development, or production on any or all of Lavras Gold's Properties. In addition, there can be no certainty that Lavras Gold may be able to renew or replace its current credit facility or debt financing on similar or favourable terms to Lavras Gold prior to, or upon, its maturity.

## Dividends

Lavras Gold has no plans to pay dividends on its Lavras Gold Shares. In the future, the Lavras Gold Board may declare dividends according to its assessment of the financial position of Lavras Gold, considering its financing requirements for future growth and other factors that the Lavras Gold Board may deem relevant in the circumstances.

## Indemnified liability risk

Under the terms of the Arrangement Agreement, Lavras Gold agreed to indemnify Amarillo and its subsidiaries, affiliates, directors, officers, partners, employees, advisors, shareholders, and agents from all losses suffered or incurred by an indemnified party resulting directly or indirectly from or in connection with certain liabilities and taxes related to any obligations or liabilities related to Lavras Gold Assets and Lavras Gold Liabilities or taxes incurred or accrued prior to the Effective Date, and the distribution of the Lavras Gold Shares to Amarillo Shareholders.

Lavras Gold will remain liable under this indemnity for one year following the Effective Date, or until 30 days after the expiration of the relevant statutory limitation period in respect of claims for taxes. Because of Lavras Gold's limited financial resources, any requirement to indemnify under these provisions could have a material adverse effect on the ability of Lavras Gold to carry out its business plan.

## Litigation

Lavras Gold could be subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties, including governments and their agencies, regulators, and members of Lavras Gold's own workforce, which may result in litigation. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in Lavras Gold's stock price, failure to comply with disclosure obligations or labour disruptions at its mine sites.

Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and Lavras Gold may incur expenses in defending them and be subject to fines or penalties in case of any violation, and could face damage to its reputation in the case of recurring workplace incidents resulting in an injury or fatality for which Lavras Gold is found responsible.

The results and costs of litigation and investigations cannot be predicted with certainty. If Lavras Gold is unable to resolve these disputes or matters favourably, this may have a material adverse impact on Lavras Gold's financial performance, cash flows and results of operations.

## Bankruptcy, liquidation, or reorganization

In the event of a bankruptcy, liquidation, or reorganization of Lavras Gold, holders of certain of its indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of Lavras Gold before any assets are made available for distribution to the shareholders. The Lavras Gold Shares will be effectively subordinated to most of the other indebtedness and liabilities of Lavras Gold.

## Taxes and tax audits

Lavras Gold is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest, and penalties that would negatively affect Lavras Gold's financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on Lavras Gold's business.

## Going concern and insolvency

Lavras Gold's financial statements are prepared on a going concern basis, which assumes that Lavras Gold will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

## Conflicts of interest

Some of the directors and officers of Lavras Gold are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving Lavras Gold will conform with their duties and obligations to act fairly and in good faith with Lavras Gold and these other corporations. Moreover, these directors and officers will declare their interests and refrain from voting on any issue which could give rise to a conflict of interest.

## Shareholder activism

There has been increased shareholder activism in the mining industry. Should an activist shareholder engage with Lavras Gold, it could cause disruption to its strategy, operations, and leadership organization, resulting in a material unfavourable impact on the financial performance and longer-term value creation strategy of Lavras Gold.

## Inadequate controls over financial reporting

NI 52-109 requires an annual assessment by management of the effectiveness of Lavras Gold's internal control over financial reporting. Lavras Gold's failure to satisfy the requirements of NI 52-109 on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Lavras Gold's business and negatively impact the trading price of its Lavras Gold Shares or market value of its other securities.

In addition, any failure to implement required new or improved control(s), or difficulties encountered in their implementation could harm Lavras Gold's operating results or cause it to fail to meet its reporting obligations. No evaluation can provide complete assurance that Lavras Gold's internal control over financial reporting will detect or uncover all failures of persons within Lavras Gold to disclose material information required to be reported.

Accordingly, Lavras Gold's management does not expect that its internal control over financial reporting will prevent or detect all errors and all fraud. In addition, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that Lavras Gold continue to improve its internal control over financial reporting.

## Public company obligations

As a publicly traded company, listed on the TSXV or a recognised stock exchange, Lavras Gold will be subject to numerous laws, including, without limitation, corporate, securities and environmental laws, compliance with which is both very time consuming and costly. The failure to comply with any of these laws, individually or in the aggregate, could have a material adverse effect on Lavras Gold and cause a significant decline in Lavras Gold's stock price.

Furthermore, laws applicable to Lavras Gold constantly change and Lavras Gold's continued compliance with changing requirements is both very time consuming and costly. Lavras Gold's continued efforts to comply with numerous changing laws and adhere to a high standard of corporate governance will increase general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

## General economic conditions sensitivity

Lavras Gold's business will be influenced by a variety of economic and business conditions (including inflation, interest rates, exchange rates and access to debt and capital markets), as well as by monetary and regulatory policies. Deterioration in economic conditions increase in interest rates or a decrease in consumer demand and/or a decrease in investment demand, could have an adverse impact on Lavras Gold's financial performance and condition, cash flows and growth prospects.

## COVID-19

Lavras Gold may be impacted by risks related to the COVID-19 pandemic, which could significantly disrupt its operations and may have a material and adverse effect on its business and financial conditions.

The extent to which COVID-19 will affect Lavras Gold's business, including its operations and the market for its securities, is highly uncertain and cannot be predicted at this time. The uncertainties include the duration, severity, and scope of the pandemic and the measures taken to contain or treat it.

Consequently, the continued spread of COVID-19 worldwide could have a significant and adverse impact on Lavras Gold's business, including employee health, labour productivity, flow-through share obligations, increased insurance premiums, availability of experts and industry personnel, restrictions on its drilling program and/or schedule for the processing of drill holes and other metallurgical tests, and other factors that will depend on future developments beyond Lavras Gold's control. Any and all of these could have a material and adverse effect on its business, financial condition and results of operations.

### Other health risks

There can be no assurance that Lavras Gold's personnel will remain healthy, or be unaffected by diseases that could ultimately lead to reduced labour productivity or increased medical expenses/insurance premiums as a result of these health risks.

## DIVIDENDS AND DISTRIBUTIONS

The Company has never paid any dividends or distributions on any of its securities and presently has no intention of paying dividends. The future dividend policy will be determined by the directors of the Company on the basis of earnings, financial requirements and other relevant factors.

## DESCRIPTION OF CAPITAL STRUCTURE

### Common Shares

The authorized share capital of Lavras Gold consists of an unlimited number of common shares without par value. As at December 31, 2021, there was one common share issued and outstanding, and as of the date hereof there are 41,103,869 Common Shares issued and outstanding.

The Common Shares are all in the same class and, once issued, rank equally as to entitlement to dividends, voting powers (one vote per share), and participation in assets of the Company upon dissolution or winding up. No Common Shares have been issued subject to call or assessment.

The Common Shares contain no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issue of additional securities or any other material restrictions, and there are no provisions that can require a securityholder to contribute additional capital

## MARKET FOR SECURITIES

Prior to April 2022, Lavras Gold was not, and had never been, listed or quoted on any stock exchange

## PRIOR SALES

The following table contains the details of the prior sales of securities by Lavras Gold from incorporation to the date hereof.

Security	Number of Securities	Issue/Exercise Price per		Date of Issue
		Security	Security	
Common Shares	1	\$1.00		November 25, 2021
Common Shares	41,038,693	\$0.04		April 1, 2022

## ESCROWED SECURITIES

To the Company's knowledge, no securities of the Company were in escrow or subject to a contractual restriction on transfer.

## DIRECTORS AND OFFICERS

### Name, occupation, and security holdings

The Board currently consists of seven directors who are elected annually. The term of office of each director is from the date of the meeting at which they are elected until the next annual meeting, or until their successor is elected or appointed.

The following table shows all current directors and executive officers of the Company, their principal occupations or employment, and the period or periods of service. It also shows the number of Common Shares each person beneficially owns or exercises control over (directly or indirectly), shown also as a percentage of the total shares outstanding based on the 41,103,800 Common Shares issued and outstanding. All information is as of the date of this AIF.

As a group, the executive officers and directors collectively own 9,712,908 Common Shares of Lavras Gold, representing approximately 23.63% of the total shares outstanding as of the date of this AIF.

Name	Principal occupation during the past five years
<p><b>Michael Durose</b></p> <p>President, Chief Executive Officer, and Director</p> <p><i>Ontario, Canada</i></p> <p>Common Shares owned or controlled: 74,333 / 0.18%</p>	<p>Mr. Durose has been the chairman and CEO of Durose Asset Management Inc. and Durose Holdings Inc. since 2009, and a principal with Mining Research Group Inc. since 2012. He previously held increasingly senior roles in the capital markets with Scotia Capital, Morgan Stanley, Bunting Warburg/UBS and BMO Nesbitt Burns.</p>
<p><b>Hemdat Sawh</b></p> <p>Chief Financial Officer</p> <p><i>Ontario, Canada</i></p> <p>Common Shares owned or controlled: 279,857 / 0.68%</p>	<p>Mr. Sawh was the Chief Financial Officer of Amarillo from November 2017 to its acquisition earlier this year. He was previously the Chief Financial Officer at Wesdome Gold Mines ("Wesdome"), Scorpio Mining, Crystallex, and Goldbest Resources. His experience includes 16 years at Grant Thornton LLP, where he acted as lead supervisor for auditing teams.</p>
<p><b>Rowland Uloth, Canada</b></p> <p>Ontario, Canada</p> <p>Member of Governance Committee (Chair)</p> <p>Common Shares owned or controlled: 1,419,736 / 3.45%</p>	<p>Mr. Uloth is President of Rosedale Transport Limited, which he co-founded in 1969. Mr. Uloth was also the Chairman of FR Insurance of Bridgetown, Barbados for two years until March 2013. He was President and Chief Executive Officer of Wesdome from May 2007 to December 2009, and from July 2013 until August 2016.</p>
<p><b>David Birkett, Director</b></p> <p>Alberta, Canada</p> <p>Member of Audit and Governance Committees</p> <p>Common Shares owned or controlled: 327,814 / 0.80%</p>	<p>Mr. Birkett is the President and CEO of Stratus Aeronautics, a technology company dedicated to UAV development. He was the President of Alton Natural Gas Storage LP. (from 2005 to 2015) and the President of AltaGas Natural Gas Storage Ltd. (from 2010 to 2015). From 1996 to 2010 Mr. Birkett was the President &amp; CEO of Landis Energy Inc., a publicly traded company until it was acquired by AltaGas in 2010. From 2000 to 2014 served as a director of Moss Lake Gold Mines Ltd. until it was acquired by Wesdome.</p>

<b>Name</b>	<b>Principal occupation during the past five years</b>
<p><b>David Laing, Director</b> British Columbia, Canada</p> <p>Member of Compensation Committee</p> <p>Common Shares owned or controlled: 80,000 / 0.19%</p>	<p>Mr. Laing is a mining executive and corporate director. He currently sits on the boards of Fortuna Silver Mines, Inc., Northern Dynasty Minerals Inc., Aton Resources Inc., and Blackrock Gold Corp. He was most recently the Chief Operating Officer of Equinox Gold Corp., where he led the rebuilding of the Aurizona Project in Brazil, a feasibility study on the restart of the Castle Mountain Mine in California, and the acquisition of the Mesquite Gold mine, also in California.</p>
<p><b>Lawrence Lepard, Director</b> Massachusetts, U.S.A.</p> <p>Member of Audit (Chair), Compensation, and Governance committees</p> <p>Common Shares owned or controlled: 5,919,282 / 14.4%</p>	<p>Mr. Lepard runs Equity Management Associates, LLC (EMA) an investment partnership which has focused on investing in gold, silver, and gold and silver miners since 2008. Prior to EMA, Mr. Lepard spent 25 years as a professional investor and venture capitalist. From 1991 to 2004 he was one of two Managing Partners at Geocapital Partners in New Jersey. Prior to Geocapital Mr. Lepard spent seven years as a General Partner at Summit Partners.</p>
<p><b>Mike Mutchler, Director</b> Ontario, Canada</p> <p>Common Shares owned or controlled: 878,786 / 2.14%</p>	<p>Mr. Mutchler is a corporate director and mining consultant. A fifth generation miner, he was most recently the President and Chief Executive Officer of Amarillo Gold Corporation. Prior to that, he was a Partner at Whittle Consulting Pty from August 2016 to December 2017. Before Whittle, he was Chief Operating Officer for Largo Resources Ltd. (November 2013 to April 2016) where he was responsible for successfully building the Vanadium Mine and Mill in Brazil.</p>
<p><b>Rostislav Raykov, Director</b> New Jersey, U.S.A.</p> <p>Member of Audit and Compensation committees</p> <p>Common Shares owned or controlled: 675,100 / 1.64%</p>	<p>Mr. Raykov has been the Chief Executive Officer of Fennec Pharmaceuticals, Inc., a TSX-listed company, since 2009. He was a director of Wesdome from 2013 to 2016</p>

## Cease trade orders, bankruptcies, penalties, or sanctions

For the purposes of this section “Order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 days.

None of the directors or executive officers of the Company or any shareholder holding enough securities of the Company to materially affect control of the Company:

- (a) is, as of the date of this AIF, or has been, within 10 years before the date of this AIF, a director or executive officer of any company that:
  - (i) was the subject of an Order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;

- (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (iii) while that person was acting in that capacity, or 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 proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (a) has, within the 10 years before the date of this AIF, 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.

Other than as set out below, none of the directors or executive officers of the Company, or a shareholder holding enough securities of the Company to affect materially the control of the Company has, within the last 10 years, been subject to:

- (i) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered a settlement agreement with a Canadian securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

## Conflicts of Interest

There are no known existing or potential conflicts of interest among the directors and officers of the Company from their outside business interests except that some of the directors and officers may serve as directors, officers, and promoters of other companies. It is possible that a conflict may arise between their duties as a director and officer of the Company and their duties of these other companies. In such cases, the director or officer will disclose their conflict, which will be treated according to the applicable laws governing the accountability of directors and officers, as well as the procedures set out in the Company's own governance documents.

## PROMOTERS

Lavras Gold has not engaged any other person or company to be a "promoter" within the meaning and legislative intent of relevant Canadian securities legislation.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

The Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated.

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

## INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Except as set out in this AIF, no director or officer of the Company, person or company that beneficially owns, controls, or directs directly or indirectly more than 10% of the Common Shares, or any associate or affiliate of any such persons, has or had any material interest, direct or indirect, in any transaction that has had a material impact on the Company or is reasonably expected to have a material impact on the Company or any of its subsidiaries.

## TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company is Computershare Trust Company of Canada, which has an office at 100 University Avenue, 8th Floor St. West, Toronto, Ontario M5J 2Y1.

## MATERIAL CONTRACTS

The only material contract entered by the Company, other than in the ordinary course of business, since the date of incorporation of the Company or to be entered into in connection with the Arrangement is the Contribution Agreement.

## EXPERTS AND INTERESTS OF EXPERTS

Volodymyr Myadzel of VMG and Frank Richard Baker of Baker Mineração Limited, Belo Horizonte, Minas Gerais, Brazil acted as “qualified persons” within the meaning of NI 43-101, on the Butiá Technical Report, with respect to the Butiá Prospect, which forms part of the LDS Project.

Volodymyr Myadzel of VMG and Frank Richard Baker of Baker Mineração Limited, Belo Horizonte, Minas Gerais, Brazil acted as “qualified persons” within the meaning of NI 43-101, on the Cerrito Technical Report, with respect to the Cerrito Prospect, which forms part of the LDS Project.

To the Company's knowledge, each of the foregoing firms or persons beneficially owns, directly or indirectly, less than 1% of the issued and outstanding Lavras Gold Shares.

The technical and scientific information contained in the Butiá Prospect, which forms part of the LDS Project, was reviewed and approved in accordance with NI 43-101 by Michael Durose of Durose Asset Management, Oakville, Ontario, Canada and a "Qualified Person" as defined in NI 43-101. To the Company's knowledge, Michael Durose beneficially owns, directly or indirectly, less than 1% of the Company's issued and outstanding shares.

As of the date of this AIF, Davidson & Company LLP are the auditors of Lavras Gold. Davidson & Company LLP are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada.

## ADDITIONAL INFORMATION

Additional information relating to the Company may be found through a database search at SEDAR.

Additional information on the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, securities authorized for issuance under equity compensation plans and audit committee disclosure, is contained in the Company's listing application dated April 5, 2022, which is found under the Company's profile on SEDAR.

Additional financial information is provided in the Company's financial statements and MD&A, which may be found under the Company's profile on SEDAR.