

# LAVRAS GOLD



## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September  
30, 2024

## ABOUT LAVRAS GOLD

Lavras Gold Corp. (“Lavras Gold”, “Lavras” or the “Company”) is a Canadian company that is realizing the potential of a highly prospective gold district in southern Brazil. The LDS Project is in a historic gold district in the state of Rio Grande do Sul, southern Brazil.

The goal for Lavras Gold is to discover and develop an economically feasible gold mine. Activities and discoveries to this point bring the Company closer to this goal each quarter. The board and management are creating value for all Lavras stakeholders by:

- **growing** existing gold resources
- **discovering** new gold deposits
- **de-risking** the project on the environmental and permitting fronts, and
- **potential leveraging** of the revenue-based gold royalty on a large portfolio of exploration concessions surrounding the Mara Rosa gold mining project in central Brazil.

This Management’s Discussion and Analysis (“MD&A”) of Lavras Gold should be read in conjunction with Lavras Gold’s unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, in comparison to the corresponding prior-year periods, and its annual audited consolidated financial statements for the year ended December 31, 2023, and the related MD&A. This MD&A is intended to supplement and complement the above mentioned financial statements and notes thereto, which have been prepared according to IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. These accounting policies are consistent with IFRS Accounting Standards (IFRS) as issued by the IASB and the International Financial Reporting Interpretations Committee. These documents along with additional information on the Company, including the Company’s Annual Information Form (“AIF”) for the financial year ended December 31, 2023, are available under the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). All published information is publicly available through Lavras Gold’s website at [www.lavrasgold.com](http://www.lavrasgold.com).

This MD&A contains “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities laws. See the section in this MD&A titled “Cautionary Note Regarding Forward-Looking Information” for further details. In addition, this MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ in certain material respects from the disclosure requirements of United States securities laws, particularly with respect to the disclosure of mineral reserves and mineral resources. See the section in this MD&A titled “Cautionary Note to United States Investors” for further details.

All dollar amounts included in this MD&A are expressed in Canadian dollars unless otherwise noted. This MD&A is dated as of November 29, 2024, and all information contained in this MD&A is current as of November 29, 2024.

Lavras Gold is listed on the TSX Venture Exchange (TSXV) under the symbol LGC and on the OTCQX Best Market (OTCQX) under the symbol LGCFF. Follow @LavrasGold on LinkedIn, Twitter, YouTube, and [www.lavrasgold.com](http://www.lavrasgold.com).

### In this document:

- All dollar amounts are in Canadian dollars unless otherwise noted.
- Information is as of November 29, 2024, unless otherwise noted.

## GENERAL

The vision of Lavras Gold is to discover and develop an economically feasible gold mine, unlocking the value of the LDS Project, the Company's advanced gold exploration property in southern Brazil. The long-term goal is to demonstrate that LDS is potentially a large and exceptionally prospective asset that has the potential for several gold deposits in the 12 kilometre by 11 kilometre LDS property.

## OUTLOOK

Short-term goals include:

- Executing a comprehensive drill program focused initially on Butiá and Fazenda do Posto, and testing other high-priority LDS exploration targets to make new gold discoveries, and ultimately grow the existing gold endowment.
- Relogging historic drill core at Butiá and using new sampling and assaying protocols to retest selective historic drill core for consistency with the protocols used most recently at Fazenda do Posto to potentially expand the existing gold endowment.
- Initiating a comprehensive metallurgical test program for the Butiá gold deposit followed by the new Fazenda do Posto gold discovery.
- Leveraging the good relationships with local stakeholders as the Company begins the permitting process.
- Sustaining relationships with existing shareholders and attracting new shareholders by bringing the value proposition of Lavras Gold to the investing community.
- Investigate opportunities to augment the project portfolio.

## RECENT ANNOUNCEMENT

On November 27, 2024, the Company filed a final base shelf prospectus with securities regulatory authorities in all provinces of Canada, other than Quebec. The prospectus was filed to provide the Company with greater financial flexibility going forward.

## 2024 Q3 HIGHLIGHTS

### *Operations*

- Completed 5,271 metres (cumulative 12,581 YTD 2024) of drilling as part of the ongoing 25,000 metre drill program and submitted 3,563 assay samples (cumulative 9,025 YTD 2024) primarily from Fazenda do Posto and Butiá targets.
- Gold mineralization was intersected in eleven of the 12 new holes reported in Q3 from the Fazenda do Posto Target with results including 59 metres grading 2.9g/t gold in drillhole 24FP016. Subintervals included 32 metres grading 4.3g/t gold. The Fazenda Gold Target remains open to the west, north and northwest, south and at depth with the Butiá Gold Deposit occurring to the east.

- Drilling continued throughout the second quarter of 2024, focused primarily on Butiá and Fazenda do Posto, A third drill has been active on the Caneleira concession focusing on the Paredão and Olaria targets.
- US\$121,000 prepayment under the Vidal de Souza Purchase Agreements moving the Company closer to the transfer of title to the underlying 5 mineral rights to the Company.

### **Financial**

- Lavras Gold maintained a solid financial position in the third quarter of 2024. In late September 2023, Lavras Gold closed a non-brokered private placement of C\$13.7 million (issued 10.1 million common treasury shares at C\$1.35 per share) with no warrants attached. Lavras Gold’s management and directors subscribed for 0.5 million common shares for an aggregate amount of \$0.7 million. This financing also attracted both high net worth prominent mining investors such as Eric Sprott (14% ownership) and Rob McEwen (1% ownership) as well as strategic investor Kinross Gold (TSX: K) (5% ownership). At the close of Q3 2024, Lavras Gold’s cash position was \$4.2 million.
- In its unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2024, the Company reported that Lavras do Sul Mineração Ltda (“LDSM”), acquired an additional five mineral concessions, totaling 2,523 hectares. As at the date of this MD&A, the Company does not plan to carry out any work on these new concessions in the 12 months following the date hereof. To date, the Company has substantially completed the work program in the Butiá Technical Report and has not carried out the work recommended in the Cerrito Technical Report. It currently has no near-term plans to do so. Instead, the Company intends to focus on the continued exploration of its Butiá Prospect, Fazenda do Posto Target and other targets within its LDS Project area in this 12-month period.

## **2024 Q3 EXPLORATION UPDATE – THE LDS PROJECT**

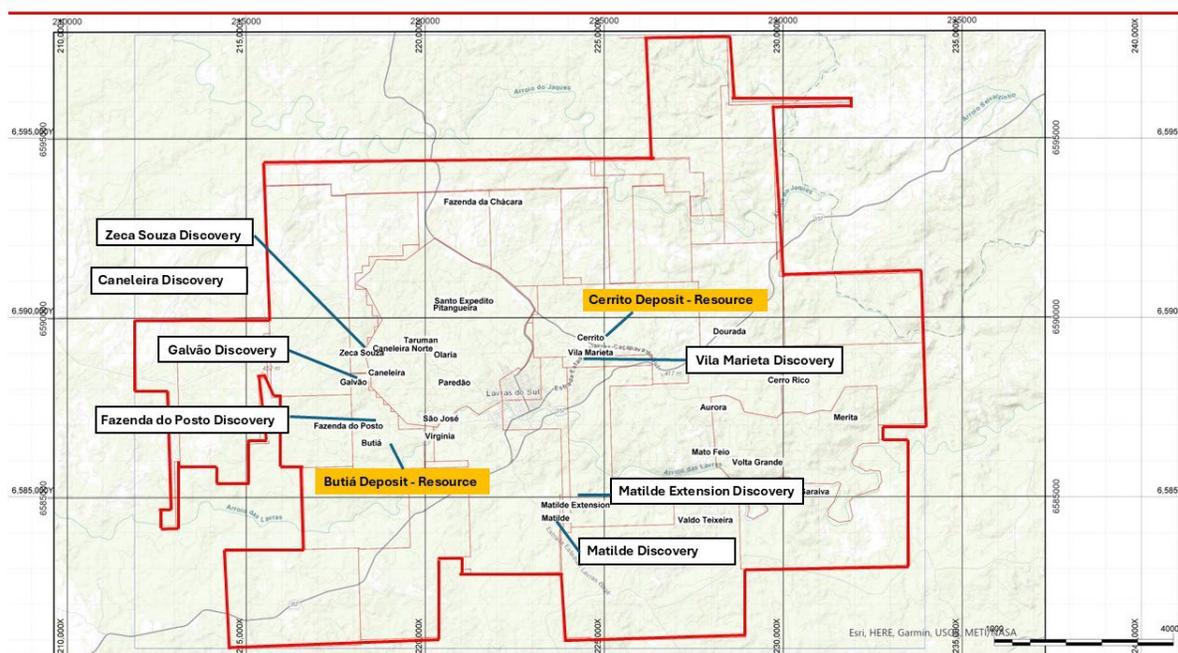
The LDS Project located close to the town of Lavras do Sul in Rio Grande do Sul State, southern Brazil, has 24 prominent mineralized showings, nine of which have either an active drill program or have had drill programs in the recent past.

To best understand the following narrative on the history of the Company, its projects, and its properties, it is necessary understand the Company’s descriptive classification system. “Target” refers to a known or suspected area of gold mineralization. “Discovery” refers to an area proven by drilling to have significant gold mineralization, and “Deposit” refers to the description of the area of mineralization using the guidelines set out by Canadian National Instrument 43-101 (the document that governs a company’s public disclosure of scientific and technical information about its mineral projects). The following table illustrates the timeline and highlights of each of these categories and Figure 1 illustrates the locations of each of the primary targets.

Target	Class	Resource*	Summary
Butiá	Gold Deposit	M&I = 377,000 ozs, Inf = 115,000 ozs,	43-101 Resource Estimate Jan 25, 2022
Cerrito	Gold Deposit	Ind = 188,000 ozs, Inf = 293,000 ozs	43-101 Resource Estimate May 31, 2022
Fazenda do Posto	Discovery		Q3 2023 discovery, 340 metres at 1.09 g/t gold including 160 metres at 1.79 g/t gold including 68 metres at 2.09 g/t gold. A globally significant gold discovery. This discovery remains open.
Zeca Souza	Discovery		Q3 2022 discovery with 15.0 metres grading 5.78 g/t gold from 103 metres, including 3.0 metres at 28.24 g/t gold from 115 metres, which in turn included 1.34 metres at 59.60 g/t gold from 115.0 metres. Results include 43.6 g/t gold over 4 metres starting near surface. 5,291 metres drilled (21 holes) since Q2/2022. Five of 21 holes intersected bonanza-style gold grades associated with visible gold within alkali feldspar quartz syenite.
Galvao	Discovery		Q2/2023 discovery with 1,073 metres drilled (2 holes) showing long intervals of gold mineralization intermittently over 450 metres of strike length to a vertical depth of 461 metres. Highlights include 10.0 metres at 4.63 g/t gold from 532.0 metres down the drillhole, including 3.0 metres grading 11.70 g/t gold.
Caneleira	Discovery		2,300 metres drilled (12 holes) drilled in 2007-2008 defining a gold-bearing structure over a strike length of about 1,000 metres (open) and to a vertical depth of 200 metres (open to depth). Results included 36.1 metres grading 1.42 g/t gold from 70.4 metres depth.
Matilde	Discovery		November 2022 announced discovery. 10,583 metres drilled (33 holes disclosed to date) with gold mineralization in 30 of 33 holes over a strike length of least 250 metres. Includes 0.69 g/t gold over 144.60 metres and including 27.00 metres grading 1.04 g/t gold.
Matilde Extension	Discovery		January 2023 announced discovery. 3,123 metres drilled (7 holes). Mineralization associated with sulphides (bornite, chalcopyrite, pyrite). Results include 10.0 metres grading 13.21 g/t gold, 22.94 g/t silver, and 0.22% copper.
Vila Marieta	Discovery		May 2023 announced discovery. 521 metres drilled (2 holes) with long intervals of significant gold grades. Results include: 28.0 metres of 1.30 g/t gold from surface, including: 4.0 metres at 2.42 g/t gold from 7.00metres, 5.0 metres at 2.49 g/t gold from 16.0 metres and 53.0 metres at 0.68 g/t gold from 139.0 metres.

\* See Resource Tables 1 and 2 in this report

**Figure 1: LDS Project – Target Location Map**



## Overview

Exploration activities at the LDS Project were continuous throughout the third quarter of 2024 and into the fourth quarter with very minor weather delays, as are expected for the season. New drilling results were reported for the Fazenda do Posto Target during the quarter. The medium-term goal remains the de-risking of the Fazenda do Posto discovery and Butiá Gold Deposit.

## Butiá Gold Deposit

A total of 1,440 metres of drilling was completed at Butiá during the third quarter, continuing to move toward the objective of increasing the confidence in the Butiá resource (converting the Inferred Resource into the Measured & Indicated categories) and potentially increasing the gold endowment. Assay results for this drilling have not yet been reported.

Results to date from Butiá continue to demonstrate the excellent near-surface gold grade and continuity of the deposit. Long continuous intervals of gold mineralization over more than 200 metres depth and beginning at surface confirm the bulk-tonnage nature of Butiá. The presence of visible gold in cross-cutting stockwork-style quartz veinlets in 24BT019 highlights multiple gold mineralizing events, locally enhancing gold grade. This style of mineralization has been seen property wide in other targets including Zeca Souza, Galvão, and Matilde. Laterally, a higher-grade core of mineralization has been defined over at least 150 metres of strike length within the Butiá Gold Deposit, starting at surface. This has potentially positive implication for a future open pit mine.

Also, with the objective of increasing the gold endowment at Butiá, Lavras has been relogging and selectively re-assaying the 78 historic drill holes (20,000 metres). The purpose of this initiative is to reinterpret historical results and standardize the geological interpretation and assay results of the data, consistent with new information and geological observations from the adjacent Fazenda do

Posto gold discovery. In this way, possible new extensions to known gold mineralization can be tested.

A detailed metallurgical program is being developed for the Butiá Gold deposit, following up from positive preliminary results received from the 2022 test program. The company has engaged SGS Laboratory in Belo Horizonte, Brazil to complete this new metallurgical testwork.

### ***Fazenda do Posto Discovery***

A total of 1,468 metres was completed at Fazenda do Posto during the third quarter. Assay results were announced in Q3 from drilling carried out on the Fazenda do Posto Target throughout the second quarter of 2024. The purpose of these drillholes was two-fold: (1) to better understand the geometry and grade distribution of this new gold discovery, and (2) to test for potential extensions of gold mineralization in several directions. ([See Lavras Gold Press Release dated September 9, 2024.](#))

Hole 24FP016 returned:

59.0 metres grading 2.9 g/t gold from 233.0 metres, and including:  
50.0 metres grading 3.2 g/t gold from 238.0 metres, and including  
32.0 metres grading 4.3 g/t gold from 240.0 metres

Hole 24FP017 returned:

301.0 metres grading 0.7 g/t gold from surface and including:  
261.0 metres grading 0.8 g/t gold from 3.0 metres, and including  
27.0 metres grading 1.3 g/t gold from 50.0 metres, and including  
19.0 metres grading 1.1 g/t gold from 84.0 metres, and including  
7.0 metres grading 1.4 g/t gold from 84.0 metres, and including  
3.0 metres grading 1.4 g/t gold from 123.0 metres, and including  
14.0 metres grading 1.7 g/t gold from 144.0 metres, and including  
61.0 metres grading 1.4 g/t gold from 192.0 metres, and including  
22.0 metres grading 1.9 g/t gold from 192.0 metres

Hole 24FP020 intersected:

120.0 metres grading 0.9 g/t gold from 145.0 m and including:  
25.0 metres grading 1.1 g/t gold from 163.0 metres, and including  
10.0 metres grading 1.5 g/t gold from 178.0 metres and including  
2.0 metres grading 2.7 g/t gold from 181.0 metres and including  
19.0 metres grading 1.4 g/t gold from 194.0 metres and including  
13.0 metres grading 1.7 g/t gold from 194.0 metres and including  
11.0 metres grading 2.2 g/t gold from 250 metres and including  
3.0 metres grading 4.2 g/t gold from 250 metres and including  
1.0 metre grading 10.2 g/t gold from 251 metres.

At Fazenda do Posto, gold mineralization has been found beginning near surface and traced down to a vertical depth of about 400 metres and an aerial extent of about 200 metres at surface. The mineralized zone appears to be an irregular shaped pipe-like feature plunging to the northwest. The current results suggest that there may be several parallel northeast trending structures to the northwest that are important exploration targets that remain untested.

Drilling continued throughout Q3 and into Q4 as part of the planned meterage for 2024. The program at Fazenda do Posto focused on the grid drilling of vertical holes on 50-metre centres for the purpose of defining the structure and nature of mineralization. Additional inclined holes were drilled to test the vertical and lateral extent of the mineralization.

### **Other Exploration Activities**

#### Caneleira Concession

During the third quarter and into the fourth quarter, a third drill has been focused on targets on the Caneleira concession (about 3 kilometres to the northeast of Butiá and Fazenda do Posto). A total of 655 metres was completed at Caneleira during the third quarter. Drilling is currently testing the Olaria target. Olaria is characterized by historical artisanal workings and surface trenches. Historical drillhole LDH-105 completed in 2007 by Lavras Gold's predecessor company, Amarillo Gold, tested the Olaria target and returned multiple intervals of gold mineralization across an interpreted east-west trending structure as follows:

- 12.0 metres grading 4.5 g/t gold from 26.0 metres
- 3.0 metres grading 1.2 g/t gold from 68.0 metres
- 2.0 metres grading 0.4 g/t gold from 79.5 metres
- 3.0 metres grading 0.7 g/t gold from 108.0 metres
- 5.0 metres grading 0.5 g/t gold from 114.0 metres
- 2.0 metres grading 1.0 g/t gold from 135.0 metres
- 1.0 metres grading 0.5 g/t gold from 148.0 metres
- 2.0 metres grading 0.5 g/t gold from 152.0 metres
- 3.0 metres grading 2.7 g/t gold from 160.0 metres

Lavras Gold geologists have reviewed this drill core that is stored on site and confirm that the gold intervals referenced above correspond visually to zones of mineralization and alteration. A reinterpretation of the structural setting of Olaria has led Lavras Gold geologists to test a northeast trending structure termed the Olaria lineament, assay results are pending.

## **BACKGROUND - LDS PROJECT**

The LDS Project is centred on the town of Lavras do Sul in the state of Rio Grande do Sul, Brazil. Spanning approximately 23,463 hectares, it is approximately 320 kilometres, or a 4.5-hour drive, from the state capital of Porto Alegre. It includes 37 mineral rights as detailed in Figure 2 below.



## Geology

Mineralization at Lavras do Sul is unique and does not fit neatly into any one deposit type or classification. As such, the Company's understanding of the system driving mineralization is continually evolving as it receives and interprets new results. However, there is significant evidence to suggest that LDS is a very large mineralized system, akin to other intrusive hosted systems.

The LDS Project is a long-lived, intrusive hosted gold-silver-copper system with multiple phases. At its heart is the LDS intrusive complex, a multiphase intrusive centre that is surrounded by coeval volcanic rocks to the east and older country rock to the west. Geologically, the LDS Project is located in the far south of the Neoproterozoic Mantiqueira Province, a 2,700-kilometre-long belt of tectonically and magmatically accreted terrains that stretch as far south as the coastline of central Uruguay and north into southern Bahia State in Brazil.

There are at least 24 known major gold targets and showings at the LDS Project. However, most of the property had not been explored by modern methods until 2006 due to a fragmented land ownership dating to the late 1880s.

The most advanced targets are Butiá and Cerrito, covered by old surface workings and previously drilled by Rio Tinto and CBC. Lavras Gold's predecessor, Amarillo Gold, completed diamond drilling programs from 2006 to 2012 when several targets were drill-tested including Butiá, Cerrito, and Caneleira among others. Drilling resumed in 2019, and several new targets have been tested including Dourada, Matilde, Matilde Extension, and Zeca Souza, Vila Marieta, Galvao and Fazenda do Posto. A ground geophysics IP (Induced Polarization) program was completed at Matilde and Matilde extension in 2020. Regional drone geophysics across the entire property was completed in 2022. A 25,000-metre drilling contract was signed January 2024. Average drilling, assay and related costs per metre is approximately C\$256.

Since becoming a public company in April 2022 with a resource at the Butiá Gold Deposit of 377,000 ounces of gold in the Measured & Indicated categories and 115,000 ounces of gold in the Inferred category, Lavras added another gold deposit, Cerrito, with 188,000 ounces of gold in the Indicated category and 293,000 ounces of gold in the Inferred category. In addition to the significant discovery at Fazenda do Posto in August 2023, the Company also reinterpreted the results from Caneleira, and made the following additional new gold discoveries on the property: Galvao, Matilde, Matilde Extension, Vila Marieta, and Zeca Souza.

## Mineral Resources

The LDS Project hosts two mineral resources, each supported by an NI 43-101 Technical Report; the Butiá Gold Deposit and the Cerrito Gold Deposit (see resource estimates above).

### *Butiá Gold Deposit*

Historically, approximately 22,700 metres of drilling over 96 drill holes was completed at the Butiá Gold Deposit, where mineralization begins at surface and has been confirmed to a vertical depth of 300 metres. Approximately 20,000 meters of drilling over 78 holes was completed by Amarillo Gold.

The gold occurs in a disseminated form along structures and within hydrothermally altered perthitic granite and mineralized episyenite. The deposit remains open for expansion at depth and in several directions. The geological team is reinterpreting historical drill core resulting in the identification of numerous favourable areas that require drill-testing, with the goal of expanding the gold-mineralized footprint. Follow-up drilling commenced during the third quarter of 2023.

The Butiá Gold Deposit mineral resource estimate is set out in Table 1 below.

**TABLE 1: MINERAL RESOURCE ESTIMATE FOR BUTIÁ GOLD DEPOSIT**

Category	Tonnes t (000)	Gold grade (g/t)	Contained gold oz (000)
Measured	4,643	0.88	132
Indicated	8,274	0.92	246
Total Measured and Indicated	12,917	0.91	377
Inferred	3,676	0.97	115

**Notes**

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- Assumes a gold cut-off grade of 0.3 g/t.
- High grade samples were cut to a gold grade of 5.55 g/t.
- This estimate should be read in conjunction with the full report titled “NI 43-101 Technical Report Mineral Resource for the Butiá Gold Prospect Rio Grande do Sul, Brasil” amended as of November 15, 2024, and originally dated March 21, 2022, with an effective date of January 25, 2022. It was prepared for Lavras Gold Corp. by VMG Consultoria e Soluções Ltda and co-authored by Volodymyr Myadzel, MAIG, as the qualified person responsible for the entire Butiá Technical Report, and Michael C. Durose, P. Geo., and Frank Richard Baker, MIMMM, MAusIMM . It is available on <http://www.sedarplus.com> under Lavras Gold’s issuer profile.
- Tables may not add correctly due to rounding.

### Cerrito Gold Deposit

Approximately 15,000 metres of drilling over 93 drill holes was completed at the Cerrito Gold Deposit, where mineralization occurs over a strike length of 1,300 metres and to a vertical distance of 425 metres.

The gold occurs along structures within hydrothermally altered monzogranites and the deposit remains open along strike and at depth.

The Cerrito Gold Deposit mineral resource estimate is set out in Table 2 below.

**TABLE 2: MINERAL RESOURCE ESTIMATE FOR CERRITO GOLD DEPOSIT**

Category	Tonnes t (000)	Gold grade (g/t)	Contained gold oz (000)
Indicated	8,249	0.70	188
Inferred	13,157	0.69	293

**Notes**

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- Assumes a gold cut-off grade of 0.3 g/t.
- High grade samples were cut to a gold grade of 3.07 g/t..
- This estimate should be read in conjunction with the full report titled “NI 43-101 Technical Report – Mineral Resource for the Cerrito Gold Prospect, Rio Grande do Sul, Brasil” amended as of November 15, 2024, and originally dated May 31, 2022, with an effective date of May 31, 2022. It was prepared for Lavras Gold Corp. by VMG Consultoria e Soluções Ltda, and co-authored by Volodymyr Myadzel, MAIG, as the qualified person responsible for the entire Cerrito Technical Report, and Frank Richard Baker, MIMMM, MAusIMM..It is available on [www.sedarplus.com](http://www.sedarplus.com) under Lavras Gold’s issuer profile.

## Gold Discoveries

In addition to the two mineral properties, the Butiá Gold Deposit and the Cerrito Gold Deposit, the LDS Project also hosts seven (7) other mineral discoveries.

### Fazenda do Posto gold discovery

The Fazenda do Posto discovery is located along the western edge of the Lavras do Sul intrusive complex approximately 4.7 kilometres southwest of the town of Lavras do Sul.

This discovery was announced on August 29, 2023. A reinterpretation of geology at the Butiá Gold Deposit and the observation of a northeast trending fault and an area of recessive topography led to the positioning of drill hole 23FP002. This hole subsequently returned assay results with remarkably continuous mineralization of 340 metres grading 1.09 g/t gold from 117 metres including:

- 160 metres grading 1.79 g/t gold from 199 metres *including*
  - 27 metres grading 2.07 g/t gold from 208 metres
  - 68 metres grading 2.09 g/t gold from 293 metres.

Drill results released in late 2023 included:

- **204 metres grading 1.0 g/t gold from 31 metres *including*:**
  - **65 metres grading 1.9 g/t gold from 149 metres; and *including***
  - **10 metres grading 3.0 g/t gold from 154 metres.**

Drill results released in early 2024 included:

- 173 metres grading 1.0 g/t gold from 69 metres; and including:
  - 94.8 metres grading 1.4 g/t gold from 126.0 metres
  - 6.0 metres grading 2.0 g/t gold from 209.0 metres.

Fazenda do Posto is 150 metres west of the [Butiá Gold Deposit](#).

See [Lavras Gold Press Release August 29, 2023](#)

### ***Matilde Extension gold discovery***

A gold discovery was made at Matilde Extension in early 2023 that showed that the LDS Project hosts extremely high-grade gold, silver, and copper in certain areas.

Located 675 metres northeast of the Matilde gold discovery, Matilde Extension is a blind discovery that was made by drill-testing a coincident gold in soil anomaly overlying the intersection of a northeast-southwest trending structure and an east-west trending structure. Seven holes totaling 3,123 metres were drilled, and all intersected multiple intervals of gold mineralization. Importantly, high-grade gold, silver, and copper mineralization was encountered in three holes, suggesting a metal zonation vector towards a higher-grade zone of mineralization within the Matilde/Matilde Extension corridor.

The most significant hole, 21MT020, intercepted three intervals of mineralization. The third intercept was the most important, as it was characterized by a thick interval of continuous sulphide-style mineralization (bornite, chalcopyrite, pyrite) featuring very high-grade gold, silver, and copper in pervasively hydrothermally altered granodiorite.

It assayed 10.00 metres grading 13.21 g/t gold, 22.94 g/t silver, and 0.22% copper from 345.00 metres, including 5.00 metres grading 23.15 g/t gold, 42.75 g/t silver, and 0.41% copper from 347.00 metres. It had a 1.00 metre sub-zone that yielded grades as high as 63.70 g/t, more than 100 g/t silver, and 0.63% copper from 347.00 metres.

Other key highlights Include:

- multiple broad moderate to high-grade intercepts in hole 21MT018

- high grade continuous gold, silver, and copper mineralization in pervasively hydrothermally altered granodiorite in hole 21MT020, suggesting that the mineralization is related to magmatically derived hydrothermal fluids that were carrying significant amounts of gold, silver, and copper
- multiple elevated gold, silver, and copper values in 22MT029, where in general, narrow millimetre to centimetre scale quartz-sulphide veinlets cross-cut relatively fresh granodiorite. This suggests that metal-bearing hydrothermal fluids travelled upward towards the surface through a network of small fractures in the host granodiorite where metals precipitated
- a higher degree of hydrothermal alteration in hole 22MT30, which may indicate that the Company is closer to a wider and more intensive zone of mineralization relative to mineralization observed closer to surface
- quartz-sulphide (chalcopyrite and trace pyrite) filling microfractures rimmed by strong potassic alteration selvages in hole 22MT038. The current interpretation is hydrothermal fluids containing metals are precipitating out towards the surface through a network of relatively tight microfractures. However, there is more intense alteration and possibly larger accumulations of gold, silver, and copper areas associated with wider brecciated zones at depth. Further exploration work is required to better understand these relationships.

See [Lavras Gold Press Release January 25, 2023](#)

### ***Galvao gold discovery***

Results from drilling at the Galvao target returned long intervals of low-grade gold with very high grade subintervals in some cases.

It is located immediately south of the Zeca Souza discovery, and approximately 1.4 kilometres north of the Butiá Gold Deposit. The target was generated by following up on old surface workings, trenches, and a gold-in-soil anomaly.

Two holes totaling 1,073 metres were drilled from north to south, and long intervals of gold mineralization were traced intermittently over 450 metres of strike length in a north-south direction. The mineralization, which has been found to a vertical depth of 461 metres, is hosted by perthitic granite in zones of hydrothermal breccia.

The highlight of the drilling was a higher-grade interval from 22BT002 that returned sub-intervals of bonanza grade gold. This hole highlights the high-grade nature and vertical potential of the mineral system at depth, where it remains open. It assayed 10 metres at 4.63 g/t gold from 532.00 metres (vertical depth of 461.00 metres), including 3.00 metres at 11.70 g/t gold from 532.00 metres including 1.00 metre at 22.40 g/t gold from 534.00 metres.

See [Lavras Gold Press Release May 9, 2023](#).

### ***Vila Marieta gold discovery***

During the second quarter of 2023, the Company announced the discovery of gold mineralization at Vila Marieta, which it believes is the southwest surface extension of the Cerrito Gold Deposit.

Two holes totalling 521 metres were drilled at the Vila Marieta claim block, which is immediately south of Cerrito. The assay results feature significant gold grades that begin at surface and long intervals.

Highlights from 22VM001 are:

- **28.00 metres at 1.30 g/t gold from 0.00 metres**, including:
  - 4.00 metres at 2.42 g/t gold from 7.00 metres
  - 5.00 metres at 2.49 g/t gold from 16.00 metres.

- 53.00 metres at 0.68 g/t gold from 139.00 metres, including **several higher-grade intercepts**:
  - 7.72 metres at 1.04 g/t gold from 148.0 metres
  - 3.00 metres at 1.08 g/t gold from 170.0 metres
  - 4.00 metres at 2.02 g/t gold from 180.0 metres
  - 3.77 metres at 1.00 g/t gold from 188.23 metres.

Highlights from 22VM002 are:

- **27.00 metres at 0.47 g/t gold from 0.00 metres**, including:
  - 11.00 metres grading 0.71 g/t gold from 0.00 metres.

At 1.30 g/t gold, the average gold grade from the surface mineralization is 85% higher than the average grade of Cerrito. So, these results demonstrate the potential for optimizing and enhancing the future mine plan for the deposit.

See [Lavras Gold Press Release May 2, 2023](#)

### **Zeca Souza gold discovery**

The Zeca Souza discovery is based on 21 holes totalling 5,291 metres.

Fourteen of these drillholes totalling 2,800 metres were announced in September 2022 following a drill program designed to test a gold-in-soil anomaly centred on historical gold workings spanning a 375 by 375 metres area.

All 14 drillholes in the September 2022 program encountered at least one but more typically multiple intercepts of gold mineralization starting at or near surface. Several holes bottomed in gold mineralization and requiring follow up work.

Two holes intersected bonanza-style gold grades associated with visible gold within silicified veinlets and associated disseminated sulphides including pyrite, and occasionally sphalerite and galena.

- Highlights include: 15.00 metres grading 5.78 g/t gold from 103 metres, including **3.00 metres at 28.24 g/t gold from 115 metres**, which in turn included 1.34 metres at 59.60 g/t gold from 115.0 metres.
- **43.50 g/t gold over 0.76 metres from 170.24 metres**. Visible gold was observed in cross-cutting silicified veinlets within altered perthitic granites. The estimated vertical depth of this intercept is 147.5 metres.

The results of a 2023 follow up drilling program were announced during the third quarter of 2023 when assay results were received from an additional seven drill holes totalling 2,497 metres.

Highlights include:

- **Visible gold, near surface**: Hole 23BT004 returned **4.00 metres grading 43.59 g/t gold from 31.00 metres**
- **Visible gold, at depth**: Hole 23ZS018 intersected **5.00 metres grading 2.62 g/t gold from 264.00 metres** including **1.00 metre of visible gold grading 9.07 g/t gold from 267.00 metres**.
- **Visible gold encountered over vertical extent of 204.00 metres**: Visible gold has been found in five of 21 drill holes completed at Zeca Souza (24% of holes drilled) and over a vertical distance of 204.40 metres.

The discovery remains open in all directions and at depth.

See [Lavras Gold Press Release September 7, 2022](#)

### ***Caneleira gold discovery***

Another important aspect of the gold targeting at Zeca Souza is to better understand its relationship to the Caneleira gold target, which is about 650 metres to the southeast.

A fence of 12 holes totalling 2,300 metres were drilled into Caneleira in 2007-2008 and defined a southeast-northwest trending gold-bearing structure associated with a magnetic low anomaly. The gold-bearing structure was defined over a strike length of about 900 metres and to a vertical depth of 200 metres where it remains open. Some of the better drill results included 36.1 metres grading 1.42 g/t gold from 70.4 metres down the drill core.

The magnetic low signature trends northwest directly towards the Zeca Souza target. The gold-bearing structure is hosted within hydrothermally altered monzogranites. The alteration is usually silica (quartz) flooding, sericite, and disseminated pyrite. Some higher-grade intervals are associated with visible gold.

The Paredão target, drilled in the second quarter of 2024, and the Olaria target, drilled in the third quarter of 2024, are both within the Caneleira concession. Assays have not yet been received.

### ***Matilde gold discovery***

Matilde is a significant discovery announced in November 2022. Located approximately 4.5 kilometres south of the town of Lavras do Sul, it occurs within a portion of a 3.5-kilometre-long east-west trending gold-in-soil anomaly.

Drilling results from 33 holes totalling 10,583 metres have been disclosed to date, and gold mineralization occurs in 90% or 30 out of the 33 holes. Highlights include:

- Gold mineralization extends over an east-west strike length of at least 250 metres
- Long continuous intervals of gold mineralization in four holes; one hole was particularly noteworthy because it bottomed at 557 metres (483 metre vertical depth) in gold mineralization suggesting that Matilde has deep roots, typical of intrusive-hosted magmatic-style mineral systems.
- Bonanza gold grades (greater than 10.0 g/t) are typically associated with zones of visible gold.
- A northeast-southwest structural trend is emerging – this trend leads directly to the Matilde Extension target about 675 metres to the northeast.
- Gold targets associated with structures immediately south of Matilde east-west structural corridor have been identified and require follow-up – these targets are characterized by coincident magnetic low signatures overlying gold in soil anomalies.

These drilling results are being incorporated into the geological database for further interpretation and analysis.

See [Lavras Gold Press Release November 3, 2022](#)

### **Additional exploration work and other targets**

Extensive exploration program at the LDS Project includes many other activities including a regional soil geochemical survey, a detailed review of the large historical database, geological mapping, airborne magnetics, rock geochemistry, ground geophysics, relogging of historical drilling, and trenching.

The results of a drone aeromagnetic survey that was flown over 3,357-line kilometres covering 40% of the property that had not previously been surveyed have been compiled and integrated into the database. These results are being used to help guide the selection of new drilling targets in areas that had not been evaluated before in conjunction with geology and results from soil surveys.

Renaud Geological Consulting of London, Ontario was retained to complete detailed petrographic studies on samples from the LDS Project. Results are being used to better understand the nature of the geological processes that led to gold, silver, and copper mineralization.

MineralogiX Inc. of Montreal, Quebec was retained to complete detailed mineralogical and gold characterization study on samples from the Butiá gold deposit and Fazenda do Posto gold target.

SGS Laboratory in Belo Horizonte, Brazil was retained to complete detailed metallurgical test work for the Butiá gold deposit.

Drilling is also undertaken on secondary target areas from time to time to keep exploration claims in good standing.

## MARA ROSA ROYALTY

The Mara Rosa Royalty is a strategic asset that has the potential for near-term value creation.

This 2% net smelter return royalty (NSR) is a revenue-based royalty that covers certain of Hochschild Mining's exploration properties outside the Posse resource and mine plan at the Mara Rosa property in Goiás State, Brazil. It applies to 6,000 hectares along the Posse structural trend, and 59,000 hectares of regional exploration.

Hochschild Mining spent US\$200 million to build the Mara Rosa Gold Mine, which reached commercial production in May of 2024, producing 13,291 ounces of gold in the second quarter. Lavras Gold does not have a royalty on the Posse pit itself (current production), where Franco-Nevada Corporation has a 1% royalty and Royal Gold has a 2.75% royalty. However, these royalties do not extend to the exploration ground or the Posse trend that is covered by the Lavras Gold NSR Royalty. This royalty has no buy-back provision.

Pastinho, an area of mineralization along the Posse trend and 3.1 kilometres northeast of the Posse pit was drilled by Lavras Gold's predecessor, Amarillo Gold Corporation, and is potentially a very important asset for this royalty. It is a structurally controlled orogenic gold deposit like the Posse Gold Deposit, where mineralization begins at surface and has been defined over strike length of 1.7 kilometres and to a depth of 200 metres. There are multiple parallel gold structures and good continuity of grade and width. Assay highlights include 4 metres at 2.42 g/t gold from 81 metres and 11 metres at 1.20 g/t gold from 222 metres.

## QUALIFIED PERSON

The qualified person for the exploration and Mara Rosa Royalty sections of this MD&A is Michael Durose, P. Geo., Lavras Gold Chief Executive Officer. Mr. Durose, a qualified person as defined by NI 43-101, is responsible for and has reviewed and approved the scientific and technical information contained in this MD&A.

## FINANCIAL RESULTS

The following table summarizes our major operating expense categories for the three months ended September 30, 2024 and 2023 (Q3 2024 and Q3 2023) and the nine months ended September 30, 2024 (YTD 2024 and YTD 2023). Capitalized expenditures are disclosed at Table 6.

**TABLE 3: LAVRAS GOLD EXPENSES (INCOME) AND LOSS**

Category	Three months ended September 30		Nine months ended September 30	
	2024 \$	2023 \$	2024 \$	2023 \$
General and administrative (G&A)				
Consulting	52,113	44,624	189,604	241,484
Professional	106,617	85,869	312,187	212,298
Salaries and benefits	180,266	117,081	666,002	354,857
Directors' fees	18,000	15,000	48,000	40,000
Marketing and promotion	94,625	85,413	234,357	269,969
Filing and transfer agent	14,752	23,257	75,747	76,011
Travel	5,567	3,613	13,218	12,242
Information technology support	45,508	16,019	180,801	67,707
Other G&A	38,576	18,146	128,431	60,870
Total G&A	556,024	409,022	1,848,347	1,335,438
Share-based payments	200,000	161,876	1,256,031	218,400
Depreciation	5,636	9,637	21,570	27,096
Foreign exchange loss (gain)	17,067	(7,269)	(9,170)	16,657
Interest income	(68,678)	(9,920)	(320,359)	(54,540)
Interest and finance charges	11,109	13,032	36,614	47,353
Net loss and comprehensive loss	721,158	576,378	2,633,033	1,590,404

### Q3 2024

For the three months ended September 30, 2024, Lavras Gold recorded a loss of \$721,158 (Q3 2023: \$576,378), due mainly to the following:

Consulting fees of \$52,113 (Q3 2023: \$44,624) consisted mainly of:

- \$51,363 (Q3 2023: \$18,874) consulting fees in Brazil.
- \$nil (Q3 2023: \$25,000) for marketing and investor relations consultant. This consultant was replaced by a Vice President, Investor Relations effective November 1, 2023.
- Fees of \$750 (Q3 2023: \$750) to other consultants.

Professional fees (including legal, accounting, and advisory) of \$106,617 (Q3 2023: \$85,869) included \$70,680 (Q3 2023: \$34,286) incurred in Canada and \$35,937 (Q3 2023: \$51,583) incurred in Brazil. The fees paid in Canada increased due to additional legal services. The Brazil fees included amounts for legal services pertaining to corporate matters, property agreements and transfers, and other government related representations.

Salaries and benefits of \$180,266 (Q3 2023: \$117,081) consisted of \$160,927 (Q3 2023: \$93,867) in Canada and \$19,339 (Q3 2023: \$23,214) in Brazil. Salaries in Canada relate to the CEO salary of \$60,000 (Q3 2023: \$47,500), the CFO salary of \$46,250 (Q3 2023: \$37,500); and the V.P. Investor Relations salary of \$45,000 (Q3 2023: \$nil), plus government and health benefits.

Directors other than the CEO each earned an annual fee of \$10,000 until the end of Q2 2024 and \$12,000 thereafter. Accordingly, six directors each earned \$3,000 for a total of \$18,000 in Q3 2024 (Q3 2023: \$15,000).

Marketing and promotion of \$94,625 (Q3 2023: \$85,413) include amounts for investor communications, attendance at conferences and non-deal roadshows.

Filing and transfer agent fees of \$14,752 (Q3 2023: \$23,257) include amounts for regular transfer agent services, regulatory filing fees, and maintenance fees paid for listings on the TSXV and OTCQX.

Information technology and support expenses of \$45,508 (Q3 2023: \$16,019) have increased in 2024 due to additional infrastructure and security enhancements.

Other general and administrative expenses of \$38,576 (Q3 2023: \$18,146), which include \$28,800 (Q3 2023: \$9,521) in Brazil and \$9,776 (Q3 2023: \$8,625) in Canada, consist of general office expenses such as rent, telephone and various miscellaneous expenses.

Share-based payments of \$200,000 (Q3 2023: \$161,876) include \$158,332 (Q3 2023: \$161,876) relating to amortized value of the Black-Scholes valuation of stock option grants and \$41,668 (Q3 2023: \$nil) relating to restricted share units (RSUs).

Interest income of \$68,678 (Q3 2023: \$9,920) increased due to the \$13.3 million net proceeds received from the private placement which closed on September 28, 2023. Lavras Gold earns approximately 5% per annum interest on monthly balance which was at \$4.2 million on September 30, 2024 (September 30, 2023: \$14.3 million), and \$11.1 million on December 31, 2023 (December 31, 2022: \$4.8 million).

## YTD 2024

For the nine months ended September 30, 2024, Lavras Gold recorded a loss of \$2,633,033 (YTD 2023: \$1,590,404), due mainly to the following:

Consulting fees of \$189,604 (YTD 2023: \$241,484) consisted mainly of:

- \$169,140 (YTD 2023: \$133,484) consulting fees in Brazil.
- \$11,504 (YTD 2023: \$75,000) for marketing and investor relations consultant. This consultant was replaced by a Vice President, Investor Relations effective November 1, 2023.
- Consulting fees of \$8,960 (YTD 2023: \$3,000) to other consultants.
- \$nil (YTD 2023: \$30,000) to Mike Mutchler, director of Lavras Gold, for advisory services up to March 31, 2023.

Professional fees (including legal, accounting, and advisory) of \$312,187 (YTD 2023: \$212,298) included \$223,547 (YTD 2023: \$87,814) incurred in Canada and \$88,640 (YTD 2023: \$124,484) incurred in Brazil. The fees paid in Canada increased due to additional legal services and auditor review of the Q2 financial statements. The Brazil fees included amounts for legal services pertaining to corporate matters, property agreements and transfers, and other government related representations.

Salaries and benefits of \$666,002 (YTD 2023: \$354,857) consisted of \$616,992 (YTD 2023: \$286,860) in Canada and \$49,010 (YTD 2023: \$67,997) in Brazil. Salaries in Canada relate to the CEO salary of \$159,167 (YTD 2023: \$127,500) and cash bonus of \$95,000 (YTD 2023: \$nil), the CFO salary of \$124,167 (YTD 2023: \$112,500) and cash bonus of \$56,250 (YTD 2023: \$nil); and the

V.P. Investor Relations salary of \$125,000 (YTD 2023: \$nil) and cash bonus of \$14,063 (YTD 2023: \$nil), plus government and health benefits.

Directors other than the CEO each earned an annual fee of \$10,000 until the end of Q2 2024 and \$12,000 thereafter. Accordingly, six directors each earned \$8,000 for a total of \$48,000 in 2024 (YTD Q3 2023: \$40,000).

Marketing and promotion of \$234,357 (YTD 2023: \$269,969) include amounts for investor communications, attendance at conferences and non-deal roadshows.

Filing and transfer agent fees of \$75,747 (YTD 2023: \$76,011) include amounts for regular transfer agent services, regulatory filing fees, and maintenance fees paid for listings on the TSXV and OTCQX.

Information technology and support expenses of \$180,801 (YTD 2023: \$67,707) have increased in 2024 due to additional infrastructure and security enhancements in late 2023.

Other general and administrative expenses of \$128,431 (YTD 2023: \$60,870), which include \$87,718 (YTD 2023: \$33,102) in Brazil and \$40,713 (YTD 2023: \$27,768) in Canada, consist of general office expenses such as rent, telephone and various miscellaneous expenses.

Share-based payments of \$1,256,031 (YTD 2023: \$218,400) include \$1,206,211 (YTD 2023: \$218,400) relating to the amortization of the Black-Scholes valuation of stock option grants and \$49,820 (YTD 2023: \$nil) relating to restricted share units (RSUs). Directors' stock option grants vest immediately, whereas the remainder of stock option grants to officers, employees and consultants vest over three years. In May 2024, directors were granted 420,000 stock options with a value of \$543,462; and officers, employees and consultants were granted 1,034,000 stock options in May 2024 with a value of \$1,337,706. On May 29, 2024, the Company granted 97,242 RSUs with a value of \$165,313 to three officers of the Company. These RSUs vest in one year and the Company recorded \$8,152 amortized expense in Q2 2024 and \$49,820 in YTD 2024.

Interest income of \$320,359 (YTD 2023: \$54,540) increased due to the \$13.3 million net proceeds received from the private placement which closed on September 28, 2023. Lavras Gold earns approximately 5% per annum interest on monthly balance which was at \$4.2 million on September 30, 2024 (September 30, 2023: \$14.3 million), and \$11.1 million on December 31, 2023 (December 31, 2022: \$4.8 million).

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

Table 4 presents extracted information from our unaudited quarterly results of operations for each of the last eight quarters.

**TABLE 4: SUMMARY QUARTERLY FINANCIAL RESULTS**

Category	Q3 2024 \$	Q2 2024 \$	Q1 2024 \$	Q4 2023 \$
Net loss	(721,158)	(1,613,033)	(498,842)	(446,824)
Total assets	26,430,499	26,788,014	27,400,651	27,526,191
Total non-current liabilities	105,172	123,681	142,188	154,440
Loss per share	(0.01)	(0.03)	(0.01)	(0.01)

Category	Q3 2023 \$	Q2 2023 \$	Q1 2023 \$	Q4 2022 \$
Net loss	(576,378)	(404,659)	(609,367)	(518,053)
Total assets	29,261,322	15,676,396	15,190,159	15,892,904
Total non-current liabilities	182,742	195,390	209,686	252,173
Loss per share	(0.01)	(0.01)	(0.01)	(0.02)

## LIQUIDITY AND CAPITAL RESOURCES

On September 28, 2023, the Company successfully closed a non-brokered private placement (the Private Placement) through the issuance of 10,146,647 common shares of the Company at a subscription price of \$1.35 per common share for aggregate gross proceeds to the Company of \$13,697,973. Management and directors of the Company subscribed for 527,029 common shares for an aggregate amount of \$711,489. Cost of issue including finders', filing and legal fees amounted to \$317,444 resulting in net proceeds of \$13,380,529.

Following the above financing, the Company had cash on hand of \$11.1 million as of December 31, 2023. For the nine months ended September 30, 2024, the Company spent \$1.5 million on general operations and \$5.3 million on our LDS Project in Brazil including property payments of US\$50,000 to IAMGOLD Corporation, US\$121,000 prepayment under the Vidal de Souza purchase agreements, and US\$500,000 to Companhia Brasileira do Cobre after obtaining the successful transfers of title to combined 19 mineral rights to LDSM (see Note 5 to the Q3 2024 financial statements). Cash on hand on September 30, 2024, was \$4.2 million, most of which is invested in interest bearing accounts. The Company expects to be able to continue and advance its business operations using its currently available non-contingent resources for at least 12 months from the date of this MD&A. The Company expects to be able to continue and advance its business operations using its currently available non-contingent resources for at least 12 months from the date of this MD&A.

The Company's objective is to continue to advance its LDS Project, including by carrying out further drilling and exploration work. During the 12-month period immediately following the date of this MD&A, the scope of work that the Company plans to complete toward this end will be determined by the Company's leadership on a variable basis and will be significantly influenced by the amount of funds available to it during this period. Specifically, the Company is progressing with its planned drilling campaign with a focus on the Fazenda do Posto Target and Butiá Gold Deposit, utilizing its cash on hand. Spending will be adjusted based on drilling results, available cash and, if necessary, on the availability of external financing. There are no significant events that must occur for these business objectives to be accomplished and no specific time periods for doing so within this period.

The Company has not earned any revenue from operations to date, as the focus is exploring and developing the properties. The Company relies on external sources of cash for short- and long-term working capital requirements, and to fund exploration programs and business development activities.

Without additional financing or other satisfactory arrangements, the Company's financial resources may not be enough to adequately maintain and/or further complete the exploration and development of its projects. Lavras Gold's ability to continue to explore, develop, and eventually produce is dependent on its ability to secure significant additional financing in the future.

Lavras plans to pursue potential financial sources, however there can be no assurance that such sources of funding or initiatives will be available or that they will be available on terms that are acceptable to the Company.

On November 27, 2024, the Company filed a final base shelf prospectus with securities regulatory authorities in all provinces of Canada, other than Quebec. The prospectus was filed to provide the Company with greater financial flexibility going forward.

## INVESTOR RELATIONS ACTIVITIES

During the third quarter of 2024 and into the fourth quarter of 2024, the CEO and Vice President, Investor Relations have been carrying out a global targeted outreach program to potential shareholders, making use of both virtual and in-person meeting opportunities. This outreach program, as well as an intensive social media program, will continue throughout the year.

## SHARE CAPITAL

Lavras Gold had the following securities outstanding on November 29, 2024:

Security	#
Common shares issued	51,364,266
Common share purchase options	5,095,250
RSUs	97,242

## TRANSACTIONS WITH RELATED PARTIES

**TABLE 5: SUMMARY OF TRANSACTION WITH RELATED PARTIES DURING THE PERIOD**

	Nine months ended September 30	
	2024	2023
	\$	\$
Salaries paid to officers:		
• Mike Durose, President and CEO – \$159,167 (2023: \$127,500)		
• Hemdat Sawh, CFO – \$124,166 (2023: \$112,500)		
• Naomi Nemeth, VP Investor Relations \$125,000 (2023: \$nil)	<b>408,333</b>	240,000
Directors' fees:		
• David Birkett – \$8,000 (2023: \$7,500)		
• Jonathan Hill – \$8,000 (2023: \$2,500)		
• Lawrence Lepard – \$8,000 (2023: \$7,500)		
• Mike Mutchler – \$8,000 (2023: \$7,500)		
• Rostislav Raykov – \$8,000 (2023: \$7,500)		
• Rowland Uloth – \$8,000 (2023: \$7,500)	<b>48,000</b>	40,000
Share-based payments to officers and directors	<b>1,042,157</b>	198,470
Consulting fees paid to Mike Mutchler	–	30,000
Consulting fees paid to Jonathan Hill	<b>17,000</b>	–
	<b>1,515,490</b>	508,470

These transactions were in the normal course of business and are measured at amounts representing normal commercial terms.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

TABLE 6: EXPLORATION AND EVALUATION PROPERTIES

	September 30, 2024	December 31, 2023
	\$	\$
<b>Acquisition costs</b>		
Balance, beginning of period/year	7,511,050	7,248,448
Property payment	926,218	262,602
Balance, end of period/year	8,437,268	7,511,050
<b>Exploration expenditures</b>		
Balance, beginning of period/year	8,466,717	3,372,106
Expenditures during the period/year		
Drilling, exploration, and related costs	3,123,069	3,551,476
Supplies	261,380	88,497
Consulting	568,090	475,284
Salaries	393,640	461,174
Transportation	77,398	98,738
Travel and accommodation	16,843	11,329
Concession taxes	5,884	4,120
Software license renewal	145,316	-
Depreciation	123,158	143,478
Share-based payments	105,940	96,985
Other exploration and evaluation expenses	137,970	163,530
Total exploration expenditures for the period/year	4,958,688	5,094,611
Balance, end of period/year	13,425,405	8,466,717
<b>Total exploration and evaluation expenditures</b>	<b>21,862,673</b>	<b>15,977,767</b>

## SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Judgments, estimates, and assumptions have been made that affect the application of policies and reported amounts of assets and liabilities, income, and expenses while preparing these financial statements.

The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances, and the results are used to make judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

### Significant judgements in applying accounting policies

- *Exploration and evaluation costs*

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration and development, which may be based on assumptions about future events and circumstances.

Estimates and assumptions made may change if new information becomes available.

## Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, relate to the following:

- *The recoverability of exploration and evaluation properties*

The recoverability of exploration and evaluation properties is uncertain because of the estimates and judgments like forecasts of metal prices, operating costs, capital costs, and income taxes among numerous other valuation inputs, discount rates, comparability of our properties to those of other market participants and the selection of market-participant assumptions used in the determination of fair value.

- *Income taxes*

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The adequacy of these provisions is reviewed at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

- *Valuation of stock options*

The determination of the fair value of stock options is not based on historical cost but derived from subjective assumptions that are put into an option pricing model.

The model requires management to forecast future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation, future volatility of our share price during the expected hold period (using historical volatility as a reference), and the appropriate risk-free rate of interest.

Stock options incorporate an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates and is adjusted if the actual forfeiture rate differs from the expected rate. The resulting value is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options, and they are not transferable. Management believes the value derived is highly subjective and dependent entirely upon the input assumptions made.

- *Provisions and contingent liabilities*

The Company judges whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying this type of liability often involves judgments and estimations. These judgments are based on many factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

- *Net assets acquired under the Arrangement*

Assets and liabilities acquired under the Arrangement have been assessed individually to determine their fair value under current market conditions. Fair value is measured with reference to the fair value of the equity acquired or equity issued. Lavras believes that the valuation assumptions reflect a reasonable estimate of the fair value of each account or asset.

## OFF-BALANCE SHEET ARRANGEMENTS

Lavras Gold has no off-balance sheet arrangements.

## CONTROLS AND PROCEDURES

### Management's responsibility for financial information

Lavras Gold's financial statements are the responsibility of its management and have been approved by its Board of Directors.

The consolidated financial statements were prepared according to IFRS accounting principles. The consolidated financial statements include certain amounts based on the use of estimates and assumptions.

These amounts were established in a reasonable manner to ensure that the financial statements are presented fairly in all material respects.

### Disclosure controls and procedures

Lavras has evaluated the effectiveness of its disclosure controls and procedures. It was concluded that these controls and procedures are sufficiently effective as of September 30, 2024 to provide reasonable assurance that material information relating Lavras Gold and its consolidated subsidiaries is reported to management and disclosed according to applicable securities regulations.

### Management's report on internal control over financial reporting

Pursuant to Multilateral Instrument 52-109 the effectiveness of the Lavras Gold's disclosure controls and procedures have been evaluated as of September 30, 2024 and found them to meet the required standards.

A system of internal control is maintained to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. This review is accomplished principally through the Audit Committee, which meets periodically with management and auditors to review financial reporting and control matters. From time to time the Board may also form special sub-committees to investigate and report to the Board on specific topics.

## CAPITAL RISK MANAGEMENT

Lavras Gold's capital structure is managed and adjusted as required, based on the funds available, to support the acquisition, exploration, and development of mineral properties.

Lavras Gold's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on management's expertise to sustain the future development of the business.

The capital of Lavras is considered to be equity, which comprises share capital, other components of equity, and accumulated deficit. On September 30, 2024, this total was \$25,284,552.

The properties in which Lavras has an interest are in the exploration stage and Lavras depends on external financing to fund all activities. Lavras will continue to assess new properties and may seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

Lavras reviews its capital management approach on an ongoing basis and believes that this approach is appropriate to its relative size and stage of development. This approach did not change during the three and nine months ended September 30, 2024. Lavras and its subsidiaries are not subject to externally imposed capital requirements.

## FINANCIAL RISK FACTORS

Lavras is exposed to a variety of financial risks: credit risk, liquidity risk, and market risk including interest rate, foreign exchange rate, and commodity, specifically gold, price risk.

The management team oversees risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

**TABLE 7: CATEGORIES OF FINANCIAL INSTRUMENTS**

	September 30, 2024	December 31, 2023
	\$	\$
Financial assets		
Amortized cost		
Cash and cash equivalents	4,200,394	11,052,838
Accounts receivable, excludes HST/GST receivable	7,412	10,185
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	994,770	570,102
Lease liabilities	151,177	203,813

The key risks of our financial instruments are as follows.

### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations.

Lavras Gold's credit risk is primarily attributable to cash and cash equivalents of \$4,200,394 as of September 30, 2024. Credit risk on cash is remote as it is held with reputable financial institutions and is closely monitored by management.

The Company believes that the credit risk with respect to financial instruments included in accounts receivable is remote as most of the receivables largely represent taxes receivable, therefore there was no amount applied for credit losses.

### Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its short-term financial obligations.

Lavras Gold's goal in managing this risk is to make sure it can meet liabilities when they are due. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of the financing will be favourable. On September 30, 2024, there was a cash and cash equivalents balance of \$4,200,394 (December 31, 2023 – \$11,052,838) to settle current

liabilities of \$1,040,775 (December 31, 2023 – \$619,475). Cash and cash equivalents consist of cash \$4,200,394 (December 31, 2023: \$9,545,948) and term deposits of \$nil (December 31, 2023: \$1,506,890).

## Market risk

Market risk is the risk of loss that may arise from changes in market factors like interest rates, foreign exchange rates, and commodity and equity prices.

## Interest rate risk

Lavras has cash balances, and the current policy is to invest excess cash in saving accounts. The Company regularly monitors its cash management policy. Interest rate risk is remote as the cash is relatively unaffected by changes in short-term interest rates.

## Foreign currency risk

Lavras Gold's functional currency is the Canadian dollar, though it transacts major purchases in both Canadian dollars and Brazilian reais. The Company maintains a Brazilian real-denominated bank account with enough funds for exploration expenses and monthly forecasted cash outflows.

## Commodity price risk

Commodity price risk, specifically relating to the price of gold, could adversely affect Lavras Gold. In particular, future profitability and viability of development depends on the world market price of gold, which has fluctuated significantly in recent years.

Lavras was not a gold producer as of September 30, 2024. However, gold price risk affects the completion of future equity transactions like equity offerings and the exercise of stock options. This may also affect liquidity and the Company's ability to meet its ongoing obligations.

## Sensitivity analysis

Based on current knowledge and experience of the financial markets, Management and Board believe the following movements are *reasonably possible* over a twelve-month period.

- a) Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss for the nine months ended September 30, 2024.
- b) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts receivable, accounts payable denominated in Brazilian reais, and cash denominated in U.S. dollars.

A plus or minus 5% change in foreign exchange rate of the Brazilian real against the Canadian dollar would affect net loss for the nine months ended September 30, 2024, by approximately \$23,500.

A plus or minus 5% change in foreign exchange rate of the U.S. dollar against the Canadian dollar would affect net loss for the nine months ended September 30, 2024, by approximately \$5,400.

## OTHER RISKS AND UNCERTAINTIES

Lavras Gold's operations are speculative due to the high-risk nature of its business, which is the acquisition, financing and exploration and potential future, development, and operation of mining properties. Other risk factors identified by the Company are disclosed in detail at Item 6 of its 2023 Annual Information Form (2023 AIF) and categorized as follows:

- Risks related to the Company's foreign operations;
- Risks related to the Company's business and industry; and
- Risks related to the ownership of common shares.

The risk factors identified in the 2023 AIF could have a material adverse impact on the Company's business, operations, results of operations, financial condition, and prospects and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The risk factors identified therein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties are discussed in the technical reports and other documents filed by the Company from time to time on SEDAR+. In addition, other risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the Company's business, operations, results of operations, financial condition, and prospects.

### *Climate Risks (supplementary disclosure to the 2023 AIF)*

The Company refers the reader to disclosure under the heading "*Changes in climate conditions and resulting legislation may affect the Company's operations*" in Item 6.2. - *Risks Related to the Company's Business and Industry* of the 2023 AIF.

The following information should be appended to the end of this subsection dealing with climate risks:

*Changes in climate conditions and resulting legislation may affect the Company's operations. The Company cannot quantify the likelihood of weather events occurring. The Company does not have a formal risk mitigation strategy for weather incidents.*

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to Lavras Gold that are based on its beliefs as well as assumptions made by the information currently available.

Words like anticipate, believe, estimate, expect, and similar expressions are used in this document in relation to:

- Lavras Gold
- Lavras Gold's management
- regulatory compliance
- the sufficiency of working capital
- the estimated cost and availability of funding for the continued exploration and development of the company
- future events.

These are forward-looking statements, and are subject to certain risks, uncertainties, and assumptions.

Lavras has attempted to identify the important risk factors in this document but caution that many factors could cause the actual results, performance, and achievements of Lavras Gold to be materially different from any future results, performance, or achievements that may be expressly implied by such forward looking statements.

## CAUTIONARY NOTE TO UNITED STATES INVESTORS

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada which differ from the requirements of United States securities laws. In particular, disclosure regarding mineral resource estimates included in this MD&A were prepared in accordance with NI 43-101. This MD&A uses the terms “mineral resource”, “inferred mineral resource”, “indicated mineral resource”, “measured mineral resource” and “mineral reserve” in connection with the presentation of mineral resources, as each of these terms is defined in accordance with the CIM Definition Standards on Mineral Resources and Reserves adopted by the Canadian Institute of Mining, Metallurgy and Petroleum Council (the “CIM Definition Standards”), as required by NI 43-101.

Unless otherwise indicated, all mineral reserve and resource estimates contained in this MD&A have been prepared in accordance with the CIM Definition Standards, as required by NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators.

Administrators that establish standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs from the disclosure requirements of the United States Securities and Exchange Commission (“SEC”) generally applicable to United States companies. For example, the terms “mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this MD&A will not be comparable to similar information made public by United States companies reporting pursuant to SEC disclosure requirements.