

**OROSUR MINING INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**QUARTERLY HIGHLIGHTS**  
  
**FOR THREE MONTHS ENDED AUGUST 31, 2023**  
**EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS**  
  
**(except where indicated)**

## **Introduction**

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Orosur Mining Inc. ("Orosur" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended August 31, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended May 31, 2023 and May 31, 2022, together with the notes thereto, and the condensed unaudited interim consolidated financial statements of the Company for the three months ended August 31, 2023 and the notes thereto. Results are reported in thousands of United States Dollars (US\$), unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended August 31, 2023, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of October 27, 2023, unless otherwise indicated.

The Company's unaudited consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, (the "Board") considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Orosur common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Orosur's website at [www.orosur.ca](http://www.orosur.ca) or on the System for Electronic Documents Analysis and Retrieval (SEDAR+) at [www.sedarplus.com](http://www.sedarplus.com).

## **Caution Regarding Forward-looking Statements**

All statements, other than statements of historical fact, contained in this MD&A constitute "forward looking statements" within the meaning of applicable securities laws, including but not limited to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and are based on expectations estimates and projections as of the date of this news release.

Forward-looking statements include, without limitation, the exploration plans in Colombia, Argentina, Nigeria and Brazil, and the funding in Colombia from Minera Monte Águila SAS ("Monte Águila") (a 50:50 joint venture between Newmont Corporation and Agnico Eagle Mines Limited) of those plans, Monte Águila's decisions to continue with the Exploration and Option agreement, the ability for Loryser SA ("Loryser") to continue with and finalize the remediation in Uruguay, the ability of Loryser to implement the Creditors' Agreement successfully as well as continuation of the business of the Company on a going concern and other events or conditions that may occur in the future. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going

concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Orosur's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

### **Description of Business**

Orosur Mining Inc. (TSX-V:OMI; AIM:OMI) is a minerals explorer and developer currently operating in Colombia, Argentina, Nigeria and Brazil.

In Colombia, the Company wholly owns the Anzá gold exploration project located in the Middle Cauca Belt in Antioquia, which hosts the Buriticá, Titiribí, Marmato and La Colosa projects. On September 10, 2018, the Company completed a non-brokered private placement of \$2 million with Newmont Mining Corporation and an exploration agreement with a venture option ("Exploration Agreement") with Newmont Colombia S.A.S., a wholly-owned subsidiary of Newmont, for the Anzá exploration property. On September 30, 2020, it was announced that Newmont would enter into a Joint Venture Agreement ("Joint Venture") with Agnico Eagle Mines Limited ("Agnico") to form Minera Monte Aguila SAS, ("Monte Aguila") whereby the two companies will jointly assume and advance Newmont's prior rights and obligations with respect to the Anzá Project in Colombia on a 50:50 basis with Agnico as operator of the Joint Venture. On September 7, 2021, the Company was informed by its Colombian joint venture partner, Monte Águila, that it had elected to exercise its right to assume operatorship of the Anzá Project in Colombia.

On September 8, 2022, the Company's JV partner, Monte Águila provided the Company with a Phase 1 Earn-In Notice, having completed all of the Phase 1 obligations, including investing US\$10 million in the Project. The Company and Monte Aguila began the process of forming a new mining company ("Mining Company") that will hold title to the Project's concessions and applications. The Company was also notified by Monte Aguila that in accordance with the Exploration Agreement, it would enter Phase 2 following negotiation and execution of a joint venture agreement to govern the operations of the Mining Company. Once the Mining Company is formed, which is expected to take several months, Orosur will initially have 49% ownership and Monte Aguila, 51% ownership in the Mining Company, which will be managed by Monte Águila. Negotiations with Monte Aguila are continuing.

During 2022 the Company has entered into joint venture agreements with partners in Brazil and Argentina to explore for tin and gold/silver respectively. And post the period end, on October 16, 2023 the Company announced that it had signed an exploration joint venture agreement covering 4 licences in the Nigerian lithium belt. More details on the Brazilian and Argentinian joint ventures are set out in the Company's MD&A for the financial year ended May 31, 2023 and more detail on the Nigerian joint venture is set out below under Q1 2024 Highlights.

In Uruguay, the Company has historically operated the San Gregorio gold mining complex in the northern Department of Rivera. The Company acquired the San Gregorio operation in October 2003. On June 14, 2018 the Company applied for Reorganization Proceedings and creditor protection over Loryser S.A. (“Loryser”), the Company’s primary operating subsidiary in Uruguay. In August 2018, production ceased and the mine was placed on care and maintenance. In December 2018, Loryser reached an agreement with the majority of its creditors (the “Creditors Agreement”), achieving a support level of approximately 72% of creditors by value. The Creditors Agreement was ratified by the Court in September 2019. Since then the Company has focused its activities on the implementation of the Creditors Agreement including the sale of the remaining assets of Loryser, which was achieved during the quarter to February 2023. Loryser has paid its labour and all other preferential creditors and is well advanced in distributing proceeds to Loryser’s trade creditors in accordance with the Creditors’ Agreement, via a Court approved paying agent.

### **Q1 2024 Highlights**

Operational and financial highlights for the three months ended August 31, 2023 are set out below:

- In Colombia negotiations continued with Monte Aguila on the shareholders agreement which will govern the new mining company to be owned 51% by Monte Agulia and 49% by Orosur. These discussions have continued post the period end. Whilst exploration activities have been wound back, some mapping and surface sampling has been carried out; a variety of licence processes, such as the integration of smaller licences have been advanced; and Monte Aguila has continued to fund the promotion of relationships with local community groups to strengthen the social licence to operate the Project.
- In Brazil, on July 5, 2023, the Company announced that given the success of the regional stream sediment program performed across the Company’s Ariquemes district, it had decided to move to the next phase which has targeted two prospects at Oriente Novo (in the east of the Company’s tenements) and at Paraiso in the west and to the north of the Bom Futuro tin mine. Sampling was performed during July and August and assays are expected imminently.
- In Argentina, on May 4, 2023 the Company announced that Mapping and ground magnetic surveys at El Pantano had identified a major NW-SE structural corridor over 20km long and 5km wide, with large areas of silicification, alteration and geochemical anomalism over extensive areas. Mapping to the north of the main structure has so far identified over 70 quartz veins over an area in excess of 20km<sup>2</sup>, with textures indicative of cooler temperatures, fully consistent with the model of a very large low-sulphidation epithermal system. Mapping of this vein field continued until the commencement of the winter recess in early June. Soil sampling assay results were received and continued to add weight to the geological model with extended anomalism in gold and key pathfinder elements. Sampling and ground magnetic surveys recommenced after the winter recess in September with the plan of completing coverage of the highest priority parts of the project before the end of the year.
- In Uruguay the Company’s wholly owned subsidiary, Loryser, continues to focus its activities on the final stages of the Creditors Agreement. In line with the Creditors Agreement, Loryser has sold all of its assets. It has paid for the settlements with all of its former employees; it has finalised the reclamation and remediation works on the tailings dam and has successfully concluded a one-year post-closure control phase. Loryser is well advanced in distributing the proceeds to Loryser’s trade creditors in accordance with the Creditors’ Agreement, via a court approved paying agent.
- Post the period end, on October 16, 2023 the Company announced that it had signed a joint venture agreement over 4 licences in the Nigerian lithium belt. The Company via a new 100%

owned UK subsidiary, Lithium West Limited ("Lithium West"), may earn up to 70% equity in the Project in two phases: Phase 1 - Lithium West can earn 51% equity in the Project by spending a total of US\$3m over a maximum of three years. Phase 2 - Lithium West can earn an additional 19% equity in the project, up to a total of 70%, by spending an additional US\$2m over a maximum of two years. Other prospective areas are currently being examined and it is possible that additional licences may be added to the Project in the near term.

### **Financial and Corporate**

- The unaudited consolidated financial statements have been prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted for as Assets and Liabilities held for sale (at the lower of book value or fair value) and Profit and Loss from discontinued operations. This accounting treatment has been applied to the activities in Uruguay and Chile.
- On August 31, 2023, the Company had a cash balance of \$3,186 (May 31, 2023: \$3,748). As at the date of this MD&A the Company had a cash balance of \$2,350.

### **Outlook and Strategy**

During the period, the Company focused on exploration at Ariqueemes in Brazil and interpretation of data from El Pantano in Argentina whilst progressing at Anzá in Colombia with the formation of the new Mining Company and negotiations of its joint venture agreement with MMA.

In line with its strategy of building its project portfolio with other high-quality assets, the Company has now entered the Nigerian lithium belt through a joint venture with a strong local partner.

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

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

### **Proposed Transactions**

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

### **Overview of Financial Results**

#### **Discussion of Operations**

#### **Profit and loss for the three months ended August 31, 2023 and August 31, 2022**

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**Dated – October 27, 2023**

*Continued operations*

For the three months ended August 31, 2023, Orosur recorded a net loss from continued operations of (\$362), with basic and diluted loss per share of \$(0.00). This compares with a net loss of (\$428) for the three months ended August 31, 2022. The decrease in net loss of \$66 is principally attributable to a higher foreign exchange gain (loss) net.

*Discontinued operations*

For the three months ended August 31, 2023, loss from discontinued operations was \$(209). This compares with income for the three months ended August 31, 2022 of \$71. The increase in net income of \$280 is principally attributable to a decrease in care and maintenance.

**Assets and liabilities as at August 31, 2023; May 31, 2023; and, May 31 2022**

The following is selected financial data of the Company as at August 31, 2023, May 31, 2023, and May 31, 2022:

	<b>As at August 31, 2023</b>	<b>As at May 31, 2023</b>	<b>As at May 31, 2022</b>
Total current assets	\$4,364	\$4,968	\$5,920
Total non-current assets	\$3,924	\$3,457	\$5,554
<b>Total assets</b>	<b>\$8,288</b>	<b>\$8,425</b>	<b>\$11,474</b>
Total current liabilities	\$15,236	\$15,086	\$15,749
Total non-current liabilities	\$nil	\$nil	\$nil
<b>Total liabilities</b>	<b>\$15,236</b>	<b>\$15,086</b>	<b>\$15,749</b>
<b>Total shareholders' (deficit) equity</b>	<b>\$(6,948)</b>	<b>\$(6,661)</b>	<b>\$(4,275)</b>

### Liquidity and Capital Resources

The Company had cash balances from continued operations of \$3,186 as at August 31, 2023 (May 31, 2023: \$3,748). The decrease in cash during the three months ended August 31, 2023, was primarily due to a decrease in net cash used in operating activities.

Net cash used in operating activities was \$419 for the three months ended August 31, 2023. Net cash used in investing activities amounted to \$180, comprising of \$9 from purchase of property, plant and equipment and \$ 171 of expenditure on exploration and evaluation.

At August 31, 2023, the Company had a net working capital deficiency of \$10,872 (May 31, 2023: \$10,118). The Company is not generating cash from operations and relied on the cash payments received under the exploration and option agreement for its funding in Colombia.

The reorganization in Uruguay is, as per the Creditors Agreement, financing itself by the sale of Loryser's assets which are intended to cover its outstanding and ongoing liabilities. The Creditors Agreement provides that net proceeds from the sale of Loryser's assets in Uruguay together with the issuance of 10 million common shares of Orosur shall fully satisfy all amounts owing to Loryser's creditors as well as provide funds for Loryser to conduct this process and close operations responsibly.

In the event that the exploration and option partners do not meet its funding requirements, the Company will require external financing to advance its exploration projects in Colombia, Argentina, Nigeria and Brazil. Such financing may be by way of equity, and / or debt financing. There can be no assurance that financing will be available to the Company when needed or, if available, that this financing will be on acceptable terms. If adequate funds are not available, the Company may not be able to advance its exploration project in Colombia.

See "Risk Factors" below.

### Outstanding Share Data

As at the date of this MD&A, the Company had the following number of common shares and issuable shares outstanding:

<b>Securities</b>	
Common shares	188,560,300
Issuable under options	10,906,665
Warrants	0
<b>Total Securities</b>	<b>199,466,965</b>

### Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements ; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects

the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

#### **Limitations of controls and procedures**

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

#### **Critical Accounting Judgements, Estimates and Assumptions**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. By definition, estimates and assumptions seldom equal actual results and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, and to the amounts of revenues and expenses presented in these financial statements. The areas which require management to make significant judgments, estimates and assumptions are discussed below:

#### **Consolidation**

The unaudited consolidated financial statements include the accounts of Orosur and its subsidiaries (collectively "the Group"). Subsidiaries are entities controlled directly or indirectly by Orosur. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company's list of subsidiaries as at August 31, 2023 is included in note 16 to the unaudited condensed interim consolidated financial statements of the Company for the three months ended August 31, 2023. All

are 100% owned by Orosur other than for Maracana Mining Holding Inc. and its subsidiary, Mineracao Madeira Ltda in which the Company owns 51%. In each case the management has deemed that Orosur has control over these and all other subsidiaries on the measures set out above.

#### **Discontinued operations.**

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile is recognized as a discontinued operation after all of its mining assets were sold or returned. In Uruguay, the operations have been closed and all assets sold by its Company's subsidiary, Loryser S.A. which is well advanced in the liquidation of its liabilities and commitments in other than the normal course of business.

#### **Exploration and evaluation expenditure**

The recoverability of amounts shown for capitalized exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves. Management reviews the carrying value of capitalized exploration and evaluation costs at least annually. The review is based on the Company's intention for development of the underlying asset

#### **Environmental rehabilitation provisions**

The fair value of the liability is determined based on the net present value of estimated future costs estimated by management based on feasibility and engineering studies on a site by site basis. While care was taken to estimate the retirement obligations, these amounts are estimates of expenditures that are not due until future years. The Company assesses its provision on an ongoing basis or when new material information becomes available.

#### **Share-based compensation**

The Company uses the fair value method to account for share-based employee compensation plans. The calculation of this benefit relies on estimates of the anticipated life of the option, risk free rate, forfeiture rate, and the volatility of the Company's share price.

#### **New Standard Adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2023. Many are not applicable or do not have a significant impact to the Company's unaudited condensed interim consolidated financial statements.

#### **New Standards not yet Adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

### **Related Party Balances and Transactions**

As at August 31, 2023, other than for Maracana Mining Holdings Inc. and its subsidiary Mineracao Madeira Ltda which are 51% owned, the Company owns 100% of all of its subsidiaries. Figures contained in this MD&A document include the accounts of Orosur and its subsidiaries and all inter-company transactions have been eliminated on consolidations. Note 16 to the unaudited condensed interim consolidated financial statements of the Company for the three months ended August 31, 2023 discloses the Company's list of subsidiaries at that date.

### **Risk Factors**

An investment in the securities of the Company is highly speculative, involving numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "**Risks and Uncertainties**" in the Company's Annual MD&A available on SEDAR+ at <http://www.sedarplus.com/>.

### **Non IFRS Measures**

The Company is of the opinion that conventional measures of performance prepared in accordance with IFRS do not meaningfully demonstrate the Company's financial performance and the ability of its operations to generate cash flow. Therefore, the Company has included certain non-IFRS measures in this MD&A to supplement its financial statements which are prepared in accordance with IFRS.

### **Subsequent Event**

Post the period end, on October 16, 2023 the Company announced that it had signed a joint venture agreement over 4 licences in the Nigerian lithium belt. The Company via a new 100% owned UK subsidiary, Lithium West Limited ("Lithium West"), may earn up to 70% equity in the Project in two phases: Phase 1 - Lithium West can earn 51% equity in the Project by spending a total of US\$3m over a maximum of three years. Phase 2 - Lithium West can earn an additional 19% equity in the project, up to a total of 70%, by spending an additional US\$2m over a maximum of two years. Other prospective areas are currently being examined and it is possible that additional licences may be added to the Project in the near term.