OROSUR MINING INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MAY 31, 2022

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 year ended May 31, 2022. 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, 2022 and May 31, 2021, together with 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 year ended May 31, 2022 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of September 28, 2022, unless otherwise indicated.

The Company's 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 or on the System for Electronic Documents Analysis and Retrieval (SEDAR) at www.sedar.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 and the funding from Minera Monte Aguila SAS ("Monte Aguila") (a 50:50 joint venture between Newmont Corporation and Agnico Eagle Mines Limited) of those plans, Monte Aguila'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. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing, and to reach a satisfactory implementation of the Creditor´s Agreement in Uruguay. 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, to 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 focused on identifying and advancing projects in South America. The Company currently operates in Colombia, Brazil and Argentina and has discontinued operations in Uruguay.

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 will begin 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 will 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 Aguila.

The Company has recently entered into joint venture agreements with partners in Brazil and Argentina to explore for tin and gold/silver respectively. More details are set out below under Corporate Highlights.

In Uruguay, the Company has historically operated the San Gregorio gold mining complex in the northern Department of Rivera. The Company has been exploring in Uruguay since 1996 and 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. The ratification by the Court means that the Agreement is legally binding on all trade creditors. Since then the Company has focused its activities on the implementation of the Creditors Agreement, and the sale of the assets of Loryser. As part of that Agreement, Orosur issued in December 2019,10,000,000 Orosur common shares to a trust. These shares have since been sold for the benefit of Loryser's creditors as contemplated in the court-approved Creditors Agreement.

Corporate Highlights

Operational, financial and corporate highlights for the year ended May 31, 2022 include:

Colombia

- On July 6, 2021, the Company announced the assay results from nine additional diamond drillholes including multiple high-grade gold intersections with associated silver and zinc – including 59.55m @9.16g/t Au and 61.75m @2.05g/t Au. For more detail please see the Company's news release dated July 6, 2021.

- Also as set out in the above news release, work commenced on regional mapping and sampling across the wider lease holding in Colombia. A large program of BLEG sampling was commenced, which should provide vectors to more targeted programs in following quarters. Initial results have been promising, with two new prospect areas identified and named for future reference, Pepas and Pupino.

- On November 9, 2021, the Company announced drill results from five additional diamond drill holes, MAP-092 to MAP-096. The most significant result was 51.55m @ 1.32g/t Au in hole MAP-096.

- The Company commenced work on converting the last of its secure license applications to granted status so that they can be accessed for exploration work later in the year.

- As announced on September 7, 2021, the Company was informed by its Colombian Joint Venture ("JV") partner, Minera Monte Águila SAS ("Monte Águila") that it had elected to exercise its right to assume operatorship of the Anzá Project in Colombia. Monte Águila is a 50/50 JV between Newmont Corporation ("Newmont") (NYSE:NEM, TSX:NEM) and Agnico Eagle Mines Limited ("Agnico") (TSX:AEM), and is the vehicle by which these two companies jointly exercise their rights and obligations with respect to the Exploration Agreement with Venture Option ("Exploration Agreement") over the Anzá Project.

- On November 9, 2021, assay results from an additional five holes were announced. Thick anomalous zones of mineralisation were intersected including gold, silver and zinc. More mapping and sampling was also being carried out at Pepas and Pupino in anticipation of future drilling.

- On March 8, 2022, the Company reported the results of assays from four additional holes – MAP- 097, 098, 099, 100.The holes encountered high grade gold intersections – 6.06m @ 2.72g/t Au, 14.2m @ 1.84 g/t Au, 8.35m @ 14.27 g/t Au, and 59.15m @ 0.91 g/t Au and including a potential new area at depth in Anza. In addition it was reported that plans and permitting were being advanced for drilling new targets – at Pepas and Pupino, which have been drilled post the year end – more details set out below.

- On April 25, 2022, it was announced that drilling had commenced at Pepas. Since October 2020 when drilling recommenced at the central APTA area, a total 15,195 metres had been drilled and two more drills were being imported to test deeper zones, including at APTA, Pepas and Pupino.

- After the year end, on June 27, 2022, assay results from five additional holes in APTA were announced Reasonable grades of gold were intercepted in two of the holes and the other holes showed lower levels of gold but high-grade copper and zinc evident at depth. As planned, drilling focus was then shifted to Pepas and Pupino.

- Subsequent to year end, on September 6, 2022, after the year end, the Company announced assay results from the Pepas prospect to the north of Anza, including assay results from PEP001 which returned a substantial, high-grade intersection of 150.9m @ 3.00g/t Au (from surface). Also announced on that day, that Monte Aguila had informed the Company that it had met its expenditure of US$4m for the year.

- Subsequent to year end, 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 will begin 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 will 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, Orour will initially have 49% ownership and Monte Aguila, 51% ownership in the Mining Company, which will be managed by Monte Aguila.

Brazil

- On January 14, 2022, the Company announced that it had signed a Joint Venture ("JV") agreement with Meridian Mining UK Societas ("Meridian") (TSXV: MNO) in relation to the Ariquemes tin project ("Project") in the State of Rondonia in western Brazil. The Ariquemes project comprises a large collection of granted tenements and applications, totalling almost 3,000km^2, in Rondônia State, western Brazil. The licenses were all accumulated and owned 100% by Meridian (via its local subsidiary) and represent the dominant land position in the Rondônia Tin Province, one of the world's most significant tin regions. Under the JV terms, the Company can earn an equity interest of 75% in the Project by spending US$3m over a four-year period, in two phases: Phase 1 - earn 51% interest by spending US$1 million over a 24-month period. Phase 2 - earn an additional 24% interest by spending US$2 million over a subsequent 24-month period. Following this point, the two parties would jointly fund the Project on a pro-rata basis or dilute to a net smelter royalty. The JV will require the establishment of a new corporate structure to hold and manage the assets. Post period end, the required Canadian holding company was incorporated. This will be followed by the incorporation of the necessary local Brazilian operating company.

Argentina

- On February 15, 2022, the Company announced that it had signed a Joint Venture ("JV") agreement ("Agreement") with private Argentinean company Deseado Dorado SAS and its shareholders ("Deseado") in relation to the El Pantano Gold/Silver Project in the Province of Santa Cruz in Argentina ("Project").The Agreement covers nine licences owned by Deseado that, combined, total 607km2 in the prolific Deseado Massif region of Santa Cruz Province in southern Argentina, roughly 45km from Anglo Gold's Cerro Vanguardia mining camp. The terms of the Agreement allow for the Company to earn 100% equity in the Project by investing US$3m over five years in two phases: Phase 1, earn 51% by investing US$1m over an initial 3-year period. Phase 2, move to 100% ownership by investing an additional US$2m over a subsequent 2-year period and granting Deseado a residual 2% net smelter return royalty on the Project.

- On May 3, 2022, the Company announced positive results from the first soil sampling program at the Esfinge prospect at El Pantano, returning highly anomalous results in gold and several other pathfinder elements, over a 3.3km strike length, including gold results in excess of 100 ppb Au from soil samples from the western half of La Esfinge; and more moderate level anomalism over an additional 3.4km of the target. As a result of these positive results a short in-fill program would be carried out.

- As a follow on from the above, on June 28, 2022, the Company announced further positive results from the in-fill program, confirming previous work and results. High levels of gold soil anomalies, over 1 km, including 150 ppb, plus pathfinder elements over a wider area are suggestive of a major epithermal system. This work has defined a high priority target to be followed up in late September after the winter recess.

Uruguay

- In Uruguay, the Company's wholly owned subsidiary, Loryser, continues to focus its activities on the implementation of the Creditors Agreement and the sale of its Uruguayan assets. Loryser is also continuing with the reclamation and remediation of the tailings dam which is nearing completion.

- During the course of the year, Loryser agreed and paid for the settlements with all of its former employees, with the proceeds received from the sale of certain of its assets.

- Progress is being made on the sale of Loryser's other assets including plant and equipment. The proceeds from all of these sales will be used to pay liabilities in Uruguay in connection with the aforementioned Creditors Agreement.

Financial and Corporate

- The 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 discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.

- On October 15, 2022, the Company announced that it had received approval to transfer its listing from the TSX to the TSX Venture Exchange. The Company believes that the transfer will provide it with lower costs and with a reporting regime which is closer to that of the AIM market, whilst allowing shareholders to have continued trading liquidity in Canada.

- On March 11, 2022, the Company granted an aggregate of 4,120,000 stock options, of which 2,400,00 were granted to the Directors of the Company, at an exercise price of CDN$0.22 (a premium of 22% to the then share price) with an expiration date of March 11th, 2027. The options vested 50% immediately and 50% on March 11, 2023.

- On May 31, 2022, the Company had a cash balance of $4,221 (May 31, 2021 $6,958). As at the date of this MD&A the Company had a cash balance of $3,390.

Outlook and Strategy

During the period, the Company continued its focus on developing the potential at Anza and continuing the orderly closure of its historical operations in Uruguay in accordance with the Court approved Creditors Agreement.

The handing over of operational control at Anza in late 2021, and a strong balance sheet, have freed up our skilled South American team to examine investment in new projects. The addition of our Ariquemes tin project in Brazil, and of the El Pantano gold/silver project in Argentina have transformed the Company into a well-balanced minerals exploration company.

The Company will continue to build its project portfolio with other high-quality assets.

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.

Trends

There can be no assurance that additional funding will be available to the Company and could delay some of the expected or proposed business operations. Management, in conjunction with the Board, will continue to monitor these developments and their effect on the Company's business.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-l9 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on the Company.

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

Overview of Financial Results

Selected Annual Information

	Years Ended May 31,		
	2022 ($)	**2021 ($)**	**Revised 2020 ($)**
Sales revenue	**Nil**	Nil	Nil
Net loss for the year for continued operations	**(1,445)**	(1,712)	(1,527)
Total (loss) income for the year before cumulative translation adjustment	**(1,111)**	(1,883)	364
Basic and diluted (loss) per share for continued operations	**(0.01)**	(0.01)	(0.01)
Total assets	**11,474**	16,112	10,544

Selected Quarterly Information

A summary of selected financial information of Orosur as reported for each of the eight most recent completed quarters is as follows:

Three Months Ended	Total Revenue ($)	Income (Loss)		Total Assets ($)
		Total ($)	Per Share ($)	
May 31, 2022	-	(368)	(0.00)	11,474
February 28, 2022	-	(366)	(0.00)	11,159
November 30, 2021	-	1,346	0.01	15,040
August 31, 2021	-	(1,723)	(0.01)	15,262
May 31, 2021	-	1,373	0.01	16,112
February 29, 2021	-	(1,232)	(0.01)	14,596
November 30, 2020	-	(668)	(0.01)	9,741
August 31, 2020	-	(1,356)	(0.01)	10,018

The 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 as Assets and Liabilities held for sale and Profit and Loss from discontinuing operations: This accounting treatment is applied to the activities in Uruguay and Chile. Assets held for sale in Uruguay are measured at the lower of book value or fair value.

Discussion of Operations

Profit and loss for the three months ended May 31, 2022 and May 31, 2021

Continued operations

For the three months ended May 31, 2022, Orosur recorded a net loss from continued operations of ($968), with basic and diluted loss per share of ($0.00). This compares with a net loss of ($1) for the three months ended May 31, 2021. The increase in net loss of $967 is principally attributable by non-cash increases in share-based compensation of $432; corporate and administrative expenses of $250; exploration costs of $117 and a decrease in gain on fair value of warrants of $423.

Discontinued operations

For the three months ended May 31, 2022, income from discontinued operations was $600. This compares with an income for the three months ended May 31, 2021, of $1,378. The decrease in net income of $778 is principally attributable to a decrease in other income.

Profit and loss for the year ended May 31, 2022, and May 31, 2021.

Continued operations

For the year ended May 31, 2022, Orosur recorded a net loss from continued operations of ($1,111), with basic and diluted loss per share of ($0.01). This compares with a net loss of ($1,712) for the year ended May 31, 2021. The decrease in net loss of $601 is principally attributable to an increase in non-cash gain on fair value of warrants of $939 and decrease in share-based compensation of $161. Corporate and administrative expenses increased during the same period by $586 and exploration expenses by $114.

Discontinued operations

For the year ended May 31, 2022, the income from discontinued operations was $334. This compares with loss for the year ended May 31, 2021, of ($171). The reversal from income to loss principally attributable to decrease in provisions for payroll and obsolete stock

Assets and liabilities as at May 31, 2022; May 31, 2021; and, May 31 2020

The following is selected financial data of the Company as at May 31, 2022, May 31, 2021, and May 31, 2020:

	As at May 31, 2022 ($)	**As at May 31, 2021 ($)**	**As at May 31, 2020 (Revised) ($)**
Total current assets	**5,920**	10,840	3,993
Total non-current assets	**5,554**	5,272	6,551
Total assets	**11,474**	16,112	$10,544
Total current liabilities	**15,749**	21,097	20,318
Total non-current liabilities	**Nil**	Nil	Nil
Total liabilities	**15,749**	21,097	20,318
Total shareholders' (deficit)	**(4,275)**	(4,985)	(9,774)

Liquidity and Capital Resources

The Company had cash from continued operations of $4,221 as at May 31, 2022 (May 31, 2021: $6,958). The decrease in cash was primarily cash used in operating activities.

Cash used in operating activities after movements in working capital was $5,750 for the year ended May 31, 2022 (May 31, 2021: $1,978). Cash provided by investing activities amounted to $1,058 including $1,365 in proceeds received under the exploration and option agreement, and $462 from the sale from assets; equipment, less expenditure of $1,780 on exploration & evaluation expenditures.

As at May 31, 2022, the Company had a net working capital deficiency of $9,829 (May 31, 2021: $10,257). The Company is not generating cash from operations and during the financial year to 31 May 2022 and relied on the cash payments received under the exploration and option agreement for its funding and for the funding of commitments 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 project in Colombia. 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.

Revision of previously reported financial statements

The Company has revised the statements of cash flow to reflect the reclassification of payments for environmental rehabilitation year ended May 31, 2021 from an investing activity to operating activity.

The following summarizes the effects of the adjustments on the financial statements for year ended May 31, 2021:

	Original 2021 ($)	Reclass ($)	Revised) ($)
Line item on the restated consolidated statements of cash flows:			
Adjustments for – Payments for environmental rehabilitation	Nil	(708)	(708)
Net cash used in operating activities	(1,270)	(708)	(1,978)
Investing activities – Payments for environmental rehabilitation	(708)	708	Nil
Net cash provided by investing activities	196	708	904

Outstanding Share Data

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

Securities	
Common shares	188,520,300
Issuable under options	11,539,999
Issuable under warrants	10,897,058
Fully diluted shares outstanding	**210,957,357**

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

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).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. 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 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 is included in note 20 of the to the audited annual consolidated financial statements of the Company for the year ended May 31, 2022, including percentage owned by Orosur and includes the Company's subsidiaries in Uruguay, Chile and Colombia. In each case the management has deemed that Orosur has control over these and all other subsidiaries.

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 are on a care and maintenance basis and the Company's subsidiary, Loryser S.A. is well advanced in the sale of its assets and 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.

Warrant liability

The fair value of the warrant liability is measured using a Black Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liability.

Capital Management

The Company capital management objectives are to safeguard its ability to support its operating requirements on an ongoing basis, continue the development and exploration of the Company's mineral properties and support expansionary plans while attempting to maximize the return to shareholders through enhancing the share value. The Company defines capital that it manages as net worth, which is comprised of total shareholders' equity and debt obligations (net of cash and cash equivalents).

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by, on approval of its Board of Directors, issuing new shares, adjusting capital spending, drawing on existing credit facilities, disposing of assets or undertaking other activities as deemed appropriate under the specific circumstances. The Company can also control, on approval of the Board of Directors, how much capital is returned to shareholders through dividends and share repurchase. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets.

The Company does not have a numeric target for its capital structure. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. Selected information is frequently provided to the Board of Directors of the Company.

The Company has not made any changes to its capital management processes during the year.

Financial Instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, measurement and the bases for the recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 2 of the to the audited annual consolidated financial statements of the Company for the year ended May 31, 2022.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for that all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value, which are not based on observable market data.

Details of the classification of assets and liabilities measured at fair value are disclosed in note 5 of the to the audited annual consolidated financial statements of the Company for the year ended May 31, 2022.

New Standards Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 31, 2021. 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 01, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Related Party Balances and Transactions

Other than for Maracana Mining Holdings Inc. which is 51% owned, the Company owns 100% of all of its other 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 20 to the audited consolidated financial statements of the Company for the year ended May 31, 2022, discloses the Company's list of subsidiaries.

Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these 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.

The Board recognizes that the exploration and development of natural resources is a speculative activity that involves a large number of uncertainties, and a degree of financial risk. Accordingly, the Board considers the risks to which the Company is exposed as part of its regular operations and keeps these under review.

The principal risks are considered to be those set out below.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The Company is not currently generating cash from operations and has relied on cash payments from Monte Aguila to fund commitments in Colombia, and from its private placement of November 2020 to cover its financial needs outside of Uruguay and Colombia. The business in Uruguay is, as per the Creditors Agreement, financing itself selling its assets while covering its liabilities.

Nevertheless, there can be no assurance that funding will be available to the Company or, if available, that it will be sufficient to cover all its needs in the future. The Company may in the future consider raising equity capital in amounts sufficient to fund both exploration work and working capital requirements.

Furthermore, there can be no assurance that additional funding will be available to the Company or, if available, that this funding will be on acceptable terms. Additional measures have been undertaken or are under consideration to further reduce cash expenditures.

Liquidity risk depends on certain forward-looking statements which include, without limitation, the exploration plans in Colombia and the funding from Monte Aguila of those plans, Monte Aguila's decision to continue with the option agreement, the satisfactory implementation of the ratified Creditors' Agreement in Uruguay, and the enforcement of the arbitration process in Chile against Fortune Valley Resources Chile S.A. (a subsidiary of the Company) and any effects of that arbitration's decision on the Company. 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.

Key Personnel Risks

Recruiting and retaining qualified personnel is critical to the Company's success. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Exploration, Mining and Operational Risks

The Company's longer-term strategy depends to a certain extent on its ability to find commercial quantities of minerals, and to obtain and retain appropriate access to these minerals. The Board cannot guarantee that it will be able to identify appropriate properties, or negotiate acquisitions, on favourable terms.

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of Orosur's exploration properties. There is no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

The nature of resource and reserve quantification studies means that there can be no guarantee that estimates of quantities and grades of minerals will be available to extract. The figures for reserves and resources estimates are determined in accordance with National Instrument 43-101, issued by the Canadian Securities Administrators. This National Instrument lays out the standards of disclosure for mineral projects including rules relating to the determination of mineral reserves and resources.

The Company's business activities are also affected to varying degrees by government regulations respecting, among other things, tax, royalties, utilities service supply, mining legislation and environmental legislation changes.

Title Risks

Individual titles expire from time to time and the Company manages the process of retaining its rights by re-application or conversion to other forms of title relevant to each stage of development. The process of re-application involves some risk however, as released titles must fall open before they can be re-applied for.

There can be no guarantee that the State in the jurisdictions in which the Company operates will continue to grant or respect mining titles and environmental licenses, and that the titles of the properties will not be challenged or negated for political or legal reasons.

Political and Economic Risks

Political conditions in the countries where the Company operates are stable. Changes may however occur in political, fiscal and legal system that might affect the ownership or operation of the Company's interests, including inter alia, changes in exchange control regulations, expropriation of mining rights, changes of government and in legislative, tax and regulatory (mining and environmental) regimes.

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. All of the Company's entities have the United States dollar as the functional currency, except for Waymar Resources Ltd., Cordillera Holdings International Ltd. and Minera Anzá S.A., the functional currency of which is the Canadian dollar, and Minera Anzá S.A. (Colombia branch), the functional currency of which is the Colombian peso.The Company conducts some of its activities in currencies other than the US dollar, especially in Uruguayan pesos. The Company also has active exploration programs in Colombia and has some of its expenditure denominated in Colombian pesos. The Company is therefore principally subject to gains or losses due to fluctuations in the Uruguayan peso and the Colombian peso relative to the US dollar. The Company manages its currency rate risk by denominating its contracts and commitments, where possible, in US dollars. The Company does not have a policy, to nor has it entered into derivatives to mitigate foreign currency risks.

During the year ended May 31, 2022, the Uruguayan peso only depreciated 9% against the US dollar. And the Colombian peso only depreciated 5% against the US dollar.

Credit risk

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company has no significant concentration of credit risk. The Company's cash and cash equivalents credit risk is mitigated by using well capitalized financial institutions.

Sensitivity to commodity prices and foreign exchange rates

Gold has historically been subject to large price fluctuations, and is affected by factors which are unpredictable, including international economic and political conditions, speculative activities, the relative exchange rate of the US dollar with other currencies, inflation, global and regional levels of supply and demand and the gold inventory levels maintained by producers and others.

The Company has financial exposure to foreign exchange fluctuations in the Uruguayan, Chilean and Colombian peso and the Canadian dollar relative to the US dollar.

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.

Covid-19

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally. There can, of course, be no assurances that there will be no disruptions from any future outbreaks. However, we do seem to be beyond the worst of the disease and its impact has been more limited than it could have been, particularly in relation to our operations in Colombia, where our protocols allowed us to work throughout the pandemic. In Uruguay, the impact of the pandemic is also less pronounced than previously, and with the easing of travel restrictions we have been able to push ahead with sales of assets to foreign as well as to local buyers.

Additional Disclosure for Venture Issuers without Significant Revenue

Operating income (expenses)

	Year Ended May 31	
	2022 ($)	**2021 ($)**
Corporate and administrative expenses	(1,792)	(1,206)
Exploration and expenditures	(143)	(29)
Foreign exchange loss (gain)	(193)	110
Gain on fair value of warrants	1,566	627
Net finance cost	(19)	(187)
Other income	23	21
Share-based compensation	(887)	(1,048)
Total Expenses	**(1,445)**	**(1,712)**

Income (loss) from discontinued operations

	Year Ended May 31	
	2022 ($)	**2021 ($)**
Uruguay		
Care and maintenance	1,023	(893)
Corporate and administrative expenses	280	(50)
Net finance cost (net)	139	(5)
Net foreign exchange	(1,263)	207
Obsolescence provision	1,240	(443)

Other (expense) income	(1,027)	1,067
Total Uruguay	**392**	**(117)**
Chile		
Net finance cost (net)	**(58)**	**(54)**
Total income (loss) from discontinued operations	**334**	**(171)**