
OROSUR MINING INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
FEBRUARY 29, 2024
(EXPRESSED IN THOUSANDS OF UNITED STATES
DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Orosur Mining Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Orosur Mining Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in thousands of United States dollars)

Unaudited

	As at February 29, 2024	As at May 31, 2023
ASSETS		
Current assets		
Cash	\$ 1,982	\$ 3,748
Restricted cash (note 13)	12	12
Accounts receivable and other assets (note 5)	452	219
Assets held for sale in Uruguay (note 4)	1,016	989
Total current assets	3,462	4,968
Non-current assets		
Property, plant and equipment (note 6)	207	123
Exploration and evaluation assets (note 7)	4,773	3,334
Total assets	\$ 8,442	\$ 8,425
LIABILITIES AND DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 173	\$ 336
Liability of Chile discontinued operation (note 4)	2,335	2,204
Liabilities held for sale in Uruguay (note 4)	12,616	12,546
Total current liabilities	15,124	15,086
Deficit		
Share capital (note 12)	69,529	69,341
Share-based payments reserve	10,538	10,539
Warrants (note 15)	302	-
Currency translation reserve	(1,904)	(2,725)
Deficit	(85,141)	(83,816)
Deficit attributable to owners of the parent	(6,676)	(6,661)
Non-controlling interest	(6)	-
Total deficit	(6,682)	(6,661)
Total liabilities and deficit	\$ 8,442	\$ 8,425

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

(Signed) "Louis Castro" Chairman of the Board

(Signed) "Thomas Masney" Audit Committee Chair

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Orosur Mining Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in thousands of United States dollars)

(except common shares and per share amounts)

Unaudited

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Nine Months Ended February 29, 2024	Nine Months Ended February 28, 2023
Corporate and administrative expenses (note 17) \$	(419)	\$ (473)	\$ (1,285)	\$ (1,316)
Exploration expenses	(19)	(296)	(72)	(543)
Other income	8	7	24	15
Net finance cost	(4)	(2)	(13)	(7)
Gain on fair value of warrants (note 9)	-	-	-	168
Foreign exchange gain (loss) net	1	(54)	157	(106)
Net loss for the period for continuing operations	(433)	(818)	(1,189)	(1,789)
(Loss) income from discontinued operations (note 4)	(22)	513	(136)	1,563
Net loss for the period	(455)	(305)	(1,325)	(226)
Other comprehensive income (loss):				
Item which may be subsequently reclassified to profit or loss:				
Cumulative translation adjustment	138	1	821	(934)
Total comprehensive loss for the period	(317)	(304)	(504)	(1,160)
Basic and diluted net loss per share for continuing operations (note 16)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic and diluted net (loss) income per share for discontinued operations (note 16)	\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.01
Weighted average number of common shares outstanding	190,056,105	188,560,300	189,057,082	188,544,300

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Orosur Mining Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in thousands of United States dollars)

Unaudited

	Nine Months Ended February 29, 2024	Nine Months Ended February 28, 2023
Operating activities		
Net loss for the period for continuing and discontinued operations	\$ (1,325)	\$ (226)
Adjustments for:		
Depreciation	8	-
Write down of inventories	-	(3,103)
Gain on fair value of warrants	-	(168)
Accretion of asset retirement obligation	-	(817)
Gain on sale of property, plant and equipment	-	(1,396)
Foreign exchange and other	479	68
Changes in non-cash working capital items:		
Accounts receivable and other assets	(266)	(106)
Inventories	-	3,415
Accounts payable and accrued liabilities	(35)	93
Net cash used in operating activities	(1,139)	(2,240)
Investing activities		
Increase in restricted cash	-	343
Proceeds received for sale of property, plant and equipment	-	945
Purchase of property, plant and equipment	(86)	(1)
Proceeds received from exploration and option agreement	-	2,085
Exploration and evaluation expenditures	(1,025)	(191)
Net cash (used in) provided by investing activities	(1,111)	3,181
Financing activities		
Proceeds from issue of common shares, net of shares issuance cost	486	-
Proceeds from exercise of options	3	2
Net cash provided by financing activities	489	2
Net change in cash	(1,761)	943
Net change in cash classified within assets held for sale	(5)	(1,013)
Cash, beginning of period	3,748	4,221
Cash end of period	\$ 1,982	\$ 4,151
Operating activities		
- continuing operations	(1,144)	(2,308)
- discontinued operations	5	68
Investing activities		
- continuing operations	(1,111)	2,236
- discontinued operations	-	945
Financing activities		
- continuing operations	489	2

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Orosur Mining Inc.

Condensed Interim Consolidated Statements of Changes in Deficit

(Expressed in thousands of United States dollars)

Unaudited

	Share capital	Warrants	Share-based payment reserve	Currency translation reserve	Deficit	Total attributable to owners of the parent	Non-controlling interest	Total deficit
Balance, May 31, 2022	\$ 69,339	\$ -	\$ 10,540	\$ (2,125)	\$ (82,029)	\$ (4,275)	\$ -	\$ (4,275)
Options exercised	2	-	(1)	-	-	1	-	1
Currency translation adjustment	-	-	-	(934)	-	(934)	-	(934)
Net loss for the period for continuing operations	-	-	-	-	(1,789)	(1,789)	-	(1,789)
Net income for the period for discontinued operations	-	-	-	-	1,563	1,563	-	1,563
Balance, February 28, 2023	\$ 69,341	\$ -	\$ 10,539	\$ (3,059)	\$ (82,255)	\$ (5,434)	\$ -	\$ (5,434)
Balance, May 31, 2023	\$ 69,341	\$ -	\$ 10,539	\$ (2,725)	\$ (83,816)	\$ (6,661)	\$ -	\$ (6,661)
Private placement	390	240	-	-	-	630	-	630
Share issued cost	(206)	62	-	-	-	(144)	-	(144)
Non-controlling interest	-	-	-	-	-	-	(6)	(6)
Options exercised	4	-	(1)	-	-	3	-	3
Currency translation adjustment	-	-	-	821	-	821	-	821
Net loss for the period for continuing operations	-	-	-	-	(1,189)	(1,189)	-	(1,189)
Net loss for the period for discontinued operations	-	-	-	-	(136)	(136)	-	(136)
Balance, February 29, 2024	\$ 69,529	\$ 302	\$ 10,538	\$ (1,904)	\$ (85,141)	\$ (6,676)	\$ (6)	\$ (6,682)

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

1. Nature of operations and going concern

Orosur Mining Inc. ("Orosur" or "the Company") is a minerals explorer and developer with operations in Colombia, Argentina, Brazil and Nigeria.

Orosur was incorporated and is domiciled in Canada and is governed by the corporate laws of the Yukon Territory, Canada. The Company's shares are listed on the TSX Venture Exchange (TSXV) in Canada and the Alternative Investment Market (AIM) of the London Stock Exchange in the United Kingdom. The Company's registered office is 200-204 Lambert Street, Whitehorse, YT, Y1A 1Z4, and principal place of business is Suite 200, 82 Richmond Street East, Toronto, ON, M5C 1P1.

Going concern uncertainty

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities that are accounted as assets and liabilities held for sale. Assets held for sale are measured at the lower of cost or recoverable amount. This accounting treatment is applied to the activities in Uruguay. In line with negotiations and the final agreement (the "Agreement") as of December 17, 2018 with creditors in Uruguay (see note 4), the Company's Uruguayan subsidiary Loryser S.A. ("Loryser") is required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business based on the payment plan agreed. The Agreement contemplates those net proceeds from the sale of Loryser's assets in Uruguay together with the issuance of 10 million common shares of Orosur (see note 13) shall satisfy all amounts owing to Loryser's creditors as well as provide funds for Loryser to conduct this process. Accordingly, the activities of Uruguay are consolidated in the financial statements as assets and liabilities held for sale and profit or loss from discontinuing operations. The Agreement was ratified by the Court in September 2019, which makes it legally binding on all trade creditors and the Intervenor's control over Loryser ceased. On December 6, 2019, 10,000,000 common shares were issued to a trust for the benefit of Loryser's creditors. As at February 29, 2024, Loryser had agreed and paid for the settlements with all of its former employees. It had finalised the reclamation and remediation works on the tailings dam and sold all of its remaining assets, including its plant and equipment, and is distributing the proceeds on a pro rata basis, to Loryser's trade creditors via a Court approved paying agent.

As at February 29, 2024, the Company had cash of \$1,982 (May 31, 2023 - \$3,748) and a net working capital deficiency of \$11,662 (May 31, 2023 - \$10,118). As at February 29, 2024, the Company carried an accumulated deficit of \$85,141 (May 31, 2023 - \$83,816).

The Company's continuance as a going concern is dependent on its ability to obtain adequate financing. There is a material uncertainty related to the foregoing conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, with the private placement in December 2020, which raised gross proceeds of £4 million (\$5,372) and a further £0.5 million (\$0.5) raised in February 2024, and was successful in reaching a payment plan agreement with creditors in Uruguay in December 2018, (Court approval received September 13, 2019), there is no assurance on how the agreement with creditors in Uruguay will develop, or that the Company will be able to obtain adequate financing in the future on terms advantageous to the Company.

The unaudited condensed interim consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary if the going concern assumption was no longer applicable. These adjustments could be material.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of April 22, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as were followed in the most recent annual financial statements as at and for the year ended May 31, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending May 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

Functional and presentation currency

The functional and presentation currency of the Company is the United States dollar.

All of the Company's entities have the United States dollar as the functional currency, except for Waymar Resources Ltd., Cordillera Holdings International Ltd., Minera Anzá S.A., Fortune Valley Resources Inc. and Fortune Valley Resources Inc. BVI, whose functional currency is the Canadian dollar and Minera Anzá S.A. (Colombia branch), whose functional currency is the Colombian pesos.

The results of operations and financial position of all the Company's entities that have a functional currency different from the presentation currency (United States dollar) are translated into the presentation currency as follows:

- a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- c) All resulting exchange differences are recognized in other comprehensive income under the caption "Currency translation reserve".

New standards adopted

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

New and revised standards and interpretations issued but not yet effective

The Company has performed an assessment of new and revised standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its consolidated financial statements would not be material.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

3. Critical accounting estimates, judgments and assumptions

The preparation of the Company's unaudited condensed interim consolidated 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 expenses, gains and losses 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 may lead to material adjustments to the carrying amounts of assets and liabilities. The areas that require management to make significant judgments, estimates and assumptions are discussed below.

Consolidation

The unaudited condensed interim 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 17, including percentage owned by Orosur and includes the Company's subsidiaries in Canada, Brazil, Uruguay, Chile, Nigeria and Colombia. 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

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile was 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 have been sold by the 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 amount of capitalized exploration and evaluation costs disclose significant judgments relation to the intention for development at least annually. The review is based on the Company's intention for development of the underlying asset.

Environmental rehabilitation provisions

The rehabilitation provision is determined according to the net present value of estimated future costs based on feasibility and engineering studies on a site by site basis. While care was taken to estimate the rehabilitation provision, 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.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

4. Discontinued operations

Uruguay

On June 14, 2018, Loryser (the Company's operating subsidiary in Uruguay) applied to commence reorganization proceedings under Uruguayan legislation (Act N°18.387) (the "Loryser Reorganization Proceedings"). To have continued with the San Gregorio mine plan, a swift and timely transition from San Gregorio Underground to the Veta A Underground project would have been required, which itself would have required external financing plus an environmental permit for Veta A, both of which were not available at the time. As a result of those circumstances, the Board of Directors actively explored a number of alternatives for Orosur and its subsidiaries. The decision to apply for the Loryser Reorganization Proceedings and creditor protection was made in consultation with the Company's legal and financial advisors and the Company's management believed it to be in the best interests of Loryser, the Company and their stakeholders.

In December 2018, Loryser reached a payment plan agreement with creditors in Uruguay ("Agreement"). In May 2019, the Court approved the final list of creditors and Loryser's independent asset valuation. In August 2019, the Intervenor filed a report informing the Court that it had verified that 71.48% of the trade creditors by value had adhered to the Agreement. Consequently, the Intervenor informed that majorities legally required were reached and the Court gave public notice of the Agreement.

The Agreement was approved by the Reorganization court in Montevideo and the Court decree was publicly posted on September 12, 2019 and became final and binding for all trade creditors on September 20, 2019.

On December 6, 2019, 10,000,000 common shares of Orosur were issued to a trust for the benefit of Loryser's creditors as contemplated in the Court Agreement (note 13).

In line with negotiations and the Agreement with creditors in Uruguay, Loryser S.A. is required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business based on the payment plan agreed. The Agreement contemplates that the net proceeds from the sale of Loryser's assets in Uruguay together with the sale of the issued 10 million common shares of Orosur shall satisfy all amounts owing to Loryser's creditors, as well as provide funds for Loryser to pay its former employees and to conduct this process and close the operation responsibly.

During the previous financial 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 including the 10 million common shares issued to the trust. The Company has finalized the reclamation and remediation works on the tailings dam and has successfully concluded a one-year post-closure control phase. In addition, Loryser has sold all of its remaining assets included in the Agreement, including its plant and equipment, in accordance with the Creditors Agreement, and expects the proceeds, on a pro rata basis, to Loryser's trade creditors in accordance with the Creditors' Agreement, via a court approved paying agent.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

4. Discontinued operations (continued)

Uruguay (continued)

Uruguay - Net liabilities of discontinued operations held for sale

	As at February 29, 2024	As at May 31, 2023
ASSETS		
Cash	\$ 123	\$ 118
Tax receivable ⁽¹⁾	22	-
Marketable securities	8	8
Miscellaneous receivable ⁽²⁾	863	863
Total assets	\$ 1,016	\$ 989
LIABILITIES		
Commercial suppliers	\$ 10,484	\$ 10,409
Mining royalties and other taxes	583	588
Borrowings ⁽³⁾	1,385	1,385
Environmental rehabilitation provision	164	164
Total liabilities	\$ 12,616	\$ 12,546
Net liabilities of discontinued operations held for sale	\$ (11,600)	\$ (11,557)

(1) Tax receivable consists of refunds to be collected for Uruguayan Value Added Tax

(2) Current miscellaneous receivable includes amount received from sale of plant to be applied to creditors

(3) These borrowings will be treated equivalently to other accounts payable as part of the Loryser Reorganization Proceedings as they rank pari passu with trade creditors.

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

4. Discontinued operations (continued)

Uruguay (continued)

Net (loss) income and comprehensive (loss) income from discontinued operations

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Nine Months Ended February 29, 2024	Nine Months Ended February 28, 2023
Corporate and administrative expenses	\$ -	\$ -	\$ -	\$ 27
Write-down of inventories	-	(4)	-	3,103
Care and maintenance	(15)	(51)	(77)	(3,913)
Other income	-	21	9	1,723
Net finance (cost) income	(1)	816	(1)	816
Net foreign exchange	(6)	(236)	25	(116)
(Loss) income before income tax	(22)	546	(44)	1,640
Net (loss) income and comprehensive (loss) income	\$ (22)	\$ 546	\$ (44)	\$ 1,640

Cash flows from discontinued operations

	Nine Months Ended February 29, 2024	Nine Months Ended February 28, 2023
Operating activities - discontinued operations		
Net (loss) income for the period	\$ (44)	\$ 1,640
Adjustments for:		
Write-down of inventories	-	(3,103)
Accretion of asset retirement obligation	-	(817)
Gain on sale of property, plant and equipment	-	(1,396)
Other and foreign exchange	-	349
Changes in non-cash working capital items:		
Accounts receivable and other assets	(21)	(93)
Inventories	-	3,415
Accounts payable and accrued liabilities	70	73
Net cash provided by operating activities	5	68
Investing activities - discontinued operations		
Proceeds from sale of property and equipment	-	945
Net cash provided by investing activities	-	945
Net change in cash	5	1,013
Cash, beginning of period	118	151
Cash, end of period	\$ 123	\$ 1,164

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

4. Discontinued operations (continued)

Chile

In October 2009, Fortune Valley Resources Chile S.A. ("FVRC"), a wholly owned subsidiary of the Company, entered into an option agreement with Anglo American Norte S.A ("Anglo"), a subsidiary of Anglo American plc, for the Pantanillo gold exploration project.

In May 2018, the Company terminated the option agreement.

Following the relinquishment by FVRC of the Pantanillo project, Anglo sought the payment of minimum royalties and requested arbitration. On March 28, 2019, the Arbitral Tribunal rendered its decision, ruling that FVRC is required to pay Anglo approximately US\$1,600 plus interest at Chile's current interest rate calculated from December 2015 until its effective payment. The Tribunal's decision is exclusively against FVRC. Orosur was not named in the decision from the Tribunal nor was Orosur a party to the relevant agreements. The Company has made a provision of \$2,335 (\$1,900 plus interest) in relation to this decision as at February 29, 2024 for FVRC (May 31, 2023 - \$2,204 (\$1,900 plus interest)).

Chile - Net liabilities of discontinued operations

	As at February 29, 2024	As at May 31, 2023
ASSETS		
Cash	\$ 5	\$ 13
Total assets	\$ 5	\$ 13
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,335	\$ 2,204
Total liabilities	2,335	2,204
Liabilities of Chile discontinued operation	\$ 2,335	\$ 2,204

Net loss and comprehensive loss from Chile discontinued operations

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Nine Months Ended February 29, 2024	Nine Months Ended February 28, 2023
Finance cost	\$ -	\$ (33)	\$ (92)	\$ (77)
Net loss and comprehensive loss for the period	\$ -	\$ (33)	\$ (92)	\$ (77)

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

5. Accounts receivable and other assets

Accounts receivable and other assets

	February 29, 2024	May 31, 2023
Tax receivable ⁽¹⁾	\$ 71	\$ 47
Deposit with suppliers	98	98
Miscellaneous receivable	283	74
Total accounts receivable and other assets	\$ 452	\$ 219

(1) Tax receivable consists of refunds to be collected for Canadian GST / HST.

6. Property, plant and equipment

Property, plant and equipment from continuing operations

Cost	Tangible fixed assets
Balance, May 31, 2022	\$ 182
Additions	31
Foreign exchange	(20)
Balance, May 31, 2023	193
Additions	86
Foreign exchange	(4)
Balance, February 29, 2024	\$ 275

Accumulated depreciation	Tangible fixed assets
Balance, May 31, 2022	\$ 69
Depreciation for the year	9
Foreign exchange	(8)
Balance, May 31, 2023	\$ 70
Depreciation for the period	8
Foreign exchange	(10)
Balance, February 29, 2024	\$ 68

Carrying amount	Tangible fixed assets
Balance, May 31, 2023	\$ 123
Balance, February 29, 2024	\$ 207

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

6. Property, plant and equipment (continued)

Property, plant and equipment from discontinued operations (Uruguay)

Cost	Tangible fixed assets	Tangible underground development costs	Total
Balance, May 31, 2022	\$ 46,909	\$ 5,133	\$ 52,042
Disposals	(46,909)	(5,133)	(52,042)
Balance, May 31, 2023	\$ -	\$ -	\$ -
Balance, February 29, 2024	\$ -	\$ -	\$ -

Accumulated depreciation	Tangible fixed assets	Tangible underground development costs	Total
Balance, May 31, 2022	\$ 46,833	\$ 4,641	\$ 51,474
Disposals	(46,833)	(4,641)	(51,474)
Balance, May 31, 2023	\$ -	\$ -	\$ -
Balance, February 29, 2024	\$ -	\$ -	\$ -

Carrying amount	Tangible fixed assets	Tangible underground development costs	Total
Balance, May 31, 2023	\$ -	\$ -	\$ -
Balance, February 29, 2024	\$ -	\$ -	\$ -

7. Exploration and evaluation costs

Nine months ended February 28, 2023

Colombia

Balance, May 31, 2022					\$ 5,441
Additions					140
Anzá Project option agreement payment					(86)
Foreign exchange					(893)
Balance, February 28, 2023					\$ 4,602

Nine months ended February 29, 2024

	Argentina	Brazil	Colombia	Nigeria	Total
Balance, May 31, 2023	\$ 335	\$ 30	\$ 2,969	\$ -	\$ 3,334
Additions	202	66	321	436	1,025
Foreign exchange	-	-	414	-	414
Balance, February 29, 2024	\$ 537	\$ 96	\$ 3,704	\$ 436	\$ 4,773

Orosur Mining Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended February 29, 2024

(Expressed in thousands of United States dollars)

(Except common shares and per share amounts)

Unaudited

7. Exploration and evaluation costs (continued)

Anzá Project

On September 10, 2018, the Company completed an agreement with Newmont Colombia S.A.S. ("Newmont"), a wholly-owned subsidiary of Newmont Corporation for the Anzá project. The agreement includes a three-phase earn-in structure allowing Newmont to earn up to a 75% ownership interest in the Anzá Project by spending a minimum of \$30 million in qualifying expenditures over twelve years, completing an NI 43-101 compliant feasibility study and making cash payments to Orosur equalling a total of \$4 million over Phases 1 and 2. In Phase 1, Newmont may earn a 51% ownership interest by spending \$10 million in qualifying expenditures over four years and making cash payments to Orosur equalling a total of \$2 million during the first two years of the Phase 1 earn-in period. Upon Newmont's completion of Phase 1, it may elect, in its sole discretion, to exercise its option to form a joint venture with Orosur. In Phase 2, Newmont may elect to earn an additional 14% ownership interest in the Anzá Project by sole funding \$20 million in qualifying expenditures within four years, completing an NI 43-101 compliant pre-feasibility study and making cash payments to Orosur equalling a total of \$2 million. In Phase 3, Newmont may elect to earn an additional 10% ownership interest in the Anzá Project by completing an NI 43-101 compliant feasibility study within four years. During the year ended May 31, 2021, Newmont Corporation entered into a Joint Venture Agreement with Agnico Eagle Mines Limited ("Agnico"), with Agnico operator of the Joint Venture. The Joint venture is, owned 50:50 by Newmont and Agnico and is named Minera Monte Aguila SAS ("MMA").

On September 8, 2022, MMA provided the Company with a Phase 1 Earn-In Notice, having completed all of the Phase 1 obligations, including investing \$10 million in the Project. During year ended May 31, 2023, MMA announced it would advance into Phase 2 of the project and it made the \$2 million Phase 2 payment.

On March 25, 2024, the Company entered into a non-binding letter of intent with MMA, pursuant to which Orosur would repurchase, directly or indirectly, MMA's interest in the Anza Project, resulting in Orosur having a 100% ownership of the Anza Project ("Transaction"). The proposed consideration set out in the letter of intent is a net smelter return royalty of 1.5% and cash payments of up to US\$15 million payable upon meeting certain agreed production thresholds. The Company expects that the Transaction can be completed as early as the end of May 2024.

Lithium West Project ("Project")

On October 16, 2023, the Company entered in a Joint Venture agreement ("JV agreement") with Jurassic Mines Ltd. ("Jurassic"), whereby the Company, may earn up to 70% equity in the Project. The JV agreement includes a two phases earn-in structure allowing the Company's wholly owned subsidiary, Lithium West to earn up to 70% ownership interest in the Project by spending a minimum of \$3 million over three years for phase 1 for 51% and additional \$2 million for an additional 19% over the maximum of two years for phase 2. As of November 31, 2023, the Project is owned 51:49 by the Company and its JV partner Mineral Alliance Ltd.

The Project at inception comprised four exploration licences accros Nigeria's primary pegmatite belt, covering a total of circa 322Km².

As at February 29, 2024, no indicators of impairment were noted on the Company's exploration and evaluation projects.

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(Except common shares and per share amounts)

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8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities

	February 29, 2024	May 31, 2023
Commercial suppliers	\$ 171	\$ 289
Salaries, labour benefits and social security contributions	2	47
Total accounts payable and accrued liabilities	\$ 173	\$ 336

9. Warrant liability

In December 2020, the Company completed a private placement financing consisting of one (1) common share in the capital stock of the Company ("Common Share") and one-half (1/2) of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of 25.5 pence for a period of 2 years from the date of issuance.

The following table summarizes the changes in the warrant liability for the years ending February 29, 2024 and May 31, 2023:

	As at February 29, 2024	As at May 31, 2023
Opening balance	\$ -	\$ 168
Fair value adjustment	-	(168)
Closing balance	\$ -	\$ -

	As at February 29, 2024	As at May 31, 2023
Opening balance, outstanding warrants	-	10,897
Warrants expired	-	(10,897)
Closing balance, outstanding warrants	-	-

10. Borrowings

Term debt of discontinued operations (Uruguay)

	February 29, 2024	May 31, 2023
Borrowings ⁽¹⁾	\$ 1,385	\$ 1,385
	\$ 1,385	\$ 1,385

(1) Related to the line of credit in the amount of \$1,500. These borrowings will be treated equivalently to other accounts payable as part of the Loryser Reorganization Proceedings as they rank pari passu with trade creditors (note 4).

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11. Environmental rehabilitation provision

The Company's environmental rehabilitation provision relates to the retirement and remediation of the San Gregorio operation in Uruguay. The environmental rehabilitation provision has been determined by calculating the net present value of estimated future costs.

The following table summarizes the movements in the environmental rehabilitation provision for the nine months ended February 29, 2024 and year ended May 31, 2023:

Environmental rehabilitation provision discontinued operations (Uruguay)

	February 29, 2024	May 31, 2023
Balance, beginning of period	\$ 164	\$ 1,275
Accretion expense	-	(1,111)
Balance at end of period	\$ 164	\$ 164
Less: current portion	(164)	(164)
Balance, end of period	\$ -	\$ -

Loryser has a legal and constructive obligation to restore the San Gregorio operation. This estimate is revised annually. The Company advances rehabilitation work in accordance with DINACEA (formerly DINAMA) the Uruguayan environmental agency.

Uruguayan mining and environmental legislation requires environmental obligations to be supported by guarantees. As a result, rehabilitation guarantee letters of credit with a total amount of \$1,326 (May 31, 2023 - \$1,326) had been provided by local Uruguayan insurance companies and financial institutions. Pursuant to a Settlement Agreement with DINACEA, Loryser continued with the reclamation of the tailings dam and DINACEA will pay \$1,326 (from third-party guarantee proceeds in instalments on completion of a six-phased closure plan. The first payment by DINACEA of \$150 under the plan was received by the Company in May 2020, a second payment of \$269 was received in December 2020; two more payments totalling \$538 were received in January 2021; one payment of \$269 was received in October 2022; and, one payment of \$100 was received in January 2024.

12. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount \$
Balance, May 31, 2021	188,520,300	\$ 69,339
Stock options exercised	40,000	2
Balance, May 31, 2022 and February 28, 2023	188,560,300	\$ 69,341

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12. Share capital (continued)

b) Common shares issued (continued)

	Number of common shares	Amount \$
Balance, May 31, 2023	188,560,300	69,341
Units issued in private placement ⁽¹⁾	16,949,152	630
Value of warrants in Units issued ⁽¹⁾	-	(240)
Issue costs of private placement ⁽¹⁾	-	(206)
Stock options exercised	75,000	4
Balance, February 29, 2024	205,584,452	\$ 69,529

(1) On February 21, 2024, the Company completed a private placement financing consisting of the sale of 16,949,152 units (the "Units") at 0.0295 pence per Unit for aggregate gross proceeds of £500K (\$630). Each Unit consisted of one (1) common share in the capital stock of the Company ("Common Share") and one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire an additional Common Share at a price of \$0.0558 for a period of 2 years from the date of issuance. These warrants were assigned a value of \$240 using the Black-Scholes valuation model (note 9). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows: Risk free interest rate: 4.18%; expected life of 2 years; expected volatility: 134.35%; and weighted average share price: CDN\$0.05. The Company incurred total cost of \$144 in fees included in share capital. The Company issued 1,694,914 brokers warrants ("Broker Warrants"). Each Broker Warrant can be exercised for one common share at an exercisable price of \$0.0372 for a period of 5 years from the date of issuance.

The fair value of the Broker Warrants was estimated at \$62 the Black-Scholes option pricing model with the following assumptions: expected dividend yield - 0%, expected volatility - 153.85%, risk-free interest rate - 3.61%, an expected average life of 5 years and weighted average share price: CDN\$0.05.

13. Shares held by Trust and Restricted Cash

In December 2018, Loryser reached an agreement with the majority of its creditors (the "Agreement"), achieving a support level of approximately 72% of creditors by value, comprising 67 different creditors. The 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 and that Intervenor's control over Loryser ceases. In December 2019, as part of the consideration to be applied to the creditors' liabilities, Orosur issued 10,000,000 common shares of Orosur to the San Gregorio Trust. The Trust is an independent legal body established by Orosur (the "Settlor") with an independent Trustee whose sole purpose it is to sell the shares at the best possible price and pay that money to Loryser's creditors who are the Beneficiaries of the Trust pursuant to the Agreement. The Trustee was appointed in the Trust Deed and the Settlor cannot remove the Trustee. The Trustee is not an employee nor a director of Orosur or any of its subsidiaries and does not receive instructions from Orosur.

The Restricted Cash is related to the funds net of costs raised by the Trust from the sale of the common shares held by the Trust. All of the 10,000,000 common shares have been sold for the benefit of Loryser's creditors as contemplated in the Court-approved Creditors Agreement. During the year ended May 31, 2023, the Trustee disposed of 4,355,500 common shares to the market, raising proceeds of \$1,228 and \$2,150 had been released to Loryser. During the nine months ended February 29, 2024, \$nil had been released to Loryser to be applied in accordance with the Court ratified Creditors Agreement.

As of February 29, 2024, the remaining restricted cash balance was \$12 (May 31, 2023 - \$12).

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14. Equity incentive plan

In November 2023, the Company's Board approved the Equity Incentive Plan (the "Plan"), which included Options, Restricted Share Unit ("RSU"), and Deferred Share Unit ("DSU") for the officers, directors, employees and consultants of the Company. The Plan was approved by shareholders at the Company's AGM in December 2023. The maximum number of common shares that may be issued upon exercise or settlement of awards granted under the Equity Incentive Plan shall not exceed 18,856,030, representing 10% of the then issued and outstanding common shares of the Company.

Options

Options under the Plan are typically granted in numbers that reflect the responsibility of the particular optionee and his or her contribution to the business and activities of the Company. Options granted under the Plan have a term between 5 and 10 years. Except in specified circumstances, options are not assignable and terminate on the optionee ceasing to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued under the Plan cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

The following table summarizes information regarding the Company's outstanding options at February 29, 2024:

	Number of stock options ('000)	Weighted average exercise price (CDN \$)
Balance, May 31, 2021	11,540	\$ 0.26
Exercised	(40)	0.05
Expired / Forfeitures	(310)	0.24
Balance, May 31, 2022 and February 28, 2023	11,190	\$ 0.26
Balance, May 31, 2023	11,190	\$ 0.26
Issued	(75)	0.01
Expired	(483)	0.18
Balance, February 29, 2024	10,632	\$ 0.19

The following table reflects the stock options issued and outstanding as of February 29, 2024:

Expiry date	Exercise price (CDN \$)	Weighted average remaining contractual life (years)	Number of options outstanding ('000)	Number of options vested (exercisable) ('000)
November 14, 2024	0.050	0.71	372	372
May 4, 2025	0.040	1.18	440	440
January 29, 2026	0.460	1.92	300	300
March 11, 2027	0.220	3.03	4,020	4,020
December 10, 2030	0.325	6.78	5,500	5,500
	0.27	4.78	10,632	10,632

During the three and nine months ended February 29, 2024 and February 28, 2023, no options were issued and recorded.

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14. Equity incentive plan (continued)

Restricted Share Units ("RSUs")

Employees, consultants, directors, and officers of the Company are eligible to receive tranche of RSUs, entitling the holder to receive one common share for each RSU, a cash payment, or a combination of common shares and cash, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

As at February 29, 2024, no RSUs were issued.

Deferred Share Units ("DSUs")

Directors, and officers of the Company are eligible to receive DSUs, entitling the holder to receive one common share for each RSU, a cash payment, or a combination of common shares and cash, subject to restrictions as the Board may, in its sole discretion, establish in the applicable award agreement.

As at February 29, 2024, no DSUs were issued.

15. Warrants

	Number of warrants ('000)	Weighted average exercise price
Balance, May 31, 2022 and May 31, 2023	-	-
Issued	18,644	0.05
Balance, February 29, 2024	18,644	0.05

Warrants outstanding as at February 29, 2024:

Expiry date	Grant date fair value (\$)	Exercise price (\$)	Remaining contractual life (years)	Number of Warrants outstanding
February 21, 2026 (1)	240	0.0558	1.98	16,949
February 21, 2029 (2)	62	0.0372	4.98	1,695
	302		2.25	18,644

(1) Warrants and (2) broker warrants are exercisable into 1 common share.

16. Income (loss) per share

For the three and nine months ended February 29, 2024, basic and diluted loss per share for continued operations has been calculated based on the loss attributable to common shareholders of \$433 and \$1,189, respectively (three and nine months ended February 28, 2023 - loss of \$818 and \$1,789, respectively) and the weighted average number of common shares outstanding of 190,056,105 and 189,057,082, respectively (three and nine months ended February 28, 2023 - 188,560,300 and 188,544,300, respectively). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

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17. Related parties

Subsidiaries:

The unaudited condensed interim consolidated financial statements include the financial statements of the Company's subsidiaries:

Name of subsidiary	Country of incorporation	Equity interest as of		Functional currency
		February 29, 2024	May 31, 2023	
International Mining Holdings Limited (IMHL)	Barbados	100%	100%	US dollar
Loryser S.A.	Uruguay	100%	100%	US dollar
Minera San Gregorio S.A.	Uruguay	100%	100%	US dollar
Cinco Rios S.A.	Uruguay	100%	100%	US dollar
Nafypel S.A.	Uruguay	100%	100%	US dollar
Triselco S.A.	Uruguay	100%	100%	US dollar
Kevelux S.A.	Uruguay	100%	100%	US dollar
Glendora S.A.	Uruguay	100%	100%	US dollar
Dalvàn S.A.	Uruguay	100%	100%	US dollar
Bolir S.A.	Uruguay	100%	100%	US dollar
Brimol S.A.	Uruguay	100%	100%	US dollar
Montemura S.A.	Uruguay	100%	100%	US dollar
Ugdev S.A.	Uruguay	100%	100%	US dollar
Fortune Valley Resources Inc.	Canada	100%	100%	Canadian dollar
Fortune Valley Resources Inc. BVI	BVI	100%	100%	Canadian dollar
Fortune Valley Resources Chile S.A.	Chile	100%	100%	US dollar
Waymar Resources Ltd.	Canada	100%	100%	Canadian dollar
Cordillera Holdings International Ltd. BVI	BVI	100%	100%	Canadian dollar
Minera Anzá S.A. (BVI)	BVI	100%	100%	Canadian dollar
Minera Anzá S.A. (Colombia branch)	Colombia	100%	100%	Colombian peso
Anillo SPA	Chile	100%	100%	US dollar
Dorado Mining Holding Inc.	Canada	100%	100%	US dollar
Deseado Dorado SAS. ⁽¹⁾	Argentina	100%	100%	US dollar
Maracana Mining Holding Inc.	Canada	51%	51%	US dollar
Madeira Mineracao LTDA.	Brazil	51%	51%	US dollar
Lithium West Limited ⁽²⁾	United Kingdom	100%	Nil	US dollar
Lithium Holdings Limited ⁽²⁾	BVI	100%	Nil	US dollar
West Africa Lithium Ltd.	BVI	51%	Nil	US dollar
Jurassic Mines Ltd.	Nigeria	51%	Nil	US dollar

(1) Deseado Dorado SAS. is in a hyper-inflation jurisdiction.

(2) Lithium West Limited and Lithium Holdings Limited were registered in October 2023.

Compensation of key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include the members of the Board of Directors of the Company (executive and non-executive) and the Chief Executive Officer and Chief Financial Officer. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The Chief Executive Officer is also a director of the Company.

