

**OROSUR MINING INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THREE AND NINE MONTHS ENDED FEBRUARY 29, 2024**

**EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS**

**(except where indicated)**

## **Introduction**

The following Management's Discussion & Analysis ("MD&A") of Orosur Mining Inc. ("Orosur" or the "Company") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended May 31, 2023. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended May 31, 2023 and May 31, 2022 and the unaudited condensed consolidated interim financial statements for the three and nine months ended February 29, 2024, 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 three and nine months ended February 29, 2024, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 22, 2024, unless otherwise indicated.

The Company's unaudited condensed consolidated interim financial statements for the three and nine months ended February 29, 2024, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

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

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

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

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

Forward-looking statements include, without limitation: the exploration plans in Colombia, Argentina, Nigeria and Brazil, and the funding in Colombia of those plans; Monte Águila's decision as to whether to continue with the Exploration and Option agreement; the ongoing discussions with Monte Aguila under which Orosur would acquire MMA's interest in the Anza Project; the ability for Loryser SA ("Loryser") to continue with and finalize the remediation in Uruguay; and, the ability of Loryser to implement the Creditors' Agreement successfully as well as the continuation of the business of the Company on a going concern and other events or conditions that may occur in the future. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

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

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

### **Description of Business**

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

#### **Colombia**

In Colombia, the Company owns the Anzá gold exploration project ("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 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 Project in Colombia.

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

Discussions with Monte Aguila are currently focussed on exploring options whereby Orosur will acquire MMA's interest in the Project. Such an outcome, if achieved, would see the Company returning to having an interest of 100% in the Project. Negotiations are progressing toward this objective; however, these are not final and as such there is no certainty that such a transaction will be agreed, and if so, on what terms.

#### **Argentina, Nigeria and Brazil**

During 2022, the Company entered into joint venture agreements with partners in Argentina and Brazil to explore for gold and tin respectively. On October 16, 2023, the Company announced that it had signed an exploration joint venture agreement covering four licences in the Nigerian lithium belt and a further two licences were added at the end of November 2023. More details on the Argentinian and Brazilian joint ventures are set out in the Company's MD&A for the financial year ended May 31, 2023, and more detail on the Nigerian joint venture is set in the Company's MD&A for the quarter ended November 30, 2023.

#### **Uruguay**

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

## **Highlights**

Highlights for the three and nine months ended February 29, 2024, include:

### **Operational**

- In Colombia, post period end, on March 25, 2024, the Company announced that it had entered into a non-binding letter of intent with MMA, which was signed on March 22, 2024, that provides for a transaction pursuant to which Orosur would repurchase, directly or indirectly, MMA's interest in the Anza Project ("Project"), resulting in Orosur having a 100% ownership of the 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. Subject to several conditions, including but not limited to, the negotiation of definitive documentation and the completion of due diligence, the Company is aiming to complete the Transaction by the end of May 2024, subject to regulatory matters.
- Concurrently with negotiation of the Transaction in Colombia, the Company has begun the process of preparing to reassume ownership and operatorship of the Project. This involves, among other things, the recruitment of staff, liaising with the local community, discussions with relevant contractors and suppliers and the obtaining of various permits required for field operations. Should the Transaction be completed, the Company hopes to be able to recommence drilling operations as quickly as possible after reassuming operatorship.
- In the Company's other earlier stage projects in Nigeria, Argentina and Brazil, reconnaissance exploration has continued at a slower pace. Results and analysis will be announced once current phases are complete.
- In Uruguay, the Company's wholly owned subsidiary, Loryser, continues to focus its activities on the final stages of the Creditors Agreement. In line with the Creditors Agreement, Loryser has sold all of its assets. It has paid for the settlements with all of its former employees; it has finalised the reclamation and remediation works on the tailings dam and has successfully concluded a one-year post-closure control phase. Loryser is well advanced in distributing the proceeds to Loryser's trade creditors in accordance with the Creditors' Agreement, via a Court approved settlement agent.

### **Financial and Corporate**

- The unaudited consolidated financial statements have been prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted for as Assets and Liabilities held for sale (at the lower of book value or fair value) and Profit and Loss from discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.
- At the Company's AGM, held on December 19, 2023, all resolutions put to shareholders were duly passed including approval of the Company's new equity incentive plan pursuant to which the Company may grant stock options, restricted share units, and deferred share units to the officers, directors, employees and consultants of the Company and its subsidiaries. The new equity incentive

plan replaces the Company's prior stock option plan and should reduce dilution to shareholders and be more fiscally efficient for some of the participants.

- On February 15, 2024, the Company announced that it had raised the sum of £500,000 (before expenses) through a placing of 16,949,152 new common shares of no par value at a price of 2.95 pence per share, together with a grant of one unlisted warrant to purchase one additional common share exercisable at US\$0.0558 (approximately 4.425 pence) for every share subscribed for. As part of its fee, 1,694,915 unlisted warrants were granted to the Company's broker, exercisable at US\$0.372 (approximately 2.95 pence) for every share subscribed for. The net proceeds of the Placing will be used to progress the Company's exploration projects whilst negotiations are concluded with the Company's partners in Colombia.
- On February 29, 2024, the Company had a cash balance of \$1,982 (May 31, 2023 \$3,748). As at the date of this MD&A the Company had a cash balance of \$1,650.

### **Outlook and Strategy**

Given the progress on negotiations in Colombia and the encouraging results in Argentina, the Company will focus most of its investment in these areas. The Company will also advance its project in Nigeria, which has returned strong results, albeit at a slower pace whilst lithium prices continue to recover. As the Company seeks to prioritise the use of its capital, it will, however, no longer pursue activity on its Brazilian project and accordingly, Orosur will terminate its JV agreement with Meridian Mining UK Societas on the Arique mes tin project.

In Colombia, the short-term focus is on Orosur reassuming 100% ownership and the operatorship of the Anzá Project through the acquisition of MMA. Although there can be no certainty that the Transaction will complete, the Company is targeting completion of the Transaction by the end of May 2024, subject to regulatory matters. Thereafter, the Company is planning to recommence drilling at Pepas and commence further exploration in other areas of the Project.

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

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

### **Proposed Transactions**

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

### **Overview of Financial Results**

#### **Discussion of Operations**

**Profit and loss for the three months ended February 29, 2024 and February 28, 2023**

***Continued operations***

For the three months ended February 29, 2024, Orosur recorded a net loss from continued operations of \$433, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$818 for the three months ended February 28, 2023. The decrease in net loss of \$385 is principally attributable to decreases in exploration expenditures of \$277.

***Discontinued operations***

For the three months ended February 29, 2024, income from discontinued operations was \$22. This compares with income for the three months ended February 28, 2023, of \$513. The decrease in net income of \$535 is principally attributable to movements in foreign exchange variance, net finance (cost) income, obsolete stock and environmental provision in Uruguay.

**Profit and loss for the nine months ended February 29, 2024 and February 28, 2023**

***Continued operations***

For the nine months ended February 29, 2024, Orosur recorded a net loss from continued operations of \$1,189, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$1,789 for the nine months ended February 28, 2023. The decrease in net loss of \$600 is principally attributable to a decrease in the gain on fair value of warrants of \$168, and a decrease in exploration expenditures of \$471, offset by increases in foreign exchange loss of \$263.

***Discontinued operations***

For the nine months ended February 29, 2024, loss from discontinued operations was \$136. This compares with income for the nine months ended February 28, 2023 of \$1,563. The increase in net loss of \$1,699 is principally attributable to movements in payroll provisions, net finance (cost) income, obsolete stock and environmental provision in Uruguay.

**Assets and liabilities as at February 29, 2024; May 31, 2023; and May 31 2022**

The following is selected financial data of the Company as at February 29, 2024, May 31, 2023, and May 31, 2022:

	As at February 29, 2024	As at May 31, 2023	As at May 31, 2022
Total current assets	\$3,462	\$4,968	\$5,920
Total non-current assets	\$4,980	\$3,457	\$5,554
Total assets	\$8,442	\$8,425	\$11,474
Total current liabilities	\$15,124	\$15,086	\$15,749
Total non-current liabilities	\$nil	\$nil	\$nil
Total liabilities	\$15,124	\$15,086	\$15,749
Total shareholders' (deficit) equity	\$(6,682)	\$(6,661)	\$(4,275)

### **Liquidity and Capital Resources**

The Company had cash balances from continued operations of \$1,982 as at February 29, 2024, (May 31, 2023 - \$3,748). The decrease in cash during the nine months ended February 29, 2024, was primarily due to net cash used in operating activities.

Net cash used in operating activities was \$1,139 for the nine months ended February 29, 2024. Net cash (used in) provided by investing activities amounted to \$(1,111) principally comprising \$(86) from purchase of equipment and plant, and \$(1,025) of expenditure on exploration and evaluation.

At February 29, 2024, the Company had a net working capital deficiency of \$11,662 (May 31, 2023: \$10,118). The Company is not generating cash from operations and relied on the cash payments received under the exploration and option agreement for its funding in Colombia.

The reorganization in Uruguay is, as per the Creditors Agreement, financing itself by the sale of Loryser's assets which are intended to cover its outstanding and ongoing liabilities. The sale of the remaining assets of Loryser, was achieved during the quarter to February 2023. Loryser has now paid its labour and all other preferential creditors and is well advanced in distributing proceeds to Loryser's trade creditors in accordance with the Creditors' Agreement, via a Court approved paying agent.

In the event that the talks with MMA are successful and the Company assumes ownership of MMA, the Company will require external financing to advance its exploration project in Colombia and it will also require financing for its other projects. 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 projects.

See "Risk Factors" below.

### **Outstanding Share Data**

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

Securities	
Common shares	205,584,452
Issuable under options	10,631,665
Warrants	18,644,067
Total Securities	234,860,184



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

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

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

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

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 unaudited consolidated financial statements include the accounts of Orosur and its subsidiaries (collectively "the Group"). Subsidiaries are entities controlled directly or indirectly by Orosur. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company's list of subsidiaries is included in note 17 to the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended February 29, 2024. All are 100% owned by Orosur other than for Maracana Mining Holding Inc., its subsidiary, Mineracao Madeira Ltda and West Africa Lithium Limited and its subsidiary, Jurassic Mines Limited, in which the Company owns 51%. In each case the management has deemed that Orosur has control over these and all other subsidiaries on the measures set out above.

### **Discontinued operations**

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

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile is recognized as a discontinued operation after all of its mining assets were sold or returned. In Uruguay, the operations 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.

### **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. Many are not applicable or do not have a significant impact to the Company's unaudited condensed interim consolidated financial statements.

### **New Standards Not Yet Adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2024. 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., and its subsidiary Mineracao Madeira Ltda, and West Africa Lithium Limited and its subsidiary, Jurassic Mines Limited, which are 51% owned, the Company owns 100% of all of its subsidiaries. Figures contained in this MD&A document include the accounts of Orosur and its subsidiaries and all inter-company transactions have been eliminated on consolidations. Note 17 to the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended February 29, 2024, discloses the Company's list of subsidiaries.

### **Risk Factors**

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

### **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.