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**OROSUR MINING INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**THREE MONTHS ENDED AUGUST 31, 2023**  
**(EXPRESSED IN THOUSANDS OF UNITED STATES**  
**DOLLARS)**  
**(UNAUDITED)**

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**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.

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# Orosur Mining Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in thousands of United States dollars)

Unaudited

	As at August 31, 2023	As at May 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 3,186	\$ 3,748
Restricted cash (note 13)	12	12
Accounts receivable and other assets (note 5)	208	219
Assets held for sale in Uruguay (note 4)	958	989
<b>Total current assets</b>	<b>4,364</b>	<b>4,968</b>
<b>Non-current assets</b>		
Property, plant and equipment (note 6)	137	123
Exploration and evaluation assets (note 7)	3,787	3,334
<b>Total assets</b>	<b>\$ 8,288</b>	<b>\$ 8,425</b>
<b>LIABILITIES AND DEFICIT</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	\$ 269	\$ 336
Liability of Chile discontinued operation (note 4)	2,248	2,204
Liabilities held for sale in Uruguay (note 4)	12,719	12,546
<b>Total current liabilities</b>	<b>15,236</b>	<b>15,086</b>
<b>Deficit</b>		
Share capital (note 12)	69,341	69,341
Share-based payments reserve	10,539	10,539
Currency translation reserve	(2,398)	(2,725)
Deficit	(84,430)	(83,816)
<b>Total deficit</b>	<b>(6,948)</b>	<b>(6,661)</b>
<b>Total liabilities and deficit</b>	<b>\$ 8,288</b>	<b>\$ 8,425</b>

Nature of operations and going concern (note 1)

Subsequent events (note 18)

### 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.

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## 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

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	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
Corporate and administrative expenses (note 16)	\$ (398)	\$ (407)
Exploration expenses	(27)	(62)
Other income	6	6
Net finance cost	(4)	(2)
Gain on fair value of warrants (note 9)	-	76
Foreign exchange gain (loss) net	59	(39)
<b>Net (loss) for the period for continuing operations</b>	<b>(364)</b>	<b>(428)</b>
(Loss) income from discontinued operations (note 4)	<b>(250)</b>	<b>71</b>
<b>Net (loss) for the period</b>	<b>(614)</b>	<b>(357)</b>
<b>Other comprehensive (loss):</b>		
Item which may be subsequently reclassified to profit or loss:		
Cumulative translation adjustment	327	(505)
<b>Total comprehensive (loss) for the period</b>	<b>(287)</b>	<b>(862)</b>
<b>Basic and diluted net (loss) income per share for continuing operations</b> (note 15)	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Basic and diluted net (loss) income per share for discontinued operations</b> (note 15)	<b>\$ (0.00)</b>	<b>\$ 0.00</b>
<b>Weighted average number of common shares outstanding</b>	<b>188,560</b>	<b>188,520</b>

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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

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
<b>Operating activities</b>		
Net loss for the period for continuing and discontinued operations	\$ (614)	\$ (357)
Adjustments for:		
Depreciation / Write downs	2	-
Gain on fair value of warrants	-	(76)
Gain on sale of property, plant and equipment	-	(4)
Foreign exchange and other	109	(266)
Changes in non-cash working capital items:		
Accounts receivable and other assets	14	(9)
Inventories	-	17
Accounts payable and accrued liabilities	70	(81)
<b>Net cash used in operating activities</b>	<b>(419)</b>	<b>(776)</b>
<b>Investing activities</b>		
Decrease in restricted cash	-	150
Proceeds received for sale of property, plant and equipment	-	4
Purchase of property, plant and equipment	(9)	-
Proceeds received from exploration and option agreement	-	37
Exploration and evaluation expenditures	(171)	(61)
<b>Net cash (used in) provided by investing activities</b>	<b>(180)</b>	<b>130</b>
<b>Net change in cash</b>	<b>(599)</b>	<b>(646)</b>
<b>Net change in cash classified within assets held for sale</b>	<b>37</b>	<b>59</b>
<b>Cash, beginning of period</b>	<b>3,748</b>	<b>4,221</b>
<b>Cash end of period</b>	<b>\$ 3,186</b>	<b>\$ 3,634</b>
<b>Operating activities</b>		
- continuing operations	(382)	(713)
- discontinued operations	(37)	(63)
<b>Investing activities</b>		
- continuing operations	(180)	126
- discontinued operations	-	4

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 Changes in Deficit

(Expressed in thousands of United States dollars)

Unaudited

	Share capital	Share-based payment reserve	Currency translation reserve	Deficit	Total
<b>Balance, May 31, 2022</b>	\$ 69,339	\$ 10,540	\$ (2,125)	\$ (82,029)	\$ (4,275)
Currency translation adjustment	-	-	(505)	-	(505)
Net loss for the period for continuing operations	-	-	-	(428)	(428)
Net income for the period for discontinued operations	-	-	-	71	71
<b>Balance, August 31, 2022</b>	\$ 69,339	\$ 10,540	\$ (2,630)	\$ (82,386)	\$ (5,137)
<b>Balance, May 31, 2023</b>	\$ 69,341	\$ 10,539	\$ (2,725)	\$ (83,816)	\$ (6,661)
Currency translation adjustment	-	-	327	-	327
Net loss for the period for continuing operations	-	-	-	(364)	(364)
Net loss for the period for discontinued operations	-	-	-	(250)	(250)
<b>Balance, August 31, 2023</b>	\$ 69,341	\$ 10,539	\$ (2,398)	\$ (84,430)	\$ (6,948)

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

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# Orosur Mining Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(Expressed in thousands of United States dollars)

(except common shares and per share amounts)

Unaudited

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### 1. Nature of operations and going concern

Orosur Mining Inc. ("Orosur" or "the Company") is focused on identifying and advancing mineral projects in South America.

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, Y14 1Z4, and principal place of business is Suite 200, 82 Richmond Street East, Toronto, ON, M5C 1P1.

Orosur operates in Canada, Colombia, Argentina, Brazil and has discontinued operations in Uruguay and Chile.

#### 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 August 31, 2023, 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, Loryser had 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 August 31, 2023, the Company had cash of \$3,186 (May 31, 2023 - \$3,748) and a net working capital deficiency of \$10,872 (May 31, 2023 - \$10,118). During the three months ended August 31, 2023, the Company carried an accumulated deficit of \$84,430 (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 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.

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## **Orosur Mining Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended August 31, 2023**

**(Expressed in thousands of United States dollars)**

**(except common shares and per share amounts)**

**Unaudited**

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## **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 October 27, 2023, 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.

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## **Orosur Mining Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended August 31, 2023**

**(Expressed in thousands of United States dollars)**

**(except common shares and per share amounts)**

**Unaudited**

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## **2. Significant accounting policies (continued)**

### **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 peso.

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.

## **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.



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## **Orosur Mining Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended August 31, 2023**

**(Expressed in thousands of United States dollars)**

**(except common shares and per share amounts)**

**Unaudited**

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### **3. Critical accounting estimates, judgments and assumptions (continued)**

#### **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.

### **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).

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## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(Expressed in thousands of United States dollars)

(except common shares and per share amounts)

Unaudited

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#### 4. Discontinued operations (continued)

##### Uruguay (continued)

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, expects to distribute the proceeds, on a pro rata basis, to Loryser's trade creditors in accordance with the Creditors' Agreement, via a court approved paying agent.

##### Uruguay - Net liabilities of discontinued operations held for sale

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	As at August 31, 2023	As at May 31, 2023
<b>ASSETS</b>		
Cash	\$ 81	\$ 118
Accounts receivable and other assets (note 5)	877	871
<b>Total assets</b>	<b>\$ 958</b>	<b>\$ 989</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 11,170	\$ 10,997
Borrowings <sup>(1)</sup>	1,385	1,385
Environmental rehabilitation provision	164	164
<b>Total liabilities</b>	<b>12,719</b>	<b>12,546</b>
<b>Net liabilities of discontinued operations held for sale</b>	<b>(11,761)</b>	<b>(11,557)</b>

(1) 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 Months Ended August 31, 2023

(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 August 31, 2023	Three Months Ended August 31, 2022
Corporate and administrative expenses	\$ -	\$ 26
Write-down of inventories	-	-
Care and maintenance	(28)	(346)
Other (expense) income	-	22
Net finance cost	-	-
Net foreign exchange	(178)	386
<b>(Loss) income before income tax</b>	<b>(206)</b>	<b>88</b>
<b>Net (loss) income and comprehensive (loss) income</b>	<b>\$ (206)</b>	<b>\$ 88</b>

##### Cash flows from discontinued operations

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
<b>Operating activities - discontinued operations</b>		
Net (loss) income for the period	\$ (206)	\$ 88
Adjustments for:		
Gain on sale of property, plant and equipment	-	(4)
Other and foreign exchange	-	(168)
Changes in non-cash working capital items:		
Accounts receivable and other assets	(5)	(3)
Inventories	-	17
Accounts payable and accrued liabilities	174	7
<b>Net cash used in operating activities</b>	<b>(37)</b>	<b>(63)</b>
<b>Investing activities - discontinued operations</b>		
Proceeds from sale of property and equipment	-	4
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>4</b>
<b>Net change in cash</b>	<b>(37)</b>	<b>(59)</b>
<b>Cash, beginning of period</b>	<b>118</b>	<b>151</b>
<b>Cash, end of period</b>	<b>\$ 81</b>	<b>\$ 92</b>

## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(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 the 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 \$2,248 (\$1,900 plus interest) in relation to this decision as at August 31, 2023 for FVRC (May 31, 2023 - \$2,204 (\$1,900 plus interest)).

##### Chile - Net liabilities of discontinued operations

	As at August 31, 2023	As at May 31, 2023
<b>ASSETS</b>		
Cash	\$ 10	\$ 13
<b>Total assets</b>	<b>\$ 10</b>	<b>\$ 13</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,248	\$ 2,204
<b>Total liabilities</b>	<b>2,248</b>	<b>2,204</b>
<b>Liabilities of Chile discontinued operation</b>	<b>2,248</b>	<b>2,204</b>

##### Net loss and comprehensive loss from Chile discontinued operations

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
Finance cost	\$ (44)	\$ (17)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (44)</b>	<b>\$ (17)</b>

## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(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 from continuing operation

	August 31, 2023	May 31, 2023
Tax receivable <sup>(1)</sup>	\$ 50	\$ 47
Deposit with suppliers	98	98
Miscellaneous receivable	60	74
<b>Total accounts receivable and other assets</b>	<b>\$ 208</b>	<b>\$ 219</b>

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

##### Accounts receivable and other assets from discontinued operations (Uruguay)

	August 31, 2023	May 31, 2023
Tax receivable <sup>(1)</sup>	\$ 5	\$ -
Advance payments to suppliers	1	-
Marketable securities	8	8
Miscellaneous receivable <sup>(2)</sup>	863	863
<b>Total accounts receivable and other assets</b>	<b>\$ 877</b>	<b>\$ 871</b>

(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.

#### 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	9
Foreign exchange	(1)
Balance, August 31, 2023	\$ 201

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**Orosur Mining Inc.****Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended August 31, 2023****(Expressed in thousands of United States dollars)****(except common shares and per share amounts)****Unaudited**

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**6. Property, plant and equipment (continued)**

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	<b>Tangible fixed assets</b>
<b>Accumulated depreciation</b>	
Balance, May 31, 2022	\$ 69
Depreciation for the year	9
Foreign exchange	(8)
Balance, May 31, 2023	\$ 70
Depreciation for the period	2
Foreign exchange	(8)
Balance, August 31, 2023	\$ 64

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	<b>Tangible fixed assets</b>
<b>Carrying amount</b>	
Balance, May 31, 2023	\$ 123
Balance, August 31, 2023	\$ 137

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**Property, plant and equipment from discontinued operations (Uruguay)**

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<b>Cost</b>	<b>Tangible fixed assets</b>	<b>Tangible underground development costs</b>	<b>Total</b>
Balance, May 31, 2022	\$ 46,909	\$ 5,133	\$ 52,042
Disposals	(46,909)	(5,133)	(52,042)
Balance, May 31, 2023	-	-	-
Balance, August 31, 2023	\$ -	\$ -	\$ -

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## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(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)

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, August 31, 2023	\$ -	\$ -	\$ -

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

#### 7. Exploration and evaluation costs

##### Three months ended August 31, 2022

##### Colombia

Balance, May 31, 2022	\$ 5,441
Additions	62
Anzá Project option agreement payment	(38)
Foreign exchange	(480)
Balance, August 31, 2022	\$ 4,985

##### Three months ended August 31, 2023

	Argentina	Brazil	Colombia	Total
Balance, May 31, 2023	\$ 335	\$ 30	\$ 2,969	\$ 3,334
Additions	60	53	58	171
Foreign exchange	-	-	282	282
Balance, August 31, 2023	\$ 395	\$ 83	\$ 3,309	\$ 3,787

## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

(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 \$30,000 in qualifying expenditures over twelve years, completing an NI 43-101 compliant feasibility study and making cash payments to Orosur equalling a total of \$4,000 over Phases 1 and 2. In Phase 1, Newmont may earn a 51% ownership interest by spending \$10,000 in qualifying expenditures over four years and making cash payments to Orosur equalling a total of \$2,000 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 \$20,000 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 \$2,000. 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 \$10,000 in the Project. During year ended May 31, 2023, MMA announced it would advance into Phase 2 of the project and it made the \$2,000 Phase 2 payment.

As at August 31, 2023, no indicators of impairment were noted on the Company's exploration and evaluation projects.

#### 8. Accounts payable and accrued liabilities

##### Accounts payable and accrued liabilities of continuing operations

	August 31, 2023	May 31, 2023
Commercial suppliers	\$ 246	\$ 289
Salaries, labour benefits and social security contributions	23	47
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 269</b>	<b>\$ 336</b>

##### Accounts payable and accrued liabilities of discontinued continued operations (Uruguay)

	August 31, 2023	May 31, 2023
Commercial suppliers	\$ 10,566	\$ 10,409
Mining royalties and other taxes	604	588
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 11,170</b>	<b>\$ 10,997</b>

#### 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.



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## Orosur Mining Inc.

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#### 9. Warrant liability (continued)

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

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	As at August 31, 2023	As at May 31, 2023
Opening balance	\$ -	\$ 168
Fair value adjustment	-	(168)
<b>Closing balance</b>	<b>\$ -</b>	<b>\$ -</b>

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	As at August 31, 2023	As at May 31, 2023
Opening balance, outstanding warrants	-	10,897
Warrants expired	-	(10,897)
<b>Closing balance, outstanding warrants</b>	<b>-</b>	<b>-</b>

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#### 10. Borrowings

##### Term debt of discontinued operations (Uruguay)

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	August 31, 2023	May 31, 2023
Borrowings <sup>(1)</sup>	\$ 1,385	\$ 1,385
	<b>\$ 1,385</b>	<b>\$ 1,385</b>

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(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 three months ended August 31, 2023 and year ended May 31, 2023:

#### Environmental rehabilitation provision discontinued operations (Uruguay)

	August 31, 2023	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; and, one payment of \$269 was received in October 2022.

#### 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.

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#### 12. Share capital (continued)

b) Common shares issued

	Number of common shares (‘000)	Amount \$
Balance, May 31, 2022 and August 31, 2022	188,520	69,339
<b>Balance, May 31, 2023 and August 31, 2023</b>	<b>188,560</b>	<b>69,341</b>

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#### 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 three months ended August 31, 2023, \$nil had been released to Loryser to be applied in accordance with the Court ratified Creditors Agreement.

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

#### 14. Share-based payments

The Company has an option plan (the “Plan”) for the officers, directors, employees and consultants of the Company and its subsidiaries. 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.

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## Orosur Mining Inc.

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#### 14. Share-based payments (continued)

The following table summarizes information regarding the Company's outstanding options at August 31, 2023:

	Number of stock options ('000)	Weighted average exercise price (CDN \$)
Balance, May 31, 2022 and August 31, 2022	11,540	\$ 0.26
<b>Balance, May 31, 2023 and August 31, 2023</b>	<b>11,190</b>	<b>\$ 0.26</b>

The following table reflects the stock options issued and outstanding as of August 31, 2023:

Expiry date	Exercise price (CDN \$)	Weighted average remaining contractual life (years)	Number of options outstanding ('000)	Number of options vested (exercisable) ('000)
October 23, 2023	0.110	0.15	283	283
November 14, 2024	0.050	1.21	447	447
May 4, 2025	0.040	1.68	440	440
January 29, 2026	0.460	2.42	300	300
March 11, 2027	0.220	3.53	4,120	4,120
December 10, 2030	0.325	7.28	5,600	5,600
	0.26	5.13	11,190	11,190

During the three months ended August 31, 2023 and August 31, 2022, no options were issued and recorded.

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#### 15. Income (loss) per share

For the three months ended August 31, 2023, basic and diluted loss per share for continued operations has been calculated based on the loss attributable to common shareholders of \$364 (three months ended August 31, 2022 - loss of \$428) and the weighted average number of common shares outstanding of 188,560 (three months ended August 31, 2022 - 188,520).

Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

#### 16. 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
		August 31, 2023	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. <sup>(1)</sup>	Argentina	100%	100%	US dollar
Maracana Mining Holding Inc.	Canada	51%	51%	US dollar
Madeira Mineracao LTDA.	Brazil	51%	51%	US dollar

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

## Orosur Mining Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended August 31, 2023

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#### 16. Related parties (continued)

##### 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.

The compensation paid or payable to key management was as follows:

	Three Months Ended August 31, 2023	Three Months Ended August 31, 2022
Fees included in corporate and administrative expenses <sup>(1)</sup>	\$ 10	\$ 10
Fees to CEO and directors included in corporate and administrative expenses	163	137

(1) The Company expensed fees to Marrelli Support Services Inc. ("Marrelli Support") for the Chief Financial Office services provided to the Company. In addition, Marrelli Support also provides bookkeeping services to the Company.

#### 17. Geographical information

The Company's activities comprise one reportable segment, identifying and advancing mineral projects. The carrying amounts of the Company's non-current assets on a geographical basis are as follows:

	Brazil	Argentina	Colombia	Canada	Total
<b>As at August 31, 2023</b>					
Property, plant and equipment costs	-	33	102	2	137
Exploration and evaluation costs	83	395	3,309	-	3,787

	Brazil	Argentina	Colombia	Canada	Total
<b>As at May 31, 2023</b>					
Property, plant and equipment costs	-	25	96	2	123
Exploration and evaluation costs	30	335	2,969	-	3,334

#### 18. Subsequent event

On October 16, 2023 the Company announced that it had signed a joint venture agreement over 4 licences in the Nigerian lithium belt. The Company via a new 100% owned UK subsidiary, Lithium West Limited ("Lithium West"), may earn up to 70% equity in the Project in two phases: Phase 1 - Lithium West can earn 51% equity in the Project by spending a total of US\$3m over a maximum of three years. Phase 2 - Lithium West can earn an additional 19% equity in the project, up to a total of 70%, by spending an additional US\$2m over a maximum of two years.