

**OROSUR MINING INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS**

**FOR THREE AND SIX MONTHS ENDED NOVEMBER 30, 2021**

**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, 2021. 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, 2021 and May 31, 2020 and the unaudited condensed consolidated interim financial statements for the three and six months ended November 30, 2021, together with the notes thereto. Results are reported in **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 six months ended November 30, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at January 31, 2022 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and six months ended November 30, 2021, 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, 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 Revival's common shares; or (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 of Directors, 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.sedar.com](http://www.sedar.com).

## Caution Regarding Forward-looking Statements

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

Forward-looking statements include, without limitation, the exploration plans in Colombia and the funding from Minera Monte Aguila SAS ("Monte Aguila") (a 50:50 joint venture between Newmont Corporation and Agnico Eagle Mines Limited) of those plans, Monte Aguila's decisions to continue with the Exploration and Option agreement, the ability for Loryser SA ("Loryser") to continue and finalize with the remediation in Uruguay, the ability to implement the Creditors' Agreement successfully as well as continuation of the business of the Company on a going concern and other events or conditions that may occur in the future. The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing, and to reach a satisfactory implementation of the Creditor's Agreement in Uruguay. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of this MD&A and the Annual Information Form ("AIF"). 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. (TSXV: OMI; AIM: OMI) is a South American focused minerals exploration and development company. The Company operates in Colombia and Uruguay.

In Colombia, the Company wholly owns the Anzá exploration gold project located in the Middle Cauca Belt in Antioquia, Colombia which hosts such projects as Buriticá, Titiribí, Marmato and La Colosa. 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 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") whereby the two companies will jointly assume and advance Newmont's prior rights and obligations with respect to the Anzá Project in Colombia on a 50:50 basis with Agnico as operator of the Joint Venture.

In Uruguay, the Company has historically operated the San Gregorio gold mining complex in the northern Department of Rivera. The Company has been exploring in Uruguay since 1996 and acquired the San Gregorio operation in October 2003. On June 14, 2018 the Company applied for Reorganization Proceedings and creditor protection over Loryser S.A. ("Loryser"), the Company's primary operating subsidiary in Uruguay, in the best interests of Loryser, the Company and their stakeholders. In August 2018, production ceased and the mine was placed on care and maintenance status. 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, comprising 67 different creditors. The Creditors Agreement was ratified by the Court in September 2019. The ratification by the Court means that the Agreement is legally binding on all trade creditors and that the Intervenor’s control over Loryser ceases. Since then the Company has focused its activities on the implementation of the Creditors Agreement, and the sale of the assets of Loryser. As part of that Agreement, Orosur issued in December 2019, 10,000,000 Orosur common shares to a trust for the benefit of Loryser’s creditors as contemplated in the court-approved Creditors Agreement.

### **Corporate Highlights**

Financial and operational highlights for the three and six months ended November 30, 2021 include:

#### **Colombia**

- On July 6, 2021 the Company announced the assay results from nine additional diamond drillholes including multiple high-grade gold intersections with associated silver and zinc – including 59.55m @9.16g/t Au and 61.75m @2.05g/t Au. For more detail please see the Company’s news release dated July 6, 2021.
- Also as set out in the above news release, work commenced on regional mapping and sampling across the wider lease holding in Colombia. A large program of BLEG sampling was commenced, which should provide vectors to more targeted programs in following quarters. Initial results have been promising, with two new prospect areas identified and named for future reference, Pupino and Pepas.
- The Company commenced work on converting the last of its secure license applications to granted status so that they can be accessed for exploration work later in the year.
- As announced on September 7, 2021, the Company was informed by its Colombian Joint Venture (“JV”) partner, Minera Monte Águila SAS (“Monte Águila”) that it had elected to exercise its right to assume operatorship of the Anzá Project in Colombia. Monte Águila is a 50/50 JV between Newmont Corporation (“Newmont”) (NYSE:NEM, TSX:NEM) and Agnico Eagle Mines Limited (“Agnico”) (TSX:AEM), and is the vehicle by which these two companies jointly exercise their rights and obligations with respect to the Exploration Agreement with Venture Option (“Exploration Agreement”) over the Anzá Project.
- The Anzá Project has now moved into its fourth year of Phase 1 during which time a further US\$4.0 million is required to be spent pursuant to the Exploration Agreement.
- While Monte Águila manages the Anzá Project, Minera Anzá will continue to be the 100% owner of the licences, until such time as Monte Águila has met its financial obligations with respect to the Exploration Agreement and elected to move to Phase 2 by September 2022.

#### **Uruguay**

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

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- As part of the Creditors Agreement, Orosur issued 10,000,000 Orosur common shares, in December 2019, to a trust for the benefit of Loryser's creditors. On September 10, 2021 the Company announced that it had been informed by the San Gregorio Trust that it had successfully sold its entire shareholding of 10 million common shares in the Company, which amount will be applied to meet Loryser's obligations under the Creditors Agreement.
- Good progress is being made on the sale of Loryser's other assets including plant and equipment. The proceeds from all of these sales will be used to pay liabilities in Uruguay in connection with the aforementioned Creditors Agreement.

### **Financial and Corporate**

- The 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.
- On October 15<sup>th</sup>, 2021 the Company announced that it had received approval to transfer its listing from the TSX to the TSX Venture Exchange. The Company believes that the transfer will provide it with operational efficiencies, with lower costs and with a reporting regime which is closer to that of the AIM market, whilst allowing shareholders to have continued trading liquidity in Canada.
- On November 30, 2021, the Company had a cash balance of \$5,329 (May 31, 2021 \$6,958). As at the date of this MD&A the Company had a cash balance of \$4,964.

### **Outlook and Strategy**

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

On January 14, 2022, the Company announced that it had entered into a joint venture with Meridian Mining UK Societas ) in relation to the Ariqueμες tin project in Rondonia state in north west Brazil. The JV terms are largely in line with those indicated in the Letter of Intent signed and announced on July 7, 2021.

The Company will continue to build its project portfolio with other high-quality assets, subject to current travel restrictions caused by Covid-19.

### **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 November 30, 2021 and November 30, 2020**

##### *Continued operations*

For the three months ended November 30, 2021, Orosur recorded a net loss from continued operations of (\$255), with basic and diluted loss per share of (\$0.00). This compares with a net loss of (\$264) for the three months ended November 30, 2020. The decrease in net loss of \$9 is principally attributable to a gain on fair value of warrants of \$501, offset by increases in share-based compensation of \$143 and corporate and administrative expenses of \$281 due higher to directors fees of \$151.

##### *Discontinued operations*

For the three months ended November 30, 2021, income from discontinued operations was \$1,601. This compares with a loss for the three months ended November 30, 2020 of \$404. The increase in net income of \$2,064 is principally attributable to decreases in foreign exchange variance, payroll provisions, obsolete stock and environmental provision in Uruguay.

#### **Profit and loss for the six months ended November 30, 2021 and November 30, 2020**

##### *Continued operations*

For the six months ended November 30, 2021, Orosur recorded a net loss from continued operations of (\$440), with basic and diluted loss per share of (\$0.00). This compares with a net loss of (\$545) for the six months ended November 30, 2020. The decrease in net loss of \$115 is principally attributable to a gain on fair value of warrants of \$873 offset by increases in share-based compensation of \$307 and corporate and administrative expenses of \$352 due to higher directors fees of \$215.

##### *Discontinued operations*

For the six months ended November 30, 2021, income from discontinued operations was 58. This compares with a loss for the three and six months ended November 30, 2020 of \$1,479. The increase in net income of \$1,537 is principally attributable to decrease in payroll provisions, obsolete stock and environmental provision in Uruguay.

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**Assets and liabilities as at November 30, 2021; May 31, 2021; and, May 31 2020**

The following is selected financial data of the Company as at November 30, 2020, May 31, 2021, and May 31, 2020:

	<b>As at November 30, 2021</b>	<b>As at May 31, 2021</b>	<b>Revised As at May 31, 2020</b>
Total current assets	\$9,299	\$10,840	\$3,993
Total non-current assets	\$5,741	\$5,272	\$6,551
<b>Total assets</b>	<b>\$15,040</b>	<b>\$16,112</b>	<b>\$10,544</b>
Total current liabilities	\$19,145	\$21,097	\$20,318
Total non-current liabilities	\$nil	\$nil	\$nil
<b>Total liabilities</b>	<b>\$19,145</b>	<b>\$21,097</b>	<b>\$20,318</b>
<b>Total shareholders' (deficit) equity</b>	<b>\$(4,105)</b>	<b>\$(4,985)</b>	<b>\$(9,774)</b>

**Liquidity and Capital Resources**

The Company had cash balances from continued operations of \$5,329 as at November 30, 2021 (May 31, 2021 - \$6,958). The decrease in cash during the three and six months ended November 30, 2020, was primarily due to an increase in net cash used in operating activities and expenditure on exploration and evaluation.

Net cash used in operating activities was \$(1,268) for the six months ended November 30, 2021. Net cash used in investing activities amounted to \$(2,048) comprising \$111 from proceeds received for the sale of equipment and plant and \$1,077 from proceeds received from exploration and option agreement and \$(1,619) of expenditure on exploration and evaluation and (\$1,140) due to increase in restricted cash.

At November 30, 2021, the Company had a net working capital deficiency of \$9,846 (May 31, 2021: \$10,257). 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 together with funds received from its December 2020 private placing.

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

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

See "Risk Factors" below.

### **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 November 30, 2021. All are 100% owned by Orosur and they include the Company's subsidiaries in Uruguay, Chile and Colombia. In each case the management has deemed that Orosur has control over these and all other subsidiaries 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.

### **Stock-based compensation**

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

### **New Standard Adopted**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 31, 2021. Many are not applicable or do not have a significant impact to the Company's unaudited condensed interim consolidated financial statements

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

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

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

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 six months ended November 30, 2021 discloses the Company's list of subsidiaries.

### **Risk Factors**

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's Annual MD&A for the fiscal year ended May 31, 2021, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Covid-19**

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. In Colombia, the Company and its partner Minera Monte Aguila have established protocols to mitigate against the problems presented by COVID-19, which should allow activity to continue in Anzá. There can, of course, be no assurances that there will be no disruptions from any future outbreaks in the locality that would lead to a more protracted exploration program. In Uruguay, the impact of the pandemic has slowed down the realization of assets but sales are still being made, including to foreign buyers, in spite of travel restrictions.