Management Discussion & Analysis
for the three and six months ended November 30, 2018

Prepared as at January 11, 2019

Management's discussion and analysis ("MD&A") provides a discussion of Orosur Mining Inc. ("Orosur" or the "Company") financial and operating results for the quarter ended November 30, 2018 with comparisons to previous quarters.

This MD&A accompanies, and should be read in conjunction with, the unaudited condensed interim consolidated financial statements and selected explanatory notes of the Company for the three months ended November 30, 2018. All amounts are expressed in thousands of United States Dollars (US$), unless otherwise indicated. The reader should also refer to the audited consolidated financial statements and MD&A for the year ended May 31, 2018, both of which are available on SEDAR at www.sedar.com. The Company's unaudited condensed interim consolidated financial statements and the financial data presented in this document have been prepared in accordance with International Financial Reporting Standards (IFRS). This MD&A is effective as of January 11, 2019.

1. DESCRIPTION OF BUSINESS

Orosur Mining Inc. ("Orosur", "OMI" or the "Company") is a gold development and exploration company incorporated in Canada and operating in Colombia and Uruguay. The Company's common shares are listed on the Toronto Stock Exchange (symbol OMI) and the London Alternative Investment Market (symbol OMI).

In Colombia, the Company has an exploration program in its wholly owned Anzá gold project located in the Middle Cauca Belt in Antioquia, Colombia which hosts such projects as Buriticá, Titiribí, Marmato and La Colosa. Recent activities include the drilling of over 9,000m of diamond core, generating a geological model, carrying out initial metallurgical tests and taking over operatorship of the two underground gypsum mines in the Anzá concession, each of which have environmental and mining permits in place. On September 10, 2018, the Company completed a non-brokered private placement of $2,000 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.

In Uruguay, the Company has historically operated the San Gregorio gold mining complex, the only producing gold operation in the country, in the northern Department of Rivera. Orosur 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 the best interests of Loryser, the Company and their stakeholders. Creditor protection was applied for due to financial liquidity constraints caused by the scarcity of alternative sources of ore at SGW UG. In August 2018, production ceased and the mine was placed on care and maintenance.

2. HIGHLIGHTS

Financial and operational highlights for the quarter ended November 30, 2018 ("Q2 19" or the "Quarter") include:

- On September 10, 2018, the Company completed several agreements with Newmont for the Anzá exploration property in Colombia:
    - a non-brokered private placement of $2 million
    - an exploration agreement with venture option. The Exploration and Option Agreement includes a three-phase earn-in structure allowing Newmont to earn up to a 75% ownership interest in the Anzá Project by making cash payments to Orosur equaling a total of $4 million over Phases 1 and 2, spending a minimum of $30 million in qualifying expenditures over twelve years, and in addition completing NI 43-101 compliant pre-feasibility and feasibility studies.
- The re-organisation process has been ongoing in Uruguay since June 2018. In August 2018, the Company placed its San Gregorio mining operations under care and maintenance. On December 18, 2018, the Company announced Loryser had reached a payment plan with its creditors (currently signed by approximately 70% of creditors, by value). This agreement contemplates 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 operation responsibly. Loryser would manage the process, to be completed within two years. The issuance of common shares of Orosur is subject to approval of the Toronto Stock Exchange.
- During the three months ended November 30, 2018, the Company incurred a net loss of $1,874 ($251,000 for the three months ended November 30, 2017), which included care and maintenance costs of $613,000 at the San Gregorio mine, restructuring costs of $645,000 relating to the termination of employees at San Gregorio, and corporate expenses of $639,000 ($749,000 for the three months ended November 30, 2017). Gold production and revenues ceased in August 2018.

3. OUTLOOK AND STRATEGY

On January 10, 2019, Orosur announced that it filed a technical report prepared by Andes GMS SPA in accordance with National Instrument 43-101 Standards for Mineral Projects on the Anzá gold exploration project in Colombia. Orosur is planning the next stages of exploration of the high grade Anzá project in Colombia in coordination with Newmont.

The Creditors Agreement in Uruguay is now subject to consideration by the Court and the Intervenor, and normal procedures for approval, including public notice, which the Company expects to conclude in the first half of 2019. Once approved by the Court, the Agreement will be legally binding for all the creditors and Loryser's creditor protection status will cease together with Intervenor´s control over Loryser.

During the year ended May 31, 2018, the Board adopted an aggressive strategic plan to restructure its businesses, recapitalize and transform the Company by advancing Colombia with Newmont as partner, as well as finding a fair solution in Uruguay for all stakeholders and reducing its activities in Chile. The strategy remains unchanged.

(Thousands of United States Dollars, except where indicated)

4. OVERVIEW OF FINANCIAL RESULTS

The financial results were prepared on a going concern basis under the historical cost method and include the assets of Loryser S.A., the Company's key Uruguayan subsidiary. These assets were previously impaired and have not since been restated to a net realizable value. The Company expects that Loryser S.A. will sell the assets in the near future with proceeds used to settle the outstanding debts owed to the creditors of Loryser S.A in accordance with the agreement reached with creditors in December 2018. Whether such proceeds will be sufficient to settle the debts in entirety is unknown at this time. Therefore, the Company will recognize the net realizable value of these assets when the proceeds will be realized.

4.1 Selected financial information

During the Quarter, the Company reported a loss of $281 compared to a loss of $252 for Q2 18. Operating loss (contribution margin) from the San Gregorio operation before depreciation was nil compared to a profit of $3,423 in Q2 18, as the operation was placed in care and maintenance in August 2018. Contribution margin is a non-IFRS measure which is explained in section 11 of this MD&A.

Table 1 shows the profit/(loss) breakdown and contribution margin composition.

Table 1 - Profit (Loss) breakdown

	Q2 19	Q2 18	YTD 19	YTD 18	Reference
	$	$	$	$	
Revenue	**-**	9,028	**4,202**	20,979	4.2
Cost of sales (except depreciation)	**-**	(5,605)	**(3,774)**	(15,416)	4.4
Contribution margin	**-**	3,423	**428**	5,563	
Mine site depreciation	**-**	(2,103)	**(3,345)**	(4,064)	4.5
Gross profit (loss)	**-**	1,320	**(2,917)**	1,499	
Exploration expenses	**(18)**	-	**(162)**	(145)	
Exploration costs and write-off	**(27)**	(17)	**(93)**	(26)	
Care and maintenance expenses	**(613)**	-	**(613)**	-	
Obsolescence provision	**(5)**	(9)	**(5)**	(45)	
Corporate expenses	**(639)**	(749)	**(1,041)**	(1,249)	4.6
Restructuring costs	**(645)**	(750)	**(3,967)**	(810)	4.6
Other net gains	**73**	(47)	**537**	237	4.6
Net loss before taxes	**(1,874)**	(252)	**(8,261)**	(539)	
Income tax provision	**-**	1	**-**	(2)	4.7
Net loss after taxes	**(1,874)**	(251)	**(8,261)**	(541)	
Cumulative translation adjustment	**(559)**	142	**(749)**	(136)	
Total comprehensive loss for continuing operations	**(2,433)**	(109)	**(9,010)**	(677)	
Basic loss per share (cents per share)					
Continuing operations	**(0.02)**	(0.00)	**(0.07)**	(0.01)	

Table 2 below shows the main movements in the balances of current and non-current assets, liabilities, and shareholders' equity (deficit) as at November 30, 2018 compared to May 31, 2018 and 2017.

Table 2 - Assets and liabilities selected information

	As of November 30, 2018	As of May 31, 2018	As of May 31, 2017
	$000's	$000's	$000's
Total non-current assets	13,111	16,607	37,731
Total current assets	7,122	9,160	18,033
Total assets	20,233	25,767	55,764
Total liabilities under reorganization process (*i*)	13,417	-	-
Total liabilities	26,717	25,276	20,569
Total shareholders' (deficit) equity	(6,484)	491	250

(i) *This figure has been validated by the Intervenor and does not include labour and environmental liabilities as they are not part of the proceedings as long as Loryser is not put into liquidation. The payment plan agreement entered into and announced on Dec. 18, 2018 contemplates 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 operation responsibly.*

4.2 Sales

Sales include gold and silver sales as shown in Table 3. Total sales of gold for the quarter were $nil as the Company ceased gold production in August 2018.

Table 3 – Sales Composition

Q2 - 19	**$000's**	**Ounces**	**$ per oz**
Gold	-	-	-
Silver	-	-	-
Total sales	**-**		
Q2 - 18	**$000's**	**Ounces**	**$ per oz**
Gold	8,964	6,903	1,299
Silver	64	3,737	17
Total sales	**9,028**		
Year to date - 19	**$000's**	**Ounces**	**$ per oz**
Gold	4,155	3,296	1,261
Silver	47	3,011	16
Total sales	**4,202**		
Year to date - 18	**$000's**	**Ounces**	**$ per oz**
Gold	20,825	16,312	1,277
Silver	154	9,103	17
Total sales	**20,979**		

4.3 Production statistics

Key production statistics are shown in Table 4.

In the Quarter there were no ounces produced or extracted from the stock of ore in process as a result of putting the mining operations under care and maintenance in August 2018.

Table 4 - Key production statistics

		Q2 19	Q2 18	YTD 19	YTD 18
Waste	tons (000's)	-	724	**76**	1,634
Ore	tons (000's)	-	193	**62**	376
Total mined	tons (000's)	-	917	**138**	2,010
Grade mined	grams / tons Au	-	1.23	**1.34**	1.22
Strip ratio	waste/ore	-	3.76	**1.22**	4.35
Ore processed	tons (000's)	-	204	**65**	473
Grade processed	tons (000's)	-	1.14	**1.28**	1.04
Recovery	%	-	94	**93.01**	95.48
Total gold produced	Ounces	-	**7,052**	**3,029**	**15,677**

All ore sources have different structural characteristics and grades resulting in variability of production quarter on quarter. Quarterly production statistics are provided in Table 5.

Table 5 - Quarterly production statistics

	Q3 17 Feb 17	Q4 17 May 17	Q1 18 Aug 17	Q2 18 Nov 17	Q3 18 Feb 18	Q4 18 May 18	Q1 19 Aug 18	Q2 19 Nov 18
Ore processed (tonnes)	226,193	312,495	268,964	204,315	240,432	161,729	65,163	-
Grade processed (g/t Au)	1.15	1.15	0.96	1.14	0.93	1.03	1.28	-
Recovery (%)	93.77	93.27	93.64	94.49	94.43	94.25	93.01	-
Gold produced (ounces)	7,820	10,748	8,626	7,052	6,859	5,049	3,029	-

The Company put its mining operations at San Gregorio on care and maintenance in August 2018.

4.4 Production costs

There were no operating costs associated with gold production in the Quarter due to the mine being placed in care and maintenance in August 2018.

Table 6 provides the reconciliation of cost of sales as stated in the Company's financial statements to all in sustaining cost per ounce. This is a non-GAAP measure which is explained in section 11 of this MD&A.

(Thousands of United States Dollars, except where indicated)

Table 6 - Reconciliation of operating costs to cash cost per ounce

	Q2 19 $	Q2 18 $	YTD 19 $	YTD 18 $
Cost of sales per financial statements	-	7,708	**7,119**	19,480
Depreciation	-	(2,103)	**(2,635)**	(4,064)
Operating expenses excluding depreciation	-	5,605	**4,484**	15,416
Movement in non-ore inventories	-	246	**(1,062)**	(1,234)
Silver credit	-	(63)	**(103)**	(252)
Mining royalties and other production taxes	-	325	**(169)**	(41)
Total cash costs before taxes (A)	-	6,113	**3,150**	13,889
Mining royalties and other production taxes	-	(325)	**169**	41
Total cash costs after taxes (B)	-	5,788	**3,319**	13,930
Operating costs	-	526	**359**	1,030
Reclamation and remediation	-	79	**59**	158
Brownfield exploration	-	590	**65**	1,241
Capital expenditure	-	3,676	**263**	5,929
All in sustaining costs (C)	-	10,258	**4,065**	22,288
Gold production ounces (D)	-	7,052	**3,029**	15,677
Cash operating cost per ounce (A)/(D)	-	867	**1,040**	886
Total cash cost per ounce (B)/(D)	-	821	**1,096**	889
All in sustaining cost (C)/(D)	-	1,455	**1,342**	1,422

(Thousands of United States Dollars, except where indicated)

4.5 Depreciation

Depreciation includes straight line depreciation of fixed assets for the mine site, exploration and corporate segments of operation, depreciation of tangible development, depreciation of exploration and evaluation costs associated to pits under commercial production based on contained ounces of gold in ore mined, and the depreciation of the environmental costs for rehabilitation that are recognized over the life of the mine. Mine site depreciation of fixed assets includes the depreciation of heavy equipment and major spare parts, plant facilities, tailings dam facilities and other mining site infrastructure. Tangible development depreciation includes depreciation of pre-stripping activities realized to access ore bodies and depreciation of the ramp and access to the reserves of the underground operation. Exploration and evaluation depreciation include the depreciation of previously capitalized expenditure incurred to discover and outline pit reserves and resources. Table 7 provides a breakdown of depreciation.

Table 7 - Depreciation composition

	Q2 19 $	Q2 18 $	YTD 19 $	YTD 18 $
Tangible fixed assets	**-**	669	**299**	1,509
Tangible underground development costs	**-**	1,099	**2,197**	2,099
Environmental rehabilitation provision	**-**	60	**40**	120
Other exploration and evaluation costs (*i*)	**-**	275	**99**	336
Total depreciation	**-**	2,103	**2,635**	4,064
Exploration equipment depreciation	**-**	-	**-**	-
Corporate facilities depreciation	**-**	-	**-**	-
Mine site depreciation	**-**	2,103	**2,635**	4,064

(i) Other exploration and evaluation costs relate to capitalized costs associated with the discovery and resource definition of satellite projects in production during the period. For these assets, depreciation is calculated using the units of production method based on the estimated proven and probable reserve of each pit. As a consequence, depreciation may vary significantly from quarter to quarter, and with respect to the previous year, according to which pit is under production in such period and how much gold is produced.

4.6 Corporate expenses and other gains and expenses

Corporate expenses and other gains and expenses include corporate overhead costs, stock-based compensation expense, net finance costs, foreign exchange gains and losses, sales from asset disposition and other miscellaneous items. A breakdown of such income and expenses is shown in Table 8.

(Thousands of United States Dollars, except where indicated)

Table 8 - Corporate expenses and other gains and losses composition

	Q2 19 $	Q2 18 $	YTD 19 $	YTD 18 $
Directors' fee and executive remuneration and benefits	**135**	299	**376**	587
Investor relations	**138**	85	**138**	157
Listing, legal and regulatory expenses	**160**	70	**237**	128
Audit fees	**24**	50	**50**	99
Exploration site general and administrative	**151**	215	**196**	237
Management stock-based compensation	**31**	30	**44**	41
Total corporate expenses	**639**	749	**1,041**	1,249
Foreign exchange (gain) loss	**75**	(11)	**(329)**	(263)
Net finance cost	**29**	59	**71**	146
Care and maintenance expenses	**613**	-	**613**	-
Restructuring cost	**645**	750	**3,967**	810
Other gains	**(176)**	(1)	**(278)**	(120)
Total other net gains (losses)	**1,186**	797	**4,044**	573

Corporate overheads include corporate administration expenses in Uruguay, Colombia and Canada, holding structure costs, listing and regulatory expenses, directors' fees, executive remuneration, shareholder communications and associated costs related to corporate work to maintain and develop the business. Executive salaries and benefits related to site work are shown under cost of sales.

Restructuring costs of $645 (Q2 18: $750) were recognized as a provision for layoffs representing a substantial reduction in staff since May 2018 and assuming the redundancy cost of the rest of the Loryser staff in line with the plan agreed with creditors in December 2018.

Other income was comprised mainly of the sale of crushed rock, income from the San Gregorio laboratory which performed work for other third-party companies, income from leasing the exploration camp in Colombia and the sale of some heavy equipment.

(Thousands of United States Dollars, except where indicated)

5. FINANCIAL POSITION

5.1 Cash and other liquid resources

Table 10 - Cash decrease

	Ref	Q2 19 $	Q2 18 $	YTD 19 $	YTD 18 $
Cash flow from operations before changes in working capital		**(1,066)**	2,160	**(4,683)**	3,614
Working capital	5.2	**(564)**	(1,009)	**3,036**	325
Site capital expenditure	5.3	**(22)**	(3,359)	**(335)**	(6,259)
Sale of fixed assets		**-**	-	**-**	10
Exploration investment	5.3	**(170)**	(1,704)	**(402)**	(3,317)
Funding	5.4	**1,750**	1,443	**2,041**	4,334
Cash decrease		**(72)**	(2,469)	**(343)**	(1,293)

Cash flow from operations includes the results from the San Gregorio operations less the cost of corporate expenses, exploration expenditure that is not capitalized, finance interest and income taxes. Cash flow generated by operations before the use of working capital was an outflow of $1,066 (Q2 18: inflow of $2,160).

At November 30, 2018, Orosur had cash resources of $1,047 compared to $1,390 at May 31, 2018. Cash decreased by $72 during the quarter. The cash balance included cash of $252 held by Loryser which is not accessible to the Company as a result of the declaration of the creditor protection process. Table 10 shows the main cash movements.

5.2 Working capital items

Table 11 shows details of changes in the working capital.

Table 11 - Working capital

	Q2 19 $	Q2 18 $	YTD 19 $	YTD 18 $
Cash flow from operations before changes in working capital	**(1,066)**	2,160	**(4,683)**	3,614
Warehouse inventories	**17**	(702)	**493**	(352)
Stockpile	**(841)**	(166)	**(819)**	(226)
Other production inventories	**-**	(246)	**1,062**	1,234
Trade payables and other accrued liabilities	**(183)**	225	**1,541**	(360)
Tax credits and other debtors	**443**	(120)	**759**	29
	(564)	(1,009)	**3,036**	325
Cash flow from operations including changes in working capital	**(1,630)**	1,151	**(1,647)**	3,939

(Thousands of United States Dollars, except where indicated)

Inventory of medium grade stockpiles decreased by $841 during the quarter compared to an increase of $166 in Q2 18. Low grade ore stockpile for potential future processing is carried at zero value. High and medium ore stockpile are valued at the lower of average cost or net realizable value.

Changes in tax credits variations are due to the timing in receiving VAT refunds from the Uruguayan Government and its final application.

5.3 Capital expenditure

Capital expenditure on property, plant and equipment and mineral properties, net of fixed assets sales, was $23 for the Quarter compared to $3,359 for Q2 18.

The Company has significantly decreased its investment related to the San Gregorio project compared to Q2 18 due to having the mine in care and maintenance since August 2018.

Cash exploration and evaluation investment incurred in Uruguay, Chile and Colombia is shown in Table 12 below. In Q2 19, cash exploration expenditure was $169 compared to $1,704 for Q2 18.

The variance in exploration was primarily a result of the increased focus on expanding the Company's resources base in Uruguay with the aim of increasing mine life during Q2 18 compared to the minimum expenses to maintain the exploration permits in Uruguay and Colombia during Q2 19.

Table 12 - Exploration investment by area

Project Area	Uruguay	Chile	Colombia	Total
Opening balance, May 31, 2018	-	-	9,755	9,755
Cash expenditure	92	-	310	402
Foreign exchange movement	-	-	(711)	(711)
Write off	(92)	-	-	(92)
Closing balance, November 30, 2018	-	-	9,354	9,354

Project Area	Uruguay	Chile	Colombia	Total
Opening balance, May 31, 2017	3,697	6,725	7,255	17,677
Cash expenditure	2,276	128	913	3,317
Foreign exchange movement	-	-	(212)	(212)
Write off	(26)	-	-	(26)
Closing balance, November 30, 2017	5,947	6,853	7,956	20,756

5.4 Funding

(Thousands of United States Dollars, except where indicated)

On July 10, 2018, Newmont Mining Corporation ("Newmont") advanced $250 to subscribe for 3,603,077 common shares of Orosur at a price of Cdn$0.091 per share. The share price represented a 102% premium to the closing price of the Company's common shares on the Toronto Stock Exchange on July 9, 2018.

On September 10, 2018, the Company completed a non-brokered private placement of $2,000 with Newmont (29,213,186 common shares at a price of Cdn$0.091 per share, including the $250 advanced subscription of July 10, 2018) and an exploration agreement with venture option with Newmont Colombia S.A.S., a wholly-owned subsidiary of Newmont, for the Anzá exploration property in Colombia.

The Exploration and Option 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.

5.5 Financial instruments

The composition and measurement of the Company's financial instruments, and the Company's action to manage different types of financial risks are discussed in Note 18 and 19 of the audited consolidated financial statements for the year ended May 31, 2018.

5.6 Contractual obligations and commitments

The Company's contractual obligations and commitments are as follows:

Table 13 - Financial maturity dates

	Total	Less than 1 Year	1-2 Years
Santander loan for mobile fleet	422	211	211
Santander loan (line of credit)	1,500	1,500	-
Total	1,922	1,711	211

The total amount of the above financial debt is included under the Loryser Reorganization Proceedings.

Commitments derived from exploration farm-outs and acquisition agreements are disclosed in Note 9 of the audited financial statements for the year ended May 31, 2018 and Note 7 of the interim financial statements for the three months ended November 30, 2018.

Commitments for environmental rehabilitation are disclosed in note 9 of the audited financial statements for the year ended May 31, 2018. The Company, as normal practice, performs restoration work prior to the closure date and in accordance with the Uruguayan Environmental Agency. Such liabilities are recorded as liabilities of the Company. Uruguayan mining and environmental legislation require environmental obligations to be supported by guarantees. As a result, a rehabilitation guarantee letter of credit of $1,351 (May 31, 2018 - $1,351) has been provided by Santander Bank Uruguay ($1,200) and a local Uruguayan insurance company ($ 151).

5.7 Outstanding share data

The Company has an authorized capital of unlimited number of common shares of no par value. As of January 11, 2019, the Company has a total of 150,277,672 issued shares outstanding. Additionally, it has 7,337,426 unexercised vested stock options to acquire common shares of the Company.

On July 10, 2018, Newmont Mining Corporation advanced $250 to subscribe for 3,603,077 common shares of Orosur at a price of Cdn$0.091 per share. The share price represents a 102% premium to the closing price of the Company's common shares on the Toronto Stock Exchange on July 9, 2018.

On September 10, 2018, Newmont completed a non-brokered private placement of 29,213,186 common shares at a price of Cdn$0.091 per share for aggregate proceeds of $2,000 which includes the initial advance of $250 on July 10, 2018.

On October 23, 2018, the Company the granted of an aggregate of 1,845,000 stock options to directors, officers and employees and issued 3,477,581 common shares to Maxit Capital, LP in consideration of transaction fees relating to the transaction with Newmont. The shares were issued at a deemed price of Cdn$0.091 and have been recorded as share issue costs for the Newmont private placement described above,

At November 30, 2018, there were 8,994,093 options outstanding, of which 7,179,093 were vested and exercisable (May 31, 2018 – 8,943,924 and 7,107,426, respectively). The weighted average exercise price of the options outstanding at November 30, 2018 was Cdn$ 0.18 (May 31, 2018 – Cdn$ 0.19).

No dividends were paid during the quarters ended November 30, 2018 and 2017.

(Thousands of United States Dollars, except where indicated)

Gold sold (ounces)	8,485	7,304	9,515	9,411	6,903	6,597	5,816	3,296	-
Average sales price ($/oz)	1,252	1,198	1,246	1,260	1,299	1,288	1,284	1,261	-
Cash cost before taxes ($/oz)	914	858	879	901	867	1,112	1,101	1,040	-
Total cash cost ($/oz)	958	904	952	944	821	1,141	1,162	1,342	-
Sales	10,765	8,845	11,958	11,951	9,028	8,555	7,566	4,202	-
Cost of sales (excluding depreciation)	(8,504)	(6,997)	(10,150)	(9,811)	(5,605)	(7,387)	(6,466)	(4,484)	-
Mine site depreciation	(1,063)	(1,379)	(2,935)	(1,961)	(2,103)	(1,847)	(2,990)	(2,635)	-
Cost of sales	(9,567)	(8,376)	(13,085)	(11,772)	(7,708)	(9,234)	(9,456)	(7,119)	-
Gross profit (loss)	**1,198**	**469**	**(1,127)**	**179**	**1,320**	**(679)**	**(1,890)**	**(2,917)**	**-**
Corporate expenses	(764)	(457)	(710)	(645)	(749)	(382)	(455)	(402)	(639)
Restructuring costs	164	(144)	(1)	(60)	(750)	(597)	(1,433)	(3,322)	(645)
Exploration expenses and write off	(2)	(6)	(114)	(10)	(16)	(423)	(5,756)	(86)	(44)
Care and maintenance expenses	-	-	-	-	-	-	-	-	(613)
Impairment of assets	-	-	-	-	-	-	(11,083)	-	-
Obsolescence provision	(12)	(1)	(12)	(35)	(9)	9	(4,642)	-	(5)
Other net gain (losses)	383	496	(91)	284	(47)	96	596	609	72
Income (loss) before taxes	**967**	**357**	**(2,055)**	**(287)**	**(251)**	**(1,976)**	**(24,663)**	**(6,118)**	**(1,874)**
Income tax recovery (loss)	(25)	6	576	(3)	1	-	(3,199)	-	
Net income (loss) for the period	**942**	**363**	**(1,479)**	**(290)**	**(250)**	**(1,976)**	**(27,862)**	**(6,118)**	**(1,874)**
Basic earnings (loss) per share	0.01	0.00	(0.01)	0.03	0.01	0.00	0.00	(0.06)	(0.01)
Diluted earnings (loss) per share	0.01	0.00	(0.01)	0.03	0.01	0.00	0.00	(0.06)	(0.05)
Cash flow from operations	**4,884**	**533**	**(2,054)**	**2,788**	**1,150**	**2,364**	**1,534**	**43**	**(1,630)**
Cash used for financing	(64)	(64)	(227)	2,891	1,443	(47)	145	231	1,750
Cash invested	(4,444)	(3,667)	(3,170)	(4,513)	(5,063)	(2,989)	(2,452)	(545)	(192)
Cash on hand	5,376	2,400	3,357	4,533	2,064	1,392	1,390	1,119	1,047
Total assets	**53,500**	**53,311**	**55,764**	**57,423**	**58,960**	**59,584**	**25,767**	**20,859**	**20,233**
Shareholder's equity (deficit)	**36,028**	**36,577**	**35,195**	**36,937**	**36,860**	**34,960**	**491**	**(6,011)**	**(6,484)**

7. RELATED PARTY 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 consolidation. Note 12 of the unaudited interim consolidated financial statements for the period ended November 30, 2018 discloses the Company's list of subsidiaries.

The Company's related parties include Pangea Management Corp., a private company controlled by the Company's VP Corporate Development, Interim Chief Financial Officer & Corporate Secretary, whose remuneration was paid to his private company.

8. RISKS AND UNCERTAINTIES

The Company's net earnings or loss in the near-term are affected principally by the resolution of the reorganization proceedings at San Gregorio, and in the longer term, will be affected primarily by the success or failure of its exploration and development activities and the selling price of gold. The Board recognizes that the exploration and development of natural resources is a speculative activity that involves a large number of uncertainties, and a degree of financial risk. Accordingly, the Board considers the risks to which the Company is exposed as part of its regular operations, and keeps these under review.

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

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company manages liquidity risk by proactively forecasting its liquidity requirements with available funds and anticipated cash flows, by maintaining adequate reserves and banking facilities and by matching the maturity profiles of financial assets and liabilities. The Company was recently successful in obtaining funding to cover corporate costs and Colombia holding costs through the non-brokered private placement with Newmont. The Company's continuance in Uruguay is dependent upon its ability to obtain adequate financing after putting the operation under care and maintenance.

At November 30, 2018, the Company has a net working capital deficiency of $14,148 (May 31, 2018 – $10,622). Total amounts due within 12 months on the Company's long-term financial debt is $1,922 (May 31, 2018 – $1,730). Total amount of accounting payables and other accrued liabilities is $21,270 (May 31, 2018 – $17,845).

Cash of $252 held by Loryser at November 30, 2018 is not accessible to the Company as a result of the Loryser Reorganisation Proceedings.

Sensitivity to commodity prices and foreign exchange rates

The Company's revenues, net earnings and cash flow from operations are affected materially by changes in the price of gold. Gold has historically been subject to large price fluctuations, and is affected by factors which are unpredictable, including international economic and political conditions, speculative activities, the relative exchange rate of the US dollar with other currencies, inflation, global and regional levels of supply and demand and the gold inventory levels maintained by producers and others.

The Company's gold sales are priced in US dollars while its operating, exploration and administrative costs are predominantly incurred in US dollars, Canadian dollars, and Colombian and Uruguayan pesos. The Company has financial exposure to foreign exchange fluctuations in the Uruguayan and Colombian peso and the Canadian dollar relative to the US dollar.

Key Personnel Risks

Recruiting and retaining qualified personnel is critical to the Company's success. The number of skilled mining and exploration professionals in Uruguay is limited and competition for such persons is intense in the global mining industry. If the Company's mining activities resume, or if its exploration and development properties are advanced, it will be required to hire additional personnel and retain the services of key personnel. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Exploration, Mining and Operational Risks

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

In common with all exploration and mining operations, there is uncertainty, and therefore risk, associated with operating parameters and costs. Whilst costs can be budgeted with a reasonable degree of confidence, operating parameters can be difficult to predict and are often affected by factors outside the Company control. In addition, other risks, including cuts in electricity supply, fuel supply shortages, industrial accidents, technical failures, labour disputes and environmental hazards are also beyond the Company's control.

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

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

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

Title Risks

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

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

Political and Economic Risks

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

9. CRITICAL ACCOUNTING 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:

i) Economic lives of mining assets and recoverable value – Reserves: The economic lives of the Company's mining operation and development assets are based upon the individual mine's mineral reserves. The Company's resources and reserves are calculated in accordance with mining standards and in compliance with National Instrument 43-101 Standards of disclosure for Mineral projects ("NI 43-101"). The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The Company reviews and re-evaluates the estimated future discounted net cash flows of its mines and development properties on a regular basis, to ensure that they exceed the carrying value for each property. These calculations rely on the estimated reserves and/or resources, estimated future commodity price and production cost.

ii) Inventory: Expenditure incurred and depreciation of assets as a result of mining and processing activities is deferred and accumulated as the cost of ore in stockpiles, gold in circuit and finished metals inventories, on units based on estimated volumes and grades as a result of assays and other sampling tests. These deferred amounts are carried at the lower of average cost or net realizable value. Write downs of such inventories are reported as a component of current period costs and are influenced by the prevailing and long-term metal prices, prevailing costs for production inputs, realized ore grades and production schedules.

iii) 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 annual basis or when new material information becomes available.

iv) Share 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 and the volatility of the Company's share price;

v) Deferred income tax assets and liabilities: Significant judgment is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences may impact the carrying amount of deferred income taxes;

vi) Exploration and evaluation expenditure: The recoverability of amounts shown for capitalized exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves.

10. DISCLOSURE CONTROLS AND PROCEEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure. The Company's system of disclosure controls and procedures includes, but is not limited to, our Continuous Disclosure Policy Procedure, our Code of Business Conduct and Ethics, our Insider Trading Policy and Share Trading Code and Price Sensitive Information Policy, our Whistleblower Policy, Release of Public Information Policy and the effective functioning of the Audit Committee and Board of Directors.

As at the end of the period covered by this MD&A, management of the Company, with the participation of the President and CEO and the CFO, does not expect that the Company's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud and error, if any, within the Company have been detected.

As at the end of the period covered by this MD&A, management of the Company, with the participation of the CEO and the CFO, evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the President and CEO and the CFO have concluded that, as of the end of the period covered by this management's discussion and analysis, the disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the President and CEO and the CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal Controls over Financial Reporting

Multilateral Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR"), as defined therein, for the Company, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that the Company has disclosed any changes in its ICFR during its most recent interim period that has materially affected, or is reasonably likely to materially affect its financial reporting.

As discussed above, the inherent limitations in all controls systems are such that they can provide only reasonable, not absolute, assurance that all controls issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

During the period covered by this MD&A, the Company's senior management, including CEO and CFO, evaluated the existence and design of the Company's ICFR and confirm there were no changes to the ICFR that have occurred during the quarter which materially affected, or are reasonably likely to materially affect, the Company's ICFR.

11. NON- GAAP 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.

Contribution margin, gross profit or loss, cash flow from operations, cash costs per ounce and AISC are not measures that have any standardized meaning prescribed by IFRS and are considered non IFRS measures, therefore, these measures may not be comparable to similar measures presented by other issuers. Contribution margin has been calculated by deducting operating expenses from sales. Operating expenses include movements in inventories but exclude operating amortization and depletion. Gross profit or loss is calculated by deducting depreciation from contribution margin. Cash costs per ounce are determined according to the Gold Institute Standard and consist of site costs for all mining, processing, administration, royalties, refining charges, silver credits and inventory adjustments relating to metal production. Cash costs per ounce are total cash costs divided by gold ounces produced. AISC add corporate costs, reclamation and remediation, brownfield exploration and capital expenditure to total cash cost, sustaining for the operation. AISC per ounce are all-in-sustaining costs divided by gold ounces produced.

12. FORWARD LOOKING STATEMENTS

Certain information contained in this Management Discussion and Analysis constitutes "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and forward-looking information under applicable Canadian Securities Legislation. Such forward-looking statements or information, included but not limited to those with respect to prices for gold, estimated future production, estimated costs of production, the Company's hedging policy involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. Important factors that could cause actual results to differ materially from those in the forward-looking statements contained herein include among others, gold price, weather, exploration results, development and mining activities, geotechnical assumptions, environmental approvals and the availability of technical personnel.