

**OROSUR MINING INC.**

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

**FOR THREE AND NINE MONTHS ENDED FEBRUARY 28, 2023**

**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, 2022. 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, 2022 and May 31, 2021 and the unaudited condensed consolidated interim financial statements for the three and nine months ended February 28, 2022, 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 nine months ended February 28, 2023 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at April 27, 2023 unless otherwise indicated.

The unaudited condensed consolidated interim financial statements for the three and nine months ended February 28, 2023, 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 Orosur'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.

**Orosur Mining Inc.**  
**Management's Discussion & Analysis– Quarterly Highlights**  
**Three and nine months Ended February 28, 2023**  
**Dated – April 27, 2023**

Forward-looking statements include, without limitation, the exploration plans in Colombia and the funding from Minera Monte Águila 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, to those as described in Section “Risks Factors” of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

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

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

### **Description of Business**

Orosur Mining Inc. (TSX-V: OMI; AIM: OMI) is a minerals explorer and developer focused on identifying and advancing projects in South America. The Company currently operates in Colombia, Brazil and Argentina and has discontinued operations in Uruguay.

In Colombia, the Company owns the Anzá gold exploration project located in the Middle Cauca Belt in Antioquia, Colombia. 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., (now Minera Monte Aguila SAS), which was then 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.

On September 8, 2022, the Company’s JV partner, Monte Águila provided the Company with a Phase 1 Earn-In Notice, having completed all of the Phase 1 obligations, including investing US\$10 million in the Project. The Company and Monte Aguila will begin the process of forming a new mining company (“Mining Company”) that will hold title to the Project’s concessions and applications. The Company was also notified by Monte Aguila that in accordance with the Exploration Agreement, it will enter Phase 2 following negotiation and execution of a joint venture agreement to govern the operations of the Mining Company. As part of the move from Phase 1 to Phase 2, a US\$2 million option payment was payable to Orosur and those funds were received in full by February, 2023. Phase 2 will commence once the Mining Company is

**Orosur Mining Inc.**  
**Management's Discussion & Analysis– Quarterly Highlights**  
**Three and nine months Ended February 28, 2023**  
**Dated – April 27, 2023**

---

formed, which is expected to take several months, Orosur will initially have 49% ownership and Monte Aguila, 51% ownership in the Mining Company, which will be managed by Monte Aguila.

During 2022, Company entered into joint venture agreements with partners in Argentina and Brazil to explore for gold/silver and tin respectively. More details are set out in the Company's MD&A for the year ended May 31, 2022 and also below under Corporate Highlights.

In Uruguay, the Company operated the San Gregorio gold mining complex in the northern Department of Rivera. The Company had explored in Uruguay since 1996 and acquired the San Gregorio operation in October 2003, producing over 1 million ounces of gold. On June 14, 2018 the Company applied for Reorganization Proceedings and creditor protection over Loryser S.A. ("Loryser"), the Company's primary operating subsidiary in Uruguay. In August 2018, production ceased and the mine was placed on care and maintenance. In December 2018, Loryser reached an agreement with the majority of its creditors (the "Creditors Agreement"), achieving a support level of approximately 72% of creditors by value. The Creditors Agreement was ratified by the Court in September 2019. The ratification by the Court means that the Agreement is legally binding on all trade creditors. As part of that Agreement, in December 2019, Orosur issued 10 million Orosur common shares to a trust. These shares were subsequently sold for the benefit of Loryser's creditors as contemplated in the court-approved Creditors Agreement. Since then the Company has focused its activities on the implementation of the Creditors Agreement including the sale of the remaining assets of Loryser, which was achieved during the quarter to February 2023. Loryser has paid its labour and all other preferential creditors and will now, post-quarter end, be distributing proceeds to Loryser's trade creditors in accordance with the Creditors' Agreement, via a court approved paying agent.

### **Corporate Highlights**

Financial and operational highlights for the three and nine months ended February 28, 2023 include:

#### **Colombia**

- On June 27, 2022, assay results from five additional holes in APTA were announced. Reasonable grades of gold were intercepted in two of the holes and the other holes showed lower levels of gold but high-grade copper and zinc evident at depth. As planned, drilling focus was then shifted to Pepas and Pupino.
- On September 6, 2022, the Company announced assay results from the Pepas prospect to the north of Anza, including assay results from PEP001 which returned a substantial, high-grade intersection of 150.9m @ 3.00g/t Au (from surface). Also announced on that day, that Monte Aguila had informed the Company that it had met its expenditure of US\$4m for the year.
- On September 9, 2022, the Company announced that its JV partner, Monte Aguila provided the Company with a Phase 1 Earn-In Notice, having completed all of the Phase 1 obligations, including investing US\$10 million in the Anza Project. The Company and Monte Aguila will begin the process of forming a new mining company ("Mining Company") that will hold title to the Anza Project's concessions and applications. The Company was also notified by Monte Aguila that in accordance with the Exploration Agreement, it will enter Phase 2 following negotiation and execution of a joint venture agreement to govern the operations of the Mining Company. Once the Mining Company is formed, which is expected to take several months, Orosur will initially have 49% ownership and Monte Aguila, 51% ownership in the Mining Company, which will be managed by Monte Aguila.

**Orosur Mining Inc.**  
**Management's Discussion & Analysis– Quarterly Highlights**  
**Three and nine months Ended February 28, 2023**  
**Dated – April 27, 2023**

- On October 21, 2022, the Company announced assay results from four additional diamond drill holes at Pepas and Pupino. Both the Pepas and Pupino prospects are located in the northern region of the Anzá Prospect, roughly 12km and 8km respectively north northeast from the central APTA prospect that had seen most drilling at Anzá up until early 2022. At PEPAS, holes PEP005 and PEP007 were drilled from the same pad as PEP001 but in different directions. Both holes returned substantial gold intersections, with the best at PEP007 being 80.55m @ 3.05g/t Au from surface (including 41.75m @ 5.24g/t). Two additional holes are currently underway from new pads in an attempt to better define the geometry of the mineralised body at Pepas.
- On December 2, 2022, after the period end, the Company announced assay results from another 4 holes at Pepas, holes PEP002, 006, 008 and 009. Holes PEP002 and 006 did not yield significant results. Two new drill pads were constructed to drill holes PEP008 and PEP009. Both holes intersected mineralised structures, largely as expected, but with lower levels of gold mineralisation than intersected in previous drilling. Near term focus will now shift away from drilling to field mapping, sampling and trenching activities will continue across the Project to define further drilling targets, including additional surface works specifically in the Pepas prospect area.
- On January 17, 2023, the Company announced that negotiations to complete the new Mining Company Constituent Documents with Monte Aguila were progressing and that the US\$2 million Phase 2 payment would be paid soon. The formation of the new Mining Company, which will take several months, is underway. Once formed, the Mining Company will be owned 49% by Orosur and 51% by Monte Aguila who will also be the manager. Monte Aguila may earn an additional 14% ownership in the Mining Company if it has spent US\$20 million in qualifying exploration expenditures on the Project on or prior to the fourth anniversary of the parties entering into the Mining Company Constituent Documents. If the Phase 2 earn-in is completed, Monte Agulia would own 65% of the Mining Company and the Company would own the remaining 35%.
- On March 2, 2023, post the quarter end, the Company announced that it had received the Phase 2 option payment of US\$2 million that was due as part of the process of Monte Aguila moving from Phase 1 to Phase 2 of the Anza Project. Following completion of drilling, exploration work at Anzá has been wound back to allow for the required corporate restructuring of the joint venture to be completed, and to advance a variety of licence processes such as integration of smaller licences and conversion of applications to granted status.

### **Argentina**

- On June 28, 2022, the Company announced further positive results from the in-fill program at the Company's El Pantano Project in Argentina, confirming previous work and results. High levels of gold soil anomalies, over 1 km, including 150 ppb, plus pathfinder elements over a wider area are suggestive of a major epithermal system. This work defined a high priority target to be followed up after the winter break.
- The El Pantano Project is subject to an Exploration & Joint Venture agreement ("Agreement") with private Argentinean company DESEADO DORADO S.A.S and its shareholders ("Deseado"). The Agreement covers nine licences owned by Deseado that, combined, total 607km<sup>2</sup> in the prolific Deseado Massif region of Santa Cruz Province in southern Argentina, roughly 45km from Anglo Gold's Cerro Vanguardia mining camp. The Agreement involves the Company securing its initial position through direct 100% ownership of Deseado Dorado S.A.S. The terms of the Agreement then allow the Company to retain 100% equity in the Project by investing US\$3m over five years in two phases: Phase 1, retaining 51% by investing US\$1m over an initial 3-year period. Phase 2, retaining the additional 49%

by investing an additional US\$2m over a subsequent 2-year period and granting Deseado a residual 2% net smelter return royalty on the Project.

- On March 2, 2023, the Company announced that results to date continue to be extremely encouraging, with the latest round of mapping and sampling suggestive that El Pantano has potential to host a major, previously unexplored low-sulphidation epithermal system. In the low-sulphidation model, fluid boiling is the key gold depositional mechanism, such that gold mineralisation is constrained to a distinct vertical zone, and there may be limited or no gold anomalism at surface. Instead, pathfinder elements are a more important guide to mineralisation, especially mercury (Hg) and arsenic (As). Recent work is expanding the picture of very large zones of Hg and As anomalism along more than 8km strike of a major NW trending structure.
- Geological mapping, geochemical sampling and ground magnetic surveys are continuing. It is also planned that other geophysical methods such as Induced Polarization (IP) may be employed. Environmental permitting work is also underway that will allow drilling to be undertaken later in the year or early next year.

### **Brazil**

- On January 14th, 2022 Orosur Mining Inc. ("Company") announced that it had signed a Joint Venture ("JV") agreement with Meridian Mining UK Societas ("Meridian") (TSXV: MNO) in relation to the Ariqueles tin project ("Project") in the State of Rondonia in western Brazil. The Ariqueles project comprises a large collection of granted tenements and applications, totalling almost 3,000km<sup>2</sup>, in Rondônia State, western Brazil. The licenses were all accumulated and owned 100% by Meridian (via its local subsidiary) and represent the dominant land position in the Rondônia Tin Province, one of the world's most significant tin regions. Under the JV terms, the Company can earn an equity interest of 75% in the Project by spending US\$3m over a four-year period, in two phases: Phase 1 - earn 51% interest by spending US\$1 million over a 24-month period. Phase 2 - earn an additional 24% interest by spending US\$2 million over a subsequent 24-month period. Following this point, the two parties would jointly fund the Project on a pro-rata basis or dilute to a net smelter royalty.
- On March 2, 2023, the Company announced that its large-scale regional sampling program which had been underway for the last several months, taking stream and drainage sediment samples over much of the Ariqueles district, was now complete. Final results are pending. Once received, it is anticipated that this regional dataset will be able to provide vectors to potential mineralisation that will then form the basis for more targeted exploration programs in the near term.

### **Uruguay**

- In Uruguay, the Company's wholly owned subsidiary, Loryser, continued to focus its activities on the implementation of the Creditors Agreement.
- In the previous accounting 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. This year it has finalised the reclamation and remediation works on the tailings dam and has started a one-year post-closure control phase which is progressing well.
- During this quarter Loryser also succeeded in selling all of its remaining assets in accordance with the Creditors Agreement. Loryser will now, post 3<sup>rd</sup> quarter end, be distributing the proceeds, on a pro rata

basis, to Loryser's trade creditors in accordance with the Creditors' Agreement, via a court approved paying agent.

### **Financial and Corporate**

- The unaudited consolidated financial statements have been prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted for as Assets and Liabilities held for sale (at the lower of book value or fair value) and Profit and Loss from discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.
- On December 7, 2022, all of the outstanding 10,897,058 warrants expired and so the fully diluted share capital of the Company as at the date of this MD&A is 199,750,299.
- On February 28, 2023, the Company had a cash balance of \$4,151 (May 31, 2022 \$4,221). As at the date of this MD&A the Company had a cash balance of \$3,857.

### **Outlook and Strategy**

The handing over of operational control at Anza in late 2021, and a strong balance sheet, have freed up our skilled South American team to examine investment in new projects. The addition of our Ariqueмес tin project in Brazil, and of the El Pantano gold/silver project in Argentina have transformed the Company into a well-balanced minerals exploration company.

During the period, the Company focused on exploration at El Pantano and at Ariqueмес, whilst progressing at Anza with the formation of the new Mining Company and negotiations of its joint venture agreement with MMA.

The Company will continue to build its project portfolio with other high-quality assets.

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

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

### **Proposed Transactions**

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

## Overview of Financial Results

### Discussion of Operations

#### Profit and loss for the three months ended February 28, 2023 and February 28, 2022

##### Continued operations

For the three months ended February 28, 2023, Orosur recorded a net loss from continued operations of (\$818), with basic and diluted loss per share of (\$0.00). This compares with a net loss of (\$37) for the three months ended February 28, 2022. The increase in net loss of \$781 is principally attributable to increases in exploration expenditures of \$270, corporate and administrative expenses of \$29 and a decrease in the gain on fair value of warrants of \$428, and share-based compensation of \$41.

##### Discontinued operations

For the three months ended February 28, 2023, income from discontinued operations was \$513. This compares with a loss for the three months ended February 28, 2022, of \$(373). The increase in net income of \$886 is principally attributable to movements in foreign exchange variance, care and maintenance, obsolete stock and environmental provision in Uruguay.

#### Profit and loss for the nine months ended February 28, 2023 and February 28, 2022

##### Continued operations

For the nine months ended February 28, 2023, Orosur recorded a net loss from continued operations of (\$1,789), with basic and diluted loss per share of (\$0.01). This compares with a net loss of (\$477) for the nine months ended February 28, 2022. The increase in net loss of \$1,312 is principally attributable to a decrease in the gain on fair value of warrants of \$1,133, and an increase in exploration expenditures of \$507, offset by decreases in share-based compensation of \$274.

##### Discontinued operations

For the nine months ended February 28, 2023, income from discontinued operations was 1,563. This compares with a loss for the nine months ended February 28, 2022 of (\$315). The increase in net income of \$1,878 is principally attributable to movements in payroll provisions, obsolete stock, other income and environmental provision in Uruguay.



Orosur Mining Inc.  
**Management's Discussion & Analysis– Quarterly Highlights**  
**Three and nine months Ended February 28, 2023**  
**Dated – April 27, 2023**

**Assets and liabilities as at February 28, 2023; May 31, 2022; and, May 31 2021**

The following is selected financial data of the Company as at February 28, 2023, May 31, 2022, and May 31, 2021:

	As at February 28, 2023	As at May 31, 2022	As at May 31, 2021
<b>Total current assets</b>	\$6,723	\$5,920	\$10,840
<b>Total non-current assets</b>	\$2,720	\$5,554	\$5,272
<b>Total assets</b>	\$9,443	\$11,474	\$16,112
<b>Total current liabilities</b>	\$14,877	\$15,749	\$21,097
<b>Total non-current liabilities</b>	\$nil	\$nil	\$nil
<b>Total liabilities</b>	\$14,877	\$15,749	\$21,097
<b>Total shareholders' (deficit) equity</b>	<b>\$(5,434)</b>	<b>(\$4,275)</b>	<b>(\$4,985)</b>

**Liquidity and Capital Resources**

The Company had cash balances from continued operations of \$4,151 as at February 28, 2023 (May 31, 2022 - \$4,221). The decrease in cash during the nine months ended February 28, 2023, was primarily due to net cash used in operating activities.

Net cash used in operating activities was \$(2,240) for the nine months ended February 28, 2022. Net cash provided by investing activities amounted to \$3,181 principally comprising \$945 from proceeds received for the sale of equipment and plant in Uruguay, and \$2,085 from the exploration and option agreement, \$(191) of expenditure on exploration and evaluation and \$343 due to decrease in restricted cash.

At February 28, 2023, the Company had a net working capital deficiency of \$8,154 (May 31, 2022: \$9,829). The Company is not generating cash from operations and relied on the cash payments received under the exploration and option agreement for its funding in Colombia.

The reorganization in Uruguay is, as per the Creditors Agreement, financing itself by the sale of Loryser's assets which are intended to cover its outstanding and ongoing liabilities. The 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.

### Outstanding Share Data

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

Securities	
Common shares	188,560,300
Issuable under options	11,189,999
Warrants	nil
<b>Total Securities</b>	<b>199,750,299</b>

On December 7, 2022, all of the outstanding 10,897,058 warrants expired and so the fully diluted share capital of the Company as at the date of this MD&A is 199,750,299.

### 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 nine months ended February 28, 2023. All are 100% owned by Orosur other than for Maracana Mining Holding Inc. in which the Company owns 51%. In each case the management has deemed that Orosur has control over these and all other subsidiaries on the measures set out above.

#### **Discontinued operations**

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

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile is recognized as a discontinued operation after all of its mining assets were sold or returned. In Uruguay, the operations have been fully wound down and the Company's subsidiary, Loryser S.A. has now sold all of its assets and will be distributing proceeds to its creditors in accordance with the court-approved Creditors Agreement.

### **Exploration and evaluation expenditure**

The recoverability of amounts shown for capitalized exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves. Management reviews the carrying value of capitalized exploration and evaluation costs at least annually. The review is based on the Company's intention for development of the underlying asset.

### **Environmental rehabilitation provisions**

The fair value of the liability is determined based on the net present value of estimated future costs estimated by management based on feasibility and engineering studies on a site-by-site basis. While care was taken to estimate the retirement obligations, these amounts are estimates of expenditures that are not due until future years. The Company assesses its provision on an ongoing basis or when new material information becomes available.

### **Share-based compensation**

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

### **Warrant liability**

The fair value of the warrant liability is measured using a Black Scholes pricing model. Assumptions and estimates are made in determining an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would have a direct impact on the fair value of the warrant liability.

### **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, 2023. Many are not applicable or do not have a significant impact to the Company's unaudited condensed interim consolidated financial statements

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

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 01, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

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

Other than for Maracana Mining Holdings Inc. which is 51% owned, the Company owns 100% of all of its subsidiaries. Figures contained in this MD&A document include the accounts of Orosur and its subsidiaries and all inter-company transactions have been eliminated on consolidations. Note 17 to the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended February 28, 2023 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, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Non IFRS Measures**

The Company is of the opinion that conventional measures of performance prepared in accordance with IFRS do not meaningfully demonstrate the Company's financial performance and the ability of its operations to generate cash flow. Therefore, the Company has included certain non-IFRS measures in this MD&A to supplement its financial statements which are prepared in accordance with IFRS.

### **Subsequent Events**

- On March 2, 2023, post the quarter end, the Company announced that it had received the option payment of US\$2 million that was due as part of the process of MMA moving from Phase 1 to Phase 2 of the Anza Project. Following completion of drilling, exploration work at Anzá has been wound back to allow for the required corporate restructuring of the joint venture to be completed, and to advance a variety of licence processes such as integration of smaller licences and conversion of applications to granted status.
- Also on March 2, 2023 the Company announced that mapping, sampling and ground magnetic surveys at the Company's El Pantano Project in Argentina had yielded very encouraging results and that the major regional mapping campaign at the Ariqueles Project in Brazil had been successfully completed, with results pending.