

OROSUR MINING INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2024
EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS
(except where indicated)

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Orosur Mining Inc. ("Orosur" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended May 31, 2024. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended May 31, 2024 and May 31, 2023, together with the notes thereto. Results are reported in thousands of United States Dollars (US\$), unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended May 31, 2024 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as of September 30, 2024, unless otherwise indicated.

The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

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

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

Caution Regarding Forward-looking Statements

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

Forward-looking statements include, without limitation: the exploration plans in Colombia, Argentina and Nigeria, and the funding in Colombia of those plans; completion of the Acquisition agreement to acquire all of the shares in MMA; and, the ability of Loryser to conclude the Creditors' Agreement successfully as well as the continuation of the business of the Company on a going concern and other events or conditions that may occur in the future. The Company's continuance as a going concern is dependent on its ability to obtain adequate financing. Although the Company has been successful in the past in obtaining financing, with a private placement in February 2024 which raised gross proceeds of £500,000 (\$630); a private placement announced on September 30, 2024, which will raise gross proceeds of £835,000 (\$1,119) on completion; and, it was successful in reaching a payment plan agreement with creditors in Uruguay in December 2018, (Court approval received September 13, 2019), there is no assurance on how the agreement with creditors in Uruguay will conclude, or that the Company will be able to obtain adequate financing in the future on terms advantageous to the Company or at all.

These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such forward-looking statements. Such statements are subject to significant risks and uncertainties including, but not limited, those as described in Section "Risks Factors" of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.

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

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

Description of Business

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

Colombia

In Colombia, the Company owns the Anzá gold exploration project ("Anza Project") located in the Middle Cauca Belt in Antioquia, which hosts the Buriticá, Titiribí, Marmato and La Colosa projects. On September 10, 2018, the Company completed a non-brokered private placement of \$2 million with Newmont Mining Corporation ("Newmont") and an exploration agreement with a venture option ("Exploration Agreement") with Newmont Colombia S.A.S., a wholly-owned subsidiary of Newmont, for the Anzá exploration property. On September 30, 2020, it was announced that Newmont would enter into a Joint Venture Agreement ("Joint Venture") with Agnico Eagle Mines Limited ("Agnico") to form Minera Monte Aguila SAS, ("Monte Aguila" or "MMA") 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 7, 2021, the Company was informed by its Colombian joint venture partner, Monte Águila, that it had elected to exercise its right to assume operatorship of the Anzá Project in Colombia.

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

Since the start of 2024, discussions with Monte Aguila have been focussed on exploring options whereby Orosur would acquire MMA's interest in the Anza Project. Such an outcome, if achieved, would see the Company returning to having an interest of 100% in the Anza Project.

Post the year end, on September 10, 2024, the Company entered into a sale and purchase agreement ("SPA") to acquire MMA, thereby reassuming 100% of the Company's flagship Anza Gold Project in Colombia. Under the SPA, Orosur's wholly owned Canadian subsidiary, Waymar Resources Ltd., will purchase all of the issued shares of MMA from wholly owned subsidiaries of Newmont and Agnico resulting in Orosur regaining 100% ownership of the Anza Project (the "Acquisition"). No cash is payable up front, with all consideration deferred and wholly contingent upon commercial production from the Anza Project.

The agreed consideration payable to Newmont and Agnico consists of a net smelter royalty of an aggregate amount of 1.5% on all future mineral production, plus a further royalty of an aggregate amount of US\$75 per ounce of gold or gold equivalent ounce for the first 200,000 gold equivalent ounces of mineral production. Completion of the Acquisition is subject to customary conditions including the approval of the TSXV.

Argentina, Nigeria and Brazil

On October 16, 2023 the Company announced that it had signed an exploration joint venture agreement covering four licences in the Nigerian lithium belt and a further two licences were added at the end of

November 2023. More details on the Nigerian joint venture are set in the Company's MD&A for the quarter ended November 30, 2023.

On January 14, 2022, the Company signed a joint venture agreement with Meridian Mining UK Societas ("Meridian") in relation to the Ariqueemes tin project ("Meridian Project") in Brazil. Whilst the Company's exploration programs on the Project had met with some success, including the identification of two prospects, as a result of a Company review to prioritise the use of its capital, a decision was taken to no longer pursue activity on its Brazilian project. Accordingly, on May,3rd, 2024, Orosur terminated its JV agreement with Meridian on the Meridian Project and the capitalized E&E costs of \$133 were written off.

Uruguay

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

Highlights

Highlights for the year ended May 31, 2024 include:

Operational

In **Colombia**, during the earlier part of the financial year, and whilst discussions were continuing on the involvement of Monte Aguila in the Anza Project ("Anza Project"), some limited activities did take place including mapping and surface sampling; advancing the integration of smaller licences and the promotion of relationships with local community groups to strengthen the social licence to operate the Anza Project.

Post the financial year end, on September 10, 2024, the Company entered into a sale and purchase agreement ("SPA") to acquire MMA, thereby reassuming 100% of the Company's flagship Anza Project in Colombia. Under the SPA, Orosur's wholly owned Canadian subsidiary, Waymar Resources Ltd., will purchase all of the issued shares of MMA from wholly owned subsidiaries of Newmont and Agnico resulting in Orosur regaining 100% ownership of the Project (the "Acquisition"). No cash is payable up front, with all consideration deferred and wholly contingent upon commercial production from the Anza Project. The agreed consideration payable to Newmont and Agnico consists of a net smelter royalty of an aggregate amount of 1.5% on all future mineral production, plus a further royalty of an aggregate amount of US\$75 per ounce of gold or gold equivalent ounce for the first 200,000 gold equivalent ounces of mineral production. Completion of the Acquisition is subject to customary conditions including the approval of the TSX.

In Argentina, sampling and ground magnetic surveys recommenced after the winter recess in September 2023 with the plan of completing coverage of the highest priority parts of the project before more detailed work could be commenced with a view to defining drill targets.

The teams returned early in 2024 and work was completed at the end of April 2024, with results compiled and assessed. Examination of these data have supported the Company's original thesis as to the prospectivity of El Pantano. A regional scale SE-NW trending rift system has been clearly mapped at El Pantano, approximately 20km in strike length and 6km in width; the same style and scale of structural architecture that is known to control the emplacement of major gold/silver deposits elsewhere in the massif. Swarms of quartz veins have been mapped over wide areas providing evidence of a highly active epithermal system. The Company is optimistic that it has identified a major, hitherto unknown low-sulphidation epithermal system, potentially similar in scale to that which produced the giant precious metal deposits at Cerro Negro, Cerro Vanguardia and others.

The objective of the next phase of work will be to focus down to areas within this rift system that may be the most attractive structural conduits for fluid flow and mineral deposition. Work programs may include more detailed geochemistry, electrical geophysics (resistivity and IP) and reconnaissance drilling. In the meantime, the Company has completed and submitted all the necessary environmental studies that are required as part of the Santa Cruz Province drilling permit process. Consideration of these reports and drilling approval was expected to take several months and it is thus anticipated the Company will have drilling permits later in the calendar 2024.

In Nigeria, on October 16, 2023 the Company announced that it had signed a joint venture agreement over 4 licences in the Nigerian lithium belt (the "Lithium Project"). The Company via a new 100% owned UK subsidiary, Lithium West Limited ("Lithium West"), may earn up to 70% equity in the Lithium Project in two phases: Phase 1 - Lithium West can earn 51% equity in the Lithium Project by spending a total of US\$3m over a maximum of three years. Phase 2 - Lithium West can earn an additional 19% equity in the Lithium Project, up to a total of 70%, by spending an additional US\$2m over a maximum of two years. Field work began immediately after signing of the JV with the first results released at the end of November 2023.

On November 28th, 2023, the Company announced positive results from an initial mapping and sampling program that was carried out on the Lithium Project. Several hundred samples of various outcrops were taken, with approximately 70 then being analysed by way of XRF and LIBS for lithium content as well as a number of other pathfinder elements. Mapped pegmatite systems were noted over substantial strike lengths of several km's and of varying widths from sub-metre, to over 30m in one massive example. Numerous pegmatite samples returned high levels of lithium, with several over 2% LiO₂. Also announced on that day was the acquisition of a further two new exploration licences in Nigeria taking the total area of prospective land under title to 533km², representing one of the more dominant land positions in Nigeria.

In Brazil, on July 5, 2023, the Company announced that given the success of the regional stream sediment program performed across the Company's Ariquemes district, it had decided to move to the next phase which has targeted two prospects at Oriente Novo (in the east of the Company's tenements) and at Paraiso in the west and to the north of the Bom Futuro tin mine. Further exploration work was planned including sampling and assaying. In spite of the progress made in Brazil, as a result of a Company review to prioritise the use of its capital, a decision was taken to no longer pursue activity on its Brazilian project. Accordingly, on May 3rd, 2024, Orosur terminated its JV agreement with Meridian Mining UK Societas on the Ariquemes tin project.

In **Uruguay**, the Company's wholly owned subsidiary, Loryser, continues to focus its activities on the final stages of the Creditors Agreement. In line with the Creditors Agreement, Loryser has sold all of its assets. It has paid for the settlements with all of its former employees; it has finalised the reclamation and remediation works on the tailings dam and has successfully concluded a one-year post-closure control phase. Loryser is well advanced in distributing the proceeds to Loryser's trade creditors in accordance with the Creditors' Agreement, via a Court approved settlement agent.

Financial and Corporate

The audited consolidated financial statements have been prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are accounted for as Assets and Liabilities held for sale (at the lower of book value or fair value) and Profit and Loss from discontinuing operations. This accounting treatment has been applied to the activities in Uruguay and Chile.

At the Company's AGM, held on December 19, 2023, all resolutions put to shareholders were duly passed including approval of the Company's new equity incentive plan pursuant to which the Company may grant stock options, restricted share units, and deferred share units to the officers, directors, employees and consultants of the Company and its subsidiaries. The new equity incentive plan replaces the Company's prior stock option plan and should reduce dilution to shareholders and be more fiscally efficient for some of the participants.

On February 15, 2024, the Company announced that it had raised the sum of £500,000 (before expenses) through a placing of 16,949,152 new common shares of no par value at a price of 2.95 pence per share, together with a grant of one unlisted 2 year warrant to purchase one additional common share exercisable at US\$0.0558 (approximately 4.425 pence) for every share subscribed for. As part of their fee, 1,694,915 unlisted 5 year warrants were granted to the Company's broker, exercisable at US\$0.0372 (approximately 2.95 pence) for every share subscribed for.

On September 30, 2024 the Company announced that it had raised the sum of £835,000 (before expenses) through a placing of 30,035,971 new common shares of no par value ("Placing Shares" or "New Common Shares") at a price of 2.78 pence per Placing Share, together with a grant of one unlisted 2 year warrant to purchase one additional common share exercisable at US\$0.0494 (approximately 3.697p) for every two Placing Shares subscribed for. As part of their fee, 3,003,597 unlisted 5 year warrants were granted to the Company's broker, exercisable at US\$0.03715 (approximately 2.78 pence) for every share subscribed for. Completion of the placing is subject, amongst other things, to admission of the New Common Shares to trading on AIM.

On May 31, 2024, the Company had a cash balance of \$1,328 (May 31, 2023 - \$3,748). As at the date of this MD&A the Company had a cash balance of \$500 before the receipt of the proceeds of \$1,119 (before expenses) raised in the private placement set out in the paragraph above.

Outlook and Strategy

Given the recent signing by the Company of the agreement to acquire MMA in Colombia and the encouraging results in Argentina, the Company will focus its investment in these areas. We will also advance our project in Nigeria, which has returned strong results, albeit at a slower pace whilst lithium prices continue to recover.

In Colombia, within the Anza Project, the Company is planning to recommence drilling at Pepas and to examine the potential of moving the APTA prospect to a maiden resource in the near term.

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

Selected Annual Information

	Years Ended May 31,		
	2024 (\$)	2023 (\$)	2022 (\$)
Sales revenue	Nil	Nil	Nil
Net loss for the year from continuing operations	(3,781)	(1,743)	(1,445)
Total loss for the year before cumulative translation adjustment	(3,378)	(1,787)	(1,111)
Basic and diluted (loss) per share for continuing operations	(0.00)	(0.00)	(0.01)
Total assets	5,390	8,425	11,474
Total non-current financial liabilities	Nil	Nil	Nil

Selected Quarterly Information

A summary of selected financial information of Orosur as reported for each of the eight most recent completed quarters is as follows:

Three Months Ended	Total Revenue (\$)	Income (Loss)		Total Assets (\$)
		Total (\$)	Per Share (\$)	
May 31, 2024	-	(2,053)	(0.00)	5,390
February 29, 2024	-	(455)	(0.00)	8,442
November 30, 2023	-	(256)	(0.00)	8,196
August 31, 2023	-	(614)	(0.00)	8,288
May 31, 2023	-	(1,561)	(0.01)	8,876
February 28, 2023	-	(305)	(0.00)	9,443
November 30, 2022	-	436	0.00	10,228
August 31, 2022	-	(357)	(0.00)	10,165

The 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 as Assets and Liabilities held for sale and Profit and Loss from discontinuing operations: This accounting treatment is applied to the activities in Uruguay and Chile. Assets held for sale in Uruguay are measured at the lower of book value or fair value.

Discussion of Operations

Profit and loss for the three months ended May 31, 2024 and May 31, 2023

Continued operations

For the three months ended May 31, 2024, Orosur recorded a net loss from continuing operations of \$2,592. This compares with a net income of \$46 for the three months ended May 31, 2023. The increase in net loss of \$2,638 is principally attributable to increases impairment of assets for \$1,841, increase in corporate and general expenses of \$192 and decreases in exploration expenditures of \$435.

Discontinued operations

For the three months ended May 31, 2024, income from discontinued operations was \$539. This compares with income for the three months ended May 31, 2023 of \$1,607. The decrease in net income of \$1,068 is principally attributable to movements in foreign exchange variance, net finance income, other income obsolete stock and environmental provision in Uruguay.

Profit and loss for the year ended May 31, 2024 and May 31, 2023

Continued operations

For the year ended May 31, 2024, Orosur recorded a net loss from continuing operations of \$3,781, with basic and diluted loss per share of \$(0.00). This compares with a net loss of \$1,743 for the year ended May 31, 2023. The increase in net loss of \$2,038 is principally attributable to an increase impairment of assets of \$1,841, offset by a decrease in the gain on fair value of warrants of \$168, decrease in exploration expenditures of \$36, offset by increases in foreign exchange loss of \$78.

Discontinued operations

For the year ended May 31, 2024, income from discontinued operations was \$403. This compares with loss for the year ended May 31, 2023 of \$44. The increase in net income of \$447 is principally attributable to movements in net finance income, obsolete stock, other income and changes in the environmental provision in Uruguay.

Assets and liabilities as at May 31, 2024: May 31, 2023: and May 31 2022

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

	As at May 31, 2024	As at May 31, 2023	As at May 31, 2022
Total current assets	\$1,845	\$4,968	\$5,920
Total non-current assets	\$3,545	\$3,457	\$5,554
Total assets	\$5,390	\$8,425	\$11,474
Total current liabilities	\$14,029	\$15,086	\$15,749
Total non-current liabilities	\$nil	\$nil	\$nil
Total liabilities	\$14,029	\$15,086	\$15,749
Total shareholders' (deficit) equity	\$(8,639)	(\$6,661)	(\$4,275)

As at May 31, 2024, the Company recorded an impairment charge of \$1,708 on the Anza Project. This resulted from a review and assessment of the consideration to be paid by the Company upon the future assignment of a 51% interest in the Anza Project held by MMA which will be transferred to the Company on completion of the acquisition of MMA by the Company.

Liquidity and Capital Resources

The Company had cash balances from continuing operations of \$1,328 as at May 31, 2024 (May 31, 2023 - \$3,748). The decrease in cash during the year ended May 31, 2024, was primarily due to net cash used in operating activities and cash used in investing activities.

Net cash used in operating activities was \$1,743 for the year ended May 31, 2024. Net cash used in investing activities amounted to \$1,135 principally comprising \$79 from purchase of property and equipment, and \$1,056 of expenditure on exploration and evaluation.

Orosur Mining Inc.
Management's Discussion & Analysis
Year Ended May 31, 2024
Dated – September 30, 2024

At May 31, 2024, the Company had a net working capital deficiency of \$12,184 (May 31, 2023 - \$10,118). The Company is not generating cash from operations and has historically relied on the cash payments received under the exploration and option agreement for its funding in Colombia.

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

Upon completion of the acquisition of MMA, which is still subject to TSXV approval, the Company will require external financing to advance its exploration project in Colombia and it will also require financing for its other projects. Such financing is likely to be by way of equity financing. There can be no assurance that financing will be available to the Company when needed or, if available, that this financing will be on acceptable terms. If adequate funds are not available, the Company may not be able to advance its exploration projects or at all.

See "Risk Factors" below.

Outstanding Share Data

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

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

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the 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 consolidated financial statements; and (ii) the 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"), a 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 the 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 the 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:

Discontinued operations

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

The Company is accounting for its activities in Chile and Uruguay as discontinued. Chile is recognized as a discontinued operation after all of its mining assets were sold or returned. In Uruguay, the operations are on a care and maintenance basis and the Company's subsidiary, Loryser S.A. is well advanced in the sale of its assets and the liquidation of its liabilities and commitments in other than the normal course of business.

Exploration and evaluation expenditure

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

Environmental rehabilitation provisions

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

Share-based compensation

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

Capital Management

The Company's capital management objectives are to safeguard its ability to support its operating requirements on an ongoing basis, continue the development and exploration of the Company's mineral properties and support expansionary plans while attempting to maximize the return to shareholders through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by, on approval of its Board of Directors, issuing new shares, adjusting capital spending, disposing of assets or undertaking other activities as deemed appropriate under the specific circumstances. The Company can also control, on approval of the Board of Directors, how much capital is returned to shareholders through dividends and share repurchase. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets.

The Company does not have a numeric target for its capital structure. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. Selected information is frequently provided to the Board of Directors of the Company.

The Company has not made any changes to its capital management processes during the year.

The Company's capital management objectives are to safeguard its ability to support its operating requirements on an ongoing basis, continue the development and exploration of the Company's mineral properties and support expansionary plans while attempting to maximize the return to shareholders through enhancing the share value.

Financial Instruments

Details of the material accounting policies and methods adopted (including the criteria for recognition, measurement and the bases for the recognition of income and expenses) for each class of financial asset and financial liability are disclosed in note 2 of the to the audited annual consolidated financial statements of the Company for the year ended May 31, 2024.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for that all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value, which are not based on observable market data.

New Standards Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2023. Many are not applicable or did not have a significant impact to the Company's consolidated financial statements.

New Standards Not Yet Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2024. Many are not applicable or are not expected to have a significant impact to the Company and have been excluded.

Related Party Balances and Transactions

Other than for Maracana Mining Holdings Inc., and its subsidiary Mineracao Madeira Ltda, and West Africa Lithium Limited and its subsidiary, Jurassic Mines Limited, which are 51% owned, the Company owns 100% of all of its subsidiaries. Figures contained in this MD&A document include the accounts of Orosur and its subsidiaries and all inter-company transactions have been eliminated on consolidation. Note 20 to the consolidated financial statements of the Company for the year ended May 31, 2024 discloses the Company's list of subsidiaries.

Subsequent events

On September 10, 2024 the Company entered into a sale and purchase agreement ("SPA") to acquire MMA, thereby reassuming 100% of the Company's flagship Anza Project in Colombia. Under the SPA, Orosur's wholly owned Canadian subsidiary, Waymar Resources Ltd., will purchase all of the issued shares of MMA from wholly owned subsidiaries of Newmont and Agnico resulting in Orosur regaining 100% ownership of the Project (the "Acquisition"). No cash is payable up front, with all consideration deferred and wholly contingent upon commercial production from the Anza Project. The agreed consideration payable to Newmont and Agnico consists of a net smelter royalty of an aggregate amount of 1.5% on all future mineral production, plus a further royalty of an aggregate amount of US\$75 per ounce of gold or gold equivalent ounce for the first 200,000 gold equivalent ounces of mineral production. Completion of the Acquisition is subject to customary conditions including the approval of the TSXV.

On September 30, 2024 the Company announced that it had raised the sum of £835,000 (before expenses) through a placing of 30,035,971 new common shares of no par value ("Placing Shares" or "New Common Shares") at a price of 2.78 pence per Placing Share, together with a grant of one unlisted 2 year warrant to purchase one additional common share exercisable at US\$0.0494 (approximately 3.697p) for every two Placing Shares subscribed for. As part of their fee, 3,003,597 unlisted 5 year warrants were granted to the Company's broker, exercisable at US\$0.03715 (approximately 2.78 pence) for every share subscribed for. Completion of the placing is subject, amongst other things, to admission of the New Common Shares to trading on AIM.

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.

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 is not currently generating cash from operations and historically has relied on cash payments from Monte Águila to fund commitments in Colombia, and from its private placement of November 2020 and February 2024 to cover its financial needs outside of Uruguay and Colombia. The business in Uruguay is, as per the Creditors Agreement, financing itself selling its assets while covering its liabilities.

There can be no assurance that funding will be available to the Company or, if available, that it will be sufficient to cover all its needs in the future or available at acceptable terms. The Company will in the future consider raising equity capital in amounts sufficient to fund both exploration work and working capital requirements and may also look for one or more outside partners to fund future exploration work

Liquidity risk depends on certain forward-looking statements which include, without limitation, the exploration plans in Colombia, Argentina and Nigeria and the funding of those plans; the completion of the agreement relating to the acquisition of MMA which would result in the re-assumption by the Company of 100% of the Anza Project; and, other events or conditions that may occur in the future. The Company's continuance as a going concern is also dependent upon its ability to obtain adequate financing and to reach a satisfactory implementation of the Creditor's Agreement in Uruguay. 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.

Key Personnel Risks

Recruiting and retaining qualified personnel is critical to the Company's success. 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, 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.

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 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 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 Government in the jurisdictions in which the Company operates will continue to grant or respect mining titles and environmental licenses, and that the titles of the properties will not be challenged or negated for political or legal reasons.

Litigation Risks

The Corporation may be involved in legal proceedings from time to time, arising in the ordinary course of its business. The amount of ultimate liability with respect to these actions, including the Exman case set out below, will not, in the opinion of management, materially affect the Corporation's financial position, results of operations or cash flows.

In July 2023, the case of Exman against the Company was finally brought to Court. Exman had been seeking damages of some \$2.3 million for the interruption in 2016 to an operating agreement it had with Minera Anzá, when Minera Anzá had to close down a small gypsum mine near Anzá at the request of the mining authorities in Colombia. Management have believed throughout that the chances of the case being lost were remote. The case was heard in July 2023, with the Court ruling in favour of Minera Anzá and against Exman. As anticipated, Exman have appealed. Management and its attorneys believe that the chances of a reversal of the verdict are remote.

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, tax and regulatory (mining and environmental) regimes.

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. All of the Company's entities have the United States dollar as the functional currency, except for Waymar Resources Ltd., Cordillera Holdings International Ltd. Minera Anzá S.A., and Fortune Valley Resources Inc., the functional currency of which is the Canadian dollar, and Minera Anzá S.A. (Colombia branch), the functional currency of which is the Colombian peso. The Company conducts some of its activities in currencies other than the US dollar, especially in Uruguayan pesos. The Company also has active exploration programs in Colombia and has some of its expenditure denominated in Colombian pesos. It has also commenced more limited exploration programs in Argentina, Brazil and in Nigeria. The Company is therefore currently principally subject to gains or losses due to fluctuations in the Uruguayan peso and the Colombian peso relative to the US dollar. The Company manages its currency rate risk by denominating its contracts and commitments, where possible, in US dollars. The Company does not have a policy, to nor has it entered into derivatives to mitigate foreign currency risks. The Company is monitoring the potential impact of the currency devaluation and changing public policies in Argentina. To date, these issues have not impacted the Company's capacity to operate nor to fund its operation in that country.

During the year ended May 31, 2024, the Uruguayan peso depreciated was level against the US dollar. And the Colombian peso appreciated 14.7% **5%** against the US dollar.

Credit risk

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. But this is not a significant risk since the cash is held with high credit quality financial institutions. The Company has no significant concentration of credit risk. The Company's cash and cash equivalents credit risk is mitigated by using well capitalized financial institutions.

The Company's exposure to and management of credit risk for the year ended May 31, 2024, has not changed materially from that of the year ended May 31, 2023.

Sensitivity to commodity prices and foreign exchange rates

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 has financial exposure to foreign exchange fluctuations in the Uruguayan, Argentinian, Chilean and Colombian peso, the Nigerian naira and the Canadian dollar, all relative to the US dollar.

Additional Disclosure for Venture Issuers without Significant Revenue

Operating Income (Expenses)

	Year Ended May 31	
	2024 (\$)	2023 (\$)
Corporate and administrative expenses	(2,030)	(1,869)
Exploration and expenditures	(105)	(141)
Impairment of assets	(1,841)	-
Foreign exchange gain, net	172	94
Gain on fair value of warrants	-	168
Net finance cost	(17)	(16)
Other income	40	21
Total Expenses	(3,781)	(1,743)

Income (loss) from discontinued operations

	Year Ended May 31	
	2024 (\$)	2023 (\$)
Uruguay		
Care and maintenance	(131)	(423)
Corporate and administrative expenses	(13)	27
Net finance income	18	752
Net foreign exchange	(28)	(204)
Write-down of inventories	-	(322)
Other income	729	272
Total Uruguay	575	102
Chile		
Finance cost	(172)	(146)
Total income (loss) from discontinued operations	403	(44)