

This Management’s Discussion and Analysis (“MD&A”) for Rusoro Mining Ltd. (“the Company” or “Rusoro”) should be read in conjunction with the Company’s annual audited consolidated financial statements of the Company and supporting notes for the year ended December 31, 2024.

The financial information presented in this MD&A is reported in US dollars, unless otherwise indicated, and is partly derived from the Company’s annual financial statements prepared consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The effective date of this MD&A is May 23, 2025. This MD&A contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained herein.

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1. OVERVIEW OF THE COMPANY

The principal business activities of the Company were previously the acquisition, exploration, development and operation of gold mineral properties. Subsequent to the Nationalization (see below), the Company's main activity has been the management of its arbitration process with the Venezuelan government.

Until March 14, 2012, the Company held a 95% controlling interest in the Choco 10 mine ("the Choco Mine") and a 50% interest in the Isidora mine ("the Isidora Mine"), which the Company operated as part of a joint operation ("the Joint Operation") with the Venezuelan government. The Company also held interests in various exploration and development projects in Venezuela.

On September 16, 2011, the Venezuelan government, through publication in the Official Gazette of Venezuela, enacted a law-decree ("the Decree") reserving to the government of Venezuela exclusive rights for the extraction of gold in Venezuela ("the Nationalization"). The Decree mandated the expiration of all mining concession held by the Company and their reversal to the Venezuelan government together with all related assets and operations. The Decree permitted the Company to reach an agreement with the Venezuelan government to continue operating jointly, in the form of a mixed-interest enterprise ("the Mixed Enterprise"), the mining concessions and mining assets affected by the Nationalization and in which the Company could not own more than a 45% share participation.

The Company was unable to reach an agreement with the Venezuelan government upon the terms and conditions of the migration of its mining assets to the Mixed Enterprise within the designated time periods. Therefore, on March 14, 2012, in accordance with the procedures outlined in the Decree, all of the Company's mining concessions expired by force of the Decree and all related assets and operations reverted to the Venezuelan government who took possession and control in accordance with Venezuelan law becoming the new operator and employer.

Starting March 15, 2012, the Company was relieved of all responsibilities associated to the mining concessions, assets and operations that were subject to expropriation, including without limitation, any contractual, mining, environmental, labor or criminal liability, and for the payment of any tax, fee or contribution of any kind, including any mining or surface tax related to such mining concessions and operations.

In accordance with Venezuelan Labor Law and the Decree, beginning March 15, 2012, the Venezuelan government became the sole and exclusive employer for the workers and employees who provide services for the operations of the mining concessions. The Company is not responsible for the actions or omissions of those workers and employees, by the damages that they may cause or suffer in the exercise of their functions or for the payment of their salaries, bonuses, benefits or any other compensation or benefit generated from the above-mentioned date, as all the workers and employees, starting March 15, 2012, provide their services and run their work daily activities under the exclusive direction, supervision and responsibility of the Venezuelan government.

In June 2012, the Company entered into a Creditors and Shareholders Agreement (the "CSA") with significant equity holders and creditors who agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses.

Also in June 2012, the Company entered into a litigation funding agreement (the "Litigation Funding Agreement") with a subsidiary (the "Funder"), of the Calunius Litigation Risk Fund LP (the "Fund"). Calunius Capital LLP is the exclusive investment advisor to the Fund, which specializes in funding commercial litigation and arbitration claims. Under the terms of the Litigation Funding Agreement, the Funder agreed to assist in the funding of Rusoro's legal costs in relation to the international arbitration proceedings against the Republic of Venezuela (the "Respondent" or "Venezuela") on a non-recourse basis. Rusoro continued to have complete control over the conduct of the international arbitration proceedings, insofar as the proceedings related to the Company's claims, and continued to have the right to settle with the Respondent, discontinue proceedings, pursue the proceedings to trial and take any action Rusoro considers appropriate to enforce judgment.

In July 2012, the Company filed a Request for Arbitration under the Additional Facility Rules of the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") against Venezuela pursuant to the Agreement between the Government of Canada and the Government of the Republic of Venezuela for the Promotion and Protection of Investments (the "Treaty").

In March 2013, the Company filed a Statement of Claim in its arbitration against Venezuela, in accordance with the provisions of the Canada-Venezuela Bilateral Investment Treaty. Based on a March 2013, valuation performed by an independent expert, the Company was seeking fair-value compensation of \$3.03 billion for all its losses caused by the Nationalization.

On August 22, 2016, the Arbitral Tribunal ("Tribunal") operating under the ICSID Additional Facility Rules, awarded ("the Award") the Company compensation of \$967.77 million plus pre and post award interest which combined equates to in excess of \$1.87 billion as of December 31, 2023. No value has been accrued for the Award as at December 31, 2023, as the ultimate receipt, final settlement amount and the timing of the receipt of the Award is uncertain.

In its Award, the Tribunal upheld the Company's claims that Venezuela breached its obligations under the Treaty by unlawfully expropriating the Company's investments without paying compensation and by imposing certain restrictions on the export of gold. As a result of these breaches, the Tribunal ordered Venezuela to pay compensation of \$967.77 million as of the date of the expropriation (September 16, 2011), together with interest accrued between that date and the date of actual payment, calculated at a rate p.a. equal to US\$ Libor for one year deposits, plus a margin of 4%, to be compounded annually. The amounts awarded must be paid net of any taxes imposed by Venezuela. The Tribunal also ordered Venezuela to contribute \$3.3 million towards Rusoro's costs in the arbitration.

In October 2016, Rusoro received notice that the Bolivarian Republic of Venezuela ("Venezuela") had brought an application before the Paris Court of Appeals to set aside ("recours en annulation") the Award, which was filed by Venezuela in 2017. Rusoro had instructed Freshfields Bruckhaus Deringer and Teynier Pic to represent it in these proceedings, with the support of a special correspondent.

In December 2017, the Company amended its Litigation Funding Agreement and was provided with additional litigation funding of up to \$7 million, which is intended to continue the Company's efforts to enforce the Award.

In October 2018, the Company executed a settlement agreement ("Settlement Agreement") with the Venezuelan government whereby the parties agreed that the Company would receive over \$1.28 billion in monthly instalments through 2024 in exchange for the Company's mining data and full release of the Award. Under the Settlement Agreement, the Venezuelan government agreed to pay an initial payment of \$100 million in November 2018, and upon completion of this initial payment, the Company would suspend legal enforcement of the Award and deliver the Company's mining data to the Venezuelan government. The Company would be entitled to resume legal enforcement of the Award if payment due under the Settlement Agreement is not received by the Company within the periods provided, and the Company also is able to terminate the Settlement Agreement under certain default scenarios. The Venezuelan government retained the right to continue proceedings to set aside the Award at the seat of arbitration in Paris.

As at December 31, 2024 and the date of this report, the Company has not received the payment of \$100 million.

In September 2021, the Supreme Court of the State of New York granted the Company's motion to enter a default judgment for \$100 million plus interest in favor of Rusoro against Venezuela for breach of the Settlement Agreement dated October 5, 2018 (with further interest at the statutory rate of 9% per annum from the date of judgment to the date of payment). Rusoro will take the necessary steps to enter the order as a judgment, serve it on Venezuela, and vigorously pursue its payment or enforcement as partial payment for the unlawful expropriation of its investments in Venezuela.

In January 2019, the Paris Court of Appeals partially annulled the Award (the "French Court Decision"). Whilst the Paris Court of Appeals upheld the tribunal's finding on the merits that Venezuela is liable for the unlawful expropriation of the Company's investments, it annulled the Award's finding on damages. The

French Court Decision did not seek to determine the damages that Venezuela must pay to the Company for its breach of the Treaty.

In March 2021, the French Supreme Court overturned the French Court Decision, therefore reinstating the arbitral Award in full and will allow the Company to continue to vigorously pursue recognition and enforcement of the Award.

In September 2021, Venezuela voluntarily dismissed its appeal of the Award judgment rendered by the U.S. District Court in Washington DC in favor of Rusoro, and against Venezuela.

On July 7, 2023, the U.S. Court of Appeals for the Third Circuit ruled that various parties holding judgments against the Republic of Venezuela, including Rusoro, were entitled to enforce their judgments against property owned by a subsidiary of Petroleos de Venezuela (“PDVSA”), on the grounds that PDVSA was the corporate alter-ego of the Venezuelan state. On this basis, the U.S. District Court for the District of Delaware commenced a sale process on October 23, 2023 whereby the shares of PDV Holding (“PDVH”), a company 100% owned by PDVSA and the indirect owner of CITGO Petroleum Corporation, are to satisfy the judgments of various creditors holding judgments against Venezuela, including Rusoro. Venezuela and PDVSA asked the U.S. Supreme Court to review this ruling, and on January 8, 2024, the Supreme Court denied the petition for certiorari filed by Venezuela and PDVSA. This means that the Third Circuit’s ruling authorizing issuance of writs of attachment against the shares of PDVH in satisfaction of creditors’ judgments is final and unappealable.

On January 8, 2024, the Delaware court designated certain of the judgment creditors in the case, including Rusoro, to be “Additional Judgment Creditors”, meaning that they are entitled to share in the proceeds of the sale of the PDVH shares when they are auctioned, subject to a waterfall established by order of the Delaware court. In March 2025, Rusoro agreed to join a Consortium together with Gold Reserve Ltd., Koch Minerals SARL and Koch Nitrogen International SAR to submit a credit bid to purchase 100% of the PDVH Shares. The consortium’s bid was not selected as the stalking horse.

Topping bids, intended to increase the purchase price for the PDVH shares, are to be submitted in June 2025. Prior to submitting any final bid, Rusoro shall, among other things, obtain all necessary and advisable consents and approvals of its stakeholders. The sale hearing is scheduled to take place in July 2025, and the transaction will proceed to closing following the Delaware court’s issuance of a sale order.

There are material uncertainties surrounding the Nationalization, the Award, and the Settlement Agreement, including, but not limited to the ultimate receipt of payments pursuant to the Settlement Agreement or the timing and/or form of any other compensation otherwise related to the Nationalization. Management is making efforts to work with vendors and potential creditors not covered by the CSA to have them forbear on demanding currently due amounts while it pursues the above-mentioned courses of action. There is, however, no assurance that the sufficient sources of funding described above will be available to the Company, that they will be available on terms and a timely basis that are acceptable to the Company, or that the Company will be able to secure additional funding.

The registered office of the Company is 3200-650 West Georgia Street, Vancouver, British Columbia, Canada and the corporate headquarters is located at 3123-595 Burrard Street, Vancouver, British Columbia, Canada.

2. CONSOLIDATED RESULTS OF OPERATIONS

Results for the three months ended December 31, 2024:

Loss and comprehensive loss for the three months ended December 31, 2024, decreased by \$1,920 from the three months ended December 31, 2023. The increase in loss was primarily due to:

- The change in amortized cost of various liabilities created a loss of \$7,302 for the current period compared to a loss of \$9,442 for the prior comparative period, due to the revaluation of liabilities that are recorded at amortized cost.

Results for the year ended December 31, 2024:

Loss and comprehensive loss for the year ended December 31, 2024, increased by \$15,211 from the year ended December 31, 2023. The increase in loss was primarily due to:

- The revaluation of the gold sale contract created a loss of \$8,650 for the current year compared to a loss of \$3,511 for the prior comparative year, due to the revaluation to its fair value using the current international spot price of gold on December 31, 2024 of \$2,625 per ounce from the spot price of gold on December 31, 2023 of \$2,063 per ounce.
- Decommissioning and restoration provision and currency devaluation was a \$10,443 loss for the current year compared to a \$3,828 loss for the prior comparative year, due to the net impact of increased inflation and increased currency devaluation of the Venezuelan currency in the respective periods.
- Stock based compensation decreased by \$1,150 from the prior comparative year due to the issuance of stock options to directors, officers, and consultants of the Company in fiscal year 2023, no stock options were issued in 2024.
- General and administrative, net of recoveries, increased by \$3,623. This increase was primarily related to increased legal fees, as the Company was active in its efforts to pursue its Award due to ongoing developments throughout the year.

3. SELECTED ANNUAL INFORMATION

	Year Ended December 31, 2024	Year Ended December 31, 2023 (Restated)	Year Ended December 31, 2022 (Restated)
Total revenues	-	-	-
Net loss attributable to equity shareholders of the Company	\$(40,711)	\$(25,490)	\$(18,686)
Basic and diluted loss per share \$	(0.07)	(0.04)	(0.03)
Total assets	\$780	\$1,872	\$21
Total long-term liabilities	-	-	-

4. SELECTED QUARTERLY INFORMATION

	Q4 2024	Q3 2024 (Restated)	Q2 2024 (Restated)	Q1 2024 (Restated)	Q4 2023 (Restated)	Q3 2023 (Restated)	Q2 2023 (Restated)	Q1 2023 (Restated)
Revenue	-	-	-	-	-	-	-	-
Net loss attributable to equity shareholders of the Company as previously presented	(7,522)	(13,184)	(10,137)	(10,545)	(10,767)	(4,632)	(5,250)	(9,601)
Restatement adjustments (Note 1)	-	(27)	352	352	1,325	1,325	785	1,325
Net loss attributable to equity shareholders of the Company	(7,522)	(13,211)	(9,785)	(10,193)	(9,442)	(3,307)	(4,465)	(8,276)
Basic and diluted loss per share as previously presented \$	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)
Basic and diluted loss per share as restated \$								

Restatements (Note 1 of the annual consolidated financial statements)

In the preparation of the 2024 year-end consolidated financial statements, management identified certain errors in prior year consolidated financial statements that necessitated that prior year consolidated interim and annual financial statements be restated. The nature of the restatements is more fully explained in Note 18 to the consolidated financial statements for the years ended December 31, 2024 and 2023. The impacts of these restatements on the selected quarterly information is outlined in the table above.

Interim period changes

In Q1 2023, the spot price of gold increased to \$1,978 from \$1,825 in the prior quarter, which resulted in increased loss on revaluation of gold sale contract. In Q2 2023, the spot price of gold decreased from \$1,978 in Q1 to \$1,920, this resulted in a gain on the revaluation of the gold sale contract. In Q3, 2023, the spot price of gold decreased from \$1,920 to \$1,848, this resulted in a gain on the revaluation of the gold sale contract. In Q4, 2023, the spot price increased from \$1,848 to \$2,063, this resulted in a loss on the revaluation of the gold sale contract. In Q1, 2024, the spot price increased from \$2,063 to \$2,245, this resulted in a loss on the revaluation of the gold sale contract. In Q2, 2024, the spot price increased from \$2,245 to \$2,325, this resulted in the revaluation of the gold sale contract. In Q3 2024, the spot price increased from \$2,325 to \$2,635, this resulted in the revaluation of the gold sale contract. In Q4 2024, the change in decommissioning provision significantly affected the total loss due to change in the inflation rate of the Venezuela currency.

5. FINANCIAL POSITION

The Company's assets totalled \$780 as at December 31, 2024 (December 31, 2023: \$1,872).

The Company's working capital deficiency as at December 31, 2024, was \$181,895 (December 31, 2023 (Restated): \$144,803).

The Company did not repay the loan payable on the June 10, 2011 maturity date and, as at December 31, 2024, the remaining principal of \$29,750 continues to incur interest at 11% since June 10, 2011. During the year ended December 31, 2017, the Company had retired \$250 of principal. As at December 31, 2024, the Loan was still in default with \$29,750 in principal and \$103,135 outstanding (December 31, 2023 - \$29,750 in principal and \$89,406). The loan payable is carried at management's estimate of amortized cost of \$75,584 (December 31, 2023 – restated - \$68,957), however the investors have become parties to the CSA. The loan is held in US dollars and is secured by share pledges over the Company's subsidiaries which prior to the Nationalization held the mining concessions for the Choco Mine and the San Rafael El Placer and Incredible 6 mineral properties, but excluding the Isidora Mine. On June 14, 2012, the loan Lenders signed the CSA whereby they agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses. In consideration for the CSA, the Lenders were provided a contingent success fee in addition to amounts due and payable under the Loan of 20% of the Loan. See Note 7 of the December 31, 2024 annual financial statements for more detailed information.

As at December 31, 2024 and December 31, 2023, all cash was held in Canadian bank accounts.

In March 2012, as a result of the Nationalization, the Company wrote-off the remaining balances of mineral properties and inventories. As a result of the significant asset write-downs done in 2012 and Q4 2011, as at December 31, 2024, the Company presents a shareholder's deficiency rather than equity on the face of its statement of financial position, as the Company's liabilities exceed the Company's assets.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash position was \$759 as at December 31, 2024 (December 31, 2023: \$1,857).

Under the terms of the Litigation Funding Agreement, the Funder has agreed to assist in the funding of Rusoro's legal costs in relation to the international arbitration proceedings against the Republic of Venezuela (the "Respondent") on a non-recourse basis as well as funding a reasonable amount of corporate costs. Pursuant to the Litigation Funding Agreement, the Company entered into the CSA with significant equity holders and creditors who agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses.

Since inception to the date of this report, the Funder has approved approximately \$17 million in payments to the Company and its vendors as recoveries on litigation and corporate overhead costs. The Company has \$Nil that can be drawdown in accordance with the terms of the Litigation Funding Agreement as at the date of this report. Legal payments of \$Nil were received during the year ended December 31, 2024 (December 31, 2023: \$539).

The Company completed two non-brokered private placements during the 2023 fiscal year, refer to the annual consolidated financial statements for more detailed information.

There are material uncertainties surrounding the Nationalization and the related Award and Settlement Agreement, including, but not limited to the timing and/or form of the recovery of compensation.

7. OUTLOOK

As a result of the Nationalization, the Company's sole recourse has been to file a Request for Arbitration under the ICSID Additional Facility Rules against the Bolivarian Republic of Venezuela alleging violations of the provisions of the Treaty. The Request for Arbitration was filed in July 2012. On August 22, 2016, the Tribunal, awarded the Company compensation of \$967.77 million plus pre and post award interest, which

combined equates to in excess of \$2.14 billion as at the date of this report. The Company’s objective is to diligently pursue the collection of the Award.

8. CONTINGENCIES

In addition to the financial liabilities with contingent repayment terms disclosed Note, 7, 8 and 14 of the annual consolidated financial statements, the Company has various contingent liabilities which are dependent upon successful recovery of compensation pursuant to the Award and Settlement Agreement. As of the date of this report, the Company has not received the initial payment of \$100 million nor any other payments claimed in its litigation against the government of Venezuela (Note 1 of the annual consolidated financial statements). Due to the uncertainty of the amount of the Award, the enforcement and collection of the Award, the receipt of the payments under the Settlement Agreement (or future litigation success), or ultimately, the Company’s ability to receive fair compensation for the expropriation of its investments in Venezuela, the Company only considers the payment to be received when funds are received by the Company in a bank account which is fully controlled by the Company. As at December 31, 2024 and the date of this report, the Company assessed that the likelihood of receiving the payments or other compensation is indeterminable and the contingent obligations arising as a result of the collection of the Award or Settlement Agreement cannot be reasonably estimated.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

10. RELATED PARTY TRANSACTIONS

The nature of transactions undertaken and the relationships with related parties of the Company are as follows:

	Relationship with the Company	Nature of Transactions
Company A	An officer/director of the Company and a director of the Company are also an officer and director, respectively, of Company A.	Machinery and facilities rental and provision of general mining-related services.
Company B	A director of the Company is also a partner of Company B.	Provision of legal services.
Company C	A director of the Company is also an officer of Company C.	Provision of corporate administrative services.

In addition to related party transactions and balances disclosed elsewhere in these consolidated financial statements, the company entered into transactions with related parties as outlined below:

	Years ended December 31,	
	2024	2023
Administrative success fee	\$ -	\$ 21
Provision of corporate administrative services	120	120
	<u>120</u>	<u>141</u>

Included in accounts payable and accrued liabilities (Note 4 of the annual consolidated financial statements) are amounts due to Company A, B, and C of \$1,442 (December 31, 2023: \$1,442). These amounts are unsecured, due on demand and non-interest bearing.

Compensation of Management and Directors

The remuneration of the directors and key management personnel during the period was as follows:

	Years ended December 31,	
	2024	2023
Salaries and directors' fees	\$ 898	\$ 830
Share-based compensation	-	1,116
	898	1,946

Included in accounts payable and accrued liabilities (Note 3 of the annual consolidated financial statements) is \$4,285 (December 31, 2023 - restated: \$3,454) related to compensation of management and directors.

Included in promissory notes payable (Note 8 of the annual consolidated financial statements) is \$906 (December 31, 2023 and 2022– restated: \$906) owed to directors of the Company. These promissory notes are carried at management’s estimate of amortized cost of \$499 (December 31, 2023 – restated: \$391 and 2022– restated: \$235).

11. DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this report, the Company has 616,232,732 common shares issued and outstanding, 27,735,000 share options outstanding and exercisable and 12,556,691 warrants outstanding.

12. FINANCIAL INSTRUMENTS

a. Financial Assets and Liabilities

The Company’s financial instruments consist of the following: cash, receivables, accounts payable and accrued liabilities, a loan payable, obligations under the Litigation Funding Agreement, a derivative financial liability (“gold delivery contract”) (Note 5 of the annual consolidated financial statements) and promissory notes payable.

The carrying amounts of cash, receivables, accounts payable and accrued liabilities, obligations under the Litigation Funding Agreement, and promissory notes payable are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments. The gold delivery contract is marked to market at each reporting period based on the current spot price of gold and the number of gold ounces owing to the gold buyer (Note 4 of the annual consolidated financial statements), and as such, is a reasonable approximation of the fair value. Management reviewed all significant financial instruments held by the Company and determined that no significant differences between fair value and carrying value existed as at December 31, 2024.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The gold delivery contract, being a derivative financial liability, is measured using Level 2 inputs, which is the spot gold price.

b. Financial Instrument Risk Exposure

The Company thoroughly examines the various financial instrument risks to which it is exposed, and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous period as to how these

risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures are described below.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Management does not believe the Company is exposed to any significant concentration of credit risk as all of its cash is held in Canadian banks.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its obligations associated with financial liabilities as they fall due. The Company manages liquidity risk by monitoring cash and other financial resources available to meet its maturing obligations. The Company currently has a working capital deficiency of \$182,274.

Market Risk

The significant market risk exposures to which the Company is exposed are interest rate risk and currency risk.

i. Interest Rate Risk

Interest rate risk is the risk that the future cash flows and fair values of the Company's financial instruments will fluctuate because of changes in market interest rates. The majority of the Company's financial instruments, if applicable, have fixed interest rates and therefore management does not believe the Company is exposed to any significant concentration of interest rate risk.

ii. Currency Risk

Currency risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk as the Company's financial assets and liabilities include items denominated in BsS and C\$.

Changes in the applicable exchange rate may result in a decrease or increase in foreign exchange gains or losses recognized in profit or loss. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company's Venezuelan operations and cash holdings are currently subject to currency and exchange controls. These government-imposed controls may adversely affect the Company as such controls limit the Company's ability to flow US dollars out of the country for US dollar operating and capital expenditures.

As at December 31, 2024, the Company had a net monetary liability position of \$nil (December 31, 2023: \$nil) denominated in Venezuelan Bolivars.

As at December 31, 2024, the Company had cash of \$1,032, and amounts payable and accrued liabilities of \$1,688, which were denominated in Canadian dollars.

c. Significant Estimates – Amortized Cost of Financial Instruments with Contingent Repayment Terms

The Company has financial liabilities for which the timing and amount of repayment are contingent on the outcome of litigation proceedings (Notes 7, 8, & 14 of the annual consolidated financial statements).

Estimating amortized cost under IFRS 9 for these liabilities requires significant judgment, particularly in forecasting the probability, timing, and amount of future cash outflows.

Given the inherent uncertainty, actual results may differ materially from management's current estimates. Key factors influencing variability include changes in the expected success rate of the litigation, the settlement amount, and the timing of cash outflows.

In accordance with IFRS 9. B5.4.6, the Company reassesses expected cash flows at each reporting date, and any resulting adjustments to amortized cost are recognized through profit or loss. The original effective interest rate is not adjusted.

As part of its assessment, the Company performed a sensitivity analysis to estimate amortized cost:

- assuming the settlement date occurs 3 months earlier or later, and
- assuming the likelihood of settlement increases or decreases by 15%.

Management will continue to update estimates as new information becomes available.

13. OTHER RISKS AND UNCERTAINTIES

Title Risk

Title to mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. Although the Company had investigated title to all of its mineral properties for which it held concessions or other mineral leases or licenses, prior to Nationalization the Company could not give any assurance that title to such properties would not be challenged or impugned and could not be certain that it would have valid title to its mining properties. The Company relied on title opinions by legal counsel who base such opinions on the laws of countries in which the Company operates.

Prior to Nationalization, the Company's principal mineral properties and mining rights were located in Venezuela. In 2005, the Government of Venezuela changed the mining title regime from a system where title was granted in the form of either concessions or operating contracts to a system where all new titles are granted only in the form of operating contracts. In order to effect this change, the Government created a national mining company which became the nation's contracting party covering the entire country of Venezuela. The Government also indicated that, given this change in title regime, it would also be appropriate to review all existing mining companies in a single comprehensive exercise to ensure that only companies found to be in compliance with their existing title terms and conditions would qualify for the new title.

In March 2012, in accordance with the procedures outlined in the Decree, all of the Company's mining concessions and titles expired by force of the Decree and all its assets and operations reverted to the Venezuelan government who took possession and control of the assets and operations in accordance with Venezuelan law and became the new operator.

There are material uncertainties surrounding the Nationalization, Award and the Settlement Agreement, including, but not limited to the ultimate receipt of payments pursuant to the Award and the Settlement Agreement or the timing and/or form of any other compensation otherwise related to the Nationalization. The inability to make recovery of fair compensation could hinder the Company's ability to continue as a going concern.

The Company cannot provide assurances as to the outcome surrounding the Nationalization, Award and the Settlement Agreement, which can last a number of years and its cost could be higher than what the Company originally forecasted. The Company cannot provide assurances that it would be able to enforce and collect compensation pursuant to the Award and/ or the Settlement Agreement which could hinder the Company's ability to continue as a going concern.

Country Risk

The Company's collection of the Award and/ or of the Settlement Agreement may be adversely affected by political instability and legal and economic uncertainty in Venezuela where the Company had assets and operations. The risks associated may include political unrest, labour disputes, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in laws, regulation and policies, and taxation. Prior to Nationalization risks associated with the Company's operations may have included price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental or other nongovernmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports,

increased financing costs and government-imposed restrictions or conditions to the Company's gold sales in Venezuela. These risks may limit or disrupt the Company's Award settlement and/or collection pursuant to the Settlement Agreement, restrict the movement of funds or result in unfavourable compensation for the Nationalization. Prior to Nationalization the Company's mineral properties and mining rights were located in Venezuela.

Regulations and Permits

The Company's operating activities were subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered species and other matters. The Company was required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's previous exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could have resulted in changes in legal requirements or in the terms of the Company's permits that could have had a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. As a result of the Nationalization the Company is no longer required to obtain the necessary permits including any renewals thereof. Previously, the costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could have resulted in the interruption or closure of operations or material fines, penalties or other liabilities.

Dependence on Key Management Personnel

The Company's business and operations are dependent on retaining the services of a small number of key management personnel. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of some of the directors and senior management. The loss of one or more key directors or senior management could have a materially adverse effect on the Company.

Common Share Price Volatility

The market price of the common shares of the Company could fluctuate significantly based on a number of factors in addition to those listed in this document, including the Company's operating performance, the Company's arbitration with Venezuela's government, and the performance of competitors and other similar companies; the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the common shares or the shares of other companies in the resource sector; changes in general economic conditions; the arrival or departure of key personnel; acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and gold price volatility.

In addition, the market price of the common shares of the Company is affected by many variables not directly related to the Company's success and are, therefore, not within the Company's control.

14. FORWARD LOOKING STATEMENTS

Certain statements in this MD&A and certain information incorporated herein by reference constitute "forward-looking information" within the meaning of applicable securities laws. Such forward-looking information includes, without limitation, statements with respect to the future financial or operating performance of the Company, its subsidiaries, projects and arbitration proceedings, the future price of gold and other precious metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, reserve determination and reserve conversion rates. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate",

or "believes" or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. While the Company has based these statements on its expectations about future events as at the date that such information was prepared, the statements are not guarantees of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking information. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A which may prove to be incorrect, include, but are not limited to: (1) the exchange rate between the C\$, the BsS and the US dollar being approximately consistent with current levels; (2) certain price assumptions for gold (3) availability and sufficiency of litigation funding to actively pursue the enforcement and collection of the Award; (4) corporate overhead costs and litigation spending remain within the Company's expectations; and (5) the CSA remains in effect until the settlement of the Award.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Venezuela or other countries in which the Company does or may carry on business; business opportunities that may be presented to, or pursued by the Company; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; actual results of exploration activities; the possibility of cost overruns or unanticipated expenses; employee relations; illegal miners; the speculative nature of gold exploration and development, including the risks of obtaining and renewing necessary licenses and permits; the impact of Venezuelan law on the Company's operations; diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; contests over title to properties particularly title to undeveloped properties; the occurrence of natural disasters, hostilities, acts of war or terrorism; corruption and uncertain legal enforcement; requests for improper payments; on the Company's ability to market gold produced and on its results of operations; on the Company's ability to obtain necessary authorizations from the CBV to export gold and on the Company's ability to retain any portion of the funds from sales of exported gold outside of Venezuela; on the ability to access SITME which impact the Company's ability to obtain US dollars to fund operating and capital expenditures; the result or outcome of management's efforts to remediate the potential implications of the transactions that were not in compliance with certain Venezuelan laws and regulations. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formation, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance to cover these risks). All of the forward-looking statements made in or incorporated by reference in this MD&A are qualified by these cautionary statements and those made in the section of this MD&A entitled "Financial Instruments Risks" and "Other Risks and Uncertainties".

Although we have attempted to identify factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Also, many of the factors are beyond our control. As actual results and future events could differ materially from those anticipated in such statements and information, readers should not place undue reliance on forward-looking statements or information. Except as may be required by law, we undertake no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. All forward-looking statements and information made or incorporated by reference herein are qualified by this cautionary statement.

15. RECENT ACCOUNTING STANDARDS AND AMENDMENT TO STANDARD NOT YET ADOPTED

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC.

Disclosure of Accounting Policies (Amendments to IAS 1)

The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their “material” accounting policy information rather than their “significant” accounting policies.

The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. The adoption of these amendments did not have a significant impact on the Company’s Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. The adoption of these amendments did not have a significant impact on the Company’s Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

The IASB has issued amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 12 Income Taxes which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. This amendment is effective for annual periods beginning on or after January 1, 2023. The adoption of these amendments did not have a significant impact on the Company’s Financial Statements.

Amendment to standard not yet adopted

Following is the new amendment to a standard issued by the IASB which is applicable to the Company’s financial statements:

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the impact of the amendments on its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements. IFRS 18 introduces significant changes to the structure and content of the statement of profit or loss, aiming to improve the consistency and comparability of financial reporting across entities.

Key features of IFRS 18 include:

- The introduction of defined subtotals in the statement of profit or loss, such as operating profit, which will be required for all entities.
- New requirements for the classification of income and expenses into three categories: operating, investing, and financing.
- Enhanced disaggregation and disclosure requirements, including mandatory categories for income and expenses within each section.
- The introduction of a management-defined performance measure (MPM) disclosure, requiring entities to reconcile MPMs to specified subtotals in the financial statements.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

The Company is currently evaluating the impact of IFRS 18 on its financial statements. While the standard is expected to change the presentation and structure of the financial statements, it will not affect recognition or measurement of financial statement elements.

16. INTERNAL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

The Company is exempted from providing certifications regarding its disclosure controls and procedures as well as regarding its internal control over financial reporting as a “venture issuer”. The Company is required to file basic certificates, which it has done for the year ended December 31, 2023. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at December 31, 2024.

17. RESTATEMENT

The Company has restated its consolidated financial statements as at January 1, 2023 and December 31, 2023 and for the year ended December 31, 2023 to correct the following items:

- a) Related party advances in the amount of \$715 were impaired and uncollectible as at January 1, 2022 and should have been reported at \$nil at January 1, 2023 and December 31, 2023.
- b) Promissory notes owed to related parties in the amount of \$906 were previously presented within accounts payable and accrued liabilities and have been restated to be included in promissory notes payable balances (Note 8 of the annual consolidated financial statements) as at January 1, 2023 and December 31, 2023.
- c) Errors in accounts payable and accrued liabilities recorded were identified in amounts recorded at December 31, 2023 and January 1, 2023.
- d) The Company has an obligation to repay amounts under a Litigation funding Agreement (“LFA”) under which the Company received an aggregate amount of approximately \$17,000 over the fiscal years 2010 to 2023. These amounts were received in order that the Company was able to finance its litigation against the Venezuelan government (Notes 1). The amounts received under the LFA were previously accounted for as recoveries of legal expense when the financing was received by the Company rather than as a liability under IAS 32. The Company has restated its financial statements as at January 1, 2023 and December 31, 2023 to show the LFA as a liability, carried at amortized cost (Note 14).
- e) Previously, the Company accounted for interest charged on the derivative financial liability (Note 5 of the annual consolidated financial statements) on an annually compounded basis notwithstanding the fact that the gold loan agreement with Vicolven Enterprises Inc. was amended in 2018 such that interest was to accrue without compounding. The derivative financial liability, the changes in its fair value and the periodic interest expense on this derivative financial liability have been restated as at January 1, 2023, December

31, 2023 and for the year ended December 31, 2023 to reflect this correction in the prior periods' accounting as a result of the 2018 amendment.

f) The Company determined that the amortized cost amounts of promissory notes payable (Note 8 of the annual consolidated financial statements) and loan payable (Note 7 of the annual consolidated financial statements) at December 31, 2023 and January 1, 2023 were misstated and have been corrected

Refer to the December 31, 2024 audited consolidated financial statements for more detailed information.