



# MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

(Containing information through March 19, 2025, unless otherwise noted)

## BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Belo Sun Mining Corp. ("we", "our", "us", "Belo Sun" or the "Company") as of March 19, 2025, unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous periods and should be read in conjunction with our audited consolidated financial statements and MD&A for the year ended December 31, 2024. The financial statements and related notes of Belo Sun have been prepared in accordance with IFRS accounting standards ("IFRS") and do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

Please refer to the notes of the December 31, 2024 annual audited consolidated financial statements for disclosure of the Company's material accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars. References to US\$ refer to the United States dollar, and R\$ refer to the Brazilian Real.

## ADDITIONAL INFORMATION

Additional information about the Company, including the Company's annual information form dated March 19, 2025 (the "AIF") and press releases, is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information relating to the Company can be found on the Belo Sun website at [www.belosun.com](http://www.belosun.com).

David Gower, P.Geo, a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), has reviewed all scientific and technical materials in the MD&A. Stéphane Amireault, P.Eng (B.Eng; MScA), Vice-President of Exploration for Belo Sun, is the in-house Qualified Person under NI 43-101 for geology. Mr. Gower and Mr. Amireault have reviewed and approved the scientific and technical information in this MD&A.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Belo Sun, certain statements contained in this MD&A constitute “forward-looking statements” under the provisions of Canadian securities laws and are referred to herein as “forward-looking statements”. When used in this MD&A, the words “anticipate”, “could”, “estimate”, “expect”, “indicate”, “intend”, “scheduled”, “guidance”, “opportunity”, “forecast”, “future”, “plan”, “projected”, “possible”, “potential”, “will”, “study” (including, without limitation, as may be qualified by “feasibility” and “pre-feasibility”), “targets”, “models”, or “believes” and similar expressions are intended to identify forward-looking statements. Such statements include, without limitation:

- The Company’s forward-looking production outlook, including estimated ore grades, recovery rates, project timelines, drilling results, metal production, life of mine estimates, total cash costs per ounce, all-in sustaining costs per ounce, mine site costs per tonne, other expenses, and cash flows;
- The estimated timing and conclusions of permitting activities, PBA, ECI reports and technical studies;
- Statements concerning the Company’s Volta Grande Gold Project including the timing, funding, completion and commissioning thereof;
- The methods by which ore will be extracted or processed;
- Statements regarding timing and amounts of capital expenditures, other expenditures and other cash needs, financing costs and expectations as to the funding or reductions thereof;
- Estimates of future mineral reserves, mineral resources, the effect of drill results on future mineral reserves and mineral resources;
- The projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such, development and production or decisions with respect to exploration, development and production;
- Statements regarding the Company’s ability to obtain the necessary permits and authorizations in connection with its proposed development and mining operations and the anticipated timing thereof;
- Statements regarding the future price of gold or other minerals or mineral resources;
- Statements regarding anticipated future exploration or development;
- The anticipated timing of events with respect to the Company’s Volta Grande Gold Project;

- Statements regarding the sufficiency of the Company's cash resources;
- Statements regarding the Company's future effective tax rate, and the influences on such tax rate;
- Statements regarding anticipated trends with respect to the Company's operations, exploration and the funding thereof; and
- Statements regarding the anticipated timing and outcome of various legal proceedings related to the development of the Volta Grande Gold Project, including the injunction related to the Company's construction licence (also referred to herein as a "suspension"). Please refer to the section titled "Permitting, Licensing and Legal History" and "Risks and Uncertainties" for additional risks related to legal proceedings involving the Volta Grande Gold Project.

Such statements reflect the Company's views as at the date of this MD&A and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Belo Sun as of the date of this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The material factors and assumptions used in the preparation of the forward-looking statements contained herein, which may prove to be incorrect, include, but are not limited to, the assumptions set forth herein and, in the Company's AIF filed with Canadian securities regulators and available on SEDAR. Economic analyses (including mineral reserve and mineral resource estimates) in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated.

Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such risks include, but are not limited to: the outbreak of war in the Middle East and Europe; which could continue to negatively impact financial markets, including the trading price of the Company's shares and the price of gold, and could adversely affect the Company's ability to raise capital; uncertainty of future production, project development, capital expenditures and other costs; foreign exchange rate fluctuations; tariffs; financing of additional capital requirements; community actions, lawsuits, protests or statements made, including by Indigenous communities, non-governmental organizations ("NGOs") and other groups; risks associated with foreign operations; risks associated with licensing and permitting of the Volta Grande Gold Project; governmental and environmental regulation; revocation of government approvals, authorizations and licences; foreign operations in Brazil; compliance with environmental legislation; environmental licensing; liquidity concerns; the highly speculative nature of mineral exploration; variations in mineral grade and recovery rates; uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; commodity prices; title to properties; uninsured risks; competition; dependence on outside parties; dependence on key personnel; litigation; corruption; uncertainty with court systems and the rule of law in foreign jurisdictions where the Company operates; availability of reasonably priced raw materials and mining equipment; conflicts of interest; foreign

mining tax regimes; ability to finalize required agreements for operations; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; and the volatility of the Company's stock price. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

For a more detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this MD&A, please see the risk factors identified in the section titled "Risks and Uncertainties" and elsewhere in this MD&A as well as the Company's AIF and other filings with the Canadian securities regulators. Belo Sun disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations. When used in this MD&A the terms "including" and "such as" mean including and such as, without limitation.

## **USE OF NON-IFRS FINANCIAL PERFORMANCE MEASURES**

We use working capital, a non-IFRS financial performance measure, in our MD&A. For a detailed description of this non-IFRS financial performance measure used in this MD&A and a detailed reconciliation to the most directly comparable measure under IFRS please refer to the section titled "Non-IFRS Financial Performance Measures" in this MD&A. The non-IFRS financial performance measures set out in this MD&A are intended to provide additional information to investors and do not have any standardized meaning under IFRS, and therefore may not be comparable to other issuers, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## **NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF INDICATED AND INFERRED RESOURCES**

Disclosure regarding mineral reserve and mineral resource estimates included in this MD&A was prepared in accordance with National Instrument 43-101 ("NI 43-101"). NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the United States Securities and Exchange Commission ("SEC") generally applicable to U.S. companies. For example, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this MD&A will not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

## **ABBREVIATIONS AND TERMS**

The following abbreviations and terms are used throughout this MD&A:

CCA: Câmara de Conciliação Agrária (Agrarian Conciliation Chamber)

CPRM: Companhia de Pesquisa de Recursos Minerais (National Company on the Research of Mineral Resources)

DPE: Defensoria Pública do Estado do Pará (Pará State Public Defender's Office)

DPU: Defensoria Pública da União (Federal Public Defender's Office)

ECI: Estudo do Componente Indígena (Indigenous Study)

EIA: Environmental Impact Assessment

Feasibility Study: the technical report entitled "Feasibility Study on the Volta Grande Gold Project, Pará, Brazil, NI 43-101 Technical Report" dated May 8, 2015, with an effective date of March 30, 2015, and authorized by Mr. Stefan Gueorguiev, P. Eng. Ontario, Vice President Projects, Lycopodium Minerals Canada Ltd., Mr. Aron Cleugh, P. Eng. Ontario, Lead Process Engineer, Lycopodium, Dr. Oy Leuangthong, PhD., P.Eng. Ontario, Principal Consultant (Geostatistics), SRK Consulting (Canada) Inc. ("SRK"), Dr. Jean-François Couture, PhD, P.Geo, Corporate Consultant, SRK, Dr. Lars Weiershäuser, PhD, P.Geo, Senior Consultant (Geology), SRK, George H. Wahl, P. Geo., British Columbia, Principal Consultant, G H Wahl & Associates Geological Services, Mr. Gordon Zurowski, P.Eng. Ontario, Principal Mining Engineer, AGP Mining Consultants Inc., Mr. Alexandre Luz, AusIMM, Senior Partner, L&M Assessoria Empresarial, Mr. Paulo Franca, Principal Consultant, AusIMM, VOGBR Recursos Hídricos & Geotecnia Ltda, Mr. Derek Chubb, P. Eng. Ontario, Senior Partner, Environmental Resources Management Inc.

FUNAI: Fundação Nacional dos Povos Indígenas (Brazilian Federal Agency of Indigenous Peoples Affairs)

IBAMA: Instituto Brasileiro Do Meio Ambiente E Dos Recursos Naturais Renováveis (Brazilian National Institute of Environment)

INCRA: Instituto Nacional de Colonização e Reforma Agrária (Brazilian National Institute of Colonization and Agrarian Reform)

LI: Licença de Instalação in Brazil (Construction Licence)

LO: Licença de Operação in Brazil (Operation Licence)

LP: Licença Prévia in Brazil (Preliminary Licence)

MDA: Ministério do Desenvolvimento Agrário e Agricultura Familiar (Ministry of Agrarian Development)

MME: Ministério de Minas e Energia (Ministry of Mining and Energy)

MPE: Ministério Público Estadual do Estado do Pará (Pará State Prosecutor's Office)

MPF: Ministério Público Federal (Brazil Federal Prosecutor's Office)

PBA: Plano Básico Ambiental (Basic Environmental Plan)

PBA-CI: Componente Indígena do PBA (Indigenous Component of the PBA)

SEMAS: Secretaria de Estado de Meio Ambiente e Sustentabilidade (Secretariat of Environment and Sustainability of the State of Pará, Brazil)

TRF1 Court: Tribunal Regional Federal da 1ª Região (Federal Court of the 1st Region of Brazil)

## **OVERVIEW OF THE COMPANY**

Belo Sun is a Toronto Stock Exchange ("TSX") listed and OTCQB Venture Market ("OTCQB") traded development and mineral exploration mining company. Belo Sun's common shares (the "Common Shares") trade on the TSX under the ticker symbol "BSX" and on the OTCQB under the ticker symbol "BSXGF". Belo Sun's principal asset is the Volta Grande Gold Project ("PVG" or "Volta Grande Gold Project") located in Brazil in the State of Pará near the city of Altamira. PVG is a planned open pit mining project with a large mineral resource estimated in the 2015 Feasibility Study containing 4.95 million ounces in the measured and indicated classification and 1.15 million ounces in the inferred classification. The Feasibility Study demonstrates that PVG has positive economic potential with an estimated mineral reserve of 3.79 million ounces. Belo Sun is progressing PVG towards construction and has successfully completed its EIA, its LP, its LI (currently subject to a suspension order) with the Pará State permitting authority SEMAS. The Company has also conducted basic engineering and has completed its required ECI (Indigenous Study) with the Federal authority FUNAI.

Highlights for the year ended December 31, 2024 and subsequent events include:

- In January 2025, the TRF1 unanimously ruled that SEMAS will be the competent authority for the environmental permitting process of Belo Sun Mining Corp.'s Volta Grande Gold Project going forward. This decision reverses the decision made in September 2023, by the TRF1 that designated IBAMA as the competent authority.
- In January 2025, the TRF1 also recognized that Belo Sun complied with the terms of its ruling issued in December 2017, reaffirming the jurisdiction of the Federal Court of Altamira to verify and confirm the Company's compliance. In this sense, the Company can now petition the Federal Court of Altamira and request the lifting of the LI suspension. Following this January 2025 ruling, FUNAI filed a Motion for Clarification before the TRF1.
- In January 2025, the Company appointed Mr. Jack Lunnon to its Board of Directors, as the nominee of La Mancha Investments S.a.r.l ("La Mancha").
- In December 2024, the Company completed a private placement financing with La Mancha whereby La Mancha acquired 11,660,790 Common Shares at a price of C\$0.10 per Common

Share for gross proceeds to the Company of approximately C\$1,166,079, being approximately 2.5% of the issued and outstanding Common Shares of the Company (the “**Private Placement**”). La Mancha also acquired approximately 68.3 million Common Shares through a private purchase from Sun Valley Gold LLC (the “**Acquisition**”). Following the completion of the Private Placement and the Acquisition, La Mancha owned approximately 17.1% of the issued and outstanding Common Shares. As a condition of the Private Placement, the Company entered into an investors rights agreement with La Mancha, which, in addition to certain participation rights, includes (i) the right for La Mancha to immediately have one nominee appointed to the Company’s board, subject to the approval of the TSX, who shall be entitled to participate on two of the existing board committees, and (ii) the right for La Mancha to propose the appointment of a second board nominee, subject to a minimum ownership threshold and approval of the Company’s board.

- In December 2024, the Company reported that the Federal Court of Altamira ruled that the agreement among the Company and INCRA is null and void based on procedural grounds. The ruling stated that INCRA had not completed an ordinance required to announce the measure taken by the government to declassify the area from agrarian reform. Both the Company and INCRA have launched appeals on the ruling and are working on next steps.
- The Company, INCRA and local authorities continue to monitor an illegal encampment on PVG land in opposition to the agreement the Company reached with INCRA (see “INCRA Negotiations and Litigation”, and “Occupation on PVG Land”). In May 2023, a judge from the local municipality, Senador José Porfírio, ruled in the Company’s favour, that the encampment is illegal, and issued an eviction order on the condition of an attempt to conciliate a peaceful eviction. In August 2024, the case was referred to the conciliation commission in Pará but was returned to the Court of Senador José Porfírio in November 2024 and is awaiting a ruling. The case was returned as the Court deemed that conciliation did not apply to this repossession claim as the invaders are not claiming for the possession of the land but rather protesting against PVG.
- As part of the ongoing monitoring, the CCA of INCRA, the MDA, the Ministry of Justice, IBAMA, the DPU, the Federal Police, and NGO representatives visited the occupied site in March and April this year. The occupiers are not registered as beneficiaries of the agreement, nor are they eligible to participate in settlement projects in the region. The occupation has not caused any interruptions to the Company’s business and the activities at PVG, although there was an incident of aggression and intimidation by some of the members of the illegal encampment in early 2025.
- There was an incident of vandalism and theft at a Company building on the PVG property in September 2024 and in early 2025 there was an incident of aggression and intimidation by some of the members of the illegal encampment. The incident did not cause a material impact to the Company, but it was reported to local and Federal authorities.
- In June 2024, the Company became aware of a letter to Belo Sun from the United Nations Special Rapporteur on Human Rights Defenders stating that they are examining allegations about the Company’s business conduct at PVG. The Company has responded to the

allegations which the Company believes are groundless and without merit. The Company's response letter is publicly available on the UN Special Rapporteur's website and Belo Sun's website.

- On May 3, 2024, Ms. Ayesha Hira, a board member since June 30, 2022, was appointed interim President and CEO of the Company, replacing Mr. Peter Tagliamonte.
- As the Company awaits approval of the PBA-CI working plan from FUNAI and lifting of the suspension of the LI, the Company has been carrying out and updating technical and environmental studies at PVG, where they are permitted to be conducted, in preparation for the permitting process restarting.
- The Company has held meetings with government and regulatory officials, and community leaders to inform and update them on PVG. The Company continues to engage with the local communities by supporting local events, programs and education on PVG and its anticipated impact and benefits to those in the project vicinity.
- Work has been ongoing to maintain the Company's exploration concessions.
- The Company continues to monitor and defend all court cases involving the Volta Grande Gold Project. There are approximately 56 legal cases against the Company before the courts in Brazil. There are only a few cases holding significance in the advancement of PVG. These are outlined under "Permitting, Licensing and Legal History".
- Peter Tagliamonte, a former officer and director of the Company initiated a legal action against Belo Sun in relation to a purported breach of contract related to his dismissal as an officer of the Company. Belo Sun intends to defend the matter vigorously and is confident in its position.

## **OUTLOOK**

The Company continues to focus on the advancement of the Volta Grande Gold Project with the following main objectives:

- The Company is ready to work with the SEMAS to conduct the required work and updates on the Company's environmental, social and technical studies.
- The Company will work to complete the Indigenous consultation upon approval of the PBA-CI working plan by FUNAI. Belo Sun was notified by FUNAI in September 2023 that the approval process is dependent on the analysis of an indigenous community's request to establish Indigenous land in an area called São Francisco, located within 10 km of the Volta Grande Project. The Company continues to communicate with FUNAI to receive updates on the analysis and approval process.
- The Company will continue to engage with government ministries, regulatory agencies, and local communities and leaders to present and promote the anticipated values and benefits of the Volta Grande Gold Project to the surrounding region.



- The Company is investigating the establishment of a benefit fund for the Indigenous Peoples and local communities in the PVG vicinity. The fund would be financed from net profits from the Volta Grande Gold Project and would provide financial resources to assist in local community and Indigenous community projects.
- The Company is considering opportunities for the Volta Grande Gold Project to reduce its carbon emissions footprint, minimize noise and dust emissions, and reduce operating costs. For example, Belo Sun has evaluated near-pit crushing and conveyor transport of mine waste to reduce truck requirements. For mine truck haulage, the Company is evaluating the use of less carbon intensive fuels. For the processing circuit, the Company is investigating the incorporation of high-pressure grinding rolls and secondary crushing rather than semi-autogenous grinding milling.
- The exploration licenses remain in good standing. The Company will continue to monitor and invest where required in additional exploration to maintain the current concessions in good standing.
- The Company is monitoring illegal mining and deforestation activities in the area. The Company has an obligation to notify police if any mechanized equipment appears in the area.

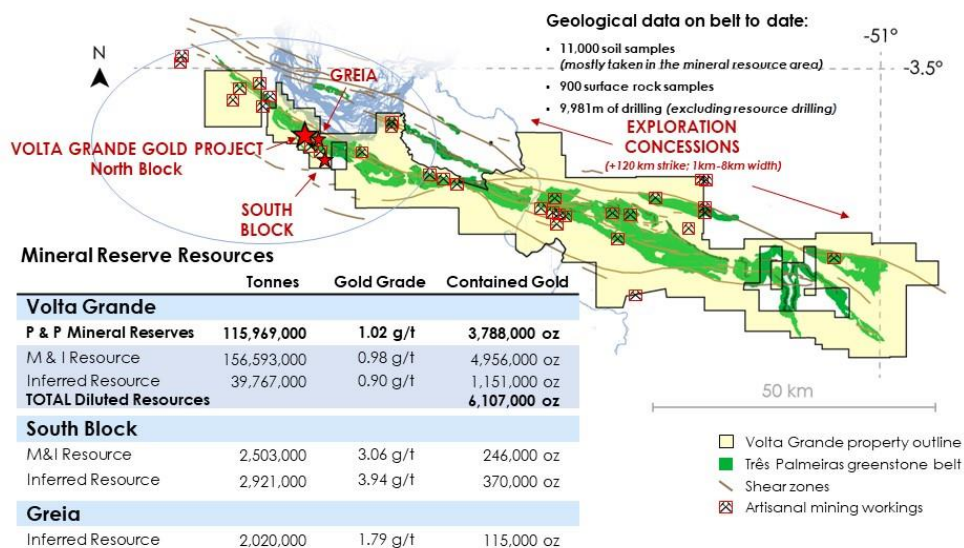
## **OVERVIEW OF THE VOLTA GRANDE GOLD PROJECT**

The Volta Grande Gold Project (100% owned by Belo Sun) is located approximately 49 kilometers southeast of the town of Altamira (est. pop. 150,000) in the northern region of Pará State. Altamira is a prosperous regional center with excellent infrastructure. The development of the Volta Grande Gold Project is the Company's primary focus. The Volta Grande Gold Project is an advanced-stage development project with a completed NI 43-101 Feasibility Study showing robust economic potential with a long mine life and gold mineral reserves currently estimated at 3.79 million ounces.

Gold mineralization in the Volta Grande Gold Project area was identified at numerous sites in the 1990s by past operators TVX Gold Inc. (now part of Kinross Gold Corporation) and Battle Mountain Exploration (now part of Newmont Mining Corporation). Historical drilling by these companies included more than 27,000 meters of combined core, auger, and reverse circulation drilling and several thousand channel and soil samples. Preliminary metallurgical work indicated that the Volta Grande Gold Project mineralization is amenable to conventional milling and cyanidation process methods, with gold recoveries of up to 95% in bottle roll tests.

The shear-hosted main mineral resources are currently contained in the area of the Volta Grande Gold Project called the North Block. The North Block is a string of connected deposits, comprised of Ouro Verde and Grotta Seca. The Volta Grande Gold Project Feasibility Study only considered the extraction of mineral resources from the North Block. Belo Sun also has a small mineral resource in an area called Greia which is approximately 1 km from the Volta Grande Gold Project and another mineral resource called the South Block which is approximately 6km from the Volta Grande Gold Project. These mineral resources were not included in the Feasibility Study. Belo

Sun also holds exploration concessions that cover most of the 120 km greenstone belt hosting the mineral reserve and resources.



(1) The reserves for the Volta Grande Project are based on the conversion of M&I resources within the current feasibility study mine plan. Measured mineral resources are converted directly to Proven mineral reserves and indicated mineral resources to Probable reserves.  
(2) Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.4 g/t Au (based on a gold price of \$1,400/oz).  
\*See notes on slide 2, in particular for identity of qualified persons who prepared these estimates.

Most of the mineralized areas are characterized by a large alteration envelope having numerous narrow zones of high-grade gold mineralization and have had garimpeiros (term used for informal miners in Brazil) workings. There is geological potential at the Volta Grande Gold Project for expansion and the discovery of additional mineralized zones within the large alteration envelope in the host intrusive rocks, which have been traced for more than seven kilometers along strike in the North Block. Two types of gold mineralization are present: primary gold in intrusive rocks and secondary gold in the saprolitic zone overlying the primary mineralization.

In 2005, the Company signed an agreement to acquire 100% interest in the PVG and the exploration concessions along the Tres Palmeiras Green Stone Belt. The transaction was completed in 2006 with full payment to the vendor.

Starting in 2010, Belo Sun has carried out a large drill exploration program that consisted of over 700 drill holes for a total of over 180,000 meters drilled (mostly by diamond drilling) at Ouro Verde, Grota Seca, Greia (mostly reverse circulation drilling) and in the South Block. The results at the North Block outlined the initial size of the mineralized system with a pit-constrained mineral resource extending over 4km on strike and over 500 meters deep for Ouro Verde, Central and Grota Seca and was the mineral resources used in the development of the Volta Grande Gold Project Feasibility Study.

## FEASIBILITY STUDY

In March 2015, the Company completed the Feasibility Study on its Volta Grande Gold Project. The Feasibility Study was prepared by Lycopodium Minerals Canada Ltd, VOGBR Recursos Hidricos e Geotencia Ltda, SRK Consulting (Canada) Inc., Environmental Resources Management Inc., AGP Mining Consultants Inc., W.H. Wahl & Associates Consulting and L&M Assessoria Empresarial. The Feasibility Study was prepared in accordance with NI 43-101. Projected economics included:

- Using a gold price of US\$1,200/oz and an exchange rate of 3.1:1 (R\$3.1: US\$1), the project delivered a solid production profile and strong economics:
- Post-tax Internal Rate of Return of 26%.
- Post-tax Net Present Value of US\$665 million at a 5% discount rate.
- Annual gold production of 268,000 oz averaged over the first 10 years of the mine life.
- Initial capital costs of US\$298 million, including pre-production costs and taxes.
- Average cash operating costs of US\$618/oz and all-in sustaining costs of US\$779/oz.
- Proven and Probable Mineral reserves of 3.8 million ounces of gold (see table below).

See the section titled “Cautionary Statement Regarding Forward-Looking Information” for certain cautionary statements relating to the forward-looking production outlook, estimates of future mineral reserves and mineral resources, and other items identified in this section.

Summary of Volta Grande Economic Results by Gold Price			
	High Case	Base Case	Low Case
Gold Price (US\$ per oz)	\$1,300	\$1,200	\$1,100
Pre-Tax NPV (5%)	\$1,171 million	\$941 million	\$712 million
Pre-Tax IRR	43%	36%	29%
Post-Tax NPV (5%)	\$855 million	\$665 million	\$472 million
Post-Tax IRR	32%	26%	20%

### Volta Grande Project Capital Expenditures Estimate Breakdown (Post-tax)

<b>Initial Capital</b>	
Process & Infrastructure	\$244 million
Mining	\$20 million
Pre-Production Costs - Process	\$3 million
Pre-Production Costs - Mining	\$32 million
<b>Total -- Initial Capital</b>	<b>\$298 million</b>
<b>Total -- Expansion Capital</b>	<b>\$63 million</b>
<b>Average Sustaining Capital over life of mine</b>	<b>\$7.3 million / year</b>

Notes:

(1) Values have been rounded to the nearest million.

The Feasibility Study capital and operating cost estimates for the Volta Grande Gold Project are summarized below.

### Summary of Volta Grande Project Operating Cost Estimates Average Life-of-Mine Operating Cost

<b>Area</b>	<b>\$ / tonne milled</b>
Mining	\$10.62
Processing	\$7.26
G&A	\$0.84
<b>Total Operating Cost</b>	<b>\$18.72</b>
Cash Operating Cost	\$618/oz
All in Sustaining Cost	\$779/oz

### Volta Grande Gold Project Mineral Reserves

The mineral reserves for the Volta Grande Gold Project are fully diluted and are based on the conversion of measured and indicated mineral resources within the current Feasibility Study mine plan. A portion of the measured mineral resources are converted directly to proven mineral reserves and a portion of the indicated mineral resources to probable mineral reserves.

The fully diluted mineral reserves (the mining dilution has been included and considered in the grade and tonnes) for the Volta Grande Gold Project are shown below.

<b>Classification</b>	<b>Reserves Kt</b>	<b>Grade g/t Au</b>	<b>Contained Gold Koz</b>
Proven	41,757	1.07	1,442
Probable	74,212	0.98	2,346
<b>Proven + Probable</b>	<b>115,969</b>	<b>1.02</b>	<b>3,788</b>

*\*This mineral reserve estimate is as of March 25, 2015 and is based on the new mineral resource estimate dated March 2015. The mineral reserve calculation was completed under the supervision of Gordon Zurowski, P.Eng of AGP Mining Consultants Inc, who is a Qualified Person as defined under NI 43-101. Mineral reserves are stated within the final design pit based on a US\$1,020 per ounce gold price pit shell with a US\$1,200 per ounce gold price for revenue. The cutoff grade was 0.37 g/t for Ouro Verde and 0.40 g/t for Grota Seca. The mining cost averaged US\$10.90/tonne milled, processing was US\$7.25/tonne milled and general and administrative costs were US\$0.84/tonne milled. The process recovery averaged 93%. The exchange rate assumption applied was R\$3.10 equal to US\$1.00 The Feasibility Study only considers the Volta Grande open pit Mineralized zones. The Feasibility Study does not include any mineral resources from the South Block, or mineral resources from the Greia Zone (as herein defined). Mineral resources that were part of the March 2015 total mineral resource associated with South Block and underground mineral resources were not included in the scope of the Feasibility Study.*

## **Mining**

The Feasibility Study optimizes the mine plan for the first ten years with an average delivered head grade of 1.38 g/t. The mine has been designed to deliver an initial 3.5 million tonnes per year (10,000 tonnes per day) of mill feed and to expand to 7 million tonnes per year (20,000 tonnes per day) reaching full production in the third year. Material from the last three months of pre-production stripping will be used to commission the process plant. The Feasibility Study considers open pit mining using a 100% owner operated equipment fleet including trucks, loaders and drills.

The average strip ratio for the life of the mine is estimated at 4.3:1. Open pit bench heights of 10 meters will be mined and ore hauled with 136-tonne haul trucks and matching loading equipment. Best practice grade control drilling will be done with reverse circulation drilling and rock sampling on mine benches prior to blasting. This is intended to provide flexibility for grade control during operations while maintaining reasonable mine operating costs and production capability.

## **Metallurgy**

Extensive feasibility level test work was completed by SGS Canada Inc., using representative run-of-mine composites, that confirmed the material from the Volta Grande Gold Project mineral deposit is amenable to a conventional crush, grind, gravity concentration, cyanide leach and carbon-in-pulp flow sheet with overall life of mine gold recovery of 93%.

## **Infrastructure**

The Volta Grande Gold Project is located in Pará State, approximately 49 kilometers south-east of the city of Altamira. The Volta Grande Gold Project is accessible by both road and river. Altamira is a major regional center with a population of 150,000 and is serviced by a local airport and the Trans-Amazonian Highway. Altamira acts as the service center for many large industrial projects in the region.

The climate in the area of the Volta Grande Gold Project is tropical with a rainy season from January to April and a dry season from May to December. The mean temperature is constant throughout the year (25°C to 30°C) and the relative humidity ranges from 65% to 85%.

Access to the mine site from the city of Altamira is available by both road and river. Road access to the PVG site is a distance of approximately 60 km with approximately 30km of road nearest to the city of Altamira being paved, the remaining 30km of access road is gravel and is planned to be upgraded and paved during the mine operation.

Power for the PVG will be from line power coming from the nearby electrical infrastructure and will be brought to the mine project by a 230-kV power line.

Water requirements for the Volta Grande Gold Project were designed to not require the extraction of any water from the Xingu River. Water requirements will be provided by capturing precipitation and surface run-off. The water collected in storage ponds and augmented by reclaimed water from the tailings management facility will meet the operating requirements.

The scientific and technical information contained in the Feasibility Study pertaining to the Volta Grande Gold Project has been reviewed and approved by the following Qualified Persons: Mr. Stefan Gueorguiev, P. Eng. Ontario, Vice President Projects, Lycopodium Minerals Canada Ltd., Mr. Aron Cleugh, P. Eng. Ontario, Lead Process Engineer, Lycopodium, Dr. Oy Leuangthong, PhD., P.Eng. Ontario, Principal Consultant (Geostatistics), SRK, Dr. Jean-François Couture, PhD, P.Geo, Corporate Consultant, SRK, Dr. Lars Weiershäuser, PhD, P.Geo, Senior Consultant (Geology), SRK, George H. Wahl, P. Geo., British Columbia, Principal Consultant, G H Wahl & Associates Geological Services, Mr. Gordon Zurowski, P.Eng. Ontario, Principal Mining Engineer, AGP Mining Consultants Inc., Mr. Alexandre Luz, AusIMM, Senior Partner, L&M Assessoria Empresarial, Mr. Paulo Franca, Principal Consultant, AusIMM, VOGBR Recursos Hídricos & Geotecnia Ltda, Mr. Derek Chubb, P. Eng. Ontario, Senior Partner, Environmental Resources Management Inc., each of whom are independent of Belo Sun.

### **Volta Grande Gold Project Mineral Resource**

The fully diluted mineral resource (the mining dilution has been included and considered in the grade and tonnes) estimate for the North Block of the Volta Grande Gold Project is outlined in the table below with an effective date of March 16, 2015.

Deposit	Category	Quantity Mt	Gold Grade g/t Au	Contained Gold KOz
<b>Ouro Verde Open Pit</b>				
Saprolite	Measured	750	0.96	23
	Indicated	709	0.78	18
	Inferred	216	0.67	5
Unweathered	Measured	18,532	1.16	693
	Indicated	52,647	1.06	1,796
	Inferred	22,576	0.89	643
<b>Grota Seca Open Pit</b>				
Saprolite	Measured	249	0.96	8
	Indicated	1,386	0.74	33
	Inferred	832	0.61	16
Unweathered	Measured	24,270	1.00	782
	Indicated	54,611	0.87	1,519

	Inferred	12,557	0.82	332
Junction Open Pit				
Saprolite	Measured	2	1.53	0
	Indicated	215	0.78	5
	Inferred	82	0.66	2
Unweathered	Measured	271	0.71	6
	Indicated	2,950	0.77	73
	Inferred	1,491	0.75	36
Greia Open Pit				
Saprolite	Inferred	512	1.06	17
Unweathered	Inferred	1,503	2.04	98
Total Open Pit				
	Measured	44,075	1.07	1,512
	Indicated	112,518	0.95	3,444
	Measured + Indicated	156,593	0.98	4,956
	Inferred	39,767	0.90	1,151

\*Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.4 g/t Au. The cut-off grades are based on a gold price of US \$1,400 per troy ounce and metallurgical recoveries of 94% for saprolite and 94% for unweathered material.

**Notes:**

(1) The 0.4 g/t Au open pit cut-off grade underlying the mineral resource estimates is based on a number of parameters and assumptions including gold price of US\$1,400 per troy ounce, pit angles set at 31 degrees for saprolite and 53 degrees for hard rock, and metallurgical gold recovery of 94% for unweathered and weathered rock. Assumed costs for the mineral resource modeling are as follows: open pit mining costs of US\$2.05/tonne of ore, process costs of US\$8.12/ tonne general and administrative costs of US\$0.99/tonne, and royalty of 1%.

(2) The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define the inferred mineral resources as Indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resource categories.

(3) The mineral resources have been classified according to the Canadian Institute of Mining, Metallurgy and Petroleum Standards for mineral resources and reserves (November 2010). The effective date of the report containing the mineral resource estimate is March 30, 2015.

(4) The mineral resource estimate was authored Dr. Oy Leuangthong, P.Eng, a Qualified Person as defined by NI43-101 and is independent of Belo Sun.

Below is a summary of the mineral resource estimation parameters pertinent to the current mineral resource estimate.

The mineral resource and reserve estimate for the Volta Grande Gold Project was prepared considering only the gold deposits located in the North Block. The North Block is a string of connected deposits that has been defined as the Ouro Verde and Grota Seca deposits.

The mineral resources for Volta Grande consist of four zones. Ouro Verde and Grota Seca (collectively the “North Block”), Greia (the “Greia Zone”) and the South Block. The Greia Zone was separated from Grota Seca and consists of a near-pit target to the north of the Grota Seca deposit. The junction zone is the connection between Ouro Verde and Grota Seca. It highlights some exploration potential along strike length between the two deposits.

The database consists of a total of 33,191 meters of drilling obtained from previously reported drilling and from 180,650 meters of drilling completed and assayed by Belo Sun since April 2010, for the Ouro Verde and Grota Seca deposits.

The mineralized zones at the Ouro Verde deposit extend for about 2,200 m along strike whereas the Grota Seca extends for 2,900m along strike.

For each deposit, very low, low, medium and high-grade gold domains were modelled in hard rock as well as in saprolite. The gold mineralization thickness ranges from 2 to 70 meters.

The composite length selected was 2.0 m. Residual composite lengths of 0.5 m and longer were included in the mineral resource estimation.

Capping analysis was performed on composites for all grade domains. All domains were capped except high grade saprolite.

All estimations are based on a fully diluted block model with unitary dimensions of 5 m E, 5 m N and 5 m elevation rotated -17° clockwise.

Three estimation passes with progressively relaxed parameters were used for each grade domain. The grade estimation was done using ordinary kriging interpolation. Additional restrictions were set to constrain the grade and radius of influence for the high-grade part of the mid-grade domain.

Classification was performed using the density of the informing composites. Measured blocks are informed by composites at average distances of 25m (maximum distance is 40m). Indicated blocks are informed by composites at average distances of 50m (maximum distance of 80m).

Tonnage estimates are based on a rock specific gravity of 2.75 tonnes per cubic meter for the Grota Seca and Ouro Verde deposits, and 1.36 tonnes per cubic meter for the saprolite.

## **COMMUNITY RELATIONS**

The Company operates an information office in the Ressaca Village near the Volta Grande Gold Project, to allow for continuous and accessible communications between the Company and the local communities.

Belo Sun is committed to helping to improve the local population’s access to public services such as health care and education by assisting the municipality with health initiatives, programs, and events. When requested, Belo Sun will assist with the transport of doctors, nurses, dentists



and teachers to the area. Among other things, these efforts promote a higher standard of health and wellbeing in the Volta Grande area.

During 2024, Belo Sun has been involved with the following initiatives in the local communities:

- Conducted a flu vaccination campaign for our employees.
- Supported a breast cancer awareness event with the municipality.
- Assisted in the transportation of community leaders to Altamira, when requested.
- Hosted a tree planting event with the local school.
- Supported the National Service for Rural Learning and the Association of Residents by providing use of the Belo Sun office for training space for classes in the use of machines for small farmers.
- Supported a football tournament by donating uniforms and food to the teams.
- Supported Children's Day events in the local communities.
- Monitored water quality in the local communities
- Participated and sponsored local festivals and events.

The Company is also investigating the establishment of a benefit fund for the Indigenous Peoples and local communities in the PVG vicinity. The fund would be financed from net profits from the Volta Grande Gold Project and would provide financial resources to assist in local community and Indigenous community projects.

## **PERMITTING, LICENSING AND LEGAL HISTORY**

Subsequent to the Company's receipt of the approval for the LI for the Volta Grande Gold Project, the Company has been subject to a number of legal proceedings. These commenced when the TRF1 Court granted an interim suspension order to suspend the LI in 2017, primarily because the ECI had not been presented with primary data.

The following are the primary outstanding proceedings that relate to the Volta Grande Gold Project and its permitting:

### **LI Suspension and Indigenous Consultation**

In 2017, the TRF1 Court issued an interim suspension order of the LI. According to the order, the LI was to be suspended until the ECI was completed by the Company with primary data, under the terms of the ILO Convention 169, and approved by FUNAI.

Since then, the Company has taken all steps necessary to correct the deficiencies in the consultation process. In December 2021, the ECI was approved by FUNAI and in March 2022,

it was approved by the Volta Grande do Xingu Indigenous Peoples in compliance with ILO Convention 169.

### *Background to the LI Suspension and Indigenous Consultation*

The approval of the EIA and receipt of the LP were key milestones in the advancement of the Volta Grande Gold Project towards the construction phase. The Company received its LP in February 2014.

According to Brazilian legislation, mining companies are required to consult with Indigenous Peoples within a designated distance from a proposed mining site. In the case of PVG, there were no Indigenous communities within the prescribed area. Nonetheless, the Company, SEMAS and FUNAI agreed to undertake the ECI to consider Indigenous Peoples outside of the designated range which SEMAS included as a condition in the LP. Due to this undertaking, the TRF1 Court ruled that the commitment to consult with Indigenous Peoples was enforceable.

In 2016, the Company completed its original ECI, covering the nearest Indigenous communities, located 12.6 km and 16 km away from PVG. This original ECI was submitted along with the LI application to SEMAS.

In January 2017, the ECI was accepted by SEMAS, however, the Company did not receive approval for the ECI from FUNAI, primarily because the ECI did not include primary data. This data was not included due to the fact that FUNAI did not grant the Company access to the Indigenous lands during the period of the study. SEMAS advised the Company to continue with the ECI and to submit it with secondary data.

In February 2017, SEMAS granted approval of the LI and the ECI for PVG. The LI is the second step of the environmental permitting process allowing the Company to proceed with construction and development of PVG. The next and final step is to obtain the LO for PVG, allowing for the commencement of mining operations.

In April 2017, the Company received an interim suspension order related to the LI by the TRF1 Court. According to the order, the LI would be suspended until the ECI was completed by the Company with primary data, under the terms of ILO Convention 169 and approved by FUNAI. In December 2017, the TRF1 Court confirmed the suspension of the LI.

Following the decision, the Company commenced working closely with FUNAI and anthropology consulting firms to complete the ECI in compliance with FUNAI's protocols and the TRF1 Court ruling. All fieldwork and consultations respected the provisions of the Protocols of Consultation of the Juruna (Yudjá) Indigenous People and followed all the requirements of the ILO Convention 169 involving extensive meetings, impact assessments, and workshops. The process involved the full participation of the Indigenous Peoples in all phases and included several meetings with the participation of the MPF, DPU and members of NGOs. The Indigenous Peoples had adequate time to discuss and reach an agreement about the studies, the impacts and the conditions for licensing PVG.

In late 2020, FUNAI approved the ECI as accepted for final presentation to the Indigenous communities. In October 2021, the Company completed the presentation of the ECI and received approvals from both the Juruna Indigenous Community and the Arara da Volta Grande do Xingu Indigenous Community completing the FUNAI protocol requirements for the ECI and ILO Convention 169 consultation. In December 2021, FUNAI issued their approval of the ECI, and in March 2022, the Indigenous communities gave their approval. At this time, the final documentation that the ECI has been completed and approved was submitted to the TRF1 Court.

On April 25, 2022, the TRF1 Court issued a ruling related to the lifting of the suspension of the LI following the completion and acceptance by FUNAI of the ECI. Instead of lifting the suspension, the TRF1 Court provided procedural guidance on the steps required to lift the suspension. In effect, the TRF1 Court ruling decided that the matter should be sent to SEMAS for review and confirmation that the ECI conditions had been met.

In January 2023, SEMAS acknowledged that the ECI conditions were met, and gave the Company permission to advance to the next phase of the Indigenous Component and submit the PBA-CI working plan to FUNAI for their approval, which the Company did in March 2023. This is the final step in completing the consultation process with the Indigenous People.

In September 2023, Belo Sun was notified by FUNAI that the approval process is dependent on the conclusion of their analysis of an Indigenous community's request to establish an Indigenous land in an area called São Francisco, which is located within 10 km of the Volta Grande Project. The Company continues to be in touch with FUNAI on the approval process.

In a judgment held on January 22, 2025, the sixth panel of the TRF1 stated that Belo Sun had complied with the terms of the ruling issued in December 2017, reaffirming that the actual fulfillment of the decision should be verified and confirmed by the Federal Court of Altamira. In this sense, the Company can now petition the Federal Court of Altamira and request the lifting of the LI suspension. Following the January 2025 ruling, FUNAI filed a Motion for Clarification before the TRF1, highlighting that they had revised their position that the displaced Indigenous people should be covered by the General PBA and not by the PBA-CI, and, consequently, about the need to complete the studies to include all Indigenous groups likely to be impacted by the project, including those displaced. This argument is procedurally beyond the scope of this type of appeal.

### **SEMAS and IBAMA Litigation**

The Pará State environmental authority, SEMAS, has been the environmental permitting body for the Volta Grande Gold Project issuing PVG's LP and LI in 2014 and 2017, respectively, and reaffirming the validity of the LP in 2022.

Prior to starting the permitting process, the Company contacted both SEMAS and IBAMA and requested a ruling on which agency had the permitting authority for the Volta Grande Gold Project. IBAMA advised that the Volta Grande Gold Project did not have any of the parameters for Federal permitting. SEMAS confirmed that they were the correct permitting authority.

However, the MPF filed a lawsuit before the Federal Court in Altamira requesting that the permitting authority be changed from SEMAS to IBAMA. The history of the SEMAS and IBAMA litigation is described below.

In September 2018, the Federal Court in Altamira ruled that the permitting authority going forward for the PVG would be IBAMA rather than SEMAS. It also ruled that the pass permitting for the LP and LI under SEMAS were valid, but subject to review from IBAMA.

In November 2018, the TRF1 Court rendered an intermediate ruling that suspended the decision of the Federal Court in Altamira and confirmed that SEMAS remained the competent permitting authority until such time as a final decision in the matter is rendered.

On April 25, 2022, the TRF1 Court issued a ruling that postponed the decision on determining the competent Brazilian permitting authority for environmental permitting at PVG. Shortly before the trial, the prosecutors had argued that Norte Energia (responsible for the Belo Monte hydroelectric plant – the “**Belo Monte Project**”) was concerned about possible adverse impacts resulting from the combined impact of their project and PVG. IBAMA requested the postponement of the ruling, to present information regarding these concerns.

In September 2023, the TRF1 Court ruled unanimously that IBAMA would be the competent authority for the environmental permitting process of PVG. In its ruling, the TRF1 Court reaffirmed that licenses issued in the past by SEMAS were to remain in place and that the Company was not required to resubmit its applications for those permits to IBAMA. IBAMA was to proceed with reviewing the licensing documents as part of its permitting process.

In January 2025, the TRF1 unanimously ruled that SEMAS will be the competent authority for the environmental permitting process of Belo Sun Mining Corp.'s Volta Grande gold project going forward. This decision reverses the decision made in September 2023, by the TRF1 that designated IBAMA as the competent authority for the environmental permitting process of PVG (see press release dated September 12, 2023).

In the same decision in January 2025, the TRF1 stated that there is no evidence that PVG will directly impact the Xingu River or Indigenous lands. Furthermore, the panel acknowledged that the cumulative impact study between PVG and the Belo Monte Dam was completed in the environmental studies, contrary to what the MPF had claimed in order to justify the need for IBAMA to be the competent authority.

Prior to the decision in September 2023, SEMAS had been conducting the permitting of PVG and, in that capacity, issued PVG's preliminary (LP) and construction (LI) licences in 2014 and 2017, respectively. Though the ruling designating SEMAS as the competent authority subject to an appeal, it is a positive development for PVG due to the SEMAS familiarity with and knowledge of the project. Though the LI remains under suspension, the LP was revalidated by SEMAS in 2022 following FUNAI's approval of the Company's Indigenous study (ECI). The next stage in the permitting process of PVG will be the transferring of files back to SEMAS as the Company begins to work with them on progressing the necessary work to advance PVG.

## **INCRA Negotiations and Litigation**

The PVG exploration concessions were granted in 1974. In 1999, INCRA designated certain land areas for rural development. A small portion of this former INCRA-designated land is covered by the Company's mining concessions and will be affected by the mining operations of PVG ("impacted area"). The impacted area covers some of the planned facilities for PVG, a small portion of the end of the Grota Seca pit and one of the proposed waste pile deposits.

The Company's LI included a relocation plan that was approved by SEMAS. It provided families in the impacted area the option to: a) relocate at any time during the life of the project and at a time of the families' choosing with relocation expenses covered by the Company; or b) stay where they currently live; or c) leave and receive financial compensation for their property.

The impacted area gave rise to administrative and judicial proceedings.

In the administrative sphere, negotiations between the Company and INCRA regarding the impacted area commenced in 2016. However, negotiations were delayed due to various changes in the INCRA administration and the Federal Government, as well as the COVID-19 pandemic.

In the judicial proceedings, an order from the judge of the Agrarian Court of Altamira issued a temporary 180-day injunction halting certain work related to the LI in February 2017. The purpose of the injunction was to provide time for the relocation of certain families living near the PVG site and to finalize the agreement with INCRA involving the impacted area. The Agrarian Court of Altamira lifted this injunction in June 2017.

In November 2019, the Agrarian State Judge of the Court of Altamira ruled that the Company's LI would remain suspended until the following two conditions were fulfilled: 1) a periodic update to SEMAS on the status of the relocation of certain families living in the area directly affected by PVG; and 2) an update be provided to SEMAS on the negotiations with INCRA involving the impacted area.

In a separate ruling, in November 2019, the State Court of Appeal of Pará State ruled to uphold the Company's LI under the condition that the Company complies with the relocation plan terms as submitted by the Company to SEMAS for its LI.

In January 2020, the State Court of Appeal of Pará State overturned the November 2019 court ruling by the Agrarian State Judge of the Court of Altamira.

The Company and INCRA eventually entered into the Land Agreement on the Federal land in November 26, 2021, covering the impacted area ("Land Agreement"). Under this Land Agreement, INCRA will provide the Company access to the designated land for mining activities for 20 years from the execution date, with the ability to further extend the term.

Under the Land Agreement, the Company will provide ongoing program support, including, among other commitments: assisting small local landholders with the proper registration of their

land; assisting the municipality with road and bridge maintenance; a transfer of land outside of the project area to INCRA; and the purchase of certain equipment to assist the local INCRA office in its activities. The Company will also pay royalties to INCRA on the revenues arising from its activities at PVG.

The Land Agreement was officially published in the Brazil Federal Gazette - Diário Oficial da União on November 29, 2021, and was ratified by INCRA's board on December 16, 2021. The INCRA board's decision that ratified the Land Agreement conditioned the commencement of the Company's activities in the area to a meeting between the Company, INCRA, the MPF and the people living in INCRA's area to discuss PVG, which took place May 3, 2022. The Company and INCRA have finalized the documentation for the official register for the land donation.

In December 2024, the Company reported that the Federal Court of Altamira ruled that the agreement among the Company and INCRA is null and void based on procedural grounds. The ruling stated that INCRA had not completed an ordinance required to announce the measure taken by the government to declassify the area from agrarian reform. Both the Company and INCRA have launched appeals on the ruling and are working on next steps.

There are people occupying PVG land in an illegal protest against the Land Agreement which started in June 2022. This is discussed in more detail under "Occupation on PVG Land".

### **Litigation related to Xingu River Communities**

This section covers allegations that the Company did not adequately consult riverine communities during the Company's environmental permitting process. The Brazilian courts have addressed this issue and have ruled in the Company's favour. The background of this litigation is outlined below.

On August 2020, the DPE filed a lawsuit with a local Altamira Judge (Agrarian Court – State Circuit) against the State of Pará and the Company to suspend the environmental permitting process of PVG based on a report submitted by a NGO (Association InterAmericana for Environmental Development (“**AIDA**”)) and the allegation from DPE that self-identified riverine communities living along the Xingu River, were not consulted in accordance with ILO Convention 169 in the PVG environmental permitting process that was issued by SEMAS. The AIDA report focused on potential technical issues of PVG which were unfounded.

The Company responded to this request with full documentation that all communities in the area of influence of PVG were fully consulted in the impact assessment and in the LI application. The State of Pará also contested the lawsuit, consistent with the defense presented by the Company. Both the State of Pará and the Company presented technical and legal evidence that the allegations made by AIDA and DPE were false.

On May 24, 2022, an interim suspension order was issued in this matter by a judge of the Agrarian Court of Altamira against the LI and LP.

On July 20, 2022, the State Court of Appeal of Pará State overturned the suspension order on the grounds that there was no evidence of damage or harm to the riverine communities and that they were properly consulted as part of the environmental studies conducted by the Company. The Supreme Court of Pará State also ruled that the decision of the Agrarian Court caused damage to the Company and stated that there should be no obstacles for the Company to continue with the environmental licensing process while complying with the legal requirements determined by the applicable environmental and judicial authorities. While the initial suspension order remains in effect (as discussed above under LI Suspension and Indigenous Consultation) the Brazilian courts have confirmed the adequacy of the Company's consultation process.

## **OCCUPATION ON PVG LAND**

The Volta Grande Gold Project was impacted by an illegal land occupation on June 5, 2022 by a group of people protesting against the Land Agreement between INCRA and the Company. The occupation continues with the people encamped at the PVG site. In May 2023, a judge from the local municipality, Senador José Porfírio, ruled in the Company's favour, designating the occupation an illegal encampment, and issued an eviction order on the condition of an attempt to conciliate a peaceful eviction. In August 2024, the case was submitted to a judicial conciliation body in Pará. In November 2024, the case was returned to the Court of Senador José Porfírio and is awaiting a ruling. The conciliation body returned the case deeming that conciliation did not apply to this repossession claim as the invaders are not claiming for the possession of the land but rather protesting against PVG.

INCRA has confirmed that the people participating in the occupation at the PVG site are not registered as beneficiaries of the Land Agreement, nor are they eligible to participate in settlement projects in the region. INCRA advised the trespassers of these facts during a visit to the encampment on September 8, 2022. This was confirmed in March and April 2024 when the CCA of INCRA, the MDA, the Ministry of Justice, IBAMA, the DPU, the Federal Police, and NGO representatives visited the occupied site. The occupation will continue to be monitored by INCRA and the local authorities.

There have been incidents of violence, vandalism and theft at a Company building on the PVG property related to the land occupation. These incidents have not caused a material impact to the Company but have been reported to local and Federal authorities.

As the Company moves to advance and develop the PVG, the Company anticipates that ongoing and additional legal claims and actions will be brought in the Brazilian courts to attempt to delay or stop the PVG. Please refer to the section titled "Risks and Uncertainties" for additional disclosure of risk factors related to litigation and permitting.

## ANNUAL FINANCIAL RESULTS

	2024	2023	2022
Net loss	\$ (7,288,293)	\$(10,717,179)	\$ (13,349,848)
Net loss per share	\$ (0.02)	\$(0.02)	\$(0.03)
Working Capital*	\$ 8,238,393	\$13,866,147	\$16,855,042
Total Assets	\$ 23,338,477	\$26,808,313	\$36,736,179

## SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4-2024 31-Dec-24	Q3-2024 30-Sep-24	Q2-2024 30-Jun-24	Q1-2024 31-Mar-24
Net loss	\$ (1,603,434)	\$ (1,593,965)	\$ (2,718,238)	\$ (1,372,656)
Net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ -
Working Capital*	\$ 8,238,393	\$ 8,507,996	\$ 10,078,262	\$ 12,637,321
Total Assets	\$ 23,338,477	\$ 22,889,883	\$ 24,423,819	\$ 25,992,971
	Q4-2023 31-Dec-23	Q3-2023 30-Sep-23	Q2-2023 30-Jun-23	Q1-2023 31-Mar-23
Net loss	\$ (6,594,877)	\$ (1,483,317)	\$ (1,537,772)	\$ (1,101,213)
Net loss per share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Working Capital*	\$ 13,866,147	\$ 15,112,817	\$ 16,302,667	\$ 17,489,637
Total Assets	\$ 26,808,313	\$ 33,627,379	\$ 34,471,892	\$ 35,824,459

\*Working capital is defined as current assets minus current liabilities. Working capital is a non-IFRS figure with no standardized meaning under IFRS, and therefore may not be comparable to similar measures presented by other issuers. For further information and detailed reconciliations to the most comparable IFRS measures, see the section titled "Non-IFRS Measures" in this MD&A.

### Factors Affecting Comparability of Quarters

Results of operations can vary significantly as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by a number of factors,



including the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each individual project.

In addition, the granting of stock options and deferred share units (“DSUs”) in a particular quarter gives rise to share-based compensation expense. Share-based compensation expense is dependent on vesting terms, and front-loaded accrual methods, and the value of the Company’s share price which fluctuates.

Also contributing to fluctuating quarterly net losses are changes in foreign exchange rates. The Company holds a portion of its monetary assets and liabilities in Brazil and therefore changes in the rate of exchange between the Brazilian Real, United States dollar and the Canadian dollar result in reported gains and losses on foreign currency fluctuations.

## RESULTS OF OPERATIONS – FINANCIAL

The following is a discussion of the results of operations of the Company for the three and twelve months ended December 31, 2024. This discussion should be read in conjunction with the Company’s financial statements for the three and twelve months ended December 31, 2024 and related notes.

	Three months ended December 31,	
	2024	2023
Net (loss)	\$ (1,603,434)	\$ (6,594,982)
Interest (income)	(163,656)	(279,783)
Salaries, wages and consulting fees	809,888	730,823
Accounting, audit and tax fees	92,481	36,487
Legal fees	79,274	185,172
General and administration	153,846	185,527
Depreciation	8,877	113,862
Share-based payments	29,947	140,341
Exploration and evaluation expenses	284,711	614,950
Permitting costs	37,150	(287,791)
Loss on foreign exchange	282,903	(119,259)
Impairment of plant and equipment	-	5,274,653
(Gain) on asset disposal	(11,987)	-

For the three months ended December 31, 2024, the Company recorded a net loss of \$1,603,434 (\$0.01 per share) compared to a net loss of \$6,594,877 (\$0.01 per share) for the three months ended December 31, 2023.

The Company recorded \$809,888 in salary, wages and consulting fees during the three months ended December 31, 2024 compared with \$730,823 for the three months ended December 31, 2023. The additional costs in 2024 relate to increased consultant fees compared to 2023 activities.

The Company recorded \$79,274 in legal fees during the three months ended December 31, 2024 compared with \$185,72 for the three months ended December 31, 2023 due to higher legal activity in the prior year.

The Company recorded \$29,947 in share-based payments during the three months ended December 31, 2024 with \$nil related to the value of vesting DSUs and \$29,947 related to the vesting of options granted in 2020 and 2021 (three months ended December 31, 2023: \$3,938 and \$136,403, respectively).

During the three months ended December 31, 2024, the Company used \$2,636,172 from operations (Q4-2023: \$4,043,584 provided by operations). 2023 Operating activities were higher due to working capital adjustments combined with lower net loss in the quarter. \$8,998 in investing activity was incurred during the three months ended December 31, 2024 (Q4-2023: provided \$1,586,963). Financing activity of \$1,157,875 was provided during the three months ended December 31, 2024 (Q4-2023: used \$1,756).

	Year ended December 31,	
	2024	2023
Net (loss)	\$ (7,288,293)	\$ (10,717,179)
Interest (income)	(800,850)	(1,060,240)
Salaries, wages and consulting fees	4,354,901	2,582,901
Accounting, audit and tax fees	323,556	111,787
Legal fees	398,677	452,103
General and administration	758,532	743,482
Depreciation	37,997	144,117
Share-based payments	205,866	943,340
Exploration and evaluation expenses	1,341,785	1,248,552
Permitting costs	137,979	242,409
Loss on foreign exchange	541,837	33,844
Impairment of plant and equipment	-	5,274,653
(Gain) on asset disposal	(11,987)	-
Interest expense	-	231

For the twelve months ended December 31, 2024, the Company recorded a net loss of \$7,288,293 (\$0.02 per share) compared to a net loss of \$10,717,179 (\$0.02 per share) for the twelve months ended December 31, 2023.

Interest income decreased by \$259,390 in 2024 compared to 2023 due primarily to decreased balances on the promissory notes receivable and bank balances that earn interest in 2024.

The Company recorded \$4,354,901 in salary, wages and consulting fees during the twelve months ended December 31, 2024 compared with \$2,582,901 for the twelve months ended December 31, 2023. The additional costs in 2024 relate to additional consultant fees and accruals compared to 2023 activities.

The Company recorded \$323,556 in accounting, audit and tax fees during the twelve months ended December 31, 2024 compared with \$111,787 for the twelve months ended December 31, 2023. The additional costs in 2024 related to the Company's valuation work related to the 2023 annual audit.

The Company recorded \$205,866 in share-based payments during the twelve months ended December 31, 2024 with \$10,489 related to the value of vesting DSUs and \$195,377 related to the vesting of options granted in 2020 and 2021 (twelve months ended December 31, 2023: \$34,032 and \$909,308, respectively).

Impairment loss of plant and equipment was \$nil in the twelve months ended December 31, 2024 compared \$5,274,652 in 2023. The Company wrote down the value of its mining assets under construction and furniture and equipment in 2023.

During the twelve months ended December 31, 2024, the Company used \$5,243,398 in operations (2023: \$4,624,388). \$8,998 investing activity was incurred during the twelve months ended December 31, 2024 (2023: provided \$1,903,107). \$1,157,875 provided by financing activity during the twelve months ended December 31, 2024 (2023: used \$9,651).

## **LIQUIDITY AND CAPITAL RESOURCES**

Given the nature of the Company's business is to develop, construct and operate gold mining operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures.

The Company's financial success will be dependent upon the development of the Volta Grande Gold Project or other gold properties that lead to the production and sale of gold. Such development may take years to complete and although the Company expects to be successful and have positive income, it is difficult to determine if the Company will achieve this result. Being financially successful in these objectives depends on many factors including the development of the mineral exploration properties and the extent to which it can establish economic mineral reserves and operations based on metal prices and operating costs.

The Company currently has a negative operating cash flow and finances its development and mineral exploration activities through equity financings.

The Company had working capital (see "Non-IFRS Financial Performance Measures" below) of \$8,238,393 as at December 31, 2024 (December 31, 2023 - \$13,866,147) including cash and

cash equivalents of \$10,881,610 (December 31, 2023 - \$15,101,994). None of the cash equivalents are invested in asset-backed securities.

As at December 31, 2024, the Company had a promissory note receivable totaling \$234,621 outstanding, comprised of principal and interest. The promissory note receivable, owed by Belo Sun's former President and CEO, Peter Tagliamonte, was due on October 23, 2023. To date, the remaining balance has not been repaid. The loan is currently overdue as the repayment date has not been extended and the loan continues to accrue interest after the repayment date. The Company is working with the borrower to arrange repayment as soon as possible.

### Term Investment

The Company is carrying a term deposit with Banco do Brasil to partially fund potential amounts owing to CPRM. As at December 31, 2024, the balance of this deposit was R\$2,593,981 (\$591,054) (December 31, 2023: R\$2,331,935 (\$635,685)).

## **NON-IFRS FINANCIAL PERFORMANCE MEASURES**

The Company has referred to working capital throughout this MD&A. Working capital is a Non-IFRS performance measure. In the gold mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital to the financial statements as at December 31, 2024 and 2023.

	December 31, 2024	December 31, 2023
<b>Current assets</b>		
Cash and cash equivalents	\$ 10,881,610	\$ 15,101,994
Promissory notes receivable	234,621	228,080
Prepaid expenses and sundry receivables	234,777	256,163
	<b>\$ 11,351,008</b>	<b>\$ 15,586,237</b>
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	3,112,615	1,720,090
	<b>\$ 3,112,615</b>	<b>\$ 1,720,090</b>
<b>Working capital, current assets less current liabilities</b>	<b>\$ 8,238,393</b>	<b>\$ 13,866,147</b>

## **CAPITAL RISK MANAGEMENT**

The Company includes equity, comprised of issued share capital, shares held in trust for the settlement of share-based payments, share-based payment reserve and deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue

as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, development and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the development stage and, accordingly, the Company is dependent upon external financings to fund activities. To carry out planned engineering, test work, advancement and development of the mining projects, and pay for administrative costs, the Company will spend working capital and expects to raise additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the year ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

## **COMMITMENTS AND CONTINGENCIES**

### Management contract commitments

The Company is party to certain management contracts. Minimum commitments remaining under these contracts were approximately \$2,939,000 to be made if they are terminated without cause. These contracts require payments of up to \$6,386,000 be made upon the occurrence of certain events such as a change of control of the Company. The change of control commitment includes a component based on the Company's current share price. As a result of this inclusion, the change of control commitment reported increases or decreases in relation to the change in share price during the period.

### Legal contingencies

The Company is, from time to time, involved in various claims and legal proceedings (see, for example, the claims and legal proceedings described in the sections titled "Permitting, Licensing and Legal History" and "Risks and Uncertainties"). The Company cannot reasonably predict the likelihood or outcome of these activities.

### Environmental commitments

The Company's mining, development and exploration activities are subject to various federal, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to be respectful of the culture, the local communities, protect public health and the environment and believes its operations are materially in

compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

#### Other commitments

The Federal Constitution of Brazil has established that the states, municipalities, federal district and certain agencies of the federal administration are entitled to receive royalties for the exploitation of mineral resources by holders of mining concessions (including extraction permits). The royalty rate for gold is currently 1.5% Federal law 13,540/17) arising from the sale of the mineral product, less the sales taxes of the mineral product. No royalties are currently due.

The Volta Grande Gold Project does not have any other royalties attached to the project beyond the aforementioned 1.5% royalty to the Brazilian government.

There is a debt obligation due to CPRM as a result of a risk loan agreement, (the “CPRM Agreement”). The Company maintains a high interest saving account that covers the full amount of the debt payment. As at December 31, 2024, no payments have been paid pursuant to the CPRM Agreement.

Under a renegotiated agreement with CPRM in March 2008, the Company maintains an interest-bearing term deposit to cover the future debt obligation plus applicable interest. In July 2021, the Company again renegotiated its agreement with CPRM. As a result of this renegotiation, it was agreed that the Company would pay CPRM R\$6,871,711 (\$1,599,500) upon the issuance of its mining license. As at December 31, 2024, no payments have been paid pursuant to the CPRM agreement.

Peter Tagliamonte, a former officer and director of the Company has initiated a legal action against the Company seeking approximately \$3,700,000 in relation to a purported breach of contract and relating to his dismissal as an officer of the Company. The Company intends to defend the matter vigorously and is confident in its position.

#### **OFF BALANCE SHEET ARRANGEMENTS**

The Company is not party to any off-balance sheet arrangements.

#### **RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2024 and 2023, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of goods/services	
	Year ended	
	December 31,	
	2024	2023
2227929 Ontario Inc.	\$ 60,000	\$ 60,000
Directors' promissory notes interest	6,541	19,200

The Company shares office space with other companies who may have common officers and directors. The costs associated with the use of this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly fee of \$5,000.

The following balances included in the Company's accounts were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Directors and officers of the Company	\$ 234,621	\$ 228,080	\$ 331,910	\$ 53,049

Amounts owed by related parties reflect the promissory note entered into with a former officer and director of the Company in April 2018 plus accrued interest.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

#### *Compensation of key management personnel of the Company*

The remuneration of directors and other members of key management personnel during the period were as follows:

	Year ended December 31,	
	2024	2023
Short-term benefits	\$1,418,528	\$ 1,211,650
Share-based payments	163,028	695,016
DSU expense	7,792	34,032
	\$1,589,348	\$ 1,940,698

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

More detailed information regarding the compensation of officers and directors of the Company is disclosed in the management information circular. The most recent management information circular is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The carrying value of cash and cash equivalents, prepaid expenses, sundry receivable and accounts payable approximate their fair values due to the short maturity of those instruments.

The Company's risk exposures and their impacts on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the year ended December 31, 2024.

### **Credit risk**

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparties related to its cash and cash equivalents and term investment carry an investment grade rating as assessed by external rating agencies. The Company maintains all of its cash and cash equivalents and term investment with major Canadian and Brazilian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's promissory note is held by Peter Tagliamonte, a former director and officer. Management has assessed the credit risk associated with this promissory note and based on the credit-worthiness of the party involved, the Company has assessed the chance of loss as remote.

The Company's maximum exposure to credit risk at the statement of financial position date is the carrying value of cash and cash equivalents, promissory notes receivable and term deposits.

### **Liquidity risk**

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at December 31, 2024, the Company had current assets of \$11,351,008 to settle current liabilities of \$3,112,615. Approximately \$2,087,000 of the Company's financial liabilities as at December 31, 2024 have contractual maturities of less than 30 days and are subject to normal trade terms. Of these current liabilities, approximately \$2,024,000 has been payable for over 180 days.

### **Market risk**

#### **(a) Interest rate risk**

The Company's cash and cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.



Based on cash and cash equivalents, term deposit and promissory note balances on hand at December 31, 2024, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately \$12,000 (December 31, 2023 - \$16,000).

(b) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's currency risk arises primarily with respect to the United States dollar and Brazilian Real. Fluctuations in the exchange rates between these currencies and the Canadian dollar could materially affect the Company's business, financial condition, and results of operations. The Company does not mitigate this risk with hedging activity.

A strengthening of \$0.01 in the United States dollar against the Brazilian Real would have increased net loss by approximately \$8,500 for the year ended December 31, 2024 (year ended December 31, 2023 - \$11,600). A strengthening of \$0.01 in the Canadian dollar against the United States dollar would have decreased other comprehensive income by approximately \$1,400 for the year ended December 31, 2024 (year ended December 31, 2023 - \$2,400).

As at December 31, 2024 the monetary balances in non-Canadian dollar currencies are as follows:

		Brazilian Reals	United States Dollar
Cash	R\$	9,671,739	176
Accounts receivable and prepaid expenses		263,969	-
Long term investment		2,539,981	-
Accounts payable		(5,887,805)	(97,895)
	R\$	6,587,884	\$ (97,719)

## OUTSTANDING SHARE DATA

Authorized unlimited Common Shares without par value – 466,716,038 are issued and outstanding as at March 19, 2025.

Authorized unlimited special shares – zero outstanding.

Stock options outstanding as at March 19, 2025 are as follows:

Number of stock options outstanding	Exercise price	Expiry date
3,250,000	\$ 0.80	27-Jul-25
1,000,000	\$ 0.97	04-Jan-26
5,243,698	\$ 0.08	11-Apr-28
511,281	\$ 0.07	03-May-28
11,675,000	\$ 0.24	04-Feb-30
21,679,979	\$ 0.31	

On February 4, 2025, the Company granted 2,150,000 DSUs. The DSUs vest one third on grant date, one third in one year and one third in two years.

As at March 19, 2025, there were 16,889,750 DSU's outstanding, of which 15,456,417 have vested at March 19, 2025.

## **RISKS AND UNCERTAINTIES**

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, development and exploration of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. Please refer to the Company's AIF filed on SEDAR+ for a full description of the Company's risks in addition to those highlighted below.

### Nature of Mining, Mineral Exploration and Development Projects

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, mineral resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the mineral deposit, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production can often occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore. Further, there is no certainty that even greater expenditures relating to economic analysis or to development will result in a commercially viable project.

## Licences and Permits, Laws and Regulations

Belo Sun's main value arises from a single asset referred to as the Volta Grande Gold Project. The Volta Grande Gold Project has been the focus of opposition from various NGO's and other government organizations opposed to the development of the project. The Volta Grande Gold Project has been the focus of legal proceedings from several parties, including the DPU, DPE, MPE and MPF, which has resulted in three injunctions against the Company's Volta Grande Gold Project (including its Construction Licence). See section titled "Permitting, Licensing and Legal History".

The Volta Grande Gold Project has also been highlighted in the media in a negative manner, and has been the subject of complaints by various NGOs (including to the Ontario Securities Commission concerning disclosure-related issues). Investors should also be aware and cautious as negative media could have a significant negative impact on the value of the Company's securities and future operations.

New injunctions, legal actions and/or compliance (including regulatory compliance) filed against Belo Sun and the Volta Grande Gold Project represent a significant and real risk. Investors should be aware and cautious as new legal challenges and proceedings (including civil and regulatory proceeding) could have a significant negative impact on the value of the Company's share price and future operations.

The Company's development and exploration activities, including mine, mill and infrastructure facilities, require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. Indigenous land demarcation can change and expand. New protected land can be established and expanded. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no assurance that the Company will be able to secure or maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or to operate its mining facilities.

The costs and potential delays associated with obtaining or maintaining the necessary authorizations and licences and complying with these authorizations, licences and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of the Volta Grande Gold Project. The recent litigation process with the Agrarian Court of Altamira, and other claims and injunctions brought against the Company are examples of legal claims that affect, and may continue to affect, the Volta Grande Gold Project. Any failure to comply with applicable laws, regulations, authorizations or licences, even if inadvertent, could result in interruption or termination of exploration, development or mining operations or logistics operations, or material fines, penalties or other liabilities that could have a material adverse effect on the Company's business, reputation, properties, results of operations, financial condition, prospects or community relations. Claims, lawsuits and injunctions may be brought by

parties looking to prevent the Company from advancing its projects. The Company can make no assurance that it will be able to maintain or obtain all of the required mineral licences and authorizations on a timely basis, if at all. There is no assurance that it will obtain the corresponding mining concessions, or that if they are granted, that the process will not be heavily contested and thus costly and time consuming to the Company. In addition, it may not obtain one or more licences. Any such failure may have a material adverse effect on the Company's business, results of operations and financial condition.

The Volta Grande Gold Project LI outlined a timeframe to complete construction of the PVG within a three-year period. As a result of the delays arising from the court ruling requiring Belo Sun to undertake a new Indigenous Study, the Company engaged SEMAS in discussions regarding this issue. SEMAS has confirmed with the Company that the time schedule of the LI was suspended with the judicial court ruling received on April 2017 and that once the LI is re-instated the timeline for completion of the LI will commence.

Changes in government, ministries, and administrations can result in changes to policies, regulations, and permitting requirements. This could have an adverse and negative impact on the Company and its development projects and on the value of the securities of the Company.

#### Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices, market conditions and actual events could have a material adverse effect on the Company's mineral resource and reserve estimates, financial position and results of operations.

#### Uncertainty Relating to Mineral resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to mineral resources, there is no assurance that mineral resources will be upgraded to mineral reserves.

#### Foreign Operations

At present, the mineral properties of Belo Sun are located in Brazil. As a result, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts; tax disputes; changes in tax policies; restrictions on foreign exchange; changing political conditions; community relations; Indigenous relations; NGO activity; currency controls; and governmental regulations and legislation that may require the

awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Brazil or other countries in which Belo Sun may conduct business, may adversely affect the operations of the Company. The Company may become subject to local political unrest or poor community relations that could have a debilitating impact on operations and, at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

### Environmental

The Company's activities are subject to extensive federal, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, state and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. Activities at the Company's properties may give rise to environmental damage and create liability for the Company for any such damage or any violation of applicable environmental laws. To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that the Company may incur to remedy environmental pollution would reduce otherwise available funds and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

Many of the local, state and federal environmental laws and regulations require the Company to obtain licences for its activities. The Company must update and review its licences from time to time, and is subject to environmental impact analyses and public review processes prior to approval of new activities. In particular, the Company's mineral project is located in the Volta Grande do Xingu region, in the area proximal to the Belo Monte hydroelectric plant, on the Xingu River, which is one of the Amazon's most important rivers. Due to the existence of communities of Indigenous peoples and the region's biodiversity, the environmental licensing process of the Belo Monte dam has attracted a great deal of attention from the local communities, NGOs, the

Federal Public Prosecutor Office, IBAMA, and other Brazilian and foreign institutions. Therefore, environmental licensing of the Volta Grande Gold Project and relations with local communities and local Indigenous communities may be more challenging and time consuming and subject to greater scrutiny as compared to the environmental licensing process and community and social relations for other mineral projects conducted in Brazil. Belo Sun can make no assurance that it will be able to maintain or obtain all of the required environmental and social licences on a timely basis, if at all.

In addition, it is possible that future changes in applicable laws, regulations and authorizations or changes in enforcement or regulatory interpretation could have a significant impact on the Company's activities. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the Company's or its subsidiaries' financial capabilities. Developments elsewhere in the Brazilian mining industry or in relation to Brazilian mining legislation may add to regulatory processes and requirements, including additional scrutiny of all current permitting applications.

#### Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of the Volta Grande Gold Project. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of the Company's properties or reduce or terminate some or all of its activities. In the event that the Company completes an equity financing, such financing could be extremely dilutive to current shareholders who invested in the Company at higher share prices and dilutive as compared to the Company's estimated net asset value per share and mineral resource or reserve ounces per share.

#### Title to Properties

The acquisition of title to mineral resource properties is a very detailed and time-consuming process. The Company holds its interest in its properties indirectly through mining concession rights, exploration permits and exploration applications. Title to, and the area of, the permits may be disputed, or applications may lapse. There may be area overlaps as in the case with INCRA. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties. There are garimpeiros (informal miners) operating from time to time within the Company's property, and there may be issues and difficulties that could arise, including title disputes and the risk of the garimpeiros encroaching onto active areas of the Volta Grande Gold Project. The Company always advises the proper authorities of any illegal garimpeiro mining activity on its properties.

The Company may need to acquire title to additional surface rights and property interests for further development and exploration activities. There can be no assurances that the Company will be able to acquire such additional surface rights. To the extent additional surface rights are

available, they may only be acquired at significantly increased prices, potentially adversely affecting the financial performance of the Company.

### Project Development Costs

The Company plans to and expects to successfully develop its Volta Grande Gold Project within the current budget expectations. However, there can be no assurance that this project will be fully developed in accordance with the Company's current plans or completed on time or to budget, or at all.

### Other Potential Litigation

In addition to the litigation described above, Belo Sun has entered into legal binding agreements with various third parties on a consulting and partnership basis. The rights and obligations that arise from such agreements are open to interpretation and Belo Sun may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Belo Sun to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any current or future disputes could have a material adverse effect on Belo Sun.

### Dependence on Key Personnel

The success of the Company is dependent upon the efforts and abilities of its senior management and Board of Directors. The loss of any member of the management team or Board of Directors should not but could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel will be found.

### Conflicts of Interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in mining or natural resource development and exploration and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

## DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer by others within those entities.

The Chief Executive Officer and the Chief Financial Officer of the Company have evaluated (or caused to be evaluated under their supervision) the effectiveness of the Company's disclosure controls and procedures as at December 31, 2024. Based upon the results of that evaluation, the Chief Executive Officer and Chief Financial Officer of the Company have concluded that as at December 31, 2024, the Company's disclosure controls and procedures were effective.

### Internal Control Over Financial Reporting

Management, including the Chief Executive Officer and Chief Financial Officer of the Company, is responsible for establishing and maintaining adequate internal control over financial reporting. Under their supervision, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of the Company;
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements.

Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control (COSO - 1992) Framework to design the Company's internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated (or caused to be evaluated under their supervision) the Company's internal control over financial reporting as at December 31, 2024. Based on this assessment, the Chief Executive Officer and Chief Financial Officer of the Company have concluded that the Company's internal control over financial reporting was effective as at December 31, 2024.

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.



## Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company's significant accounting policies can be found in Note 2 of its Annual Financial Statements for the year ended December 31, 2024.

### Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when development and exploration costs should be capitalized or expensed, and impact estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material. See Note 2 (e) of the December 31, 2024 financial statements for more details.