

## ***Management's Discussion & Analysis For the First Quarter Ended March 31, 2023***

This Management's Discussion and Analysis of the Operations ("MD&A") of TriStar Gold Inc. ("TriStar" or "the Company") is provided to enable the reader to understand the material changes in the financial condition and operations of the Company for the first fiscal quarter ended March 31, 2023. This MD&A should be read together with the unaudited condensed consolidated financial statements and notes thereto for the quarter ended March 31, 2023 prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the presentation of interim financial statements, including *International Accounting Standard 34, Interim Financial Reporting*. This MD&A complements and supplements but does not form part of the Company's audited condensed consolidated financial statements.

The financial statements referred above are available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [sedar.com](http://sedar.com), and the Company's website at [tristargold.com](http://tristargold.com).

This MD&A contains forward-looking statements such as statements regarding the adequacy of cash resources to carry out the Company's exploration programs, managements' expectations for the success or lack thereof of its exploration and development programs and the Company's need for future financing. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management as of the date of this report. All forward-looking statements, including those not specifically identified here-in are made subject to the cautionary language beginning on page 22. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained here-in are expressed in United States dollars ("US\$") unless otherwise indicated. The Company's unaudited condensed consolidated financial statements for the quarter ended March 31, 2023 and this MD&A have been prepared by management as of May 29, 2023 and were approved by the Company's Board of Directors as of the same date.

### ***Goals and Objectives for 2023***

The Pre-feasibility study results (discussed below) highlighted the economic strength of Phase 1 (Esperança South) in the two-phased development approach at Castelo de Sonhos ("CDS"). Based on successful and continuous resource growth over the last seven years, management is confident that further exploration drill programs have the potential to expand contained resources. These resources may extend Phase 1 production, therefore displacing Phase 2 production to later years in the CDS mine plan. Permitting activities should continue to advance the CDS project to production. The Company completed a small drilling program in 2022, totaling 2,505 meters. There were no materials results from this program to report. Efforts in 2023 will focus on advancing the permitting as described below.

In Brazil, the process of environmental licensing is decentralized, and for CDS, the responsible authority is Pará State's Secretariat of the Environment and Sustainability (Secretaria de Estado de Meio Ambiente e Sustentabilidade: SEMAS). Three licenses are required by mining projects in Brazil:

- the Prior License (Licença Prévia: LP)
- the Construction or Installation License (Licença de Instalação: LI)
- the Operating License (Licença de Operação: LO)

The LP evaluates the environmental feasibility of a proposed mining project. Tristar submitted the LP application to SEMAS on July 19, 2022, along with the completed Environmental Impact Assessment (EIA), and the Report on the EIA. We anticipate that prior to the end of the 2023 calendar year, SEMAS will inform Tristar of the date and location for a public hearing on the EIA. Once the hearing is completed, we anticipate by the end of 2023 or early in 2024, the granting of the LP likely with certain conditions. Within six months of receiving the LP, Tristar will submit the application for the LI. Studies are already underway in support of the LI application.

### ***Business Overview and Summary***

The Company was incorporated under the British Columbia Business Corporations Act ("BCBCA") under the name of TriStar Gold Inc. on May 21, 2010. TriStar was created to hold certain Brazauro assets as a result of a Plan of Arrangement Agreement between Brazauro Resources Corporation and Eldorado Gold Corporation. The completion of this Plan of Arrangement occurred on July 20, 2010. TriStar's primary business focus is the acquisition, exploration and development of precious metal prospects in the Americas, including its current focus on advancing the exploration, development and permitting of CDS located in Pará State in Brazil.

## ***Property Information and Activity***

### **Castelo de Sonhos (Para State Brazil)**

#### **Project Description, Location and Access**

CDS is located in the southwest of Pará State in Brazil near the federal highway BR-163 which links the cities of Cuiabá to Santarém. CDS is approximately 30 kilometers by unpaved road from the town of Castelo de Sonhos. The topography of the region is characterized by low plains, with an average elevation around 250 meters above sea level. In contrast, the plateau (which hosts the mineralization at CDS) is approximately 550 meters above sea level. The climate is classified as tropical monsoon, with average annual precipitation around 2,000 mm. The rainy season is December to May. The project area has been largely deforested.

The property is approximately centered at coordinates 8 degrees 12'07" South, 54 degrees 59'20" West. Road access to CDS is usually possible all year, however heavy seasonal rainfall may temporarily cause flooding of roads and bridges. Pará State is considered a mining friendly jurisdiction with a high percentage of the State's economic activity resulting directly or indirectly from mining.

The Company has not yet experienced any material opposition to its exploration work at CDS from local, international environmental or special interest groups. However, as the size and scope of the project expands, the Company may experience opposition to its activities and plans which may halt or delay development at CDS.

The existing infrastructure for CDS is considered excellent for a developmental project, specifically

- ✓ there is a 138 kv power line which parallels state highway BR-163;
- ✓ the village of Castelo de Sonhos is located on a paved highway (BR -163) affording ground access to nearby cities and port facilities;
- ✓ there is a fully functional exploration camp;
- ✓ the camp is serviced by a 550-meter airstrip adequate for small aircraft;
- ✓ CDS is accessible by an unpaved 30 km road from the nearby village of Castelo de Sonhos; and
- ✓ the village of Castelo de Sonhos (population circa 10,000) offers many services including banks, medical facilities, supermarkets, restaurants, hotels, an airstrip and light and heavy vehicle repair facilities.

The original vendors of CDS retained a 2% net smelter return ("NSR") royalty (half of which may be purchased by Royal Gold Inc., a one-time bonus payment of US \$1.00 per ounce of gold if NI 43-101 proven and probable reserves exceed one million ounces and a payment of US \$3,600,000 upon commercial production. TriStar has the option to pay US \$1,500,000 upon or prior to making a production decision in lieu of the production payment. In 2019, Royal Gold acquired a royalty interest in production from the CDS property.

#### **Geological Setting, Mineralization and Deposit Type**

The host rocks for CDS's gold mineralization are quartzites, meta-arenites and meta-conglomerates of the Early Proterozoic Castelo de Sonhos Formation. Geologically, CDS is believed to be a paleo placer, similar in nature to the Tarkwa Mine in Ghana and the Jacobina Mine in Brazil.

The Company believes the geology and mineralization of the CDS deposit is typical of a modified paleo placer in which low-grade metamorphism may have remobilized gold over short distances. The sediments that now constitute the conglomerate bands at CDS were formed approximately 2.0 to 2.1 billion years ago, likely in a near-shore environment or in a large inland basin. At CDS, as well as Jacobina and Tarkwa, gold is hosted in quartz-pebble conglomerates; furthermore, gold grades in all of these tend to be higher in the pebble-supported conglomerates and to generally decrease when the size, frequency, sorting and packing of pebbles indicates an environment more distal from the source, lower in energy where water would flow more slowly and would be less able to keep gold grains and large pebbles in suspension.

### TriStar's Early Exploration Activity (2011-2015)

Please refer to the Company's Annual Information Form (filed on SEDAR) for a description of work completed prior to 2016.

### TriStar's Recent Exploration Activity (2016-2022)

TriStar resumed drilling activities in the second half of 2016. In addition to the drilling programs, the Company also undertook new metallurgical studies on samples collected in 2016 and 2017. This work was completed in February 2017 and the results are briefly summarized below. In 2020, the Company completed additional metallurgical test work on samples collected from the 2019 and 2020 drill programs.

Phase 1 and Phase 2 of the 2016-2017 drilling program consisted of a series of core holes along a fence-like step-out program in Esperança South and the more northerly in Esperança Center. Phase 1 consisted of five core holes and was completed in November 2016. The assays from these holes all contained significant mineralization and confirmed that gold mineralization extends at least two kilometers to the southwest beyond the resource area defined by the Company in 2014. Phase 2 consisted of five core holes, of which three encountered significant mineralization.

The Phase 3 drilling campaign at CDS consisted of approximately 15,000 meters of reverse circulation in-fill drilling, which was completed in late 2017.

The 2018 drill program consisted of 960 meters (8 holes) of core and 3,972 (34 holes) meters of reverse circulation ("RC") drilling. The RC program included infill drilling in Esperança Center, and Esperança South and broader definition drilling in Esperança East. The 2018 program also identified two new gold bearing mineralization areas the 2018 New Discovery Zone ("NDZ") and the 2018 Upper Conglomerate Zone ("UCZ"). The NDZ conglomerate outcrops on the far western edge of the property and has a mapped strike length of approximately 2 km. Ten soil sampling lines at 200 meter spacing have confirmed that the NDZ is highly anomalous in gold, with all lines showing a distinct continuous zone of mineralization coincident with the conglomerate. The UCZ was initially recognized in 2016 as an additional band of conglomerate that sits in the arenite above the main conglomerate band. Four sampling lines were located to cross the UCZ, and assays from the soil samples from all lines encountered anomalous gold grades. The size of the UCZ has not yet been determined, but mapping and sampling work so far suggests it is more than 1 km in strike length.

In 2019, the Company commenced another significant in-fill drill program which was planned to total approximately 22,500 meters of which 2,500 meters was to be core drilling. The core drilling was planned to complete certain geotechnical work necessary for the PFS. At the end of April 2020, the Company had completed 18,993 meters of RC drilling and 372 meters of core drilling. The Company recently completed its 2022 drilling program consisting of approximately 2,500 meters of core drilling. The Company's quality assurance and quality control ("QA/QC") protocols for all years are consistent with industry standards.

### Summary of Metallurgical Test Work

In January 2017, McClelland Laboratories ("McClelland") in Sparks, Nevada completed metallurgical test-work on a bulk sample created from drill core from the Esperança South area of the CDS deposit. This bulk sample had a head grade of approximately 1.5 g/t gold. McClelland tested gold recoveries using both gravity concentration and cyanidation, with both sets of tests being performed at a range of commercially reasonable grind sizes. Gravity alone recovery to a rougher concentrate ranged from 41% to 84%. Gold recovery by cyanidation was analyzed using bottle roll tests with recoveries ranging from 93% to 98%. Consumption of cyanide and lime were both low, an additional benefit as this reduces operating costs. This work is described in more detail in the news release of the Company dated February 27, 2017 (filed on SEDAR).

In 2020, the Company received the results from six composite metallurgical samples collected from the CDS 2019 and 2020 drill programs. This test work was completed by McClelland Laboratories in Sparks, Nevada. This work incorporated samples with a wider range of head grades than what the Company had done in 2017. All six bottle roll tests returned over 96% recovery with an average recovery of 98%, (See the news release dated July 23, 2020). Additional testing is underway to help optimize mill throughput.

### Sampling, Analysis and Data Verification

Refer to the various NI 43-101 technical reports filed on SEDAR for a full description of sampling, analysis and data verification.

### Results of the 2021 Pre-Feasibility Study ("PFS")

The 2021 PFS was prepared by GE21 Consultoria Mineral Ltda (“GE21”) of Belo Horizonte, Brazil, and Piteau Associates of Sandton, South Africa, both of whom are independent of TriStar. Further details of the PFS may be obtained from the 43-101 technical report effective October 4, 2021 (filed on SEDAR).

Highlights of the PFS include:

- Life-of-mine gold production of 1.3 million ounces;
- LOM average production of 121k oz per year in two phases;
- Phase 1 (Esperança South, year 1-6) average production - 146k oz per year;
- Phase 2 (Esperança East and Center, year 7-11) average production - 91k oz per year;
- Cash cost of \$877 per ounce;
- All in sustaining cost of \$900 per ounce;
- After-tax payback period of less than 3 Years;
- Internal rate of return pre-taxes of 33%, post-tax 28%; and
- A constant dollar gold price of \$US1,550 per ounce was used.

The results of this PFS replaces the 2018 PEA, originally announced by the Company on November 16, 2018. The PFS has incorporated several positive changes in the approach to the planned development of Castelo de Sonhos compared with the 2018 PEA. The scope and other changes incorporated in the PFS include:

- Increased throughput: Plant capacity has increased 21% from the PEA up to 10,000 tonnes per day (“tpd”) or 3.6 million tonnes per year.
- Phased mining: Mining operations will be conducted in 2 distinct phases:
  - Phase 1 is years 1 to 6 of operations and is 100% focused on mining the higher grade Esperança South deposit.
  - Phase 2 is from year 7 to 11 and involves mining Esperança East and Center deposits.
- Owner operator mining: With the expanded operation and higher throughput, owning and operating the mine fleet is believed to be economically favorable compared to contract mining.
- An Environment, Social Governance (“ESG”) commitment: A significant commitment to ongoing environmental and social stewardship with such life-of-mine spending in excess of US\$20 million.
- Compelling economics notwithstanding the current inflationary pressures: The initial capital costs have increased from US\$184 million in the 2018 PEA to US\$261 million in the PFS. The main components to this change in capex are:
  - 21% increase in plant capacity
  - Inclusion of an owner operated mining fleet
  - Global market escalation, which may include short-term covid driven cost escalation factors that will correct when the pandemic abates.

Mineral Resource Estimate:

This mineral resource estimate updates and replaces the last estimate that was published in a Company press release dated March 16, 2021.

Resource classification involved two steps: 1) conditional simulation of gold grades so that the uncertainty on annual gold production could be evaluated; and, 2) development of an optimal pit shell to ensure that reported resources could be reached by an open pit operation using realistic assumptions for technical and economic parameters. 100 conditional simulations were created, ranked according to the gold metal content within a flat ellipsoid centered on each block, with the ellipsoid set to a size that captured one year of ore production at a rate of 10,000 tpd. If the 90% confidence interval for the local distribution of gold metal content was less than  $\pm 15\%$  of the mean, the block was classified as Indicated. Blocks where this degree of certainty could not be achieved were classified as Inferred; because of the search strategy used for grade estimation, blocks that do not have drill hole data within the range of the variogram were not classified and do not contribute to the resource estimate. No blocks were classified as measured. Once the blocks had been classified using conditional simulation, a reporting pit shell was developed using Whittle software, using all of the economic and technical parameters that were used to calculate reserves, except for the gold price, which was set to a value slightly below the high of the past decade, an intentionally optimistic assumption designed to ensure that the reporting pit shell includes any resources that have reasonable prospects for economic extraction by open pit methods during the coming decade. Blocks outside the reporting pit shell were removed from the classified resource inventory. Results are shown below.

<i>Property Area</i>	<i>Classification</i>	<i>Tonnage (million tonnes)</i>	<i>Grade (Grams per tonne Au)</i>	<i>Metal Content <sup>(3)</sup> (Million ounces Au)</i>
Esperança South	Indicated	29.0	1.3	1.2
	Inferred	10.0	1.2	0.4
Esperança East	Indicated	5.0	0.8	0.1
	Inferred	12.8	0.7	0.3
Esperança Center	Indicated	19.1	0.7	0.4
	Inferred	3.3	0.9	0.1
<b>Project Totals <sup>(1)</sup></b>	<b>Indicated</b>	<b>53.1</b>	<b>1.0</b>	<b>1.8</b>
	<b>Inferred</b>	<b>26.0</b>	<b>0.9</b>	<b>0.7</b>

Mineral resource estimates for the Castelo de Sonhos gold project (with an effective date of October 4, 2021) above a reporting cutoff grade of 0.26 g/t Au. The Qualified Person is Leonardo de Moraes Soares MAIG of GE21.

1. Project totals may appear not to sum correctly since all numbers have been rounded to reflect the precision of Inferred and Indicated mineral resource estimates.
2. The reporting cut-off corresponds to the marginal cut-off grade for an open pit with processing + G&A cost of \$US 12/t, metallurgical recovery of 98% and a gold price of \$US 1,550/oz. To meet the requirement of “reasonable prospect for eventual economic extraction” the mineral resources must also fall within a bounding pit shell with 55° walls. These are mineral resources and not reserves and as such do not have demonstrated economic viability.
3. The metal content estimates reflect gold in situ, and do not include factors such as external dilution, mining losses and process recovery losses.
4. TriStar is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political factors that might materially affect these mineral resource estimates.

#### Geological model

In order to create a geological model that represents the CDS paleo placer deposit. Tristar, with the help of Goldspot Discoveries, identified across the entire plateau, 15 litho-geochemical units were interpreted and rendered as wire-framed solids. Some of these are sedimentary units that run sub-parallel to the bowl-shaped stratigraphy of the plateau’s meta-sediments. Others do not run parallel to the general bedding direction; instead, they are non-sedimentary rocks that cut across the stratigraphy. These were grouped into seven domains, separated by two erosional unconformities.

#### Block model

The resource block model uses 20×20×4m blocks, the horizontal dimension of the blocks is slightly less than half of the 50m drill spacing. The block height is the same as the bench height chosen for the PEA completed in 2018.

In each block, the volumetric contribution of the seven domains was calculated directly from the litho-geochemical wireframes and the erosional unconformities. Approximately half of the blocks lie entirely inside a single domain; the other half have a mixture of two or more domains. For each domain that contributes to a block, Multiple Indicator Kriging (MIK) was used to estimate the gold grade distribution of its selective mining units (SMUs) using nearby samples from the same domain, with the SMU size based on planned equipment size, bench height, blast hole spacing, and on the experience of the operating mine at Tarkwa, in the same type of paleo-placer gold deposit. A 200×200×25m search ellipsoid was used for the MIK estimates for every domain in every block, aligned with the variogram model for the dominant domain. All rock in the resource model is assumed to have a dry bulk density of 2.68 t/m<sup>3</sup>, the average of the density measurements done on drill core in 2018.

### Mineral Reserve Estimate

The Mineral Reserves for Castelo de Sonhos are a subset of the Indicated Mineral Resources as described above, as none of the mineral resources were classified in the Measured Category there are no Proven Reserves. Probable Mineral Reserves are derived from Indicated Mineral Resources and are summarized in the table below. Inferred Mineral Resources are not included in Minerals Reserves.

<i>Region</i>	<i>Classification</i>	<i>Tonnage (Mt)</i>	<i>Grade (g/t Au)</i>	<i>Metal Content (Moz Au)</i>
Esperança South	Probable	24.2	1.28	0.99
Esperança East	Probable	3.1	0.82	0.08
<i>Esperança Center</i>	<i>Probable</i>	<i>11.4</i>	<i>0.78</i>	<i>0.29</i>
<b><i>Project Total</i></b>	<b><i>Probable</i></b>	<b><i>38.7</i></b>	<b><i>1.1</i></b>	<b><i>1.4</i></b>

1. The Mineral Reserve estimates were prepared by Guilherme Gomides Ferreira MAIG of GE21, and have an effective date of October 4, 2021.

2. Mineral Reserves are reported using the 2014 CIM Definition Standards and are estimated in accordance with the 2019 CIM Best Practices Guidelines. Mineral Reserves are based on the PFS LOM plan.

3. Mineral Reserves are mined tonnes and grade; and includes consideration for modifying factors such as loss and dilution.

Mineral Reserves are reported at a cut-off of 0.26 g/t gold. The cut-off grade covers processing costs of \$9.99/t, general and administrative (“G&A”) costs of \$2.00/t, a gold price of US\$1,550/oz. and uses a 98% metallurgical recovery for gold.

4. Numbers have been rounded as required by reporting guidelines. There are no other known factors or issues that materially affect the Mineral Reserve estimate other than which is disclosed above, and normal risks faced by mining projects in the jurisdiction in terms of environmental, permitting, taxation, socio-economic, marketing, and political factors and additional risk factors as listed in this MD&A.

### Project Overview

The Castelo de Sonhos operation will include an open pit gold mine and processing facilities with a nominal milling rate of approximately 10,000 tpd (3.6Mtpa). Power will be supplied by a 17 km, 138 kV transmission line from a substation adjacent to Highway 163 near the town of Castelo de Sonhos. At closure, all buildings will be removed, disturbed lands rehabilitated, and the property returned to otherwise functional use according to future approved reclamation plans and accepted practices at the time of closure.

### Mining

Mining will be based on conventional open pit methods (drill-blast-load-haul). This study assumes an owner-operated mining fleet. Open pit operations are anticipated to run for 11 years including Phase 1 (Esperança South) for the first 6 years of operation, and Phase 2 (Esperança East and Esperança Center) for years 7 through 11. The anticipated production rate is 3.6Mt of ore per year with a life-of-mine strip ratio of approximately 9 to 1. Mining and fleet maintenance operations are planned for 365 days per year, with 3 8-hour shifts planned per day with 4 operating teams. Initially, mining will be undertaken using 4.5m<sup>3</sup> bucket hydraulic excavators and 42t payload haul trucks, with blasting of ore and waste.

### Process Flowsheet

Whole ore agitation leaching has been selected as the preferred process flowsheet. The plant will be designed to treat approximately 10,000 tpd through crushing, grinding, hybrid cyanidation and carbon in leach, carbon acid wash, pressure stripping, and thermal regeneration. Electrowinning sludge will be dried and smelted to produce doré bars for shipment to third party refiners. Based on the test work conducted this flowsheet is anticipated to result in a metallurgical recovery of 98% of the gold delivered to the plant.

### Process Plant Operations

A run-of-mine stockpile area and the primary crusher dump hopper will be located adjacent to the Esperança south pit rim close to the centroid of the deposit. Run-of-mine material will be hauled from the pit and either stockpiled for blending and/or subsequent reclamation by front end loader or direct dumped over a 400mm square opening stationary grizzly into the primary dump hopper, with a nominal capacity of 150 tonnes

The grinding circuit consists of a semi autogenous (SAG) mill operating in closed circuit with a pebble crusher and (primary) cyclones followed by a ball mill operating in closed circuit with (secondary) cyclones. Lime and sodium cyanide will be added to the SAG mill feed belt.

Crushed ore will pass through vibrating trash screens which discharge to the first of ten cyanidation/CIL tanks operating in series for a total retention time of 36 hours. The last five (CIL) tanks contain 10gpl activated carbon. Intertank screens retain carbon in the CIL tanks, carbon will be advanced through the circuit periodically by pumping slurry countercurrent to the normal slurry flow. Carbon remains in the recipient tank and slurry flows back downstream. Loaded carbon containing nominally 2,000g (65ozs) of gold per tonne will be pumped out of the first CIL tank, discharged over a wash screen and advanced at the rate of eight tonnes per day to acid washing followed by elution in a pressure stripping system. Stripped carbon will be thermally regenerated in a gas fired rotary kiln operating at 1,200°F and returned to the fifth CIL tank.

Gold will be electrowon from loaded eluate, with the metal deposited on stainless steel wool cathodes, which will then be dried and smelted to produce doré bars.

Cyanide destruction circuit effluent will be pumped to the tailings dam constructed approximately 6kms from the plant. It is proposed to construct the tailing dam in two phases, Phase 1 and Phase 2, corresponding to embankment crest elevation 281 m and 290 m above sea level.

Process water will be reclaimed with barge mounted pumps in the pond and returned to the process water storage tank at the plant site. Expansion in Phase two of the dam will be by downstream construction methods to international standards. For the purposes of this study, it has been assumed that freshwater will be sourced from a well field close to the plant site.

### Economic Results

The results of the PFS are shown below. A base case gold price of \$1,550 has been used and a fixed exchange ratio of 5 Brazilian Reals to US\$1.

<i>Parameter</i>	<i>Units</i>	<i>Pre-tax</i>	<i>After-tax</i>
Net Cash Flow	US\$ millions	635	524
IRR	percent	33	28
NPV @ 5%	US\$ millions	399	321
NPV @ 7%	US\$ millions	332	263
Cash Cost	US\$ per oz	877	
AISC	US\$ per oz	900	
Initial Capital	US\$ millions	261	
LOM Production	million oz gold	1.3	
Average Annual Prodn	Oz gold	121,000	
Payback Period	Years	2.8	

**Notes:** Estimated All In Sustaining Costs (AISC) per ounce of gold produced is a Non-GAAP measure that is equal to the total of site mining costs, site and corporate G&A costs, royalties and production taxes, realized gains/losses on hedging transactions, community and permitting costs relating to current operations, refining costs, site based non-cash remuneration, inventory write-downs, stripping costs, byproduct credits, reclamation costs, and sustaining costs related to exploration and studies, capital exploration, capitalized stripping and underground mine development, and capital expenditures, divided by the estimated total ounces of gold produced during the life of the mine. Cash costs per ounce of gold produced is also a non-GAAP financial measure and is equal to on-site mining and processing costs, on-site general and administration costs, realized gains and losses on hedges due to operating costs, community and permitting costs related to current operations, third party refining and transportation costs, non-cash site remuneration costs, stripping costs, stockpile and inventory write-downs, exploration costs related to current operations and by-product credits all divided by ounces of gold cost produced.

### Capital Cost Estimate

The Study outlines an initial capital cost estimate of US\$261 million, including a 20% contingency. The table below summarizes the initial capital cost estimate for the CDS project.

<i>Description (Area)</i>	<i>US\$ Millions</i>
Mine	31.4
Power Transmission Line	10.4
Plant	166.0
Tailing Facility	9.6
Contingency (20%)	43.5
<b>TOTAL</b>	<b>260.9</b>

### Operating Costs

Operating costs for the LOM are provided in the table below.

<i>Parameter</i>	<i>unit</i>	
Process Rate	t/day	10,000
Average Head Grade	g/t	1.1
Phase 1 Head Grade	g/t	1.3
Phase 2 Head Grade	g/t	0.8
Mill Recovery (Au)	%	98.0
Mine Operating Costs	US\$/t moved	1.66
Process Operating Costs	US\$/t processed	8.99
Site G&A	US\$/t processed	1.63
LOM Strip Ratio		9 to 1

### Qualified Person

Mr. Guilherme Gomides Ferreira MAIG of GE 21, a qualified person as defined in NI 43-101, has read and approved the technical portions of this Management's Discussion and Analysis, except as otherwise specifically referenced in the PFS discussion which has a different qualified person.

### **Select Annual Financial Information**

The table following provides selected material financial information for the last three fiscal years reported in thousands (000's) of US dollars. In all years reported the results are audited.

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	4,978.3	5,374.5	10,022.6
Total assets	29,432.9	27,550.1	29,234.9
Total shareholders' equity	28,276.5	25,633.6	25,260.2
Total revenue	nil	nil	nil
Net income/(loss) from continuing operations	(967.2)	207.9	(125.3)
Per share-basic	(0.00)	0.00	(0.00)
Per share- fully diluted	(0.00)	(0.00)	(0.00)
Net and comprehensive Income/(loss)	(967.2)	207.9	(125.3)
Per share-basic	(0.00)	0.00	(0.00)
Per share-fully diluted	(0.00)	(0.00)	(0.00)
Dividends paid	nil	nil	nil



The key observations from the above selected financial information includes the following:

- Change in cash and cash equivalents is closely correlated with changes in shareholders' equity primarily because the sale of common stock is the Company's primary means of raising capital. Cash increased in 2020 from proceeds from the equity financings, and decreased in 2021 and 2022 because of on-going spending at CDS and for general and administrative purposes, offset by small financings.;
- The most significant uses of cash are for exploration at CDS and general and administrative costs;
- The Company has no operating activities and therefore is unlikely to report positive earnings from operations;
- As discussed below the main factors impacting earnings are general and administrative expenses, expensing of stock options and changes in the fair value of warrants liability; and
- The Company capitalizes expenditures at its mineral properties which accounts for increases in total assets.

### *Summary of Quarterly Results*

The following table includes selected quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements prepared by management and the Company's audited consolidated financial statements for the periods reported. All amounts are reported in 000's of US dollars, except for per share amounts.

The Company is an exploration stage junior mining company. It has no operations in production and no source of sales or revenue from operations. It relies on funding its activities largely from the sale of its equity. In accordance with IFRS, the Company capitalizes all expenditures made on its resource properties. As such there are only a few significant items which impact its results from operations. These items include the on-going level of general and administrative spending which, in accordance with IFRS, may include the non-cash cost of stock options granted. A second major item affecting its results from operations is the change in warrants liability. Warrants liability changes are most significantly affected by changes in the Company's trading price of its common shares, by the change in the United States and Canadian dollar exchange rate because the Company reports its financial statements in US dollars whereas the exercise price of the Company's warrants and its underlying common stock are traded and priced in Canadian dollars and by the number of warrants outstanding and their term to maturity. Thus, in accordance with IFRS, this foreign exchange variance is considered an embedded derivative and changes must be reported in profit and loss. Changes in the fair value of warrants liability is a non-cash item.

Significant variances in the Company's reported income or loss from quarter to quarter most commonly arise from those factors described above which are difficult to anticipate in advance or to predict from past results. These factors include: (i) the granting of incentive stock options, which results in the recording of amounts for share-based compensation expense, and (ii) the periodical valuation at fair value of warrants liability. Both of these amounts may be quite large in relation to other general and administrative expenses incurred in any given quarter or fiscal year.

	<u>Q1.2023</u>	<u>Q4.2022</u>	<u>Q3.2022</u>	<u>Q2.2022</u>
Cash and cash equivalents	4,024.8	4,978.3	6,064.2	7,494.9
Total assets	28,998.0	29,432.9	29,780.1	30,328.9
Total shareholders' equity	27,732.4	28,276.5	28,714.1	29,176.3
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(544.1)	(583.8)	(462.2)	132.6
Per share-basic	(0.00)	(0.00)	(0.00)	0.00
Per share- fully diluted	(0.00)	(0.00)	(0.00)	0.00
Net and comprehensive income /(loss)	(544.1)	(583.8)	(462.2)	132.6
Per share-basic	(0.00)	(0.00)	(0.00)	0.00
Per share-fully diluted	(0.00)	(0.00)	(0.00)	0.00
Dividends paid	nil	nil	nil	nil

	<u>Q1.2022</u>	<u>Q4.2021</u>	<u>Q3.2021</u>	<u>Q2.2021</u>
Cash and cash equivalents	4,606.6	5,374.5	6,237.1	7,457.9
Total assets	27,140.7	27,550.0	28,840.5	28,257.1
Total shareholders' equity	25,579.8	25,633.6	24,238.5	24,998.5
Total revenue	nil	nil	nil	nil
Net income/(loss) from continuing operations	(53.8)	1,368.0	(760.0)	(542.6)
Per share-basic	(0.00)	0.01	(0.00)	(0.00)
Per share- fully diluted	(0.00)	0.01	(0.00)	(0.00)
Net and comprehensive income/(loss)	(53.8)	1,368.0	(760.0)	(542.6)
Per share-basic	(0.00)	0.01	(0.00)	(0.00)

Per share-fully diluted	(0.00)	0.00	(0.00)	(0.00)
Dividends paid	nil	nil	nil	nil

## *Discussion of Results from Operations*

### Results for the three-month periods ending March 31, 2023 and 2022 (unaudited)

The table below provides a comparison of the financial performance for the first fiscal quarter ended March 31, 2023 and 2022.

	<b>Three Months Ended March 31, 2023</b>	<b>Three Months Ended March 31, 2022</b>	<b>Change Increase/(decrease)</b>
Expenses			
General and admin costs	400,969	314,182	<b>\$ 86,787</b>
Foreign Exchange losses /(gain)	58,258	(11,171)	<b>69,429</b>
Other income/(expenses)			
F.V. warrants liability change	(104,528)	248,285	<b>(352,813)</b>
Gain on equipment sale	-		
Bank charges and interest income net	19,622	882	<b>18,740</b>
<b>Net and comprehensive income/(loss) for the quarter</b>	<b>(544,133)</b>	<b>(53,844)</b>	<b>(\$490,289)</b>

The net loss for the first fiscal quarter ending March 31, 2023 was (\$544,133) compared to a loss of (\$53,844) for the quarter ended March 31, 2022. The major reason for the loss in the current quarter was due to loss on warrants liability and modestly higher general administration costs which increased as a result of greater than usual travel and investor relations activities.

The main factor impacting the increase in general and administrative accounts between the first quarter of 2023 as compared with the first quarter of 2022 reflects an increase in travel and investor relations spending. As detailed below other G&A cost center changes were largely insignificant.

	<b>2023 Q1</b>	<b>2022 Q1</b>	<b>YOY Change</b>
Consulting and director fees	52,848	52,535	313
Change in provision	(732)	(961)	229
Depreciation	500	500	-
Insurance	2,860	6,336	(3,476)
Office supplies, etc.	18,573	14,682	3,891
Rent	6,576	6,261	315
Salaries & benefits	198,105	180,382	17,723
Shareholder relations	96,515	54,355	42,160
Travel	25,724	92	25,632
<b>TOTAL EXPENSES</b>	<b>400,969</b>	<b>314,182</b>	<b>86,787</b>

### *Impact of Inflation*

The Company has no source of revenue and therefore inflation impacts relate primarily to exploration costs in Brazil which are affected by both worldwide and country specific inflationary trends.

### *Trend Information*

The cyclical nature of the prices of metals, particularly the price of gold, is likely to have an effect on the Company's liquidity and capital resources. If the price of gold or the worldwide demand for gold decreases, there would likely be an adverse effect on the Company's ability to raise additional funding or to attract investors or partners for the development of its properties.

### *Financial Condition: Liquidity and Capital Resources.*

To date, the Company has largely financed its activities by the private placement of equity securities, and in 2019 it sold a royalty interest in CDS to Royal Gold to fund its development. The following describes the material recent financing activities.

Recent material financings are as follows:

- In August of 2019, the Company sold Royal Gold a 1.5% NSR royalty on CDS and transferred its buy down right on the existing 2% NSR royalty for gross proceeds of \$8.0 million, plus other considerations.
- In December 2019, the Company completed a private placement by issuing 11,200,000 units, each unit consisting of one common share and one-half warrant realizing gross proceeds of Can \$2,240,000.
- In July 2020, the Company completed a public offering by prospectus of 30,705,000 units with each unit consisted of one common share and one-half warrant realizing gross proceeds of Can \$9,211,500.
- In 2020, the Company has received Can \$2,145,876 from the exercise of warrants and options combined and issued 9,025,932 common shares.
- In April 2022, the Company completed a Can \$5.0 million private placement and issued 25,000,000 common shares and 12,500,000 warrants.

With respect to the July 2020 prospectus-based financing, the table below compares the pro-forma sources and uses of funds with the actual sources and uses of funds. All amounts are in Canadian dollars. Additionally, the pro-forma uses of funds assumed a twelve-month period commencing August 2020, and for the pro-forma expenditures denominated in US dollars an exchange rate of US\$1.0=Can\$1.33 was used. The program was completed by September 30, 2021 with the publication of the PFS results on October 5, 2021.

<i>Source of Funds</i>	<i>Pro-Forma (Can\$)</i>	<i>Actual (Can\$) to October 2021</i>	<i>Explanation</i>
<i>Gross Proceeds</i>	8,010,000	9,211,500	<i>Offering oversubscribed</i>
<i>Agent commissions</i>	480,600	492,690	<i>Increase in proceeds</i>
<i>Legal</i>	250,000	263,731	<i>Under estimated legal costs</i>
<i>Other</i>	0	31,189	<i>TSX.V fees</i>
<b><i>Net proceeds</i></b>	<b>7,279,400</b>	<b>8,423,890</b>	
<b><i>Uses of Funds</i></b>			
<i>All-drilling</i>	760,000	902,078	<i>Program expanded, now complete</i>
<i>Metallurgical testing</i>	6,667	6,245	<i>Testing completed</i>
<i>Sample assay and freight</i>	100,000	679,743	<i>Re-assay multiple samples, more meters drilled, completed</i>
<i>Camp and labor</i>	635,250	1,025,614	<i>Program complete</i>
<i>Other Brazil costs</i>	750,000	999,366	<i>Program complete</i>
<i>Televiwer</i>	300,000	183,994	<i>Activity shifted to re-assaying</i>
<i>Resource estimation</i>	80,000	255,619	<i>Two completed vs one planned</i>
<i>N.A. consultants</i>	170,000	254,319	<i>Mostly higher engineering costs; complete</i>
<i>Vendor payment</i>	1,733,333	0	<i>No payments required yet</i>
<i>PFS preparation</i>	1,270,000	359,665	<i>Completed</i>
<i>Socio-economic studies</i>	666,667	417,304	<i>Work programs delayed by Covid-19, but remain on-going in future periods</i>
<i>Working capital</i>	807,483	3,339,943	
<b><i>Total uses</i></b>	<b>7,279,400</b>	<b>8,423,890</b>	

Note: The Source of Funds did not assume that any agent overallocation options were exercised. Additional funds raised in addition to the pro-forma gross proceeds will be used for general corporate and other working capital needs. The translation of actual spending from US dollars (the Company's functional currency) to Canadian dollars was done at the monthly average Can\$/US\$ exchange rates varying between 0.75 and 0.83.

With respect to the April 2022, non-brokered private placement, the table below provides the pro-forma sources and uses of funds. All amounts are in Canadian dollars. For the pro-forma expenditures denominated in US dollars an exchange rate of US \$1.0=Can \$1.33 was used. This financing anticipated a drill program of 2,500 meters and 2,505 meters were actually drilled. The program spending was deemed to be completed as of November 30, 2022.

<i>Source of Funds</i>	<i>Pro-Forma (Can\$)</i>	<i>Actual Results (Can\$)</i>
<i>Gross proceeds</i>	5,000,000	5,000,000
<i>Legal</i>	110,000	17,685
<b><i>Net proceeds</i></b>	<b>4,890,000</b>	<b>4,982,315</b>

<b>Uses of Funds</b>		
<i>Drilling</i>	<i>1,125,000</i>	<i>984,136</i>
<i>Process studies</i>	<i>22,000</i>	<i>45,961</i>
<i>Labour</i>	<i>650,000</i>	<i>369,164</i>
<i>Consultants</i>	<i>15,000</i>	<i>28,625</i>
<i>Travel expenses</i>	<i>85,000</i>	<i>70,472</i>
<i>Camp</i>	<i>137,500</i>	<i>87,068</i>
<i>Vehicles</i>	<i>72,500</i>	<i>28,380</i>
<i>Equipment</i>	<i>32,500</i>	<i>900</i>
<i>Land rentals</i>	<i>22,500</i>	<i>12,300</i>
<i>Permitting and licensing</i>	<i>1,241,250</i>	<i>231,934</i>
<i>Asset acquisitions</i>	<i>-</i>	<i>3,783</i>
<i>Brazil administration</i>	<i>246,250</i>	<i>106,490</i>
<i>Working capital</i>	<i>1,240,500</i>	<i>2,920,787</i>
<b>Total uses</b>	<b><i>4,890,000</i></b>	<b><i>4,890,000</i></b>

At March 31, 2023, the Company had working capital of \$3,958,124 including \$4,024,759 in cash and cash equivalents (December 31, 2022: working capital of \$4,933,224 including \$4,978,314 in cash and cash equivalents). Of the \$4,024,759 in cash and cash equivalents at March 31, 2023, the US equivalent of \$3,880,389 and \$33,569 was denominated in Canadian dollars and the Brazilian real, respectively, with the remaining balance in US dollars.

#### *Mineral Properties and Deferred Expenditures*

The Company's Mineral properties and deferred expenditures increased to \$24,798,179 at March 31, 2023, from \$24,257,379 at December 31, 2022 as a result of capitalized spending at CDS of \$540,800 year to date.

### ***Risks and Uncertainties***

An investment in the Company's common shares is highly speculative and subject to a number of risks. Additional risks that the Company is unaware of or that are currently believed to be immaterial may become important factors that affect the Company's business. If any of the following risks occur, or if others occur, the Company's business, operating results and financial condition could be adversely impacted.

The Company is in the mineral property acquisition, exploration and development business and is exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies of like size and stage of development. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the company's business, results of operation, and financial performance in future years.

The Company's business plan is subject to numerous risks and uncertainties, including the following:

#### *Exploration and Development Stage Risk*

Exploration for mineral resources involves a high degree of risk, the cost of conducting exploration programs may be substantial and the probability of success is typically low and difficult to assess. It is impossible to ensure that the current development programs planned by the Company will result in a profitable commercial mining operation. Mineral deposits and production costs are affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, foreign exchange changes, inflation, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover minerals deposits but also from finding mineral deposits that, though present, are insufficient in size and quality to justify development or if developed generate profits and cash flows. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated and even one unexpected factor may result in the economic viability of the project being detrimentally impacted such that the project cannot be developed, or operations continue. The Company closely monitors its activities and those factors that could negatively impact them. The Company's employees and its advisors assist in risk management and to make timely decisions regarding future property expenditures. Other risks associated with projects in the exploration and development stage which could cause delays or prohibit the advancement of the project

include delays in obtaining required government approvals and permits and the inability to obtain suitable or adequate machinery, equipment, power or labor.

#### *Need for Additional Funding*

As a junior exploration company with no source of revenue, the Company will seek additional funding in the foreseeable future to complete the development and permitting of the CDS project. The inability of the Company to raise additional funds could adversely affect the Company's business plan, including its ability continue as a going concern.

#### *A Significant Disruption to our Information Technology could adversely affect our business, operating result and financial position*

We rely on a variety of information technology and automated systems to manage and support our operations. For example, we depend on our information technology systems for financial reporting, data base management, operational and investment management and internal communications. These systems contain our proprietary business information and personally identifiable information of our employees. The proper functioning of these systems and the security of this data is critical to the efficient operation and management of our business. In addition, these systems could require upgrades as a result of technological changes or growth in our business. These changes could be costly and disruptive to our operations and could impose substantial demands on management time. Our systems and those of third-party providers, could be vulnerable to damage or disruption caused by catastrophic events, power outages, natural disasters, computer system or network failures, viruses, ransomware or malware, physical or electronic break-ins, unauthorized access, or cyber-attacks. Any security breach could compromise our networks, and the information contained there-in could be improperly accessed, disclosed, lost or stolen. Because techniques used to sabotage, obtain unauthorized access to systems or prohibit authorized access to systems change frequently and generally are not detected until successfully launched against a target, we may not be able to anticipate these attacks nor prevent them from harming our business or network. Any unauthorized activities could disrupt our operations, damage our reputation, be costly to fix or result in legal claims or proceedings, any of which could adversely affect our business, reputation or operating results.

#### *Title to Properties*

The Company cannot guarantee title to all of its properties as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or indigenous peoples' land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or are subject to renewal applications and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

#### *Potential Dilution to Existing Shareholders*

The Company will require additional financing in order to complete exploration and development of its mineral properties. The Company anticipates that it may sell additional equity securities including, but not limited to, its common stock, share purchase warrants or some form of convertible security. The effect of additional issuances of equity securities will result in dilution to existing shareholders.

#### *International Health Pandemic*

In 2019 and continuing into 2022, a worldwide health pandemic resulting from the spread of the Covid-19 virus has caused disruptions in economies worldwide and it has severely restricted travel and some employees ability to work. The duration and full financial effect of the Covid-19 pandemic remains unknown at this time, as are the measures taken by governments, the Company or others to reduce the spread of the disease. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty and accordingly estimates of the extent to which Covid-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. Due to the Covid-19 pandemic, the Company temporarily suspended operations at the CDS camp in April 2020 and re-opened the camp and resumed drilling in September 2020. The Company cannot predict if normal operations will continue into the future due to unforeseen complications caused by a resurgence of the Covid-19 pandemic or related actions of government entities.

#### *Metal price risk*

The price of gold affects the value of the Company's own securities and investments and the recoverable value of CDS.

#### *Geo-political Risk*

The Company's exploration properties are located in Brazil and it has no country diversification with respect to its principal assets. Therefore, any political or social disruptions unique to Brazil would have a material impact on the operations of the Company and its

financial performance and stability. Additionally, the Company's project is subject to the laws of Brazil and it may be negatively impacted by the existing laws and regulations of that country, as they apply to mineral exploration, land ownership, royalty interests and taxation, and by any potential changes of such laws and regulations.

The CDS property is located in Pará State in Brazil, which may be of particular interest or sensitivity to one or more special interest groups. Consequently, mineral exploration and mining activities at CDS may be affected in varying degrees by political uncertainty, expropriations of property and changes in applicable government policies and regulation such as business laws, environmental laws, indigenous peoples' land claims, entitlements or procedures and mineral rights and mining laws affecting the Company's business in that area. Any changes in regulations or shifts in political conditions are beyond the control or influence of the Company and may adversely affect its business, or if significant enough, may result in the impairment or loss of mineral concessions or other mineral rights, or may make it impossible to continue its mineral exploration and mining activities in such areas.

#### *Environmental Laws*

The exploration program conducted by the Company is subject to national, state and local regulations regarding environmental considerations. Most operations involving exploration or production activities are subject to existing laws and regulations relating to exploration and mining procedures, reclamation, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state and local governmental authorities as well as the rights of adjoining property owners. The Company may be required to prepare and present to federal, state or local authorities data pertaining to the effect or impact that any proposed exploration or production of minerals may have upon the environment. All requirements imposed by any such authorities may be costly, time consuming, and may delay commencement or continuation of exploration or production operations.

#### *Operating Hazards and Risks*

The Company's operations are subject to hazards and risks normally associated with the exploration and development of mineral properties, any of which could cause delays in the progress of the Company's exploration and development plans, damage or destruction of property, loss of life and/or environmental damage. Some of these risks include, but are not limited to, unexpected or unusual geological formations, rock bursts, cave-ins, flooding, fires, earthquakes; unanticipated changes in metallurgical characteristics and mineral recovery; unanticipated ground or water conditions; industrial or labor disputes; hazardous weather conditions; cost overruns; land claims; and other unforeseen events. A combination of experience, knowledge and careful evaluation may not be able to overcome these risks.

The nature of these risks is such that liabilities may exceed any insurance policy coverages; the liabilities and hazards might not be insurable or the company might not elect to insure itself against such liabilities due to excess premium costs or other factors. Such liabilities may have a material adverse effect on the Company's financial condition and operations and could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Company.

#### *Competition*

The mineral industry is competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

#### *Insurance Coverage*

Mineral exploration is subject to risks of human injury, environmental and legal liability and loss of assets. The Company may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or, in some cases, insurance may not be available for certain risks. Occurrence of events for which the Company is not insured could have a material adverse effect on the Company's financial position or results of operations.

#### *Key Executives*

The Company's operations require employees, consultants, advisors and contractors with a high degree of specialized technical, management and professional skills, such as engineers, trades people, geologists and equipment operators. The Company competes both locally and internationally for such professionals. If the Company is unable to acquire the talents it seeks then it could experience higher operating costs, poorer results and an overall lack of success in implementing its business plans.

The Company is dependent on the services of key senior executives and certain other vice-presidents and advisors. Each of these executives has many years of background in the mining industry. The Company may not be able to replace that experience and knowledge with other individuals which may result in a material adverse effect on the Company's business and financial performance.

### ***Supplemental Disclosure for Venture Exchange Issuers***

The required disclosure is in note 7 in the unaudited condensed consolidated financial statements for the calendar quarter ending March 31, 2023 and 2022.

### ***Disclosure of Outstanding Share Data, Warrants and Options***

#### *A. Common Shares*

The Company's authorized share capital consists of an unlimited number of common shares without par value.

As of the date, of this report, the Company has issued and outstanding a total of 255,128,672 common shares (December 31, 2022: 255,128,672).

#### *B. Common Share Purchase Warrants*

As of the date of this report the Company had 32,140,000 share purchase warrants outstanding in accordance with the following schedule.

<b>Expiry Date</b>	<b>Exercise price (Can\$)</b>	<b>Number</b>
August 5, 2024	0.25	11,784,000
April 14, 2024	0.30	12,500,000
November 30, 2024	0.25	3,928,000
March 31, 2025	0.25	3,928,000

#### *C. Stock options for the purchase of Common Shares*

TriStar has established a stock option plan for directors, senior officers, employees, and consultants of TriStar and its subsidiaries. Under the terms of the plan, the options may be exercisable over periods of up to ten years at the option of the Board of Directors, and the exercise price of each option equals the closing market price of the Company's stock on the trading day immediately before the date of grant. Options are issued at the discretion of the Board of Directors and typically vest in full upon grant.

As of the date of this report, the Company had a total of 6,285,000 stock options outstanding in accordance with the following schedule.

<b>Expiry date</b>	<b>Exercise price (Can \$)</b>	<b>Number</b>
August 1, 2024	0.17	400,000
November 26, 2024	0.20	2,210,000
October 27, 2025	0.28	400,000
December 17, 2025	0.245	300,000
January 18, 2026	0.27	300,000
February 7, 2026	0.25	300,000
September 30, 2027	0.125	300,000
November 30, 2027	0.145	1,775,000
February 14, 2028	0.16	300,000

### ***Financial Instruments***

#### *Non-derivative financial assets*

The Company recognizes all financial assets initially at fair value and classifies them into one of the following four categories: held-to-maturity, available-for-sale ("AFS"), loans and receivables or other financial assets, or fair value through profit or loss ("FVTPL"). Financial instruments held to maturity and loans and receivables are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss).

The fair value of financial instruments traded in active markets (such as FVTPL and AFS securities) are based on quoted market prices at the date of the statement of financial position. The quoted market price used for financial assets held by the Company is the closing bid price of the day.

The Company has classified cash and cash equivalents and receivables as loans and receivables.

The fair value of cash and cash equivalents and accounts receivable are approximated by their carrying value due to the short-term nature of these financial instruments.

#### *Non-derivative financial liabilities*

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the statement of comprehensive income (loss). Other financial liabilities are initially measured at fair value net of transaction costs, and subsequently measured at amortized cost.

Accounts payable and accrued liabilities and provisions are classified as other financial liabilities.

The fair value of accounts payable and accrued liabilities is approximated by their carrying value due to the short-term nature of these financial instruments.

#### *Derivative instruments*

Derivative instruments are recorded at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are recorded in net income or loss.

The Company's share purchase warrants with exercise prices in Canadian dollars are derivative liabilities and accordingly, they are recorded at fair value at each reporting period, with the gains or losses recorded in the statement net income or loss.

### ***Financial Instruments and Management of Financial Risk***

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

#### ***Market Risks***

The significant market risks to which the Company is exposed include commodity price risk, foreign exchange risk and interest rate risk.

#### ***Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At March 31, 2023, the financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests its cash balances in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held with financial institutions in Canada and the United States. Management considers that its exposure to credit risk is low.

#### ***Liquidity Risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its accounts payable and accrued liabilities. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalents to meet current liabilities as they become due.

#### ***Commodity Price Risk***

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any properties in production and therefore has no sales revenue or cash flow from operations, nor does it undertake any hedging or other commodity price management techniques.



The international price of gold has historically fluctuated widely and is affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, the relative strength of the US dollar vis a vis other currency, the monetary policies of governments and forward sales by producers and speculators. The Company does not actively manage its commodity price risk for the price of gold.

### ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity. The Company is exposed to interest rate risk on its short-term investments which are included in cash and cash equivalents. The short-term investment interest earned is based on prevailing one to 90 days market interest rates which may fluctuate. The Company has not entered into any derivative contracts to manage this risk.

### ***Currency risk***

The Company operates in United States of America, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in United States dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

#### *Transaction exposure*

The Company operates and incurs costs in three main currencies; the US dollar, the Canadian dollar and the Brazilian real. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

#### *Translation exposure*

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian real at March 31, 2023, with all other variables held constant would have increased the Company's before tax net loss by approximately \$366,000 (March 31, 2022: \$431,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

#### *Exposure to currency risk*

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the United States dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	<i>March 31, 2023</i>		<i>December 31, 2022</i>	
	<i>Canadian dollar</i>	<i>Brazilian Real</i>	<i>Canadian dollar</i>	<i>Brazilian Real</i>
Cash and cash equivalents	\$ 3,880,389	\$ 33,569	\$ 4,870,384	\$ 22,113
Accounts receivable	60,251	2,923	47,876	1,753
Prepaid expenses	101,629	3,458	135,683	4,559
Accounts payable and accrued liabilities	(6,457)	(135,803)	(37,776)	(122,656)
Provisions	-	(233,298)	-	(227,887)
Warrants liability	(795,281)	-	(690,753)	-
<b>Net balance sheet exposure</b>	<b>\$ 3,240,531</b>	<b>\$ (329,151)</b>	<b>\$ 4,325,414</b>	<b>\$ (322,118)</b>

### ***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk or currency risk. As at March 31, 2023, the Company has negligible other price risk.

## *Fair Value Measurements*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at March 31, 2023, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
<b>Liabilities</b>			
Warrants liability	\$ -	\$ 795,281	\$ -
	<b>\$ -</b>	<b>\$ 795,281</b>	<b>\$ -</b>

The following table provides the carrying value and the fair value of financial instruments at March 31, 2023:

	<i>Carrying Amount</i>	<i>Fair Value</i>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 4,024,759	\$ 4,024,759
Accounts receivable	63,174	63,174
	<b>\$ 4,087,933</b>	<b>\$ 4,087,933</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	\$ 237,045	\$ 237,045
<b>Derivative instruments</b>		
Warrants liability	\$ 795,281	\$ 795,281

## *Commitments and Contingencies*

The Company rents office space in the USA with an expiration date of December 31, 2023 for an estimated cost of \$2,200 per month and is cancellable with three months' notice. In Brazil, the Company has various property access agreements for CDS with an estimated cost of \$1,700 per month.

There are no known pending legal proceedings of a material nature to which the Company or any of its subsidiaries is a party or to which any of their properties are subject.

## ***Related Party Transactions***

Key management personnel compensation comprised:

	<b><i>3-Months Ended</i></b> <b><i>March 31, 2023</i></b>	<b><i>3-Months Ended</i></b> <b><i>March 31, 2022</i></b>
Short term employee benefits: Salaries	\$ 149,938	\$ 142,022
Consulting fees	140,671	81,130
Director fees	27,000	27,000
	<b><u>\$ 317,609</u></b>	<b><u>\$ 250,152</u></b>

For the quarter ended March 31, 2023, consulting fees, paid to directors and officers for advisory service, in the amount of \$129,580 (March 31, 2022: \$69,283) were reported in Mineral properties and deferred expenditures (Note 7) under exploration cost of the Castelo de Sonhos project, and the amount of \$11,091 (March 31, 2022: \$11,847) was recorded in the consulting fees account (Note 13) in the Audited Consolidated Statements of Comprehensive Income (Loss).

As of March 31, 2023, the total number of outstanding options held by directors and officers of the Company was 4,850,000 (March 31, 2022: 4,375,000).

During the quarter ended March 31, 2023, the Company paid legal fees in the amounts of \$18,114 to a company where one director has ownership interests (March 31, 2022: \$nil). These amounts were recorded in professional fees (Note 13) in the Audited Statement of Comprehensive Loss.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and the Board of Directors.

## ***Critical Accounting Estimates***

The following are critical judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that management has made in applying the Company's accounting policies which have the most significant effect on the amounts recognized in the consolidated financial statements and a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

### *Going concern*

Management considers whether there exists any event(s) or condition(s) that may cast doubt on the Company's ability to continue as a going concern. These considerations consider all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

### *Functional currency*

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the United States dollar.

### *Impairment of assets*

Management assesses each cash-generating unit at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a cash-generating unit for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

### *Fair value of derivative financial instruments*

Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated financial statements. Fair values of warrants have been measured using the Black-Scholes model, considering the terms

and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

At March 31, 2023 and 2022, the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Expected dividend yield	0%	0%
Expected volatility	88.7% - 99.84%	73.0% - 78.88%
Risk-free interest rate	4.25	1.49%
Expected life	1.0 years – 2.0 years	4 months – 3 years
Share Price	Can \$0.135	Can \$0.185

#### Fair value of stock options

In the first quarter of 2023, there were 300,000 stock options granted (March 31, 2022: nil), with an estimated fair value at grant date of \$23,916.

The fair value of options granted during the period ended March 31, 2023, (March 31, 2022: nil) has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	<u>March 31, 2023</u>
Expected dividend yield	0%
Expected volatility	82.25%
Risk-free interest rate	2.99%
Expected life	5 years
Share Price	Can\$0.16
Weighted average F.V. of options granted	Can\$0.11

Option pricing models require the input of subjective assumptions including the expected price volatility, the expected life and forfeiture rate. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The expected price volatility used was based on the historic volatility of the Company's share price.

#### Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events which could result in a material outlay for the Company. The provision recognized in the accounts of the Company represents a possible tax liability in Brazil relating to the termination of certain employees in Brazil. The Company cannot predict with any level of certainty the amount or timing of this contingent liability, if one exists. The changes in the provisions mostly reflect changes in foreign exchange rates as the ultimate liability, if any, would be payable in the Brazilian Real.

The following table presents the changes in the Provisions:

	<u>Amount</u>
Balance at December 31, 2022	\$ 227,887
Change in provisions estimate	5,411
Balance at March 31, 2023	<u>\$ 233,298</u>

## ***Disclosure Controls and Procedures and Internal Controls Over Financial Reporting***

Disclosure controls and procedures ("DC&P") are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decision-making regarding required disclosures. The Company's CEO and CFO have concluded that information required to be disclosed in the Company's annual and quarterly financial statements and the annual and quarterly MD&A have been disclosed and fairly presented as at each reporting date and they believe that processes are in place to provide them with sufficient knowledge to support such representation. However, a control system, no matter how well conceived and implemented can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Internal control over financial reporting ("ICFR") is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with the Company's management and Board of Directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use of, or disposition of assets that could have a material impact on financial statements.

The Company is not required to certify the design and evaluation of its disclosure controls and procedures nor its internal controls over financial reporting as it is a venture exchange issuer, nor has the Company conducted a detailed investigation into these controls. Therefore, inherent limitations exist on the ability of the CEO and CFO to design and implement cost effective DC&P and ICFR for the Company and these limitations may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## ***Management's Responsibility For Financial Statements***

The Company's unaudited condensed consolidated financial statements for the quarters ended March 31, 2023 and 2022 have been prepared by management and are in accordance with IFRS as issued by IASB. Financial information contained in this MD&A has also been prepared by management and is consistent with the data contained in the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021.

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

As of the date of this report, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

## ***Proposed Transactions***

The Company does not currently have any undisclosed proposed transactions approved by the Board of Directors. All existing transactions are fully disclosed in the Company's unaudited condensed consolidated financial statements for the quarters ended March 31, 2023 and 2022.

## ***Conflicts of Interest***

The Company's directors and officers may serve as directors and officers, or be associated with, other reporting companies or have significant shareholdings of other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC Business Corporations Act ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that person must at a meeting of the Company's directors disclose his or her interest and refrain from voting on the

matter unless otherwise permitted by the BCBCA. In accordance with the laws of the province of British Columbia, the directors and officers of TriStar Gold are required to act honestly, in good faith, and in the best interests of the Company.

### ***Qualified Person***

Mr. Guilherme Gomides Ferreira MAIG of GE 21, a qualified person as defined in NI 43-101, has read and approved the technical portions of this Management's Discussion and Analysis, except as otherwise specifically referenced in the PFS discussion which has a different qualified person.

### ***Cautionary Note Regarding Forward-Looking Statements and Information***

Certain statements in the MD&A constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; success of operating initiatives; the success (or lack thereof) with respect to the Company's exploration and development operations on its properties; the Company's ability to raise capital and the terms thereof; the acquisition of additional mineral properties; changes in business strategy or development plans; exploration and other property write downs; the continuity, experience and quality of the Company's management; changes in or failure to comply with government regulations or the lack of government authorization to continue certain projects; the outcome of litigation matters, and other factors referenced from time to time in the Company's filings with securities regulators. The use in the following Management's Discussion and Analysis of such words as "believes", "plans", "estimates", "may", "could", "would", "might", "will", "anticipates", "expects", "intends" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Material factors and assumptions used to develop the forward-looking information include but are not limited to, the following: there will be adequate liquidity available to the Company to fund future operations; the Company will be successful in raising additional capital in this and future periods; the actual exploration results will be favorable; exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and hire skilled staff, all required regulatory and government approvals will be obtained in a timely manner on terms acceptable to the Company, applicable geo-political conditions are favorable for future investment, gold and commodity price and foreign exchange rates remain favorable, no title disputes arise with respect to the Company's properties and the Company will remain in compliance with applicable regulatory and contractual obligations.

These forward-looking statements are based upon the beliefs, expectations, reasonable investigation and opinions of management on the date such statements are made. The success of the Company is dependent on the efforts of the Company, its employees and many other factors including, primarily, its ability to raise additional capital and establishing the economic viability of any of its exploration properties.

It is the Company's policies that all forward-looking statements are based upon the Company's beliefs and assumptions which are based on and derived from information available to management at the time these assumptions are made. The forward-looking statements contained herein are based upon information available as at the effective date of this MD&A and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward looking information or statements to reflect new events or circumstances except as may be necessary under applicable securities law. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved and the underlying assumptions thereto will not prove to be accurate. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of the numerous risks, uncertainties and other factors such as those described above and discussed under Risks and Uncertainties.

### ***Additional Information***

Additional Information related to TriStar including material change notices, certifications of annual and interim filings, and press releases are available for review under the Company's profile in SEDAR at [www.sedar.com](http://www.sedar.com), and the Company's website at [www.tristargold.com](http://www.tristargold.com).