



# PPX Mining Corp.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three months ended December 31, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") is intended to assist the reader in understanding and assessing the trends and significant changes in the results of operations and financial condition of PPX Mining Corp. ("PPX" or the "Company"). This MD&A should be read in conjunction with the audited consolidated Financial Statements of the Company, including the notes thereto, for the three months ended December 31, 2024 and 2023 (the "financial statements"), which are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board. This MD&A takes into account information available up to and including February 28, 2025. All dollar amounts are in Canadian dollars unless otherwise stated.

As at December 31, 2024 the Company has cash of \$1,566,503 and a working capital of \$1,873,768. The Company needs to raise funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available to cover its funding requirements to continue developing its mineral properties and / or cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, interpretations of tax legislation in the emerging markets that the Company operates and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of the higher inflation and market volatility, may create further uncertainty and risk with respect to the prospects of the Company's business. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. If the Company is unable to: a) raise additional capital, b) continue receiving net profit interest from the Callanquitas operation and/or c) attract joint venture partners for further exploration and development on its properties, then management will require to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern beyond December 31, 2024.

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such forward-looking statements in this Management's Discussion and Analysis include, but are not limited to, statements and information that relate to: the exploration and development of the Igor property, including the probability of commercial production of gold and silver from Igor 4 concession; the satisfaction of certain milestones and expected ounces to be delivered and produced under the Facility (as defined herein); the operations of a processing plant and the expansion of its capacity; the drilling campaign at the Igor concession; the need for additional funding; the ability of the Company to arrange for additional financing in the future; the impacts of the current political situation in Peru on the global economy and on the business and operations of the Company; prevailing capital market conditions; success of the Company in its mineral property exploration; the ongoing maintenance of the Company's Social Licenses (as defined herein); claims filed by AMM (as defined herein) against the Company; statements regarding the status of the Company's water use permit and environmental, exploration and exploitation licenses; life of mine gold production; changes in the market, economic and legal environment in which the Company operates; the manner in which mining properties and plant and equipment are being used or expected to be used; future gold prices; and environmental rehabilitation costs. Risks and uncertainties that could cause actual events or results to differ materially from those projected in forward-looking statements include, but are not limited to, risks associated with the mining industry (including

operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the speculative nature of exploration activities; period interruptions to exploration, development and mining activities; industrial accidents; failure of processing and mining equipment to perform as expected; the interpretation of drill results and the uncertainty of estimates and projections in relation to production, costs and expenses, including those associated with environmental rehabilitation; changes in project parameters as plans continue to be refined; the uncertainty surrounding the ability of PPX to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks); the risk of commodity price, interest rates and foreign exchange rate fluctuations; the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, including the ability of the Company to fund the drilling campaign at the Igor concession; the uncertainty associated with the operational status of a processing plant; the state of financial markets; the success of the Company's mineral property exploration; future metals price fluctuations; labour disputes; supply problems; legal and regulatory proceedings and community actions, including the uncertainty associated with the claims by AMM against the Company (see "Commitments and Contingencies" section below); title matters; regulatory approvals and restrictions; increased costs and physical risks relating to climate change, including extreme weather events and new or revised regulations relating to climate change; volatility of the market price of the Company's securities; insurance; competition; loss of key employees; and the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. The forward-looking statements and information contained herein are based upon assumptions management believes to be reasonable, including, without limitation: no adverse development in respect of the Igor concession; no material changes to applicable laws; no worsening of the impacts of the current political situation in Peru in the medium-term and long-term; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of PPX should not place undue reliance on these forward-looking statements. Forward-looking statements or information should not be read as guarantees of future performance and results. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

## **BUSINESS OVERVIEW**

PPX Mining Corp. (TSX.V: PPX.V, BVL: PPX) is a Canadian-based exploration and development company with assets in northern Peru. The Igor Project, the Company's flagship 100% owned property, comprises four concessions of about 1,300 hectares and is located in the prolific Northern Peru gold belt in eastern La Libertad Department. The Igor Project includes the Callanquitas structure (the "Igor 4 concession"), where the Company has been conducting an underground operation through a third-party contractor, had announced the results of a pre-feasibility study ("PFS") and had planned to build a heap leach processing plant. Based on new test work performed in Canada, the Company will no longer proceed with the construction of the heap leach processing plant. Instead, the Company is pursuing the construction of a carbon-in-leach ("CIL") processing plant that will allow a material increase in gold recoveries. Some exploration has been carried out on three exploration targets: Portachuelos, Tesoros, and Domo.

The Company has recently completed a NI-43-101 Technical Resource Update for the Igor Project. As the Company ramps up the construction of the plant, this information will be used to develop a plan for additional exploration activities on Igor 1 and 3 and the required and relevant permits to complete these activities will be obtained. The NI-43-101 report can be viewed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company's web site at [www.ppxmining.com](http://www.ppxmining.com).

PPX conducted infill and resource expansion drilling along the Callanquitas structure and exploration drilling south of Callanquitas in the Portachuelos target area. The drill campaign has resulted in the discovery of new high-grade mineralization and a new gold and silver mineralized zone on the Callanquitas structure.

The Company has an agreement with *Proyectos La Patagonia S.A.C.* ("PLP"), a wholly-owned subsidiary of the Explora Peru Mining Group, Peru, whereby the Company has assigned to PLP the Igor 4 mining concession, site of the Callanquitas resource,

until the earlier of the date PLP extracts 600,000 metric tons of mineralized material or the end of the contract. During the term of the agreement, the Company and PLP share the net profits from the mining operation on the Igor 4 concession, at a rate of 70%/30% respectively, up to when the production from the mine reaches 350 tons per day (“MTPD”), and 75%/25% thereafter. Going forward, the area of the underground operations on the Callanquitas structure will be referred to as the “Callanquitas Mine”. On December 10, 2024, the Company signed a new assignment contract with PLP, see Fiscal 2025 Highlights section.

The Company’s objective remains to bring the Callanquitas Mine into full production and focus on growing the gold and silver resource base, particularly in areas easily accessible by the underground workings, with the goal of defining sufficient resources to increase production capacity. During the year ended September 30, 2023, extensive metallurgical work was conducted to optimize the processing parameters of the planned processing plant that the Company intends to build. Results of test work carried out by Basemet Laboratories from Kamloops, British Columbia, Canada, provided enough data to confirm that significant increase in the recovery of gold can be achieved by using a particular treatment process. Based on this metallurgical information and further internal analysis, the Company took the decision to modify the initial heap leach plant configuration to CIL & Flotation. The new design will allow the Company to process oxide and sulfide ores at a higher recovery rate. The Company has been approved to amend its existing construction permit to allow the new plant configuration.

On February 17, 2024, the Company filed on SEDAR+ an updated Mineral Resource Estimate for the Callanquitas gold–silver deposit and a geological potential study on the Company’s wholly-owned IGOR project. The NI 43-101 technical document was carried out by the following independent consultants: a) Mining Plus Peru S.A.C., engineering firm responsible for the Callanquitas deposit resource estimate update and b) Geologica Groupe-Conseil Inc., responsible for the geological review, analysis and data compilation to determine the potential of the Igor Project.

### **FISCAL 2025 HIGHLIGHTS**

At December 31, 2024, the Company has cash of \$1,566,503 and a working capital of \$1,873,768. Non-current liabilities include \$2,791,253 related to amounts due to RIVI Opportunity Fund for Gold Equivalent Ounces (“GEOs”) produced under the Gold and Silver Purchase Agreement (streaming agreement).

The Company earned net profit interest income of \$2,539,134 (three months ended December 31, 2023 – \$98,652) on the Igor 4 concession during the three months ended December 31, 2024. The increase in the current fiscal year is due to the high amount of oxides and sulfides processed on December, the provision of income coming from a tax settlement with PLP and the provision of income associated to the reimbursement of certain expenses from Igor Mining Exploration S.A.C.

On October 19, 2024, the Company subscribed an Engineering Procurement and Construction (“EPC”) agreement with Sertecpet de Peru S.A. (“Sertecpet”) to build most of PPX’s 350 tpd CIL and Flotation plant (the “Plant”) for its Igor Project, located in La Libertad, Peru. Sertecpet will carry out the following activities:

- Additional detailed engineering;
- Site preparation and all civil works for crushing, grinding, leaching and flotation systems, including all concrete construction;
- Equipment purchasing as specified by PPX, including all logistics and customs clearance;
- Construction materials purchasing, including all logistics; and
- Mechanical installation of equipment, crushing, grinding and flotation units, including electrical and piping works. A qualified subcontractors will supply and install the carbon treatment (desorption plant).

Office buildings, workshop and accommodation will be built by other contractors, as well as, leaching tanks, tailings storage area, water supply and power supply. The budget of the EPC contract is US\$5.7 million, plus applicable sales taxes. The contract contemplates construction completion guarantees and daily penalties for late delivery. Construction is scheduled to conclude in 12 months (turnkey basis).

On November 14, 2024, the Company announced that construction of the CIL and Flotation plant at its Igor Project located in La Libertad, Peru, has started. Major components for the plant were ordered and are described as follows:

- Equipment for the crushing circuit, which includes primary jaw crusher, secondary cone crusher, vibrating screen and all conveyors;
- Equipment for the grinding circuit, which includes two ball mills, hydro-cyclones, pumps and a thickener; and
- Equipment for the flotation circuit, which includes flotation cells, concentrate thickener and filter press.

Equipment for the leaching equipment is in the process of being ordered. Additional detailed engineering has also begun, with a final review of the entire layout and geotechnical data, to be completed in the coming weeks by the EPC contractor, PPX professionals and a third party contractor.

On November 14, 2024, the Company announced that the private placement announced on June 17, 2024 and extended on July 31, 2024 has expired.

On November 18, 2024, the Company announced that the subscription of a contract with JPC EC for the construction of leaching tanks for the 350 tn. per day beneficiation plant that the Company started to build at the Igor Project in La Libertad, Peru. The agreement specifies the construction and assembly of seven 23'x 20' agitation tanks, one 23'x 20' oxidation tank, and two detoxification tanks. JPC EC completed the plant's engineering in 2023–2024 to secure environmental and construction permits. With extensive experience in assembling these tanks, JPC EC has been developing industrial projects focused on mining in Peru since 1993. The construction of the leaching tanks is a critical component of the beneficiation plant for processing oxidized gold ore. The Company is confident that the contracted firms, SERTECPET (previously announced) and JPC EC, will work collaboratively to ensure the rapid construction of PPX's beneficiation plant. The budget of the JPC EC contract is US\$817,000, plus applicable sales taxes.

On December 4, 2024, the Company announced that a 2,222 DMT lot of sulfide ore from the Callanquitas Mine was sent to a local plant for processing by froth flotation. The lot also contained some oxidized mineral with an estimated grade of 3.38 gr/tn of gold and 243.85 gr/tn of silver. Laboratory test was carried out to establish the amount of collector (potassium amyl xanthate) and frother (MIBC) required for processing. The first batch of concentrate, amounting 142.05 tonnes was loaded and sent for sale. The analysis of the concentrate was 13.40 gr/tn of gold and 1,274.31 gr/tn of silver, with an estimated yield of 8 tonnes of mined material per tonne of concentrate. The value of this concentrate paid by the buyer was US\$1,944.54 per tonne. The rest of this material is being processed and shipped. Due to oxidation (transitioning zone from oxides to sulfides), the average recovery to concentrate was 53.05% for gold and 75.50% for silver, in line with management expectations. Laboratory test on sulfides with no oxidation have given gold recoveries in excess of 90%. Ongoing testing is planned to optimize metallurgical parameters for transitional zone.

On December 10, 2024, the Company signed a new assignment agreement with PLP until 2034 (the "Agreement") to operate the Callanquitas Mine in La Libertad, Peru. In addition, the Company settled all past legal claims with PLP, resetting completely its long-term working relationship.

#### New Mining Assignment Agreement:

- Structured through two contracts, one that regulates the business relationship among the parties before the processing plant becomes operational ("Phase 1 Contract") and a second contract, once the plant is fully operational ("Phase 2 Contract");
- Phase 1 Contract automatically expires once PPX notifies PLP that its new plant is operational and fully permitted;
- The Net Profit Interest ("NPI"), as defined in the Agreement, is split 75% to PPX and 25% to PLP in Phase 1 Contract; while 80% to PPX and 20% to PLP in Phase 2 Contract. In both cases, an improvement to PPX from the initial agreement that contemplated 70% to PPX and 30% to PLP;
- The new term has been set until the end of 2034, with specific early termination clauses, in the event the parties decide to terminate the agreement with or without cause;
- The Agreement contemplates an open book policy in respect to production and accounting records;
- A Steering Committee ("CTAN") composed by senior management representatives of each party was created. The CTAN will mainly coordinate budgeting, exploration, mining, processing and social aspects of the operation;
- Once Phase 2 Contract is in place, PPX will takeover the commercialization of the minerals produced in the Callanquitas Mine;
- The Agreement controls the mechanics for exploration expenses, capital cost and corporate expenses. Also, it provides guidance on how to liquidate assets in a termination event and at expiration of the Agreement; and
- The Agreement also covers the social and environmental responsibility of each party.

#### Settlement of Past Legal Claims:

- Both parties agreed to terminate past legal claims in respect to certain unfulfilled obligations; and
- As part of the settlement the Company renegotiated how the NPI distribution was being calculated. The revised calculation of the net profit interest that was subsequently agreed upon is to be applied retrospectively to the calendar 2023 year, resulting in an additional settlement payment of S/3,667,911 that is to be paid to the Company by PLP through monthly instalments between fiscal year 2025 to 2027.

On December 13, 2024, the Company signed a definitive silver royalty agreement (the "Agreement") with Silver Crown Royalties Inc. ("SCRi"). The Agreement contemplates the sale of a royalty (the "Royalty") for up to 15% of the cash equivalent of silver produced from PPX's Mina Callanquitas at its Igor 4 mining concession, located in La Libertad, Peru (the "Project"), less

customary deductions, for aggregate proceeds of US\$ 2,470,000. The first tranche of US\$ 1,000,000 is to be paid on closing (“Closing”), which is expected to occur in early 2025, with the second tranche of US\$1,470,000 (the “Second Tranche”) to be paid within six months of Closing. Upon Closing, SCRi will be granted a Royalty for 6% of the cash equivalent of silver produced from the Project, which will automatically be increased to 15% upon completion of the Second Tranche. If the Second Tranche is not completed within 6 months of Closing, PPX will have the right to repurchase the royalty for US\$ 1,000,000, less any Royalty payments made to date. The Royalty will be payable immediately, based on current operations at the Project and will provide for minimum deliveries of the cash equivalent of 14,062.5 ounces of silver per quarter up to a total of 225,000 ounces. Minimum deliveries will be applicable the earlier of: a) October 1, 2025; and b) the startup of metallurgical operations at the beneficiation plant, currently under construction. Upon the delivery of the cash equivalent of 225,000 ounces of silver to SCRi, the silver royalty will automatically terminate.

## RESULTS OF OPERATIONS

The following is a summary of the Company’s results of operations for the three months ended December 31, 2024 and 2023:

<b>Three Months Ended December 31,</b>	<b>2024</b>	<b>2023</b>
<b>Operating expenses</b>		
Communication and regulatory	7,305	7,437
Consulting fees, salaries and benefits	129,631	184,957
Depreciation	976	1,679
Office and miscellaneous	70,703	83,177
Premises	-	3,483
Professional fees	171,004	109,349
Travel and promotion	6,717	13,530
<b>Loss from operations</b>	<b>(386,336)</b>	<b>(403,612)</b>
<b>Finance and other items</b>		
Finance expense and other	(351,566)	(252,329)
Foreign exchange (loss) gain	(1,031,883)	239,237
Gold streaming expense	(637,373)	(403,003)
Gain on derivative liability revaluation	992,977	883,128
Net profit interest income	2,539,134	98,652
Net smelter royalty	(119,368)	(146,266)
<b>Net income before tax</b>	<b>1,005,585</b>	<b>15,807</b>
Income tax recovery	-	64,716
<b>Net income</b>	<b>\$1,005,585</b>	<b>\$80,523</b>

The Company recorded a net income of \$1,005,585 or \$0.00 per share for the three months ended December 31, 2024 (three months ended December 31, 2023 – \$80,523 or \$0.00 per share).

The most significant changes for the three months ended December 31, 2024 as compared to 2023 were as follows:

**Finance expense and other of \$351,566 (2023 – \$252,329)** – Finance expense and other have increased compared to 2023, as interest expense on the gold stream facility increased by \$92,717 and accretion on convertible debentures increased by \$20,597 in 2024.

**Gold streaming expense of \$637,373 (2023 – \$403,003)** – Gold streaming expense is a result of payment resulting from GEOs produced by the Company’s mining contractor from the Igor 4 concession payable to RIVI being recognized as an expense in profit or loss.

**Net profit interest income of \$2,539,134 (2023 – \$98,652)** – Net profit interest income is a result of the net profit interest earned during the year from Igor 4. The increase in the current fiscal year is due to the high amount of oxides and sulfides processed on December, the provision of income coming from a tax settlement with PLP and the provision of income associated to the reimbursement of certain expenses from Igor Mining Exploration S.A.C.

**Gain on derivative liability revaluation of \$992,977 (2023 – \$883,128)** – Gain is due to the revaluation of the derivative liability component of the convertible debenture issued to RIVI. The derivative liability is re-measured subsequent to initial recognition at each reporting period using the Black-Scholes model.

**Foreign exchange loss of \$1,031,883 (2023 – foreign exchange gain of \$239,237)** – Foreign exchange loss in the current year is due to a large increase in USD to CAD exchange rate from 1.3499 as at September 30, 2024 to 1.4389 as at December 31, 2024.

*Finance expense is as follows:*

<b>Three Months Ended December 31,</b>	<b>2024</b>	<b>2023</b>
Gold stream facility interest expense	<b>156,746</b>	64,029
Convertible debenture interest expense and accretion	<b>161,716</b>	175,874
Promissory note interest expense	<b>6,108</b>	5,453
Accretion – environmental closure provision	<b>6,110</b>	6,698
Accretion – loan payable	<b>20,597</b>	-
Bank charges and other	<b>289</b>	275
<b>Finance expenses and other</b>	<b>\$351,566</b>	\$252,329

*Original Gold and Silver Purchase Agreement* – The Company has a gold stream facility (the “Facility”) with RIVI Opportunity Fund LP (“RIVI”), whereby the Company received a total of US\$5.0 million from RIVI. Under this agreement, the Company had to pay interest of 12% (10% until the 2<sup>nd</sup> tranche was received) on the Facility until the Company’s processing plant average monthly production from the Igor 4 concession is at least 85% of 150 MTPD or the Company delivers a monthly average of 150 MTPD from the Igor 4 concession to a smelter.

The Facility provides for RIVI to receive the greater of 10% of the Company’s portion of the combined production of gold and silver ounces from the Igor 4 concession on a GEOs basis and 50 GEOs at a price per GEO of the lesser of US\$400 or 80% the market price of gold on a monthly basis. Seventy-two months after the Monthly Production Milestone has been met, and when 20,000 GEOs have been delivered under the Facility Agreement (whichever occurs first), the Company has the option to reduce RIVI’s entitlement to 5% of the GEOs produced on the Igor 4 concession by making a one-time payment of US\$5 million to RIVI, subject to the price of gold being greater than US\$1,200 per ounce.

The principal balance of US\$5 million was reduced as the GEOs are delivered to RIVI. The amount of reduction for each period is determined based on the GEOs from the Igor 4 concession, multiplied by the difference between the market price of gold and the lesser of US\$400 or 80% the market price of gold. Upon expiry of the term which is the earlier of 40 years and depletion of the mine, any balance remaining unpaid shall be refunded to RIVI.

The Facility was classified as a financial liability at FVTPL and is revalued at its fair value on each subsequent reporting date with the changes in the fair value recorded in the profit or loss. Due to the uncertainty of the total expected ounces to be delivered and the timing of cash flows, the Facility is currently recorded at its face value with derivative measured at a nominal value.

The Company granted RIVI a first and preferred mining tenements mortgage of US\$5 million on the Igor concession and surface land and general security interest (the “Security”) over all of the present and after acquired assets within the property. The Security provided to RIVI will cease once the Company has fully paid the US\$5 million investment by RIVI.

On April 30, 2021, the Company signed a Net Smelter Royalty Agreement with RIVI, whereby RIVI is granted an option to acquire a royalty equal to 2% of Net Smelter Returns (“NSR”) over the Igor, Igor 3 and Igor 4 concessions, in exchange for reducing \$637,000 (US\$500,000) of the amounts owed to RIVI by the Company. In addition, the Company has the option to repurchase 1% of the NSR royalty for US\$750,000 until October 21, 2021. The \$637,000 (US\$500,000) reduction in the amounts owed to RIVI by the Company was recorded to reduce the Company’s exploration and evaluation assets and to reduce the accrued interest during the year ended September 30, 2021.

On June 1, 2023, the Company entered into a letter agreement with RIVI, whereby the Net Smelter Royalty Agreement was amended such that the royalty obligation thereunder shall not commence (and none shall be deemed to have accrued) until January 1, 2023, in consideration for US\$540,000 payable to RIVI by the Company. From and after January 1, 2023, the royalty obligations shall commence in accordance with the terms of the Net Smelter Royalty Agreement. In addition, the option to repurchase 1% of the NSR royalty is extended in perpetuity at the same price, US\$750,000, but limited to the Igor and Igor 3 concessions. The Igor 4 concession in which the Callanquitas mine is located is excluded from this repurchase extension. During the year ended September 30, 2023, the Company made the payment in the amount of \$732,903 (US\$540,000) and recognized a gain on the amendment of the Net Smelter Royalty Agreement in the amount of \$294,478. During the three months ended December 31, 2024, the Company recorded NSR expense of \$119,368 (three months ended December 31, 2023 – \$146,266).

*Amended and Restated Gold and Silver Purchase Agreement* - On February 19, 2023, the Company entered into an amended and restated gold and silver purchase agreement (the "Amended and Restated GPA") with RIVI, whereby the Company and RIVI have agreed, to restructure the Company's streaming and payment obligations under the original gold and silver purchase agreement dated October 10, 2016 between the Company and RIVI, as amended (the "Original GPA").

The Amended and Restated GPA provides for the following material changes to the Original GPA:

- Convertible Debenture  
The due and outstanding balance of US\$5,399,946 owing to RIVI under the Original GPA as at September 30, 2022 will be entirely satisfied by the issuance by the Company of a secured convertible debenture to RIVI for this amount (the "Convertible Debenture"). The Convertible Debenture will mature on the third anniversary of the date of issue and bears interest at a rate of 5% per annum, payable semi-annually. RIVI may convert all or any part of the principal amount outstanding into common shares of the Company (the "Shares"), at a conversion price of US\$0.04 per Share (subject to adjustment), subject to a restriction on any conversion which would result in RIVI owning, on a post-conversion basis, more than 19.9% of the outstanding Shares with the approval of the TSX Venture Exchange. The Company may prepay all or any portion of the Principal Amount without penalty. The obligations under the Convertible Debenture will be secured by the same security package granted under the Original GPA (and which continue under the Amended and Restated GPA).
- Removal of Default NSR Royalty Provisions  
In the Amended and Restated GPA, all default provisions under the Original GPA that would have required the Company to grant to RIVI a net smelter returns royalty will be eliminated (including any net smelter returns royalties that RIVI may have earned, but not granted, prior to the entering into of the Amended and Restated GPA).
- Restructuring of Stream Obligations  
The Original GPA contemplated monthly delivery obligations to RIVI equal to 10% of the gold equivalent ounces produced in its Callanquitas Mine (the "Stream Percentage"), currently operated by PLP and subject to certain production milestones. Even though the Amended and Restated GPA continues to accrue gold equivalent ounces under the same Stream Percentage, the maximum delivery obligation is linked to 30% of the monthly collected net profit interest attributable to the Company from PLP (the "NPI"), rather than the number of gold equivalent ounces produced in the Callanquitas mine. Any refined metals required to be delivered in excess of the monthly maximum will accrue in a stream account (with interest at 2.00% per month) until repaid in full. When the Company receives an annual bulk payment from PLP, it must use up to 40% of such payment to satisfy any accrued stream obligations and interest.

During the three months ended December 31, 2024, the Company accrued interest of \$156,746 (US\$96,502) (three months ended December 31, 2023 - \$64,029 (US\$49,011)) related to the refined metals required to be delivered in excess of the monthly maximum per the Amended and Restated GPA. As at December 31, 2024, there was \$428,073 (US\$297,500) (September 30, 2024 - \$271,327 (US\$200,998)) accrued interest outstanding.

*Convertible Debenture* - On February 19, 2023, the Company issued a convertible debenture to RIVI in connection to the stream restructuring totaling \$7,282,907 (US\$5,399,946). The conversion feature does not meet the fixed-for-fixed criteria and therefore is an embedded derivative that is assessed separately from the host liability. The fair value of the derivative liability on initial recognition was estimated to be \$1,596,617 using the Black-Scholes model with the following assumptions: share price of \$0.02, risk free interest rate of 3.87%, expected volatility of 125.9%, and an expected life of 3 years. The derivative liability was revaluated as at December 31, 2024 to \$1,554,467 (September 30, 2024 - \$2,416,994) using the Black-Scholes model with the following assumption: share price of \$0.03, risk free interest rate of 3.87%, expected volatility of 173.4%, and an expected life of 1.14 years (September 30, 2024 - share price of \$0.04, risk free interest rate of 3.87%, expected volatility of 162.8%, and an expected life of 1.39 years). The host liability was accreted using an effective interest rate of 8.28% over their term, such that the carrying amount will equal the total face value at maturity.

During the year ended September 30, 2024, RIVI opted to convert US\$500,000 principal amount of its convertible debenture for 12,500,000 common shares of the Company to RIVI at a deemed issue price of US\$0.04 per common share. On April 23, 2024, the Company issued 12,500,000 common shares at a total value of \$1,355,463, resulting in \$589,913 of the host liability and \$765,550 of the derivative liability being transferred from loan to equity.

During the year ended September 30, 2024, the Company repaid \$101,301 (US\$75,000) of interest payable.

Convertible debentures as at December 31, 2024 includes \$475,927 (US\$330,758) (September 30, 2024 - \$380,683 (US\$282,009)) of interest payable.

## SUMMARY OF QUARTERLY INFORMATION

The following table sets out selected quarterly financial data from the Company's unaudited quarterly financial statements. There were no revenues reported in any of the periods reflected below:

<b>Fiscal Quarter Ended</b>	<b>December 31, 2024</b>	September 30, 2024	June 30, 2024	March 31, 2024
Revenue	\$-	\$-	\$-	\$-
Net income (loss)	<b>1,005,585</b>	(413,428)	(\$1,772,698)	(\$3,221,431)
Net income (loss) per share* basic and diluted	<b>\$0.00</b>	\$0.00	(\$0.00)	(\$0.01)

<b>Fiscal Quarter Ended</b>	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenue	\$-	\$-	\$-	\$-
Net income (loss)	<b>80,523</b>	<b>251,889</b>	(\$2,063,478)	\$1,935,139
Net income (loss) per share* basic and diluted	<b>\$0.00</b>	<b>\$0.00</b>	(\$0.00)	\$0.00

\* Net income (loss) per share is calculated based on the weighted average number of shares outstanding for the quarter

The net income for the quarter ended December 31, 2024 is mainly due to net profit interest income.

The net loss for the quarter ended September 30, 2024 is mainly due to loss from operations, foreign exchange loss and gold streaming expense.

The net loss for the quarter ended June 30, 2024 is mainly due to share based payment, loss on debt settlement, gold streaming expense and loss on derivative liability revaluation.

The net loss for the quarter ended March 31, 2024 is mainly due to the loss on derivative liability revaluation.

The net loss for the quarter ended June 30, 2023 is mainly due to loss from operations and income tax expense.

The net income for the quarter ended March 31, 2023 is a result of the net profit interest received in excess of the carrying value of Igor 4, partially offset by income tax expense and obligations to RIVI being recognized as an expense in the profit or loss during the quarter.

The net income for the remaining quarters are consistent and comparable with one another.

## EXPLORATION AND EVALUATION ACTIVITIES REVIEW

The Company is focused on exploring and developing the Igor property, located in Peru, South America. The Igor concession includes three projects: Igor 4, where the Company has an ongoing underground mining program, as well as two other exploration projects - Igor 1 and Igor 3. The Company has acquired surface rights totaling 408 hectares within the Igor property area. The surface rights facilitate the development of the surface infrastructure associated with the underground mining program and would allow access to important areas of the property for surface exploration, including drilling. The production from Igor 4 concession is subject to the requirements of the gold streaming facility with RIVI as discussed above on this MD&A.

During the year ended September 30, 2020, the Company's environmental license at the Igor 1 and 3 exploration projects expired. During the year ended September 30, 2019, the Company's water use permit had expired. During the year ended September 30, 2021, the exploration license at the Igor 4 exploration project expired. During the year ended September 30, 2022 the exploitation license for Igor 4 expired and was subsequently renewed until March 2026.

On January 8, 2024, the Company completed a NI-43-101 technical study, containing key information to be used to update the plan for additional exploration activities on Igor 1 and 3.

The scope of this new technical study is narrowed to: a) an updated Mineral Resource Estimate for the Callanquitas gold-silver deposit and b) a geological potential study on the Company's wholly-owned IGOR project. The NI 43-101 technical document was carried out by the following independent consultants: a) Mining Plus Peru S.A.C., engineering firm responsible for the Callanquitas deposit resource estimate update and b) Geologica Groupe-Conseil Inc., responsible for the geological review, analysis and data compilation to determine the potential of the Igor Project. Further on February 17, 2024 the Company filed the NI 43-101 technical report on SEDARPLUS.



#### Technical report highlights:

- Measured & Indicated (“M&I”) Resources as oxides: 81,090 Au ounces and 2.9 million Ag ounces;
- M&I Resources as oxides: 100,290 AuEq ounces at 4.70 g/t AuEq;
- Inferred Resources as sulfides: 34,450 AuEq ounces at 4.63 g/t AuEq;
- Potential for additional resources in Callanquitas East as it remains completely open at depth and along strike to the north and south;
- The potential of Callanquitas West, which runs close to and parallel to the eastern zone and mirrors Callanquitas East, must be explored. Minimum exploration has been conducted in this zone;
- The presence of sulfide ore along strike to the south of the present workings has largely been ignored in favor of oxide ore and additional exploration has the potential to define sulfide structures, known from limited production to carry elevated silver grades;
- There is a high potential to increase resources in the areas of Portachuelos, Domo, and Tesoros; and
- The extension of Portachuelos, Domo and Tesoros zones is significant, each being 1.2 to 2 km in length with mineralized structures showing widths from 2 to 5 meters.

A summary of Company’s spending on exploration and evaluation activities for three months ended December 31, 2024 and 2023 is shown below:

<b>Three Months Ended December 31,</b>	<b>2024</b>	<b>2023</b>
Drilling, road and site preparation	<b>41,426</b>	45,174
Salaries, claims maintenance and staking	<b>60,503</b>	114,844
Social development	<b>45,149</b>	105,709
Environmental	<b>10,937</b>	14,636
<b>Total additions</b>	<b>\$158,015</b>	\$280,363

In January 2024, results of underground drilling were announced for two drillholes which demonstrated the existence of significant gold mineralization in the Callanquitas West breccia. In March 2024, four drillholes were further reported, again, confirming continuity of the Callanquitas West breccia. As part of this exploration program, additional underground drilling at a deeper level was also performed to the Eastern branch of Callanquitas. Results of this drilling showed, in addition to high grade breccia with oxidized gold mineralization, the intersection of a tensional vein hosting sulfide mineralization with gold, high grade silver and copper. The intersection of the sulfide material occurred at a depth of 2850 MASL. Metallurgical testing was carried out on both, the breccia and the sulfide material, with excellent results. Subsequently, an underground channel sampling was performed in about 120 meters above the drill intersection, obtaining high grade results along a 50 meter strike length.

Further drilling was carried out with a view to demonstrate the strike length of Callanquitas West. Data analysis suggests that mineralization extends over 350 meters at an elevation of 3290 MASL.

As of December 31, 2024, the exploitation license at Igor 4 remains in good standing as the Company has obtained an extension.

#### ***Processing Plant***

On November 1, 2017, the Company initially started a permitting process for a heap leach processing plant. The facility included a primary, secondary and tertiary rock crusher, agglomerator, heap leach pads, a Merrill-Crowe precious metal recovery plant capable of producing doré (gold and silver) on site and associated support facilities. A pre-feasibility study based on heap leaching showed positive results. At that time, the choice of heap leaching was made to minimized the capital cost of the plant. The Company received the necessary permits for building a heap leach plant and to operate it.

An impairment charge of \$629,190 (US\$467,572) was recorded for the year ended September 30, 2020, as certain equipment paid for in advance were no longer available to the Company due to contractual timing issues associated to the arrangement of funding.

A program of test work has been carried out on oxide ore from the Callanquitas mine that shows that much improved gold and silver recoveries can be obtained by using a plant with milling and tank leaching. The ore has been shown to exhibit so called *preg-robbing* characteristics, where naturally occurring carbon in the ore adsorbs gold, reducing gold recovery. Using a carbon in leach system, where activated carbon is present before cyanide is added to the ground ore slurry allows the activated carbon to compete with the naturally occurring carbon and higher recoveries are obtained. Tests on the flotation of sulfide ore have also shown that a salable concentrate can be made using froth flotation.

As at December 31, 2024, the Company will no longer proceed with the construction of the heap leach facility, but will instead construct a CIL/Flotation plant, more suited to the type of ore contained in the Callanquitas deposit that will allow higher recoveries, based on new data obtained from test work performed in Canada.

On January 2, 2024, the Company announced the subscription (December 29, 2023) of the Definitive Agreement for a US\$6,000,000 debt facility to fund most of the capital cost of the CIL/Flotation plant.

See Fiscal 2025 Highlights section for further developments on the CIL and flotation plant construction.

### ***Community Agreement***

On February 14, 2018, the Company signed a ten-year agreement with the community of Callanquitas in Northern Peru that provides the Company with the Social License to conduct mining and exploration activities at the Igor Project, including the ongoing test-mining and bulk-sampling program at Igor 4 concession. The agreement provides for employment opportunities for the people of Callanquitas, improved road maintenance in the vicinity of the community, and infrastructure improvements to the local elementary school.

On November 20, 2018, the Company signed an agreement with the Igor community in Northern Peru that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

On August 18, 2023, the Company concluded a community meeting and workshop to update its environmental impact study (for small producers) with the objective of completing the requirements to amend its existing beneficiation plant permit (heap leach) to one in line with the new plant configuration that the Company is planning to build (CIL and flotation). The event was led by the Energy, Mines and Hydrocarbons Ministry Team of the Regional Government of La Libertad (Peru), as well as district authorities of Huaranchal and Igor communities. Local leaders and general public were also present at the event. The workshop was hosted at the Igor Community Center, recently built by the Company for the Igor Community. At the meeting, the new processing plant project was explained, concluding with community approval and formalized through participation workshop minutes subscribed by all stakeholders.

A summary of the community projects is presented below:

A Medical Clinic has been built in the village of Callanquitas and has been in operation since March 2022. It includes an admission room, pharmacy, waiting room, examination room, emergency care room, outpatient room, recovery room with full washroom and sanitary facilities and store. It is fully equipped and a permanent nurse/paramedic is being funded by the company. More details and photographs are available on the company web site, [www.ppxmining.com](http://www.ppxmining.com)

The Callanquitas area possessed a partial system of irrigation canals, but these were unlined and practically did not function. The company funded the lining of these canals with concrete to ensure the efficient distribution of water for agriculture. About 12 km of canals were built. The Company concluded this project during Q1 calendar 2023. Details and photographs can be found on the company website, [www.ppxmining.com](http://www.ppxmining.com)

The company funded the construction of a community center in the village of Igor. The building has an area of 5220 square meters that includes a main hall, kitchen, storage and restroom facilities. The building is multipurpose and is used for community meetings, indoor sports such as volley ball, basket ball and karate, as well as for cultural activities. The community center was inaugurated on November 5, 2022. More details and photographs can be found on the company web site, [www.ppxmining.com](http://www.ppxmining.com)

### **Drilling Campaign at Igor Concession**

Based on the results of the PFS for the Callanquitas, the Company has identified multiple drill targets in the Callanquitas area with the goal of adding gold and silver resource ounces in the immediate proximity of existing and planned underground mine workings. The Company also intends to aggressively drill the new Portachuelos discovery located 800 meters south of the Callanquitas reserves. The drilling campaign start up depends upon the Company having the necessary financial resources to perform this activity.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations other than net profit interest received from its mining contractor for the exploitation of its Igor 4 concession. In addition to the net profit interest, the Company finances its activities by raising capital through the equity markets and / or various other financing instruments.

As at December 31, 2024, the Company has cash of \$1,566,503 and a working capital of \$1,873,768 (September 30, 2024 – \$3,032,136 and \$1,431,374).

During the three months ended December 31, 2024, net cash used in operating activities (before changes in working capital) was \$385,649 compared to \$337,492 used in the previous year. The Company generated a net of \$1,703,745 from investing activities from \$2,539,134 of net profit interest income on the Igor 4 concession, a tax settlement and reimbursement of certain expenses from Igor Mining Exploration, which was partially offset by \$175,937 incurred on exploration and evaluation asset additions and \$659,452 incurred on property, plant and equipment additions. The Company used net cash in financing activities of \$119,435 for gold stream facility payments of \$45,505 and loan principal payment of \$73,930.

The consolidated financial statements of the Company for the three months ended December 31, 2024 have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company needs to raise funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available to cover its required funding or develop its mineral properties and / or cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, interpretations of tax legislation in the emerging markets that the Company operates and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of the higher inflation and market volatility, may create further uncertainty and risk with respect to the prospects of the Company's business. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the consolidated financial statements for the three months ended December 31, 2024 and the financial results presented on this MD&A do not give effect to 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, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the consolidated financial statements.

The Company is exploring financing alternatives in order to provide additional capital and also engaged with vendors, and other debt-holders to reduce balance sheet obligations through debt for equity swaps. The goal is to restructure the balance sheet of the Company to meet its liquidity performance. These plans are expected to generate sufficient liquidity to finance operations, to cover its operating and overhead costs within the next fiscal year, to meet obligations as they become due and to improve the Company's working capital, until the Company can generate higher revenues.

## RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

The Company's key management personnel consist of the Company's officers, directors and companies associated with them.

Compensation includes consulting and professional fees paid to a company in which the Chief Executive Officer is an owner, a company in which the former Chief Financial Officer is an owner, amounts paid to the Executive Chairman, and share based compensation granted to management and directors.

<b>Three Months Ended December 31,</b>	<b>2024</b>	<b>2023</b>
Consulting fees, salaries and benefits	<b>96,000</b>	109,000
Professional fees	<b>12,000</b>	12,000
<b>Total additions</b>	<b>\$108,000</b>	\$121,000

Accounts payable and accrued liabilities at December 31, 2024 includes \$13,560 (September 30, 2024 – \$nil) due to a related party. The balances owing are non-interest bearing. Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

The Company has agreements with certain members of key management. In the event that there is a change of control as defined by the agreements, the Company is committed to pay severance payments of salary which amounts to a total of \$408,000. In the event of termination without notice or cause, certain senior management would be entitled to total of \$204,000.

## SUBSEQUENT EVENTS

On January 15, 2025, the Company closed the second tranche of the construction, receiving US\$1,200,000.

On February 6, 2025, the Company closed its first tranche of the Silver Royalty Agreement with Silver Crown Royalties receiving US\$1,000,000.

## OUTSTANDING SHARE INFORMATION

	<b>As at February 28, 2025</b>
Common shares – issued and outstanding	<b>685,779,474</b>
Securities exercisable or convertible into common shares	
Share options	<b>46,750,000</b>
Warrants	<b>31,567,101</b>
Convertible debenture	<b>97,498,650</b>

## FINANCIAL INSTRUMENTS RISK EXPOSURE

### Carrying values of financial instruments

The carrying values of the financial assets and liabilities at December 31, 2024 and September 30, 2024 are as follows:

<b>As at</b>	<b>December 31, 2024</b>	September 30, 2024
Financial Assets		
<i>At fair value through profit or loss</i>		
Cash	<b>\$1,566,503</b>	\$3,032,136
Restricted cash	<b>9,219</b>	5,123
<i>At amortized cost</i>		
Accounts receivable	<b>2,597,474</b>	-
	<b>\$4,173,196</b>	\$3,037,259
Financial Liabilities		
<i>At fair value through profit or loss</i>		
Gold streaming facility	<b>\$3,212,827</b>	\$2,317,774
Derivative liability	<b>1,554,467</b>	2,416,994
<i>At amortized cost</i>		
Accounts payable and accrued liabilities	<b>1,611,833</b>	1,299,255
Promissory notes	<b>209,702</b>	203,594
Convertible debenture	<b>5,671,325</b>	5,170,206
Loan payable	<b>2,286,896</b>	2,182,055
	<b>\$14,547,050</b>	\$13,589,878

### Fair values of financial instruments

The fair value of receivables, accounts payable and accrued liabilities, promissory notes, convertible debenture, and loan payable approximate their carrying amounts due to their short terms to maturity. The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

<b>As at</b>	<b>December 31, 2024</b>	September 30, 2024
	<b>Level 1</b>	Level 1
Cash	<b>\$1,566,503</b>	\$3,032,136
Restricted Cash	<b>\$9,219</b>	\$5,123
	<b>Level 3</b>	Level 3
Gold streaming facility	<b>\$3,212,827</b>	\$2,317,774
Derivative liability	<b>\$1,554,467</b>	\$2,416,994

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

## **COMMITMENTS AND CONTINGENCIES**

The Company has ongoing commitments with the Callanquitas and Igor communities as described in the Community Agreement section above.

As at December 31, 2024, the Company has undiscounted environmental closure costs for remediation and rehabilitation work on the Company's Igor properties of \$964,587 (US670,364).

During the year ended September 30, 2021, the Company was notified of a claim filed by Patagonia against the Company, for damages as a result of incomplete construction of the processing plant. On November 5, 2023, the Supreme Court of Lima dismissed the case on the basis that any dispute between the parties must be settled by arbitration, as per the terms of the assignment agreement between Sienna Minerals SAC and PLP. As at December 31, 2024, no arbitration claim has been filed by PLP.

On August 5, 2016, Peruvian Precious Metals Corp. (former name of PPX Mining Corp.) was notified of a claim filed by Abraham Gleiser Ludmir requesting the payment of an unpaid finder's fee. The Company's local counsel is in the view that the case shall be dismissed on the bases that the Company honoured such payment to a related third party of Mr. Gleiser which signed the finder's fee agreement with the Company. During the fiscal year the court resolved in favour of Mr. Gleiser. Following to that decision, the Company filed an appeal to the next court level.

Based on Peruvian laws governing mining concessions, the Company is required to achieve certain minimum production requirements within the twentieth year counted from the year following the year in which the mining concessions title is granted to avoid certain penalties.

## **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 3 of the audited annual financial statements of the Company for the years ended September 30, 2024 and 2023, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

### **Critical Judgments in Applying Accounting Policies**

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- the determination of the functional currency in accordance with International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*;
- determination of derivative liability;
- determination of commercial production;
- determination of arrangement with PLP as a joint operation; and
- determination of contingencies.

## **Key Sources of Estimation Uncertainty**

### *Useful life of plant and equipment*

As discussed in note 3(e) of the audited annual financial statements of the Company for the years ended September 30, 2024 and 2023, the Company reviews the estimated lives of its plant and equipment at the end of each reporting period. There were no material changes in the lives of plant and equipment for the three months ended December 31, 2024 and 2023.

### *Impairment of assets*

The carrying amounts of mining properties and plant and equipment, and advances for assets under construction are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit ("CGU") level.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, resource estimates, exploration potential and operating performance as well as the CGU definition. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the mining interests. In the absence of any mitigating valuation factors, adverse changes in valuation assumptions or declines in the fair values of the Company's CGUs or other assets may, over time, result in impairment charges causing the Company to record material losses.

The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

### *Gold streaming facility*

The Company has entered into a Gold Streaming Agreement which contains a derivative liability. The valuation of this derivative utilizes a number of assumptions, including discount rate, future gold prices, the probability of achieving commercial production from the Igor 4 property, change in expected ounces to be delivered and future production levels. As at the statement of financial position date, management, due to uncertainties related to the amount of reserve and timing of future ounces to be delivered, has determined the derivative value to be nominal. As at December 31, 2024 the Company maintains a receivable accrual corresponding to unpaid net profit interest to be collected during May 2025 according to the terms of the assignment agreement between Sienna Minerals SAC and PLP.

### *Environmental rehabilitation*

Significant estimates and assumptions are made in determining the environmental rehabilitation costs as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditures in the future being different from the amounts currently provided in the financial statements. The provision represents management's best estimate of the present value of the future rehabilitation costs required.

## **CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

### **Adoption of New Accounting Standards**

The Company has adopted the following new standards, along with any consequential amendments, effective October 1, 2023. These changes were made in accordance with the applicable transitional provisions. The adoption of the new standards and consequential amendments did not have a material impact on the Company's consolidated financial statements.

### *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments did not have a material impact on the Company's consolidated financial statements.

### *Amendments to IAS 1: Non-current Liabilities with Covenants*

This amendment specifies that only covenants that an entity is required to comply with on or before the reporting date affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, which must be considered when assessing whether to classify the liability as current or non-current. These amendments did not have a material impact on the Company's consolidated financial statements.

### **Accounting Standards Issued But Not Yet Effective**

#### *Amendments to IAS 21: Lack of Exchangeability*

The amendment to IAS 21, The Effects of Changes in Foreign Exchange Rates, contains guidance on when a currency is exchangeable into another currency and how to determine the exchange rate when it is not. The amendment also adds a disclosure requirement when a currency is not exchangeable. The new amendment is effective for annual reporting periods beginning on or after January 1, 2025, with earlier adoption permitted. The Company is currently assessing the impact of these amendments.

#### *IFRS 18: Presentation and Disclosure in Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 "Statements of Cash Flows" ("IAS 7") were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

### **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the three months ended December 31, 2024 and 2023 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).