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Canada**

**Management's Discussion and Analysis  
(Unaudited)**

**Nine Months Ended  
June 30, 2022**

**(Stated in Canadian Dollars)**

**Dated August 11, 2022**

# Orea Mining Corp.



## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)

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# Orea Mining Corp.



## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)

This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Orea Mining Corp. (the "Company" or "Orea") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended September 30, 2021, and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended June 30, 2022, both of which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All figures in this MD&A are expressed in thousands of Canadian Dollars except for the section under "Bankable Feasibility Study", per share amounts, or where noted. References to "US\$" are to thousands of US Dollars. "This quarter" or "current quarter" means the three-month period ended June 30, 2022 and "this period" or "current period" means the nine-month period ended June 30, 2022. The information contained in this MD&A is current to August 11, 2022.

### Forward Looking Information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

### **Profile and Strategy**

The Company was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued in British Columbia, Canada on December 29, 2003. On May 14, 2020, the Company changed its name from Columbus Gold Corp. to Orea Mining Corp. The Company is listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "OREA" also on the OTCQX International under the trading symbol "OREAF".

The Company's principal business activities are the acquisition, exploration and development of resource properties, with gold as a principal focus. The Company maintains active generative (prospecting) and evaluation programs and, as a key element of its strategy, broadens exposure, diversifies funding sources and minimizes risk through joint ventures on selected projects.

The Company's financial condition is affected by general market conditions and conditions specific to the mining industry. These conditions include, but are not limited to, the price of gold and accessibility of debt or equity.

### **Overall Performance and Outlook**

The following highlights the Company's overall performance for the three and nine months ended June 30, 2022:

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>		
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
	(\$)	(\$)		(\$)	(\$)	
Net loss	(34,048)	(41)	(34,007)	(36,192)	(2,245)	(33,947)
Cash used in operating activities	(306)	(538)	232	(1,179)	(2,371)	1,192
Cash at end of period	291	1,700	(1,409)	291	1,700	(1,409)
Loss per share – basic and diluted	(0.16)	(0.00)	(0.16)	(0.17)	(0.01)	(0.16)

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. The Company may need to delay or suspend future field work if required by the applicable local Government relating to COVID-19 measures.

### **Proposed Transaction**

There are no proposed transactions as at June 30, 2022 and the date of this MD&A.

Corporate Updates

On June 16, 2022, the Company completed the first tranche of a non-brokered private placement for gross proceeds of \$215. The private placement was for 4,300,000 units at a price of \$0.05 per unit. Each unit consisted of 1 common share of the Company, and a full warrant. Each full warrant entitled the holder to purchase one common share of the Company at a price of \$0.10. The warrants expire 18 months from the date of issuance. An aggregate \$12 and 4,300 shares with a fair value of \$73 have been paid in finders' fees.

On January 25, 2022, the Company completed a non-brokered private placement for gross proceeds of \$800. The private placement was for 6,666,667 units at a price of \$0.12 per unit. Each unit consisted of 1 common share of the Company, and half a warrant. Each full warrant entitled the holder to purchase one common share of the Company at a price of \$0.18. The warrants expire 18 months from the date of issuance.

**Discussion of Operations**Antino Gold Project

The Antino Gold Project ("Antino") is a resource definition stage gold exploration project located in the Sipaliwini mining district, southeastern Suriname, 275 km of the capital city of Paramaribo. Orea has entered into an option agreement to acquire up to a 75% interest in Antino. The project can be accessed by air from Paramaribo or by barge 250 kilometers up the Maroni/Lawa river bordering French Guiana.

The project consists of Rights to Exploitation of Gold (Suriname mining titles) covering 200 square kilometers. Under Suriname mining regulations, the mining titles allow for exploration, drilling and small-scale mining without any additional permits.

The project is located in a significant area of alluvial and small-scale saprolite open pit gold mining. Alluvial gold was first discovered in the Antino area in 1891. Recorded alluvial gold production from 1895 to 1969 is estimated at 425,430 ounces. Small-scale open pit gold mining at Antino commenced in 1999 and is currently active. The mining is mainly in two areas known as Upper Antino and Buese. The open pits are limited to the surface weathered saprolite layer. Recovered and recorded gold production from 1999 to 2021 is estimated at 105,970 ounces from alluvial and saprolite. Gold recoveries are estimated at approximately 30%, therefore, the total content of gold in the material mined is much higher. Past exploration was conducted by Canadian junior exploration companies during 1993-97 and 2006-07, including over 32,000 meters of drilling. The exploration programs largely predate the open pit mining. The land holdings remain largely unexplored.

Accommodations, communications, equipment, machinery, security and personnel have been established at Antino by the optionor, facilitating logistics for exploration.

Option Agreement

On March 17, 2022, the Company announced it signed a formal option agreement (the "FOA") to acquire up to a 75% interest in Antino with the following key commercial terms:

- First Option Stage for 51% Interest
  - Orea to acquire an initial 51% interest in Antino within three years of the Commencement Date (defined below) by:
    - Making cash payments totaling \$2,064 (US\$1,650), of which only \$438 (US\$350) is payable within the first year;
    - Issuing common shares of Orea totaling 3,400,000;
    - Incurring a minimum of \$7,504 (US\$6,000) in exploration expenditures; and
    - Completing a NI 43-101 Technical Report containing a minimum of 500,000 oz of gold in any category.
- Second Option Stage for an Additional 19% Interest for a Total of 70%
  - Orea to acquire an additional 19% interest in Antino, for a total of 70%, within two years of completion of the First Option Stage by:
    - Making cash payments totaling \$1,876 (US\$1,500);
    - Issuing common shares of Orea totaling 200,000;
    - Incurring a minimum of \$12,507 (US\$10,000) in exploration expenditures; and
    - Completing a positive preliminary economic assessment (PEA).

- In the event that Orea does not proceed with the completion of the Second Option Stage, Orea will transfer its interest in Antino back to the optionor.
- Third Option Stage for an Additional 5% for a Total of 75%
  - Orea to acquire an additional 5% interest in Antino, for a total of 75%, within three years of completion of the Second Option Stage by:
    - Incurring a minimum of \$12,507 (US\$10,000) in exploration expenditures; and
    - Completing a bankable feasibility study (BFS).

The Commencement Date starts when certain conditions have been met, including but not limited to, satisfactory completion of due diligence and regulatory approvals (the "Conditions Precedent"). On June 24, 2022, the FOA was amended whereby the expiry date for the Conditions Precedent to be met was extended to September 16, 2022, in addition to an extension of an initial US\$100 payment due within 10 days of the Commencement Date to within 90 days of the Commencement Date.

As not all approvals have yet been obtained as at June 30, 2022 and the date of this MD&A, certain expenditures incurred in connection with Antino has been expensed in General Exploration.

#### *Antino Exploration Activity*

On March 31, 2022, Orea announced the completion of initial data acquisition and compilation at Antino, which includes:

- GIS compilation of historical exploration and drilling data;
- Airborne Light Detection and Ranging (LiDAR) high-resolution topographic and orthophoto survey covering 110 square kilometers;
- Re-processing of maiden 1994 airborne geophysical survey data; and
- Geological/structural mapping of the gold mineralized zones exposed in open pits and core relogging.

This first phase of exploration by Orea has provided a comprehensive dataset for the planning of a drilling program on select resource definition targets.

#### Maripa Gold Project

On July 19, 2018, the Company entered into an agreement (the "Maripa Option Agreement") with a subsidiary of IAMGOLD Corporation ("IAMGOLD") to acquire up to a 70% interest in two stages in Maripa, located in French Guiana, France.

On February 14, 2022, the Company entered into a purchase agreement (the "Maripa Purchase Agreement") with IAMGOLD whereby the Company is to acquire a 100% interest in Maripa in exchange for 6,000,000 common shares of the Company, and IAMGOLD retaining a 1.5% NSR on Maripa. The closing of the Maripa Purchase Agreement transaction is subject to a number of conditions, including TSX and other regulatory approvals. Concurrent with the closing of the Maripa Purchase Agreement transaction, the Maripa Option will be terminated.

On June 6, 2022, the Company terminated the Maripa Option Agreement and the Maripa Purchase Agreement. Consequently, the Company wrote off the carrying value of Maripa in the amount of \$3,023.

# Orea Mining Corp.

## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)



A summary of the Company's exploration and evaluation asset for nine months ended June 30, 2022 and year ended September 30, 2021 is set out below:

	<b>Maripa Gold Project</b>
	<b>\$</b>
Balance at October 1, 2020	1,701
Drilling	286
Geology and geophysics	44
Salaries and consulting	496
Supplies	74
Equipment	21
Permitting	53
Assays and analysis	77
Other	39
Foreign exchange	(133)
<b>Balance at September 30, 2021</b>	<b>2,658</b>
Drilling	283
Geology and geophysics	30
Salaries and consulting	262
Supplies	32
Equipment	6
Permitting	51
Assays and analysis	46
Transportation	3
Other	32
Foreign exchange	(380)
Loss on exploration and evaluation assets	(3,023)
<b>Balance at June 30, 2022</b>	<b>-</b>

### Investment in Compagnie Minière Montagne d'Or ("CMMO") - Paul Isnard, French Guiana

The Company entered into an agreement with Nord Gold plc ("Nordgold") on March 13, 2014 (the "Option Agreement"), under which Nordgold was granted the right to acquire a 50.01% interest in the Montagne d'Or Project (formerly known as the "Paul Isnard Project") in French Guiana, France, which includes the Montagne d'Or gold deposit, mining concessions and the exploration permits, held by the Company's subsidiary at the time, CMMO.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Montagne d'Or Project (the "5% Sale") for \$7,870 (US\$6,000) (received). The formal acquisition and transfer of the 5% interest would not occur until Nordgold earned the initial 50.01% interest in the Montagne d'Or Project under the Option Agreement.

On September 14, 2017, the Company's interest in CMMO was diluted to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in CMMO was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest in CMMO, and Nordgold owning the remaining 55.01% interest.

Upon recognition of Nordgold's earn-in, the Company recorded the carrying value of its investment in CMMO at its fair value of \$36,701, resulting in a gain on deconsolidation of \$14,116. The fair value of the Company's investment in CMMO was determined using the consideration it received for an aggregate interest of 55.01%, which was \$44,875 (US\$36,000).

The Company accounts for its investment in CMMO as an equity accounted investment.

CMMO's title to the Montagne d'Or Project was initially held in 8 mining concessions (each, a "Concession") plus 2 exclusive exploration permits covering a total area of 190 km<sup>2</sup>. Historically, the Concessions were granted to the original applicant and all subsequent title holders in perpetuity, in accordance with a French Imperial Law of the year 1810. As such, when the Concessions were first granted, they had the benefit of never expiring.

In 1994, the French Mining Code was amended to provide that all mining concessions granted under the Imperial Law of 1810 would expire on December 31, 2018, including CMMO's Concessions, but can be subject to successive extensions not exceeding 25 years. In accordance therewith, and after extensive exploration work, CMMO submitted renewal applications for a 25-year period for the core project Concessions (2 of the 8 Concessions), two years prior to the expiration date. Exploration results did not justify renewal applications for the other 6 Concessions.

Renewal of the two CMMO Concessions involved a national public enquiry, which was carried out in November and December 2018. The Commission of Mines in French Guiana was expected to provide a non-binding opinion to the French Minister of Economy in charge of mines, which makes a renewal decision. The renewal of the Concessions was on the agenda of the Commission of Mines on October 16, 2019, but was removed from the agenda prior to the Commission's meeting and the Prefect of French Guiana indicated that it would be considered at a future meeting following some complementary legal analysis.

The Mining Code provides that there is an implicit (deemed) refusal of the renewal applications if no response is received by the Minister in charge of mines within two years of the date the applications were submitted. On December 21, 2018, the Minister informed CMMO, and all other holders of former historical concessions in French Guiana, that the assessment of their application might not be finalized upon the deadline and notified each applicant that exceeding this deadline will not preclude an explicit (formal) decision at a later date. The letter stated further that the French Supreme Administrative Court (Conseil d'État) had provided that the operator "may continue its works until an explicit (formal) decision of its request for renewal." Conditions for renewal include the requirement that the concessions be exploited on December 31, 2018, and the examination by the administrative authority of the technical and financial capacities of the title holder as well as the foreseeable duration of the exploitation of the deposit.

In order to protect its rights to the CMMO Concessions, in February and March 2019, CMMO filed proceedings in the Administrative Court of Cayenne in French Guiana to invalidate any implicit (deemed) refusal as a result of the French government having failed to respond within the prescribed deadline, and to expedite a clear and definitive formal written decision from the Minister in charge of mines. On December 24, 2020, the Administrative Court of Cayenne in French Guiana concluded the implicit refusals were cancelled and ordered the State to extend the Concessions and to set the duration of these extensions within a period of six months from the notification of the court judgement. The Minister of Economy, and a non-governmental organization (NGO) permitted to intervene in the case, had two months to appeal the decision.

The French Government issued a press release on February 3, 2021 announcing that it had filed an appeal with the Administrative Court of Appeal of Bordeaux on January 25, 2021 from the Administrative Court of Cayenne ruling on December 24, 2020, which had ordered the renewal of the Concessions. The press release also reaffirms the Government's view that the Montagne d'Or Project, as it has been presented to it, is not compatible with the Government's environmental ambitions.

On July 16, 2021, the Administrative Court of Appeal of Bordeaux rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020. In its ruling, the Court of Appeal of Bordeaux concluded that the arguments put forth by the French Government were without merit and that CMMO submitted complete applications and met all requirements for the renewal of the Concessions. An additional court claim was made by CMMO on June 25, 2021, before the Administrative Court of Appeal of Bordeaux to execute the decision of the Administrative Court of Cayenne and for the French Government to pay 10,000 Euro a day in penalties per Concession (20,000 Euro total), for every day that the Concessions are not renewed. The additional court claim was initially withdrawn, although on May 20, 2022 the Administrative Court of Appeal of Bordeaux decided to cancel the withdrawal and to open the judicial procedure on the claim.

On October 7, 2021, the Company reported that it was informed that the French Government had filed a final appeal to the French Supreme Court, and on May 10, 2022, that the Supreme Court had admitted the final appeal.

The renewal of the Concessions was reviewed by the Commission of Mines in French Guiana on December 9, 2021. The Commission rendered a non-binding unfavorable mention based on environmental grounds and the new Mining Code. The mention has no effect on the previously rendered decisions by the Administrative Court of Cayenne in French Guiana and the Court of Appeal of Bordeaux, which were in favor of CMMO, and ordered the renewal of the Concessions.

French Constitutional Court of Third-Party Proceedings

On February 18, 2022, the Company reported that the French Constitutional Court (Conseil Constitutionnel) deliberated on a section of the French Mining Code relating to the renewal of historical mining titles and ruled that the “automatic” renewal provision associated with these mining titles does not comply with the French Constitution.

This ruling was issued in response to a constitutional law question raised in unrelated proceedings, brought before the Constitutional Court by NGO France Nature Environnement (“FNE”), in relation to another mining company, and is not related to the current proceeding before the French courts concerning the renewal of the Montagne d’Or Project mining titles.

Four companies currently hold 16 historical mining titles in French Guiana, including CMMO for the Montagne d’Or Project, and are therefore potentially impacted by the Constitutional Court decision; however, the Constitutional Court also indicated that its ruling will only apply to pending judicial proceedings where a definitive decision has not been issued.

It is therefore possible that the above noted ruling does not invalidate previous judicial decisions in favour of CMMO, concerning the Montagne d’Or Project, specifically the decision of the Court of Appeal in Bordeaux rejecting the French Government’s appeal and request for a stay of execution of the court rulings of December 24, 2020, which ordered the renewal of the Montagne d’Or Project mining titles (see new release dated July 22, 2021).

CMMO’s case concerning the Montagne d’Or Project mining titles is presently at the French Supreme Court. There is no certainty that the Supreme Court will not consider the Constitutional Court’s ruling, concerning the Montagne d’Or gold project; however, the Supreme Court has already denied a petition by FNE to join the French Government’s appeal (see new release dated January 10, 2022).

Additional updates will be provided by Orea when available.

US Sanction Imposed on Nordgold

On June 2, 2022, Nordgold has been sanctioned (the “Nordgold Sanction”) by the U.S. Department of Treasury, Office of Foreign Assets Control (“OFAC”), under Russian Harmful Foreign Activities Sanctions Regulations - 31 CFR part 587. General License No. 37 was also issued.

Under General License No. 37, all transactions prohibited by Presidential Executive Order 14024 that are ordinarily incident and necessary to the wind down of transactions involving Nordgold, or any entity in which Nordgold owns, directly or indirectly, a 50 percent or greater interest, are authorized through 12:01 a.m. eastern daylight time, July 1, 2022, under certain conditions.

On June 28, 2022, OFAC issued a new General License related to Nordgold. Specifically, OFAC issued General License No. 43, which applies to any parties subject to agreements or transactions with Nordgold and its associated entity Severstal. The terms of this new general license thereby extend Orea’s deadline to wind-up its joint-venture with Nordgold until August 31, 2022.

European Union Sanction Imposed on Nordgold Shareholder

On June 3, 2022, Marina Aleksandrovna Mordashova was Sanctioned by the European Union. Mrs. Mordashova became the controlling shareholder of Nordgold on February 28, 2022.

On March 4, 2022, the Company announced that it is aware of media articles which state that Alexei Mordashov, has (a) been added to the list of persons sanctioned by the European Union in connection with Russia’s invasion of Ukraine, and (b) has transferred control of a US\$1.1 billion stake in Nordgold to his wife, Marina Aleksandrovna Mordashova.

Prior to the share transfer, Alexei Mordashov was the beneficial controlling shareholder of Nordgold, the 55.01% owner of the Montagne d’Or project in French Guiana, France, of which Orea owns a 44.99% interest.

Impairment

As a result of the sanctions on Nordgold and its controlling shareholder, and related uncertainties, the Company has impaired the value of its investment in CMMO to \$nil.



Bankable Feasibility Study

On March 20, 2017, the Company announced the results of the independent bankable feasibility study ("BFS") on the Montagne d'Or gold deposit prepared in accordance with National Instrument 43-101. Highlights of the BFS are as follows (*figures are in Canadian and US Dollars, not in thousands*):

- Net present value of US\$370 million after tax (at a 5% discount rate);
- Internal rate of return of 18.7% after tax, at an assumed gold price of US\$1,250 per ounce ("oz");
- Reserves calculated at a gold price of US\$1,200/oz;
- Proven & Probable Mineral Reserves of 2,745,000 oz gold ("Au") (54.1 million tonnes ("Mt") at 1.58 grams per tonne ("g/t") Au), a subset of the Measured and Indicated Resources of 3,850,000 oz Au (85.1 Mt at 1.41 g/t Au, using a cut-off grade of 0.4 g/t and a US\$1,300/oz Au price);
- Life-of-mine ("LOM") production of approximately 2,572,000 oz Au; 214,000 oz per year, over a 12-year mine life, using an average overall gold recovery of 93.8% that results in an average LOM Total Cash Cost of US\$666/oz and LOM All-In Sustaining Costs ("AISC") of US\$779/oz;
- Average annual gold production of 237,000 oz over the first ten years of mine life at an average grade of 1.73 g/t Au that results in an average AISC of US\$749/oz; and
- Total Net Initial Capital Costs (including pre-stripping and contingency, less surplus tax credit refunds) of US\$361 million (table below for Capital Costs breakdown), with an After-tax Payback Period of 4.1 years, and LOM Sustaining Capital Costs of US\$231 million. LOM contingency rate of 9.5% is included in the estimate.

Additional information can be found in the press release dated March 20, 2017 on the Company's website.

Permitting Update

CMMO launched additional engineering and environmental studies in early 2019 for project modifications and improvements following the public consultation carried out in 2018 by the French National Public Debate Commission ("CNDP"). The project redesign mainly addressed recommendations made in the CNDP's report and took into consideration the French Government's expectations on environmental protection. The additional engineering and environmental studies principally addressed mine design, access road layout, hybrid on-site power generation and quarry development for construction material. They also include additional fauna and flora inventories, geotechnical drilling, ground geophysical surveys, geochemical analysis and laboratory test work. These studies involved a number of international and French (including local) consulting firms. The principal components of the studies include:

- Tailings storage facility redesign, lowering the height of retainment dams and dam break study;
- On-site hybrid solar power generation, eliminating the environmental impacts of connecting the mine to the local power grid, which involved the construction of a 106-km aerial power line, reducing the overall carbon emissions of the project by 80%;
- Waste management plan and waste rock storage redesign to avoid acid drainage;
- Hydrogeological modelling, detailed water management, water balance and contact water pond design;
- Quarry development for construction material and multi-criterion comparative analysis of the studied quarry site alternatives;
- Detailed redesign of the 125 km access road from Saint-Laurent du Maroni, stormwater and safety devices, bridges, watercourse crossings, retaining walls and rehabilitation of abandoned sections;
- Hazardous material transport study and supply, transport and storage of explosives;
- Overall project mass balance and site closure plan; and
- Natural Compensation Site development.

The complementary studies and mine design modifications are now complete and the environmental and mining authorization applications have been prepared. CMMO intends to submit the applications to the State services for processing once the Concession extensions have been granted by the French Government. In order to reduce costs during the permitting process, CMMO has closed its office in Cayenne and the project camp until permits and authorizations have been granted by the French Government to commence construction of the mine. There is no assurance that such Concession extensions or permits and authorizations will be granted.

# Orea Mining Corp.



## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)

A continuity of the investment in CMMO is shown below:

	(\$)
<b>Balance, October 1, 2020</b>	<b>38,220</b>
Proportionate share of losses	(265)
Foreign exchange loss	(2,988)
<b>Balance, September 30, 2021</b>	<b>34,967</b>
Proportionate share of losses	(1,768)
Foreign exchange loss	(4,008)
Impairment loss	(29,191)
<b>Balance, June 30, 2022</b>	<b>-</b>

### Qualified Person

The technical information contained in this MD&A has been reviewed and approved by the Orea's President & CEO, Rock Lefrancois, P.Geo (OGQ), who is a Qualified Person under NI 43-101.

### **Summary of Quarterly Information**

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net loss for the period	(34,048)	(922)	(1,222)	(866)	(41)	(1,290)	(914)	(1,705)
Basic loss per share	(0.16)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)
Diluted loss per share	(0.16)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)

	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash	291	415	764	1,241	1,700	1,173	1,005	2,602
Total assets	814	35,918	37,924	40,056	40,591	40,708	43,355	44,448
Total non-current financial liabilities	(12)	(15)	-	(28)	(62)	(6)	(7)	(30)

### Q3 2022 Compared with Q2 2022, Q4, 2021 and Q1 2021

During the three months ended June 30, 2022, the Company recorded a net loss of \$34,048, compared to \$922 in Q2 2022, \$866 in Q4 2021 and \$914 in Q1 2021. The higher net loss this quarter is mainly a result of the impairment of its investment in Compagnie Minière Montagne d'Or SAS of \$29,191 and loss on its exploration and evaluation asset (Maripa Gold Project) of \$3,023 (together, the "Properties Loss"). In addition, during Q3 2022, the Company recorded a loss from the Company's equity accounted investment CMMO of \$1,109.

### Q3 2022 Compared with Q1 2022 and Q2 2021

Net loss for Q1 2022 and Q2 2021 were \$1,222 and \$1,290 respectively. The increase is mainly due to the Properties Loss and the higher loss from the Company's equity accounted investment.

### Q3 2022 Compared with Q3 2021

During Q3 2021 the Company incurred a loss of \$41, compared to \$34,048 this quarter. The increased loss this quarter is mainly attributable to the Properties Loss.

# Orea Mining Corp.



## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)

### Q3 2022 Compared with Q4 2020

The Company recorded a net loss of \$1,705 in Q4 2020. The higher net loss this quarter is primarily a result of the Properties Loss and the loss from equity accounted investment partially offset by a reduction in operating expenses, including general and exploration, investor relations and professional fees.

### Review of Financial Results – Year to Date

The Company incurred a net loss of \$36,192 this period, compared to \$2,245 during the same period in the prior year. The variance is mainly attributable to recording the Properties Loss of \$32,214 compared to \$nil during the same period in the prior year. In addition, the Company recorded a loss from its equity accounted investment, CMMO, of \$1,768 compared to \$222 during the same period in the prior year.

### **Liquidity and Capital Resources**

The Company does not currently own or have an interest in any producing resource properties and does not derive any significant revenues from operations. The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for commodities and also a function of the demand for gold, both of which are subject to macroeconomic conditions and market fluctuations.

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Cash used in operating activities	(306)	(538)	(1,179)	(2,371)
Cash from (used in) investing activities	13	1,092	(651)	177
Cash from (used in) financing activities	171	(25)	888	1,306
Cash, end of the period	<b>291</b>	<b>1,700</b>	<b>291</b>	<b>1,700</b>

As at June 30, 2022 the Company had working capital deficiency of \$40, compared to positive working capital of \$441 at March 31, 2022 and \$1,795 at September 30, 2021.

During the current quarter, the Company used \$306 in operating activities, compared to \$538 during the same quarter in the prior year and \$1,179 during the current period, compared to \$2,371 during the same period in the prior year. The decrease in cash used this quarter and this period is primarily attributable to a general reduction in cash operating costs and a positive effect from changes in non-cash working capital.

During the three months and nine months ended June 30, 2022, the Company invested \$81 and \$745 respectively, in Maripa, and \$129 and \$1,043 during the three and nine months ended June 30, 2021. The variances are attributable to the timing of the Company's exploration activities on Maripa, which is significantly less in fiscal 2022. During the three and nine months ended June 30, 2022, the Company sold marketable securities for proceeds of \$94, compared to \$1,225 during the same period in the prior year.

During the three and nine months ended June 30, 2022, the Company received \$203 and \$981 respectively, from share offerings, compared to \$1,387 during the nine months ended June 30, 2021.

As at June 30, 2022, the Company had cash of \$291, and current liabilities of \$758. The Company will need to conduct additional financings to meet working capital requirements, and obligations as they become due.

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

The Company has no off-balance sheet arrangements.

**Related Party Transactions**

The Company entered into a cost sharing agreement (the “Xebra Cost Sharing Agreement”) with Xebra effective October 1, 2019, whereby certain overhead and administration costs were shared, which Xebra reimbursed to the Company on a periodic basis and is included in cost recoveries. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020 and replaced with a fixed fee agreement (the “Xebra Services Agreement”), whereby the Company provided certain overhead and administration services in exchange for a fixed fee of \$10 per month and a reduction in compensation of \$8 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020 and replaced with an updated services agreement (the “Updated Services Agreement”) effective January 1, 2021 for \$2 per month. Effective June 1, 2021, the Updated Services Agreement was amended whereby the monthly fee is increased to \$30 per month, which was further amended effective January 1, 2022 whereby the monthly fee is increased to \$40 per month. The Company and Xebra have a director in common, and as a result of the Updated Services Agreement arrangement, certain officers in common.

The Company entered into an office cost reimbursement agreement (the “OCRA”) with Shellron Capital Ltd. (“Shellron”), effective January 1, 2022, whereby the Shellron reimburses the Company for certain office costs totaling \$2 per month. The Company and Shellron have certain directors and officers in common.

The Company had a note receivable of \$1,604 (the “Grid Note”) from Allegiant, a company with a certain director in common, originally due on the later of March 1, 2019 or when Allegiant has completed one or more equity financings with collective proceeds of a minimum of \$4,000 subsequent to the date on which Allegiant lists on the TSX-V. On March 5, 2019, the Company received 1,000,000 common shares (the “Extension Shares”) of Allegiant in exchange for extending the due date of the Grid Note to December 31, 2020 (the “Extended Grid Note”). The fair value of the Extension Shares was \$190 at the time of issuance. The fair value of the Extended Grid Note is \$1,220, based on a 15% discount rate. The fair value of the Grid Note has been further reduced by the fair value of the Extension Shares, resulting in a carrying value of \$1,030 on initial recognition. The Extended Grid Note was to be accreted to its face value of \$1,604 by the due date. The Grid Note was non-interest bearing and unsecured.

On October 21, 2020 the Extended Grid Note was settled in exchange for 3,201,766 shares (the “Settlement Shares”) of Allegiant. Consequently, the Company impaired the carrying value of the Extended Grid Note to \$1,345, and recorded an impairment charge of \$166 which corresponds to the fair value of the Settlement Shares as at September 30, 2020. The market value of the Settlement Shares received on October 21, 2020 was \$1,073, resulting in a loss of \$272 on settlement. A summary of the Grid Note is presented in the following table:

	(\$)
Balance, October 1, 2020	1,345
Settlement	(1,073)
Loss on settlement	(272)
<b>Balance, June 30, 2022 and September 30, 2021</b>	<b>-</b>

The following is a summary of related party transactions:

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
	(\$)	(\$)	(\$)	(\$)
Management fees paid to Columbus Capital Corporation; a company controlled by the Chairman of the Company	23	23	68	68
Management fees paid to the President and CEO of the Company	66	66	198	198
Accounting fees paid to the CFO of the Company	48	48	144	144
Directors’ fees paid or accrued	36	36	108	108
Administration cost recoveries received or accrued from Xebra	(120)	(34)	(330)	(58)
Administration cost recoveries received or accrued from Allegiant	(5)	(5)	(14)	(14)
Administration cost recoveries received or accrued from Columbus Capital Corporation	(6)	-	(10)	-
Amounts reimbursed or receivable under the OCRA	(6)	-	(12)	-
	<b>36</b>	<b>134</b>	<b>152</b>	<b>446</b>

## Orea Mining Corp.

### Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)



The following summarizes advances or amounts that remain receivable from or payable to each related party:

	June 30, 2022 (\$)	September 30, 2021 (\$)
Receivable from Xebra	-	126
Management fees advance (payable) to Columbus Capital Corporation	(4)	8
Directors' fees payable	(96)	(36)
	<b>(100)</b>	<b>98</b>

#### Commitments

The Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payment	68	11	-	79
Equipment	4	1	-	5
	<b>72</b>	<b>12</b>	<b>-</b>	<b>84</b>

#### Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of useful lives of depreciated and amortized assets, the recoverability of the carrying value of exploration and evaluation assets, assumptions used in determination of share-based payments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the classification of expenditures as exploration and evaluation expenditures or operating expenses and the classification of financial instruments.

#### New Accounting Standards Adopted During the Period

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

#### Changes in Accounting Standards

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

**Financial Risk and Capital Management**Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at June 30, 2022 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

## (a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks and an investment firm. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and trade receivables. Management believes that the credit risk with respect to cash and receivables as it relates to goods and services tax are low, and medium as it relates to remaining other receivables.

## (b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2022, the Company has working capital deficiency of \$40 (September 30, 2021 – positive working capital of \$1,795). Management assessed liquidity risk to be very high.

## (c) Market Risks

## (i) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates of its subsidiaries in French Guiana, Panama and Colombia. The Company also has assets and liabilities denominated in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

## (ii) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

## (iii) Interest Rate Risk

The Company does not have any interest-bearing debt and is therefore not exposed to interest rate risk.

Sensitivity Analysis

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables and accounts payables in US Dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately \$60 to profit or loss.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration and development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors approves the annual and updated budgets. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Fair Value

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The fair value of marketable securities is based on quoted market prices for publicly traded shares.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Marketable securities are classified as Level 1. At June 30, 2022, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

<b>Financial Instrument</b>	<b>Measurement Method</b>	<b>Associated Risks</b>	<b>Fair value at June 30, 2022 (\$)</b>
Cash	FVTPL (Level 1)	Credit and currency	291
Marketable securities	FVTPL (Level 1)	Exchange	36
Receivables	Amortized cost	Credit and concentration	19
Accounts payable	Amortized cost	Currency	(460)
			<b>(114)</b>

**Other Information**

Outstanding Share Data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents Orea's capital structure as at the date of this MD&A and June 30, 2022:

	<b>As at date of this MD&amp;A</b>	<b>June 30, 2022</b>
Common shares issued and outstanding	216,400,159	216,400,159
Share purchase options outstanding	9,175,000	9,175,000
Share purchase warrants	7,725,215	7,725,215

Risk and Uncertainties*Risk Factors*

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. Some of the following statements are forward-looking and actual results may differ materially from the results anticipated in these forward-looking statements. Please refer to the section titled "Caution Regarding Forward-Looking Statements" in this report. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects could be materially and adversely affected.

*Foreign Operations and Political Risk*

The Company's material property is located in French Guiana and is subject to changes in political conditions and regulations in French Guiana, which is an overseas department and region of France, and as such, are exposed to various levels of political, economic, and other risks and uncertainties.

Changes, if any, in mining or investment policies or shifts in political attitude in France and French Guiana could adversely affect the Company's operations or profitability and could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and/or financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, price controls, export controls, currency remittance, changes in taxation policies, renewal of or securing all of concessions, licenses, permits and authorizations required to conduct exploration of mineral projects, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety. Other risks may include, but are not limited to: fluctuations in currency exchange rates, labour unrest, illegal mining, corruption, and social unrest.

These risks may limit or disrupt the Company's projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contractual rights or the seizure of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position and/or results of operations. In addition, the enforcement by the Company of its legal rights, including rights to exploit its properties or utilize its permits and licenses and contractual rights may not be recognized by the court systems in French Guiana or enforced in accordance with the rule of law. As French Guiana has a developing economy it is difficult to predict its future political, social and economic direction, and the impact that government decisions may have on its business. Any political or economic instability in French Guiana could have a material and adverse effect on its business and results of operations.

*Title to Mining Interests, Permits and Licenses*

The operations of the Company require licenses, concessions and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses, concessions and permits that may be required to carry out the exploration and development of its projects. The validity of the mining interests held by the Company could be uncertain and may be contested. No assurance can be given that applicable governmental authorities will not revoke or significantly alter the conditions of the applicable exploration and mining titles or interests. The acquisition and renewal of title to mineral properties is a very detailed and time-consuming process, and the Company's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects. Several of the Company's licenses and permits will need to be renewed, and on renewal the license may cover a smaller area. There is a risk that the Company may not have clear title to all its mineral property interests, or that they may be subject to challenge or impugned in the future. Although the Company has attempted to acquire satisfactory title to all of its properties, the risk exists that some titles may be defective or that the necessary conditions for renewal of title may not be met. A successful challenge to the Company's title to its properties or the failure to renew such title could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material and adverse effect on the Company.



In particular, the validity of mining interests held by CMMO in the Montagne d'Or Project may be uncertain. Although renewal applications for the Montagne d'Or Project concessions have been filed, there is no guarantee that such concessions will be renewed and this should not be construed as a guarantee of title. The renewal applications for the concessions involved a national public enquiry, which was carried out in November and December 2018. The Commission of Mines in French Guiana was expected to provide a non-binding opinion to the French Minister of Economy in charge of mines, which makes a renewal decision. The renewal of the Concessions was on the agenda of the Commission of Mines on October 16, 2019, but was removed from the agenda prior to the Commission's meeting and the Prefect of French Guiana indicated that it would be considered at a future meeting following some complementary legal analysis.

The Mining Code provides that there is an implicit (deemed) refusal of the renewal applications if no response is received by the Minister in charge of mines within two years of the date the applications were submitted. On December 21, 2018, the Minister informed CMMO, and all other holders of former historical concessions in French Guiana, that the assessment of their application might not be finalized upon the deadline and notified each applicant that exceeding this deadline would not preclude an explicit (formal) decision at a later date. The letter stated further that the French Supreme Administrative Court (Conseil d'État) had provided that the operator "may continue its works until an explicit (formal) decision of its request for renewal." Conditions for renewal include the requirement that the concessions be exploited on December 31, 2018, and the examination by the administrative authority of the technical and financial capacities of the title holder as well as the foreseeable duration of the exploitation of the deposit.

In order to protect its rights to the CMMO Concessions, in February and March 2019, CMMO filed proceedings in the Administrative Court of Cayenne in French Guiana to invalidate any implicit (deemed) refusal as a result of the French government having failed to respond within the prescribed deadline, and to expedite a clear and definitive formal written decision from the Minister in charge of mines. On December 24, 2020, the Administrative Court of Cayenne in French Guiana concluded the implicit refusals were cancelled and ordered the State to extend the Concessions and to set the duration of these extensions within a period of six months from the notification of the court judgement. The Minister of Economy, and a non-governmental organization (NGO) permitted to intervene in the case, had two months to appeal the decision.

The French Government issued a press release on February 3, 2021 announcing that it had filed an appeal with the Administrative Court of Appeal in Bordeaux on January 25, 2021 from the Administrative Court of Cayenne ruling on December 24, 2020, which had ordered the renewal of the Concessions. The press release also reaffirms the Government's view that the Montagne d'Or Project, as it has been presented to it, is not compatible with the Government's environmental ambitions.

On July 16, 2021, the Administrative Court of Appeal of Bordeaux rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020. In its ruling, the Court of Appeal of Bordeaux concluded that the arguments put forth by the French Government were without merit and that CMMO submitted complete applications and met all requirements for the renewal of the Concessions. This ruling provides strong arguments in support of the additional court claim by CMMO made on June 25th for the French Government to pay 10,000 Euro a day in penalties, for every day that the Concessions are not renewed.

The Montagne d'Or Project has been the subject to comprehensive environmental studies of high standard.

The Government has two months to file one final appeal to the Supreme Court (Conseil d'Etat). An appeal, if filed, would, in principle, have no suspensive effect; the Supreme Court would not reconsider the facts and would limit its review to interpretation of relevant law. On October 7, 2021, the Company announced that it received confirmation that the Government filed a final appeal.

#### *French Constitutional Court of Third-Party Proceedings*

On February 18, 2022, the Company reported that the French Constitutional Court (Conseil Constitutionnel) deliberated on a section of the French Mining Code relating to the renewal of historical mining titles and ruled that the "automatic" renewal provision associated with these mining titles does not comply with the French Constitution.

This ruling was issued in response to a constitutional law question raised in unrelated proceedings, brought before the Constitutional Court by NGO France Nature Environnement ("FNE"), in relation to another mining company, and is not related to the current proceeding before the French courts concerning the renewal of the Montagne d'Or Project mining titles.

Four companies currently hold 16 historical mining titles in French Guiana, including CMMO for the Montagne d'Or Project, and are therefore potentially impacted by the Constitutional Court decision; however, the Constitutional Court also indicated that its ruling will only apply to pending judicial proceedings where a definitive decision has not been issued.

It is therefore possible that the above noted ruling does not invalidate previous judicial decisions in favour of CMMO, concerning the Montagne d'Or Project, specifically the decision of the Court of Appeal in Bordeaux rejecting the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020, which ordered the renewal of the Montagne d'Or Project mining titles (see new release dated July 22, 2021).

CMMO's case concerning the Montagne d'Or Project mining titles is presently at the French Supreme Court. There is no certainty that the Supreme Court will not consider the Constitutional Court's ruling, when deciding if it should hear the final attempt for an appeal that was requested by the French Government against the decision of the Court of Appeal in Bordeaux (see new release dated October 7, 2021), concerning the Montagne d'Or gold project; however, the Supreme Court has already denied a petition by FNE to join the French Government's appeal (see new release dated January 10, 2022).

#### *Regulatory Requirements*

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the mineral projects in which the Company has an interest. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

#### *Exploration, Development and Production Risks*

An investment in the Company's shares is speculative due to the nature of the Company's involvement in the evaluation, acquisition, exploration and, if warranted, development and production of minerals. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries in commercial quantities.

While the Company has a limited number of specific identified exploration or development prospects, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Company has no earnings record, no reserves and no producing resource properties.

The Company's resource projects are in the exploration stage. Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge will not eliminate. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company must rely upon consultants and contractors for exploration, development, construction and operating expertise. Substantial expenditures may be required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms, or at all, which could adversely affect the business of the Company.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

#### *Additional Funding Requirements*

From time to time, the Company may require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities, delay or indefinitely postpone further exploration and development of its projects with the possible loss of such properties, and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favorable terms.

#### *Competition*

The Company actively competes for acquisitions, leases, licenses, concessions, claims, skilled industry personnel and other related interests with a substantial number of other companies, many of which have significantly greater financial resources than the Company.

The Company's ability to successfully bid on and acquire additional property rights to participate in opportunities and to identify and enter into commercial arrangements with other parties will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

#### *Joint Venture Risks in respect of the Montagne d'Or Project and the Company's Minority Interest therein*

The Montagne d'Or Project is operated through a joint venture with Nordgold, CMMO. As such, the Company is subject to the risks and uncertainties inherent with incorporated joint ventures, including, but not limited to: the inability to exert control over strategic decisions made in respect of projects, disagreements with joint venture partners on how to develop and operate projects, inability of joint venture partners to meet their obligations to the joint venture or third parties, and disputes or litigation between joint venture partners regarding joint venture matters.

Nordgold is the majority (55.01%) shareholder in the CMMO joint venture and is also the operator of the Montagne d'Or Project. Although the Company has representation on the board of CMMO, the terms of the shareholders' agreement governing the operation of the Montagne d'Or Project provide effective control to Nordgold. As the holder of a minority (44.99%) interest in the Montagne d'Or Project, the Company neither serves as the mine's operator nor does the Company have significant input into how the operations are conducted and is therefore dependent on Nordgold to manage and operate the affairs of CMMO and to do so in compliance with the shareholders' agreement with the Company. As such, the Company has varying access to data on the operations and to the project itself and it is difficult or impossible for the Company to ensure that the Montagne d'Or Project is operated in its best interest. Moreover, Nordgold may have divergent business objectives from the Company's objectives which may impact the Company's business and financial results. Management of the Montagne d'Or Project may not comply with the Company's management and operating standards, controls and procedures. Failure to adopt equivalent standards, controls and procedures at these assets or improper management or ineffective policies, procedures or controls could not only adversely affect the value of the Montagne d'Or Project and operations but could also lead to higher costs and adversely impact the Company's results and reputation and future access to new assets.

Although the Company expects its relations with Nordgold to remain positive, any failure of Nordgold to meet its obligations to the Company under the shareholders' agreement or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint venture or the Company's interests in the Montagne d'Or Project. Furthermore, CMMO is incorporated under the laws of France. The laws of France do not provide all of the same protections that are available to shareholders of corporations that are formed under the laws of Canada. Accordingly, any dispute between the Company and Nordgold as the shareholders of CMMO could have a materially adverse effect on the Company's results of operations and financial condition.

*Pandemic and COVID-19*

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. Certain drilling operations and permitting activities have been delayed due to COVID-19. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations.

*Prices, Markets and Marketing of Natural Resources*

Gold is a commodity whose price is determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for gold have fluctuated widely in recent years. The marketability and price of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company has limited direct experience in the marketing of gold.

Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection are all factors which may affect the marketability and price of natural resources. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return on investment for shareholders.

*Environmental Risks*

All phases of the natural resources business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions, and national, state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resources companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in developments of new properties.

*Dilution*

In order to finance future operations and development efforts, the Company may raise funds through the issue of shares or securities convertible into shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of shares or securities convertible into shares or the effect, if any, that future issues and sales of shares will have on the price of the shares. Any transaction involving the issue of previously authorized but unissued shares or securities convertible into shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

*Reliance on Key Employees*

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Company's shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. An investment in the Company's shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment.

*The Market Price of Shares May be Subject to Wide Price Fluctuations*

The market price of shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, changes in mineral reserve or resource estimates, results of exploration, changes in results of mining operations, legislative changes, and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the shares.

The Company is unable to predict whether substantial amounts of shares will be sold in the open market. Any sales of substantial amounts of shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the shares.

*Availability of Equipment and Access Restrictions*

Natural resource exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

*Conflict of Interest of Management*

Certain of the Company's directors and officers are also directors and officers of other natural resource companies, including Nordgold. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

*Insurance*

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable, or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer or such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

*Global Financial Conditions*

Global financial conditions over the last few years have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of our shares may be adversely affected.

*Credit Risk*

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

*Management's Responsibility for Financial Statements*

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

*Controls and Procedures*

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the current quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

*Enforcement of Civil Liabilities*

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Caution Regarding Forward Looking Statements

Certain statements made in this and other Orea public disclosure documents, including statements relating to matters that are not historical facts and statements of the Company's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward looking information" within the meaning of applicable Canadian securities legislation ("forward-looking statements"). Forward-looking statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "budget", "plan", "estimate", "continue", "forecast", "believe", "predict", "potential", "target", "would", "might", "will", and similar words, expressions or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. These include, but are not limited to, statements and information regarding: the Company's plans to construct and develop the Montagne d'Or Project, including anticipated timing thereof; the satisfaction of regulatory requirements in respect of the permitting and construction of the Montagne d'Or Project, including but not limited to, the submission and processing of mine permit applications, the timing thereof and the timing of completion of environmental and engineering studies; the Company's ability to renew the concessions for the Montagne d'Or Project and to comply with the conditions thereof; economic analysis for the Montagne d'Or Project and related exploration objectives and plans; the conversion of mineral resources into mineral reserves and the conversion of inferred mineral resources into higher resource classification categories; the Company's objective of become an emerging gold producer; the acquisition of exploration projects including terms of acquisition, exploration or development plans, intentions to acquire additional exploration or development interests and the implications thereof; future exploration and mine plans, objectives and expectations and corporate

planning of the Company, future studies and environmental impact statements and the timetable for completion and content thereof and the matters and activities contemplated in this document.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements. Such assumptions and analyses are made by the Company's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are reasonable and appropriate in the circumstances. There can be no assurance that such statements will prove to be accurate. Forward-looking statements are based on numerous assumptions regarding present and future business strategies, local and global economic conditions, and the environment in which the Company will operate in the future, including compliance by the Company with regulatory and permitting requirements applicable in French Guiana, the sufficiency of Company's working capital; the Company's ability to secure additional funding for the continued exploration and development of its properties; the price of gold and other metals; and the Company's ability to retain key personnel. You are hence cautioned not to place undue reliance on forward-looking statements.

Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, political and economic risks in France, political and economic risks in French Guiana, risks related to the renewal applications for the Concessions and the possible outcomes thereof; possible negative outcomes of the proceedings in the Administrative Court of Cayenne in French Guiana; regulatory risk including but not limited to unforeseen changes in regulatory requirements, the Company's ability to enforce its contractual and other legal rights to explore and exploit its properties, risks related to exploration and development, permitting and licensing risk, the estimation of mineral resources and mineral reserves and related interpretations and assumptions, future profitability of the Company, the ability to obtain additional financing on a timely basis, the price of gold and marketability thereof, government regulations including with respect to taxes, royalties, land tenure and land use, title to the Company's properties, currency exchange rates and fluctuations, environmental risks, dilution resulting from the issuance of additional securities of the Company, joint venture risks, reliance on Nord Gold SE as operator of the Montagne d'Or Project, the availability of equipment, conflicts of interest, competition in the mining industry, uninsured risks, market fluctuations, global financial conditions, credit risk, changes in Canadian/US dollar exchange rates; management's strategies, objectives and expectations; the Company's tax position and the tax and royalty rates applicable; the Company's ability to acquire necessary permits and other authorizations in connection with its projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; the Company's financial and operating objectives; the Company's environmental, health and safety initiatives; the availability of qualified employees and labour for operations; risks that may affect operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions and statements as to management's expectations, and risks arising from pandemics and epidemics such as the COVID-19 pandemic. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These statements, however, 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.

Readers are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are included in the "Risk Factors" section in Company's annual information form for the year ended September 30, 2020 ("AIF").

Readers are further cautioned that the list of factors enumerated in the "Risk Factors" section of the AIF that may affect future results is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking statements and information contained herein are made as of the date of this document and the Company does not undertake any obligation to update or to revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements and information contained herein are expressly qualified by this cautionary statement.

# Orea Mining Corp.

## Management's Discussion and Analysis For the Nine Months Ended June 30, 2022 (Unaudited)

(Expressed in thousands of Canadian Dollars, except per share amounts or where noted)

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### Additional Information

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Corporation Information

Head Office:	1090 Hamilton Street Vancouver, BC V6B 2R9 Canada
Directors:	Robert Giustra, Chairman Marie-Hélène Bérard Oleg Pelevin Peter Gianulis
Officers:	Rock Lefrançois, President & Chief Executive Officer Andrew Yau, Executive Vice President & Chief Financial Officer Jorge Martinez, Vice President, Corporate Operations Daniela Freitas, Corporate Secretary
Auditor:	DMCL LLP 1500 – 1140 West Pender Street Vancouver, BC V6E 4G1
Legal Counsel:	McMillan LLP Suite 1500 - 1055 West Georgia Street Vancouver, BC V6E 4N7
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