



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter ended March 31, 2024

ABOUT LAVRAS GOLD

Lavras Gold Corp. (“Lavras Gold”, “Lavras” or the “Company”) is a Canadian company that is realizing the potential of a multi-million-ounce gold district in southern Brazil. The LDS Project is in a historic gold district in the state of Rio Grande do Sul, southern Brazil.

The goal for Lavras Gold is to discover and develop an economically feasible gold mine. Activities and discoveries to this point bring the Company closer to this goal each quarter. The board and management are creating value for all Lavras stakeholders by:

- **growing** existing gold resources
- **discovering** new gold deposits
- **de-risking** the project on the environmental and permitting fronts, and
- **potential leveraging** of the revenue-based gold royalty on a large portfolio of exploration concessions surrounding the Mara Rosa gold mining project in central Brazil.

This MD&A contains forward-looking statements that are subject to risk factors that are detailed in this document. Please read this MD&A together with Lavras Gold's condensed interim consolidated financial statements and related notes for the three months ended March 31, 2024. These have been prepared according to International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Lavras Gold is listed on the TSX Venture Exchange (TSXV) under the symbol LGC and on the OTCQX Best Market (OTCQX) under the symbol LGCFF. Follow @LavrasGold on LinkedIn, Twitter, YouTube, and www.lavrasgold.com.

In this document:

- All dollar amounts are in Canadian dollars unless otherwise noted.
- Information is as of May 13, 2024, unless otherwise noted.

GENERAL

The vision of Lavras Gold is to discover and develop an economically feasible gold mine, unlocking the value of the LDS Project, the Company's advanced gold exploration property in southern Brazil. The long-term goal is to demonstrate that LDS is potentially a world-class asset that could support significant annual gold production for more than 10 years in the lower half of the gold cash cost curve.

Short-term goals include:

- Executing a drill program focused initially on Butiá and Fazenda do Posto, and then testing other high-priority LDS exploration targets to make new gold discoveries, and ultimately grow the existing gold endowment.
- Relogging historic drill core at Butiá and using new sampling and assaying protocols to retest historic drill core for consistency with the protocols used most recently at Fazenda do Posto to potentially expand the existing gold endowment.
- Leveraging the good relationships with local stakeholders as the permitting process begins,
- Sustaining relationships with existing shareholders and attracting new shareholders by bringing the value proposition of Lavras Gold to the investing community.

2024 Q1 HIGHLIGHTS

Operations

- Completed 3,495 metres of drilling and submitted 2,712 assay samples primarily from Fazenda do Posto and Butiá targets.
- Results from drilling at the Butiá Gold Deposit included intersecting 1.1 g/t gold over 154 metres from surface, including 1.4 g/t gold over 109 meters, including 3.2 g/t gold over 18 metres, including 1.4 g/t gold over 109 meters, including 3.2 g/t gold over 18 metres.
- Drilling at Fazenda do Posto returned 1.0 g/t gold over 173 metres from 69 metres, including 1.4 g/t gold over 95 metres.
- Results from a regional soil survey highlighted three significant gold-in-soil anomalies at Matilde and Matilde Extension (3.8km x 4.8km anomaly), a 4.6km x 4.8km anomaly overlying historical gold workings including Galvao, Zeca Souza and Caneleira, and a third, more scattered anomaly (roughly 4 km by 3.7 km) centred along the eastern flank of the Lavras do Sul Intrusive Complex and overlying volcanic rocks.

Financial

- Lavras Gold maintained a solid financial position in the first quarter of 2024. In late September 2023, Lavras Gold closed a non-brokered private placement of C\$13.7 million (issued 10.1 million common treasury shares at C\$1.35 per share) with no warrants attached. Lavras Gold's management and directors subscribed for 0.5 million common shares for an aggregate amount of \$0.7 million. This financing also attracted both high net worth prominent mining investors such as Eric Sprott (15% ownership) and Rob McEwen (1% ownership) as well as strategic investor Kinross Gold (TSX: K) (5% ownership). At the close of 2024 Q1, Lavras Gold's cash position was \$9.4 million, sufficient capital to execute on its exploration activities at Fazenda do Posto and Butiá and to meet any upcoming short term financial obligations.

Corporate

- Lavras Gold was named as one of the top 50 performers on the TSX Venture Exchange in February 2024 – of the 1,700 companies listed on the TSX Venture Exchange. Comprised of 10 companies from each of the five industry sectors, the ranking recognizes the strongest performance on the Exchange based on market capitalization, share price appreciation, and trading volume.

2024 Q1 EXPLORATION UPDATE – THE LDS PROJECT

The LDS Project, located close to the town of Lavras do Sul in Rio Grande do Sul State, southern Brazil, has 24 prominent mineralized showings, nine of which have either an active drill program or have had drill programs in the recent past.

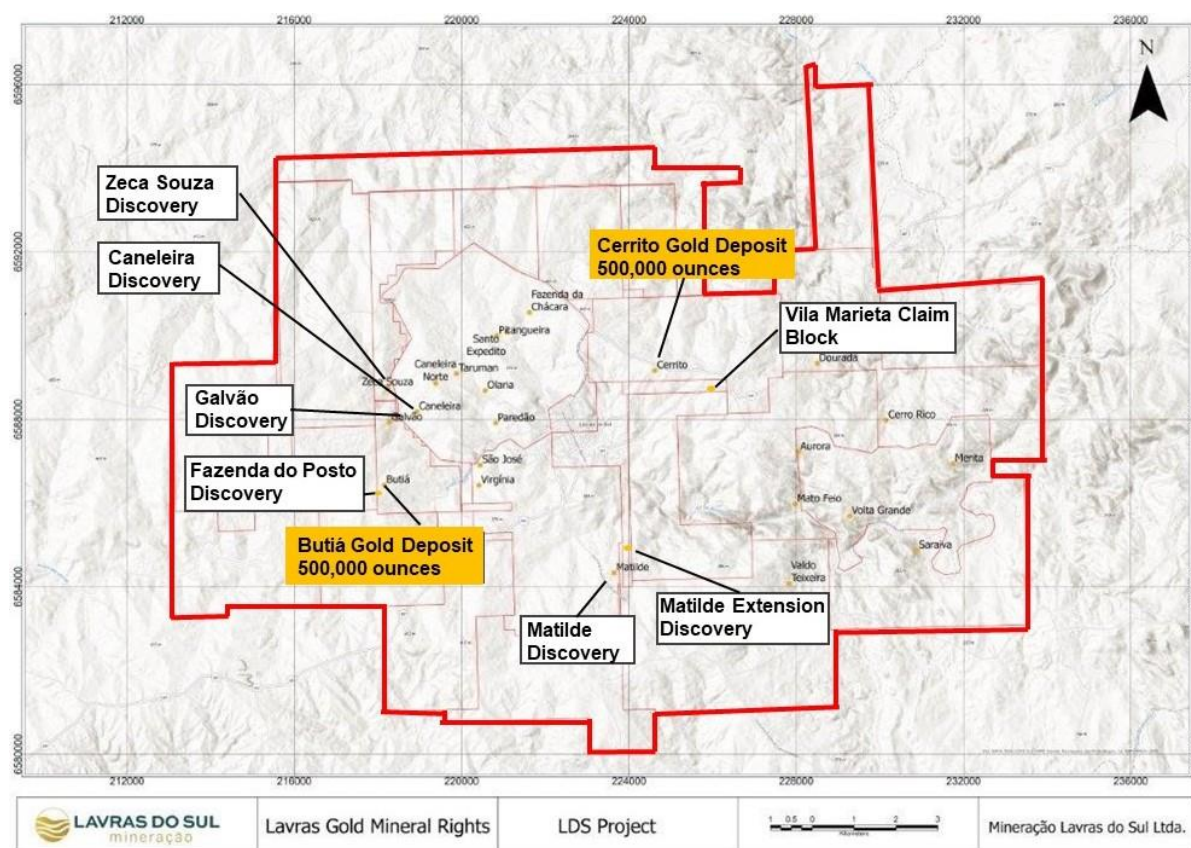
To best understand the following narrative on the history of the Company, its projects, and its properties, it is necessary understand the Company's descriptive classification system. "Target" refers to a known or suspected area of gold mineralization. "Discovery" refers to an area proven by drilling to have significant gold mineralization, and "Deposit" refers to the delineation of the area of mineralization using the guidelines set out by Canadian National Instrument 43-101, the document that governs a company's public disclosure of scientific and technical information about its mineral projects. The following table illustrates the timeline and highlights of each of these categories and Figure 1 illustrates the locations of each of the primary targets.

Target	Class	Resource*	Summary
Butiá	Gold Deposit	500,000 oz Au	43-101 Resource Estimate Jan 25, 2022
Cerrito	Gold Deposit	500,000 oz Au	43-101 Resource Estimate May 31, 2022
Fazenda do Posto	Discovery		Q3 2023 discovery, 340 metres at 1.09 g/t gold including 160 metres at 1.79 g/t gold including 68 metres at 2.09 g/t gold. A globally significant gold discovery. This discovery remains open.
Zeca Souza	Discovery		Q3 2022 discovery with 15.0 metres grading 5.78 g/t gold from 103 metres, including 3.0 metres at 28.24 g/t gold from 115 metres, which in turn included 1.34 metres at 59.60 g/t gold from 115.0 metres. Results include 43.6 g/t gold over 4 metres starting near surface. 5,291 metres drilled (21 holes) since Q2/2022. Five of 21 holes intersected bonanza-style gold grades associated with visible gold within alkali feldspar quartz syenite.
Galvao	Discovery		Q2/2023 discovery with 1,073 metres drilled (2 holes) showing long intervals of gold mineralization intermittently over 450 metres of strike length to a vertical depth of 461 metres. Highlights include 10.0 metres at 4.63 g/t gold from 532.0 metres down the drillhole, including 3.0 metres grading 11.70 g/t gold.
Caneleira	Discovery		2,300 metres drilled (12 holes) drilled in 2007-2008 defining a gold-bearing structure over a strike length of about 1,000 metres (open) and to a vertical depth of 200 metres (open to depth). Results included 36.1 metres grading 1.42 g/t gold from 70.4 metres depth.
Matilde	Discovery		November 2022 announced discovery. 10,583 metres drilled (33 holes disclosed to date) with gold mineralization in 30 of 33 holes over a strike length of least 250

			metres. Includes 0.69 g/t gold over 144.60 metres and including 27.00 metres grading 1.04 g/t gold.
Matilde Extension	Discovery		January 2023 announced discovery. 3,123 metres drilled (7 holes). Mineralization associated with sulphides (bornite, chalcopyrite, pyrite). Results include 10.0 metres grading 13.21 g/t gold, 22.94 g/t silver, and 0.22% copper.
Vila Marieta	Discovery		May 2023 announced discovery. 521 metres drilled (2 holes) with long intervals of significant gold grades. Results include: 28.0 metres of 1.30 g/t gold from surface, including: 4.0 metres at 2.42 g/t gold from 7.00metres, 5.0 metres at 2.49 g/t gold from 16.0 metres and 53.0 metres at 0.68 g/t gold from 139.0 metres.

* See Resource Tables 1 and 2 in this report

Figure 1: LDS Project – Target Location Map



Overview

Exploration activities at the LDS project were continuous throughout the first quarter 2024 and into the second quarter. New drilling results were reported for both Butiá and Fazenda do Posto, as were the early results of a regional soil survey. The medium-term goal is to de-risk the Fazenda do Posto discovery and Butiá Gold Deposit such that a preliminary economic study defining the general scope of a gold mining project can be prepared.

Butiá Deposit

Both infill and extension drilling are ongoing at Butiá. Several of the holes drilled during the first quarter of 2024 were designed to increase the confidence in the Butiá resource (converting the Inferred Resource into the Measured & Indicated categories) and other holes were drilled to potentially increase the gold endowment. Also, with the objective of increasing the gold endowment at Butiá, Lavras is relogging and selectively re-assaying the 78 historic drill holes (20,000 metres). The purpose of this initiative is to reinterpret historical results and standardize the geological interpretation and assay results of the data, consistent with new information and geological observations from the adjacent Fazenda do Posto gold discovery. In this way, possible new extensions to known gold mineralization can be tested.

Reported during the first quarter of 2024, drilling at the Butiá Gold Deposit intersected 1.1 g/t gold over 154 metres from surface, including 1.4 g/t gold over 109 meters from surface, and including 3.2 g/t gold over 18 metres.

Fazenda do Posto Discovery

Later in February 2024, Lavras reported drill results at Fazenda do Posto of 1.0 g/t Gold over 173 metres from 69 metres, including 1.4 g/t gold over 95 metres. Gold mineralization was intersected in five of the six holes reported at this time at Fazenda. These new holes were designed to test the nature and extent of gold mineralization and hydrothermal alteration associated with this new gold discovery.

These new drilling results are consistent with previous drill results and demonstrate the excellent near-surface gold grade and continuity of Fazenda do Posto. The large lateral and vertical extent of the hydrothermal alteration points to a sizable gold mineral system for which the full potential remains to be tested. Results such as these have the potential to materially enhance the economics of a combined Butiá-Fazenda do Posto near-surface bulk tonnage open-pit type of gold project. Fazenda do Posto demonstrates very good continuity and gold grade at depth, as well as laterally, where it remains open in several directions.

Two drills continued actively working in this area throughout the quarter and into Q2, drilling off the Fazenda do Posto area in a grid with vertical holes on 50 metre centres.

Other Exploration Activities

In addition, results from a regional soil survey highlighted three significant gold-in-soils anomalies at the following targets:

- A 3.8 km by 3.2 km anomaly centered over the Matilde and Matilde Extension targets in the southern portion of the property,
- A 4.6 km by 4.8 km anomaly overlying historical gold workings including Galvao, Zeca Souza and Caneleira, along the western and central western portion of the Lavras do Sul Intrusive Complex,
- A more scattered anomaly centered along the eastern flank of the Lavras do Sul Intrusive Complex and overlying volcanic rocks (roughly 4 km by 3.7 km)

BACKGROUND - LDS PROJECT

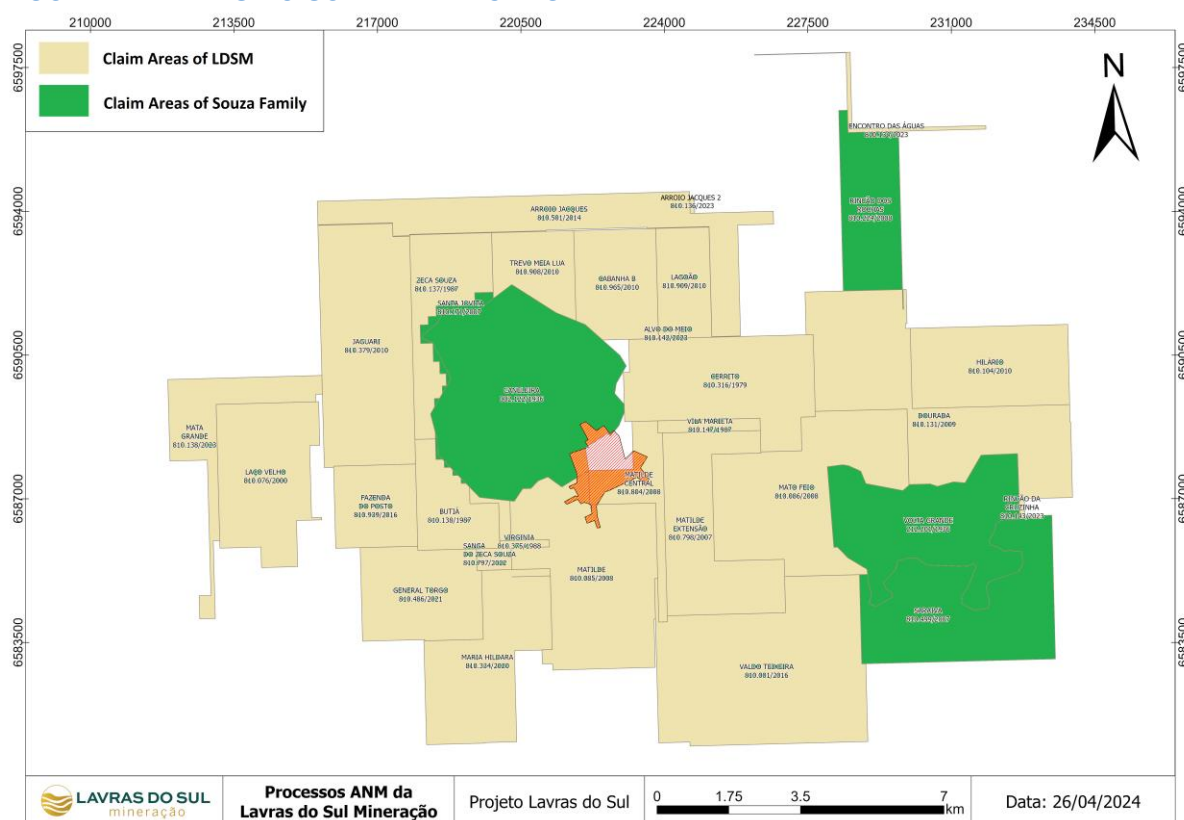
The LDS Project is centred on the town of Lavras do Sul in the state of Rio Grande do Sul, Brazil. Spanning approximately 20,940 hectares, it is approximately 320 kilometres, or a 4.5-hour drive, from the state capital of Porto Alegre. It includes 32 mineral rights as detailed in Figure 2 below.

Land Status

The Company operates the LDS Project through its Brazilian controlled subsidiary, Lavras do Sul Mineração Ltda (“LDSM”). LDSM is a subsidiary that is controlled by our Brazilian subsidiary, LDS Mineração do Brasil Ltda. (LDS) which has 49% of the voting rights in LDSM and Santo Antonio Participações Ltda. (“SAP”) has the remaining 51% voting rights in LDSM. In connection with these operations, the Company implemented this corporate structure to comply with Brazilian law, including by ensuring that Brazilian nationals own a majority of the equity of LDSM. Within this structure, through various contractual arrangements, the Company’s subsidiary, LDS, has the right to receive all dividends and profits of LDSM, including 100% of the economic benefit arising from LDSM’s interest in the LDS Project. In addition, LDS has the option and right to acquire, at any time, 100% of the equity of Santo Antonio Participações Ltda. (“SAP”) for nominal consideration.

LDSM has 100% title in 4 mineral rights that cover approximately 2,812 hectares. The remaining 24 mineral rights covering approximately 18,128 hectares are held through the RTDM Option Agreement, the CBC Purchase Agreement, the Vidal de Souza Purchase Agreements, and the IAMGOLD Purchase Agreement. Subsequent to the quarter ended March 31, 2024, LDSM obtained 100% title to 19 of these 24 mineral rights. Details of these individual agreements may be found on pages 12-14 of the [Lavras Gold Q1 2024 Financial Statements](#).

FIGURE 2: LAVRAS DO SUL LAND PACKAGE



Geology

Mineralization at Lavras do Sul is unique and does not fit neatly into any one deposit type or classification. As such, the Company's understanding of the system driving mineralization is continually evolving as it receives and interprets new results. However, there is significant evidence to suggest that LDS has the potential to be on par with very large, world-class mineral systems.

LDS is a long-lived, intrusive hosted gold-silver-copper system with multiple phases. At its heart is the LDS intrusive complex, a multiphase intrusive centre that is surrounded by coeval volcanic rocks to the east. Geologically, LDS is located in the far south of the Neoproterozoic Mantiqueira Province, a 2,700-kilometre long belt of tectonically and magmatically accreted terrains that stretch as far south as the coastline of central Uruguay and north into southern Bahia State in Brazil.

There are at least 24 known major gold targets and showings at LDS. However, most of the property had not been explored by modern methods until 2006 due to a fragmented land ownership dating to the late 1880s.

The most advanced targets are Butiá and Cerrito, covered by old surface workings and previously drilled by Rio Tinto and CBC. Lavras Gold's predecessor, Amarillo Gold, completed diamond drilling programs from 2006 to 2012 when several targets were drill-tested including Butiá, Cerrito, and Caneleira among others. Drilling resumed in 2019 and several new targets have been tested including Dourada, Matilde, Matilde Extension, and Zeca Souza, Vila Marieta, Galvao and Fazenda do Posto. A ground geophysics IP (Induced Polarization) program was completed at Matilde and Matilde extension in 2020. Regional drone geophysics across the entire property was completed in

2022. A 25,000-metre drilling contract was signed January 2024. Average drilling, assay and related costs per metre is approximately C\$262.

Since becoming a public company in April 2022 with a 500,000-ounce gold resource at the Butiá Gold Deposit, Lavras added another gold deposit, Cerrito, which also hosts 500,000 ounces. In addition to the significant discovery at Fazenda do Posto in August 2023, the Company also reinterpreted the results from Caneleira, and made the following additional new gold discoveries on the property: Galvao, Matilde, Matilde Extension, Vila Marieta, and Zeca Souza.

Mineral Resources

The LDS project hosts two NI43-101 compliant mineral resources, the Butiá Gold Deposit and the Cerrito Gold Deposit, each hosting 500,000 ounces of gold in the Measured, Indicated and Inferred categories.

Butiá Gold Deposit

Historically, approximately 22,700 metres of drilling over 96 drill holes was completed at Butiá, where mineralization begins at surface and has been confirmed to a vertical depth of 300 metres.

The gold occurs in a disseminated form along structures and within hydrothermally altered perthitic granite and mineralized episyenite. The deposit remains open for expansion at depth and in several directions. The geological team is reinterpreting historical drill core resulting in the identification of numerous favourable areas that require drill-testing, with the goal of expanding the gold-mineralized footprint. Follow-up drilling commenced during the third quarter of 2023.

Butiá has an NI 43-101 compliant mineral resource estimate, set out in Table 1, below.

TABLE 1: MINERAL RESOURCE ESTIMATE FOR BUTIÁ GOLD DEPOSIT

Category	Tonnes	Gold grade (g/t)	Contained gold (ounces)
Measured	4,643,075	0.88	131,789
Indicated	8,273,748	0.92	244,962
Total Measured and Indicated	12,916,823	0.91	376,751
Inferred	3,676,002	0.97	114,147

Notes

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- Assumes a gold cut-off grade of 0.3 g/t.
- High grade samples were cut to a gold grade of 5.55 g/t.
- This estimate should be read in conjunction with the full report, *NI 43-101 Technical Report Mineral Resource for Butiá Gold Prospect* dated and effective January 25, 2022. It was prepared by VMG Consultoria e Soluções Ltda. For Lavras Gold Corp. and is available on www.sedar.com under Lavras Gold's issuer profile.

Cerrito Gold Deposit

Approximately 15,000 metres of drilling over 93 drill holes was completed at Cerrito, where mineralization occurs over a strike length of 1,300 metres and to a vertical distance of 425 metres.

The gold occurs along structures within hydrothermally altered monzogranites and the deposit remains open along strike and at depth.

Cerrito has an NI 43-101 compliant mineral resource estimate, set out in the following table.

TABLE 2: MINERAL RESOURCE ESTIMATE FOR CERRITO GOLD DEPOSIT

Category	Tonnes	Gold grade (g/t)	Contained gold (ounces)
Indicated	8,249,225	0.70	186,870
Inferred	13,157,478	0.69	291,605

Notes

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- Assumes a gold cut-off grade of 0.3 g/t.
- High grade samples were cut to a gold grade of 3.07 g/t..
- This estimate should be read in conjunction with the full report NI 43-101 Technical Report for the Cerrito Gold Prospect, Rio Grande do Sul, Brasil dated and effective May 31, 2022. It is authored by Volodymyr Myadzel, MAIG, and Frank Richard Baker, MIMMM, MAusIMM, and is available on www.sedar.com under Lavras Gold's issuer profile.

Gold Discoveries

In addition to the two mineral resources, the LDS project also hosts seven (7) mineral discoveries.

Fazenda do Posto gold discovery

The Fazenda do Posto discovery is located along the western edge of the Lavras do Sul intrusive complex approximately 4.7 kilometres southwest of the town of Lavras do Sul .

This discovery was announced on August 29, 2023. A reinterpretation of geology at Butiá and the observation of a northeast trending fault and an area of recessive topography led to the positioning of drill hole 23FP002. This hole subsequently returned assay results with remarkably continuous mineralization of 340 metres grading 1.09 g/t gold from 117 metres including:

- 160 metres grading 1.79 g/t gold from 199 metres *including*
 - 27 metres grading 2.07 g/t gold from 208 metres
 - 68 metres grading 2.09 g/t gold from 293 metres.

Drill results released in late 2023 included:

- **204 metres grading 1.0 g/t gold from 31 metres *including*:**
 - **65 metres grading 1.9 g/t gold from 149 metres; and *including***
 - **10 metres grading 3.0 g/t gold from 154 metres.**

Fazenda do Posto is 150 metres west of the Butiá Gold Deposit, which has an NI 43-101 gold resource of approximately 500,000 ounces.

See [Lavras Gold Press Release August 29, 2023](#)

Matilde Extension gold discovery

A gold discovery was made at Matilde Extension in early 2023 that showed that LDS hosts extremely high-grade gold, silver, and copper in certain areas.

Located 675 metres northeast of the Matilde gold discovery, Matilde Extension is a blind discovery that was made by drill-testing a coincident gold in soil anomaly overlying the intersection of a northeast-southwest trending structure and an east-west trending structure. Seven holes totaling 3,123 metres were drilled, and all intersected multiple intervals of gold mineralization. Importantly, high-grade gold, silver, and copper mineralization was encountered in three holes, suggesting a metal zonation vector towards a higher-grade zone of mineralization within the Matilde/Matilde Extension corridor.

The most significant hole, 21MT020, intercepted three intervals of mineralization. The third intercept was the most important, as it was characterized by a thick interval of continuous sulphide-style mineralization (bornite, chalcopyrite, pyrite) featuring very high-grade gold, silver, and copper in pervasively hydrothermally altered granodiorite.

It assayed 10.00 metres grading 13.21 g/t gold, 22.94 g/t silver, and 0.22% copper from 345.00 metres, including 5.00 metres grading 23.15 g/t gold, 42.75 g/t silver, and 0.41% copper from 347.00 metres. It had a 1.00 metre sub-zone that yielded grades as high as 63.70 g/t, more than 100 g/t silver, and 0.63% copper from 347.00 metres.

Other key highlights Include:

- multiple broad moderate to high-grade intercepts in hole 21MT018
- high grade continuous gold, silver, and copper mineralization in pervasively hydrothermally altered granodiorite in hole 21MT020, suggesting that the mineralization is related to magmatically derived hydrothermal fluids that were carrying significant amounts of gold, silver, and copper
- multiple elevated gold, silver, and copper values in 22MT029, where in general, narrow millimetre to centimetre scale quartz-sulphide veinlets cross-cut relatively fresh granodiorite. This suggests that metal-bearing hydrothermal fluids travelled upward towards the surface through a network of small fractures in the host granodiorite where metals precipitated
- a higher degree of hydrothermal alteration in hole 22MT30, which may indicate that the Company is closer to a wider and more intensive zone of mineralization relative to mineralization observed closer to surface
- quartz-sulphide (chalcopyrite and trace pyrite) filling microfractures rimmed by strong potassic alteration selvages in hole 22MT038. The current interpretation is hydrothermal fluids containing metals are precipitating out towards the surface through a network of relatively tight microfractures. However, there is more intense alteration and possibly larger accumulations of gold, silver, and copper areas associated with wider brecciated zones at depth. Further exploration work is required to better understand these relationships.

See [Lavras Gold Press Release January 25, 2023](#)

Galvao gold discovery

Results from drilling at the Galvao target returned long intervals of low-grade gold with bonanza grade subintervals in some cases.

It is located immediately south of the Zeca Souza discovery, and approximately 1.4 kilometres north of the Butiá Gold Deposit. The target was generated by following up on old surface workings, trenches, and a gold-in-soil anomaly.

Two holes totaling 1,073 metres were drilled from north to south, and long intervals of gold mineralization were traced intermittently over 450 metres of strike length in a north-south direction. The mineralization, which has been found to a vertical depth of 461 metres, is hosted by perthitic granite in zones of hydrothermal breccia.

The highlight of the drilling was a higher-grade interval from 22BT002 that returned sub-intervals of bonanza grade gold. This hole highlights the high-grade nature and vertical potential of the mineral system at depth, where it remains open. It assayed 10 metres at 4.63 g/t gold from 532.00 metres (vertical depth of 461.00 metres), including 3.00 metres at 11.70 g/t gold from 532.00 metres including 1.00 metre at 22.40 g/t gold from 534.00 metres.

See [Lavras Gold Press Release May 9, 2023](#).

Vila Marieta gold discovery

During the second quarter of 2023, the Company announced the discovery of gold mineralization at Vila Marieta, which it believes is the southwest surface extension of the Cerrito Gold Deposit.

Two holes totalling 521 metres were drilled at the Vila Marieta claim block, which is immediately south of Cerrito. The assay results feature significant gold grades that begin at surface and long intervals.

Highlights from 22VM001 are:

- **28.00 metres at 1.30 g/t gold from 0.00 metres**, including:
 - 4.00 metres at 2.42 g/t gold from 7.00 metres
 - 5.00 metres at 2.49 g/t gold from 16.00 metres.
- 53.00 metres at 0.68 g/t gold from 139.00 metres, including **several higher-grade intercepts**:
 - 7.72 metres at 1.04 g/t gold from 148.0 metres
 - 3.00 metres at 1.08 g/t gold from 170.0 metres
 - 4.00 metres at 2.02 g/t gold from 180.0 metres
 - 3.77 metres at 1.00 g/t gold from 188.23 metres.

Highlights from 22VM002 are:

- **27.00 metres at 0.47 g/t gold from 0.00 metres**, including:
 - 11.00 metres grading 0.71 g/t gold from 0.00 metres.

At 1.30 g/t gold, the average gold grade from the surface mineralization is 85% higher than the average grade of Cerrito. So, these results demonstrate the potential for optimizing and enhancing the future mine plan for the deposit.

See [Lavras Gold Press Release May 2, 2023](#)

Zeca Souza gold discovery

The Zeca Souza discovery is based on 21 holes totalling 5,291 metres.

Fourteen of these drillholes totalling 2,800 metres were announced in September 2022 following a drill program designed to test a gold-in-soil anomaly centred on historical gold workings spanning a 375 by 375 metres area.

All 14 drillholes in the September 2022 program encountered at least one but more typically multiple intercepts of gold mineralization starting at or near surface. Several holes bottomed in gold mineralization and requiring follow up work.

Two holes intersected bonanza-style gold grades associated with visible gold within silicified veinlets and associated disseminated sulphides including pyrite, and occasionally sphalerite and galena.

- Highlights include: 15.00 metres grading 5.78 g/t gold from 103 metres, including **3.00 metres at 28.24 g/t gold from 115 metres**, which in turn included 1.34 metres at 59.60 g/t gold from 115.0 metres.
- **43.50 g/t gold over 0.76 metres from 170.24 metres**. Visible gold was observed in cross-cutting silicified veinlets within altered perthitic granites. The estimated vertical depth of this intercept is 147.5 metres.

The results of a 2023 follow up drilling program were announced during the third quarter of 2023 when assay results were received from an additional seven drill holes totalling 2,497 metres. Highlights include:

- **Visible gold, near surface:** Hole 23BT004 returned **4.00 metres grading 43.59 g/t gold from 31.00 metres**
- **Visible gold, at depth:** Hole 23ZS018 intersected **5.00 metres grading 2.62 g/t gold from 264.00 metres** including **1.00 metre of visible gold grading 9.07 g/t gold from 267.00 metres**.
- **Visible gold encountered over vertical extent of 204.00 metres:** Visible gold has been found in five of 21 drill holes completed at Zeca Souza (24% of holes drilled) and over a vertical distance of 204.40 metres.

The discovery remains open in all directions and at depth.

See [Lavras Gold Press Release September 7, 2022](#)

Caneleira gold discovery

Another important aspect of the gold targeting at Zeca Souza is to better understand its relationship to the Caneleira gold target, which is about 650 metres to the southeast.

A fence of 12 holes totalling 2,300 metres were drilled into Caneleira in 2007-2008 and defined a southeast-northwest trending gold-bearing structure associated with a magnetic low anomaly. The gold-bearing structure was defined over a strike length of about 900 metres and to a vertical depth of 200 metres where it remains open. Some of the better drill results included 36.1 metres grading 1.42 g/t gold from 70.4 metres down the drill core.

The magnetic low signature trends northwest directly towards the Zeca Souza target. The gold-bearing structure is hosted within hydrothermally altered monzogranites. The alteration is usually silica (quartz) flooding, sericite, and disseminated pyrite. Some higher-grade intervals are associated with visible gold.

Matilde gold discovery

Matilde is a significant discovery announced in November 2022. Located approximately 4.5 kilometres south of the town of Lavras do Sul, it occurs within a portion of a 3.5-kilometre-long east-west trending gold-in-soil anomaly.

Drilling results from 33 holes totalling 10,583 metres have been disclosed to date, and gold mineralization occurs in 90% or 30 out of the 33 holes. Highlights include:

- Gold mineralization extends over an east-west strike length of at least 250 metres
- Long continuous intervals of gold mineralization in four holes; one hole was particularly noteworthy because it bottomed at 557 metres (483 metre vertical depth) in gold mineralization suggesting that Matilde has deep roots, typical of intrusive-hosted magmatic-style mineral systems.
- Bonanza gold grades (greater than 10.0 g/t) are typically associated with zones of visible gold.
- A northeast-southwest structural trend is emerging – this trend leads directly to the Matilde Extension target about 675 metres to the northeast.
- Gold targets associated with structures immediately south of Matilde east-west structural corridor have been identified and require follow-up – these targets are characterized by coincident magnetic low signatures overlying gold in soil anomalies.

These drilling results are being incorporated into the geological database for further interpretation and analysis.

See [Lavras Gold Press Release November 3, 2022](#)

Additional exploration work and other targets

Extensive exploration program at LDS includes many other activities including a regional soil geochemical survey, a detailed review of the large historical database, geological mapping, airborne magnetics, rock geochemistry, ground geophysics, relogging of historical drilling, and trenching.

The results of a drone aeromagnetic survey that was flown over 3,357-line kilometres covering 40% of the property that had not previously been surveyed have been compiled and integrated into the database. These results are being used to help guide the selection of new drilling targets in areas that had not been evaluated before in conjunction with geology and results from soil surveys.

Renaud Geological Consulting of London, Ontario has been retained to complete detailed petrographic studies on samples from the LDS Project. Results are being used to better understand the nature of the geological processes that led to gold, silver, and copper mineralization.

Drilling is also undertaken on secondary target areas from time to time in order to keep claims in good standing.

MARA ROSA ROYALTY

The Mara Rosa Royalty is a strategic asset that has the potential for near-term value creation.

This 2% net smelter return royalty (NSR) is a revenue-based royalty that covers certain of Hochschild Mining's exploration properties outside the Posse resource and mine plan at the Mara Rosa property in Goiás State, Brazil. It applies to 6,000 hectares along the Posse structural trend, and 59,000 hectares of regional exploration.

Hochschild Mining committed US\$200 million to building the Mara Rosa Gold Mine, which had first production in the first quarter of 2024 and expects to reach commercial production by the end of the first half of 2024. Lavras Gold does not have a royalty on the Posse pit itself (current production), where Franco-Nevada Corporation has a 1% royalty and Royal Gold has a 2.75% royalty. However, these royalties do not extend to the exploration ground or the Posse trend that is covered by the Lavras Gold NSR Royalty. This royalty has no buy-back provision.

Drilling announced by Lavras Gold's predecessor, Amarillo Gold Corporation, showed that Pastinho—potentially a very important asset for this royalty—is a structurally controlled orogenic gold deposit like the Posse Gold Deposit:

- mineralization, which begins at surface, has been defined over strike length of 1.7 kilometres and to a depth of 200 metres
- there are multiple parallel gold structures and good continuity of grade and width
- assay highlights include 4 metres at 2.42 g/t gold from 81 metres and 11 metres at 1.20 g/t gold from 222 metres.

QUALIFIED PERSON

The qualified person for the exploration and Mara Rosa Royalty sections of this MD&A is Michael Durose, P. Geo., our Chief Executive Officer. Mr. Durose is a qualified person as defined by Canadian National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this release.

FINANCIAL RESULTS

The following table summarizes our major operating expense categories for the three months ended March 31, 2024 (Q1 2024). Capitalized expenditures are disclosed at page 19.

TABLE 3: LAVRAS GOLD EXPENSES (INCOME) AND LOSS

Category	Three months ended	
	2024	March 31 2023
	\$	\$
General and administrative (G&A)		
Consulting	69,967	131,264
Professional	70,258	64,659
Salaries and benefits	155,568	123,350
Directors' fees	15,000	43,750
Marketing and promotion	93,301	116,375
Filing and transfer agent	28,219	44,042
Travel	2,797	8,068
Information technology support	55,799	9,600
Other G&A	46,037	19,816
Total G&A	536,946	560,824
Stock-based compensation	43,511	39,363
Depreciation	6,110	8,975
Foreign exchange loss	18,932	7,180
Interest income	(119,774)	(26,356)
Interest and finance charges	13,117	19,381
Net loss and comprehensive loss	498,842	609,367

Q1 2024

For the three months ended March 31, 2024, Lavras Gold recorded a loss of \$498,842 (2023: \$609,367), due mainly to the following:

Consulting fees of \$69,967 (2023: \$131,264) consisted mainly of:

- \$68,467 (2022: \$75,515) consulting fees in Brazil.
- \$nil (2023: \$25,000) for marketing and investor relations consultant who was paid for the three months in 2023. This consultant was replaced by a Vice President, Investor Relations effective November 1, 2023.
- Consulting fees of \$nil (2023: \$30,000) to Mike Mutchler, director of Lavras Gold, for advisory services up to March 31, 2023.

Professional fees (including legal, accounting, and advisory) of \$70,258 (2023: \$64,659) included \$48,147 (2023: \$29,168) incurred in Canada and \$22,111 (2023: \$35,491) incurred in Brazil. The Brazil fees included amounts for legal services pertaining to property agreements and transfers.

Salaries and benefits of \$155,568 (2023: \$123,350) consisted of \$140,520 (2023: \$102,718) in Canada and \$15,048 (2023: \$20,532) in Brazil. Salaries in Canada relate to the CEO of \$47,500 (2023: \$40,000), the CFO of \$37,500 (2023: \$37,500) and the new V.P. Investor Relations \$37,500 (2023: \$nil) effective November 1, 2023, plus government and health benefits.

Directors other than the CEO previously each earned an annual fee of \$35,000. However, this was rolled back to \$10,000 per annum. Accordingly, six directors each earned \$2,500 for a total of

\$15,000 for Q1 2024. In Q1 2023, the Company accrued \$43,750 for five directors at \$8,750 each. This amount was subsequently amended for a total of \$12,500 and paid in Q4 2023.

Marketing and promotion of \$93,301 (2023: \$116,375) include amounts for investor communications, attendance at conferences and non-deal roadshows.

Filing and transfer agent fees of \$28,219 (2023: \$44,042) include amounts for regular transfer agent services, regulatory filing fees, and maintenance fees paid for listings on the TSXV and OTCQX.

Information technology and support expenses of \$55,799 (2023: \$9,600) have increased in 2024 due to additional infrastructure and security enhancements.

Other general and administrative expenses of \$46,037 (2023: \$19,816), which include \$31,196 (2023: \$11,633) in Brazil and \$14,841 (2023: \$8,183) in Canada, consist of general office expenses such as rent, telephone and various miscellaneous expenses.

Stock-based compensation of \$43,511 (2023: \$39,363) related to the stock option grants amortization of stock options granted in prior years which vest over three years. Directors' grants vest immediately, whereas the remainder of grants to officers, employees and consultants vest over three years.

Interest income of \$119,774 (2023: \$26,356) increased due to the \$13.3 million net proceeds received from the private placement which closed on September 28, 2023. Lavras Gold earns approximately 5% per annum interest on monthly balance which was at \$9.4 million (March 31, 2023: \$2.9 million) on March 31, 2024, and \$11.2 million on December 31, 2023.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

Table 4 presents extracted information from our unaudited quarterly results of operations for each of the last eight quarters.

TABLE 4: SUMMARY QUARTERLY FINANCIAL RESULTS

Category	Q1 2024 \$	Q4 2023 \$	Q3 2023 \$	Q2 2023 \$
Net loss	(498,842)	(446,824)	(576,378)	(404,659)
Total assets	27,400,651	27,526,191	29,261,322	15,676,396
Total non-current liabilities	142,188	154,440	182,742	195,390
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Category	Q1 2023 \$	Q4 2022 \$	Q3 2022 \$	Q2 2022 \$
Net loss	(609,367)	(518,053)	(622,832)	(790,799)
Total assets	15,190,159	15,892,904	16,314,784	16,628,475
Total non-current liabilities	209,686	252,173	—	—
Loss per share	(0.01)	(0.02)	(0.02)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

On September 28, 2023, the Company successfully closed a non-brokered private placement (the Private Placement) through the issuance of 10,146,647 common shares of the Company at a subscription price of \$1.35 per common share for aggregate gross proceeds to the Company of \$13,697,973. Management and directors of the Company subscribed for 527,029 common shares for an aggregate amount of \$711,489. Cost of issue including finders', filing and legal fees amounted to \$317,444 resulting in net proceeds of \$13,380,529.

Following the above financing, the Company had cash on hand of \$11.1 million as of December 31, 2023. For the three months ended March 31, 2024, the Company spent \$0.6 million on general operations and \$1.1 million on our LDS Project in Brazil. Cash on hand on March 31, 2024, was \$9.4 million, most of which is invested in interest bearing accounts. Subsequent to the quarter ended March 31, 2024, the Company made property payments of US\$50,000 to IAMGOLD Corporation and is arranging the payment of US\$500,000 to Companhia Brasileira do Cobre after obtaining the successful transfers of title to combined 19 mineral rights to LDSM (see Note 5 to the Q1 2024 financial statement).

The Company is progressing with the planned drilling campaign as discussed earlier with more focus on Fazenda do Posto and Butiá utilizing the cash on hand. Spending will be adjusted based on drilling results, available cash and, if necessary, on the availability of external financing.

The Company has not earned any revenue from operations to date, as the focus is exploring and developing the properties. The Company relies on external sources of cash for our short- and long-term working capital requirements, and to fund exploration programs and business development activities.

Without additional financing or other satisfactory arrangements, the Company's financial resources may not be enough to adequately maintain and/or further complete the exploration and development of its projects. Lavras Gold's ability to continue to explore, develop, and eventually produce is dependent on its ability to secure significant additional financing in the future.

Lavras plans to pursue potential financial sources, however there can be no assurance that such sources of funding or initiatives will be available or that they will be available on terms that are acceptable to the Company.

INVESTOR RELATIONS ACTIVITIES

During the first quarter of 2024, the CEO and Vice President, Investor Relations have been carrying out a targeted outreach program to potential shareholders, making use of both virtual and in-person meeting opportunities. This outreach program, as well as an intensive social media program, will continue throughout the year.

SHARE CAPITAL

Lavras Gold had the following securities outstanding on May 13, 2024:

Security	#
Common shares issued	51,353,016
Common share purchase options	3,652,500

TRANSACTIONS WITH RELATED PARTIES

TABLE 5: SUMMARY OF TRANSACTION WITH RELATED PARTIES DURING THE PERIOD

	Three months ended	
	2024	March 31
	\$	2023
		\$
Salaries paid to officers:		
• Mike Durose, President and CEO – \$47,500 (2023: \$40,000)		
• Hemdat Sawh, CFO – \$37,500 (2023: \$37,500)		
• Naomi Nemeth, VP Investor Relations \$37,500 (2023: \$nil)	122,500	77,500
Directors' fees:		
• David Birkett – \$2,500 (2023: \$8,750 ¹)		
• Jonathan Hill – \$2,500 (2023: \$nil)		
• Lawrence Lepard – \$2,500 (2023: \$8,750 ¹)		
• Mike Mutchler – \$2,500 (2023: \$8,750 ¹)		
• Rostislav Raykov – \$2,500 (2023: \$8,750 ¹)		
• Rowland Uloth – \$2,500 (2023: \$8,750 ¹)	15,000	43,750 ¹
Stock-based compensation to officers and directors	34,670	34,341
Consulting fees paid to Mike Mutchler	–	30,000
Consulting fees paid to Jonathan Hill	6,000	–
	178,170	185,591

These transactions were in the normal course of business and are measured at amounts representing normal commercial terms.

¹ Directors' fees of \$43,750 (\$8,750 for each of 5 directors) for Q1 2023, were accrued and subsequently reduced to \$12,500 (\$2,500 for each of 5 directors). This amount of \$12,500 was paid in Q4 2023.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

TABLE 6: EXPLORATION AND EVALUATION PROPERTIES

	March 31, 2024 \$	December 31, 2023 \$
Acquisition costs		
Balance, beginning of period/year	7,551,050	7,248,448
Property payment	–	262,602
Balance, end of period/year	7,511,050	7,511,050
Exploration expenditures		
Balance, beginning of period/year	8,466,717	3,372,106
Expenditures during the period/year		
Drilling, exploration, and related costs	928,186	3,551,476
Supplies	91,844	88,497
Consulting	190,014	475,284
Salaries	125,845	461,174
Transportation	24,992	98,738
Travel and accommodation	6,690	11,329
Concession taxes	–	4,120
Depreciation	39,094	143,478
Stock compensation	10,123	96,985
Other exploration and evaluation expenses	36,923	163,530
Total exploration expenditures for the period/year	1,453,711	5,094,611
Balance, end of period/year	9,920,428	8,466,717
Total exploration and evaluation expenditures	17,431,478	15,977,767

SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTATINTY

Judgments, estimates, and assumptions have been made that affect the application of policies and reported amounts of assets and liabilities, income, and expenses while preparing these financial statements.

The estimates and associated assumptions are based on historical experience and other factors believed to be reasonable under the circumstances, and the results are used to make judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Significant judgements in applying accounting policies

- *Exploration and evaluation costs*

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration and development, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities, relate to the following:

- *The recoverability of exploration and evaluation properties*

The recoverability of exploration and evaluation properties is uncertain because of the estimates and judgments like forecasts of metal prices, operating costs, capital costs, and income taxes among numerous other valuation inputs, discount rates, comparability of our properties to those of other market participants and the selection of market-participant assumptions used in the determination of fair value.

- *Income taxes*

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The adequacy of these provisions is reviewed at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

- *Valuation of stock options*

The determination of the fair value of stock options is not based on historical cost but derived from subjective assumptions that are put into an option pricing model.

The model requires management to forecast future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation, future volatility of our share price during the expected hold period (using historical volatility as a reference), and the appropriate risk-free rate of interest.

Stock options incorporate an expected forfeiture rate. The expected forfeiture rate is estimated based on historical forfeiture rates and expectations of future forfeiture rates and is adjusted if the actual forfeiture rate differs from the expected rate. The resulting value is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options, and they are not transferable. Management believes the value derived is highly subjective and dependent entirely upon the input assumptions made.

- *Provisions and contingent liabilities*

The Company judges whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying this type of liability often involves judgments and estimations. These judgments are based on many factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

- *Net assets acquired under the Arrangement*

Assets and liabilities acquired under the Arrangement have been assessed individually to determine their fair value under current market conditions. Fair value is measured with reference to the fair value of the equity acquired or equity issued. Lavras believes that the valuation assumptions reflect a reasonable estimate of the fair value of each account or asset.

OFF-BALANCE SHEET ARRANGEMENTS

Lavras Gold has no off-balance sheet arrangements.

CONTROLS AND PROCEDURES

Management's responsibility for financial information

Lavras Gold's financial statements are the responsibility of its management and have been approved by its Board of Directors.

The consolidated financial statements were prepared according to IFRS accounting principles. The consolidated financial statements include certain amounts based on the use of estimates and assumptions.

These amounts were established in a reasonable manner to ensure that the financial statements are presented fairly in all material respects.

Disclosure controls and procedures

Lavras has evaluated the effectiveness of its disclosure controls and procedures. It was concluded that these controls and procedures are sufficiently effective as at March 31, 2024 to provide reasonable assurance that material information relating Lavras Gold and its consolidated subsidiaries is reported to management and disclosed according to applicable securities regulations.

Management's report on internal control over financial reporting

Pursuant to Multilateral Instrument 52-109 the effectiveness of the Lavras Gold's disclosure controls and procedures have been evaluated as at March 31, 2024 and found them to meet the required standards.

A system of internal control is maintained to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors approves the financial statements and ensures that management discharges its financial responsibilities. This review is accomplished principally through the Audit Committee, which meets periodically with management and auditors to review financial reporting and control matters. From time to time the Board may also form special sub-committees to investigate and report to the Board on specific topics.

CAPITAL RISK MANAGEMENT

Lavras Gold's capital structure is managed and adjusted as required, based on the funds available, to support the acquisition, exploration, and development of mineral properties.

Lavras Gold's Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on management's expertise to sustain the future development of the business.

The capital of Lavras is considered to be equity, which comprises share capital, other components of equity, and accumulated deficit. On March 31, 2024, this total was \$26,307,068.

The properties in which Lavras has an interest are in the exploration stage and Lavras depends on external financing to fund all activities. Lavras will continue to assess new properties and may seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

Lavras reviews its capital management approach on an ongoing basis and believes that this approach is appropriate to its relative size and stage of development. This approach did not change during the quarter ended March 31, 2024. Lavras and its subsidiaries are not subject to externally imposed capital requirements.

FINANCIAL RISK FACTORS

Lavras is exposed to a variety of financial risks: credit risk, liquidity risk, and market risk including interest rate, foreign exchange rate, and commodity, specifically gold, price risk.

The management team oversees risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

TABLE 7: CATEGORIES OF FINANCIAL INSTRUMENTS

	March 31, 2024 \$	December 31, 2023 \$
Financial assets		
Fair value through profit and loss		
Cash and cash equivalents	9,431,149	11,052,838
Amortized cost		
Accounts receivable, excludes HST/GST receivable	12,781	10,185
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	903,100	570,102

The key risks of our financial instruments are as follows.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations.

Lavras Gold's credit risk is primarily attributable to cash and cash equivalents of \$9,431,149 as of March 31, 2024. Credit risk on cash is remote as it is held with reputable financial institutions and is closely monitored by management.

The Company believes that the credit risk with respect to financial instruments included in accounts receivable is remote as most of the receivables largely represent taxes receivable, therefore there was no amount applied for credit losses.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its short-term financial obligations.

Lavras Gold's goal in managing this risk is to make sure it can meet liabilities when they are due. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of the financing will be favourable. On March 31, 2024, there was a cash

and cash equivalents balance of \$9,431,149 (December 31, 2023 – \$11,052,838) to settle current liabilities of \$951,395 (December 31, 2023 – \$619,475).

Market risk

Market risk is the risk of loss that may arise from changes in market factors like interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Lavras has cash balances, and the current policy is to invest excess cash in saving accounts. The Company regularly monitors its cash management policy. Interest rate risk is remote as the cash is relatively unaffected by changes in short-term interest rates.

Foreign currency risk

Lavras Gold's functional currency is the Canadian dollar, though it transacts major purchases in both Canadian dollars and Brazilian reais. The Company maintains a Brazilian real-denominated bank account with enough funds for exploration expenses and monthly forecasted cash outflows.

Commodity price risk

Commodity price risk, specifically relating to the price of gold, could adversely affect Lavras Gold. In particular, future profitability and viability of development depends on the world market price of gold, which has fluctuated significantly in recent years.

Lavras was not a gold producer as of March 31, 2024. However, gold price risk affects the completion of future equity transactions like equity offerings and the exercise of stock options. This may also affect liquidity and the Company's ability to meet its ongoing obligations.

Sensitivity analysis

Based on current knowledge and experience of the financial markets, Management and Board believe the following movements are *reasonably possible* over a twelve-month period.

- a) Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus one percentage point change in interest rates would not have a material impact on the reported net loss for the quarter ended March 31, 2024.
- b) The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash, accounts receivable, accounts payable denominated in Brazilian reais, and cash denominated in U.S. dollars.

A plus or minus 5% change in foreign exchange rate of the Brazilian real against the Canadian dollar would affect net loss for the quarter ended March 31, 2024, by approximately \$18,500.

A plus or minus 5% change in foreign exchange rate of the U.S. dollar against the Canadian dollar would affect net loss for the quarter ended March 31, 2024, by approximately \$75,300.

OTHER RISKS AND UNCERTAINTIES

Lavras Gold's operations are speculative due to the high-risk nature of our business: the exploration and development of mineral properties.

The following risk factors could materially affect the Company's future results, causing them to differ materially from what has been described in the forward-looking information. Investors and prospective investors should carefully consider all the information contained in this MD&A, including the following risk factors.

This list is not exhaustive and other risk factors may apply, including risks described elsewhere in this document, risks not currently known to the Company, and risks that are currently deemed immaterial. Any one or more of these risk factors could have a material adverse effect on the Company's business, results of operations, financial condition, and the value of its securities.

Nature of mineral exploration

The exploration for and development of mineral deposits involves significant financial risks that even a combination of careful evaluation, experience, and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

Major expenditures may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a site. As a result, Lavras cannot say with certainty that its exploration or development efforts will result in mining operations.

Mineral resource and mineral reserve estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond our control.

Estimation is a subjective process, and the accuracy of any mineral reserve estimate is a function of the quality of available data and the assumptions made and judgements used in engineering and geological interpretation.

Differences between assumptions, including economic assumptions such as metal prices and market conditions, could have a material effect in the future on our financial position and results of operations.

Safety, health, and environment regulations

Safety, health, and environmental legislation affects nearly all aspects of Lavras Gold's activities.

Compliance with safety, health, and environmental legislation can require significant expenditures. Failure to comply with this legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages, and the loss of important permits.

Exposure to these liabilities arises from existing and past activities.

The Company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurance that Lavras will always be complying with all safety, health, and environmental regulations, or that steps to comply with the regulations would not have a material adverse effect on the business.

Economic conditions

General levels of economic activity and recessionary conditions may have an adverse impact on Lavras Gold's business. Market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions due to the Covid-19 pandemic, have caused significant volatility to commodity prices.

The Company is also exposed to liquidity and various counterparty risks, including, but not limited to:

- financial institutions that hold the Company's cash
- companies owing money to Lavras
- insurance providers
- lenders
- other banking counterparties
- companies that have received deposits from Lavras for the future delivery of equipment and/or other operational inputs.

Lavras is also exposed to liquidity risks in meeting capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may affect the Company's ability to obtain loans and other credit facilities in the future and, if obtained, on favourable terms.

Gold price volatility

The profitability of Lavras Gold's operations may be significantly affected by changes in the market price of gold. The economics of developing gold are affected by many factors, including the cost of operations, variations in the grade of ore mined, and the price of gold. Depending on the price of gold, the Company may determine that it is impractical to commence or continue commercial production.

The price of gold fluctuates widely and is affected by numerous industry factors beyond the control of the Company, such as the demand for precious metals, forward selling by producers and central bank sales and purchases of gold. Gold price is also affected by macro-economic factors, such as expectations for inflation, interest rates, the world supply of mineral commodities, the stability of currency exchange rates, and global or regional political and economic situations.

These external economic factors are in turn influenced by changes in international investment patterns, monetary systems, political systems, and developments. The price of gold has fluctuated widely in recent years, and future serious price declines could cause commercial production to be uneconomic.

Any significant drop in the price of gold adversely impacts our valuation and ability to raise financing. Sustained low gold prices may:

- cause the cessation or deferral of new mining projects
- decrease the amount of capital available for exploration activities
- reduce existing reserves by removing ore from reserves that cannot be economically mined at prevailing prices
- cause the write-off of an asset whose value is impaired by the low price of gold.

There can be no assurance that the price of gold will remain stable or stay at a level that will prove feasible to begin development of its properties or commence or continue commercial production.

Currency fluctuations

Currency fluctuations may affect costs at Lavras Gold's operations. Gold is sold throughout the world based principally on the U.S. dollar, but operating expenses are in Canadian dollars.

Any appreciation of the Canadian dollars against the U.S. dollar could negatively affect profitability, cash flows, and financial position.

Title matters

The acquisition of title to mining claims and similar property interests is a detailed and time-consuming process. Title to and the area of mining claims and similar property interests may be disputed. Lavras has investigated title to all its material mineral properties and believes that all are in good standing; however, this should not be construed as a guarantee of title to those properties.

Title to those properties may be affected by undisclosed and undetected defects. For example, certain properties may have been acquired in error from parties who did not possess transferable title, may be subject to prior unregistered agreements, or transfers and title may be affected by undetected defects.

Dilution to common shares

As of May 13, 2024, there were stock options outstanding to purchase 3,652,500 common shares in the capital of the Company. The common shares issuable under these options, if fully exercised, would constitute approximately 6.6% of the resulting share capital.

Exercising these options and their subsequent resale in the public market could affect the prevailing share market price and our ability to raise equity capital in the future at a time and price that it deems appropriate.

Lavras may also enter commitments in the future, which would require the issuance of additional common shares and additional share purchase warrants and stock options may be granted.

The issuance of additional common shares from time to time may lower the price of the common shares of Lavras Gold. In addition, the voting power of existing shareholders could also be diluted.

Share price fluctuations.

In recent years, the securities markets in Canada, the United States, and throughout the world have experienced a high level of price and volume volatility. The market prices of securities of many companies, including ours, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

Further, market prices for securities of mining companies historically have been volatile and future developments concerning the Company or our industry, including downward fluctuations in the price of gold, may have a significant impact on the market price of the common shares. There can be no assurance that continual fluctuations in the price of the common shares will not occur.

Additional funding requirements

Lavras will require additional capital to continue to explore and develop its properties. In addition, a positive production decision on any of its development projects would require significant capital for project engineering and construction.

Accordingly, the continuing development of Lavras Gold's properties will depend on the Company's ability to either generate sufficient funds internally or to obtain financing through the joint venturing of projects, debt financing, equity financing, or other means.

Lavras does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available on acceptable terms, or at all, for further exploration or development of our properties or projects, or to fulfill our obligations under any applicable agreements.

Failure to obtain such additional funding or financing could result in the delay or indefinite postponement of the exploration and development of the properties, with the possible dilution or loss of such interests.

Impairment of assets

Lavras Gold capitalizes certain expenditures relating to its mineral projects according to IFRS. From time to time, Lavras reviews the carrying amounts of mineral properties 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 more than their recoverable amount. This review is done on an asset-by-asset basis, except for assets that do not generate cash flows independent of other assets, and then the review is done at the cash generating unit level.

Events that could, in some circumstances, lead to an impairment include, but are not limited to, changes to gold price or cost assumptions, changes to Mineral Reserve or Mineral Resource grades, or our market capitalization being less than the carrying amounts of its mining properties and plant and equipment.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term gold prices, foreign exchange rates, discount rates, future capital requirements, Mineral Reserve and Mineral Resource estimates, operating performance as well as the definition of cash generating units.

It is possible that the actual fair value could be significantly different from those assumptions, and changes in the assumptions will affect the recoverable amount. In the absence of any mitigating valuation factors, our failure to achieve its valuation assumptions or a decline in the fair value of its cash generating units or other assets may, over time, result in impairment charges.

If the Company determines that an asset is impaired, it will charge against earnings any difference between the carrying amount of the assets and the estimated fair value less cost to sell those assets. Any such charges could have a material adverse effect on the results of operations.

Reliance on management

Lavras relies on the experience and expertise of its executive officers. If any of these individuals should cease to be available to manage our affairs, the Company's activities and operations could be adversely affected.

Competition

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities in its search for, and the acquisition of, mineral properties as well as the recruitment and retention of qualified employees with technical skills and experience in the mining industry.

There can be no assurance that the Company will be able to compete successfully with others in acquiring mineral properties, obtaining adequate financing, and continuing to attract and retain skilled and experienced employees. Existing or future competition in the mining industry could materially adversely affect its business and prospects for mineral exploration and success in the future.

Skilled employees

Many of the projects that Lavras undertakes rely on the availability of skilled labour and the capital outlays required to employ such labour.

Lavras employs full- and part-time employees, contractors, and consultants to assist in executing operations and providing technical guidance.

In the event of a skilled labour shortage, the Company's projects may not become operational due to increased capital outlays associated with labour. Further, a skilled labour shortage could result in operational issues such as production shortfalls and higher mining costs.

Information systems

Although Lavras has not experienced any material losses to date relating to cyberattacks or other information security breaches, there can be no assurance that these losses will not occur in the future. The risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats.

As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage, or unauthorized access is a priority. As cyber threats continue to evolve, Lavras may be required to spend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Title to mineral claims

Lavras Gold's properties may be subject to prior recorded and unrecorded agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Title insurance is generally not available for mineral properties, and the Company's ability to ensure that it has obtained a secure claim to individual mining properties or mining concessions may be severely constrained.

Lavras Gold has not conducted surveys of all the claims where it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. No assurance can be given that our rights will not be revoked or significantly altered to its detriment. There can also be no assurance that its rights will not be challenged or impugned by third parties.

Political stability and government regulations in Brazil

Lavras holds mineral interests in Brazil that may be affected in varying degrees by political instability, government regulations relating to the mining industry and foreign investment in the mining sector, and the policies of other nations in respect of Brazil. Any changes in regulations or shifts in political conditions are beyond our control and may adversely affect the Company's business.

Lavras Gold's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes,

expropriation of property, employment, land use, water use, environmental legislation, and mine safety.

The regulatory environment is in a state of continuing change, and new laws, regulations, and requirements may be retroactive in their effect and implementation. The Company's operations may also be adversely affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates, and high inflation.

Additional business and financial risks inherent in doing business in Brazil

Lavras Gold's principal operations and mineral properties are in Brazil. There are additional business and financial risks inherent in doing business in Brazil compared to the United States or Canada. Since 1995, Transparency International has published the Corruption Perceptions Index (CPI), an annual ranking of countries by their perceived levels of corruption determined by expert assessments and opinion surveys.

The CPI ranks countries on a scale from 100 (very clean) to 0 (highly corrupt). Anything below 50 indicates governments are failing to tackle corruption and it represents a challenge in those countries requiring extra attention by those who conduct business there.

The 2023 survey ranked 180 countries from around the world. Canada was ranked 12th with a CPI score of 76, and the United States was ranked 24th with a CPI score of 69. Sixty-eight per cent of the countries covered by the CPI have scores under 50. The average score on the 2023 CPI was 43 out of 100. In 2023, Brazil was ranked 104th with a CPI score of 36, compared to 106th with a score of 35 in 2019.

Corruption does not only occur with the misuse of public, government, or regulatory powers, it also can occur in business's supplies, inputs, and procurement functions (such as illicit rebates, kickbacks, and dubious vendor relationships), as well as the inventory and product sales functions (such as inventory shrinkage or skimming). Employees as well as external parties (such as suppliers, distributors, and contractors) have opportunities to commit procurement fraud, theft, embezzlement, and other wrongs against the Company.

While corruption, bribery, and fraud risks can never be fully eliminated, controls are reviewed and implemented to reduce the likelihood of these irregularities occurring.

Company is subject to significant governmental regulation

Lavras Gold's mining and exploration activities are subject to extensive local laws and regulations. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, which may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, the 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 have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation of such requirements, could have a material adverse impact on us 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 new mining properties.

Permitting

Government approvals and permits are sometimes required in connection with the Company's operations. Although the Company believes that it has all the material approvals and permits to carry on with its activities, from time to time it may require additional approvals or permits or may be required to renew existing approvals or permits.

Obtaining or renewing approvals or permits can be a complex and time-consuming process. There can be no assurance that Lavras will be able to obtain or renew the necessary approvals and permits on acceptable terms, in a timely manner, or at all.

To the extent that approvals are required and not obtained, Lavras may be delayed or prohibited from proceeding with planned exploration, development, or mining of mineral properties. Under current regulations, all exploration activities that undertaken through its subsidiaries must be carried out on valid exploration licences or prospecting permits issued by the ANM, a department of the Brazilian federal government.

The ANM is responsible for the administration of all mining and exploration licences, and prospecting permits. According to local regulations, a final exploration report must be submitted before the expiry date of any licence or permit, usually three years from the date of grant. However, Brazilian mining laws and regulations are currently undergoing a major restructuring, and draft legislation to this effect has been submitted to the federal legislature for review and approval.

If adopted, the effects of this restructuring will far-reaching, and affect how mining rights can be acquired and maintained in the country. Current proposals include an auction process for new licences, minimum expenditures designed to eliminate the warehousing of mining permits and licences, as well as new fee schedules. They also provide for landowner participation where applicable.

It is Lavras Gold's understanding, based on consultations with local counsel, that licences currently held in good standing will be grandfathered and not subject to certain requirements of the proposed new regime. Mining operations currently pay a 1.5% royalty fee to the Brazilian government (the CFEM) on the value of the ore produced.

However, the new mining legislation that the Brazilian government is considering adopting includes increases to the CFEM royalties. Environmental permits are granted for one to two years and all local agencies have the right to monitor and evaluate compliance with the issued permits, even though such monitoring tends to be minimal in scope and nature.

Any changes to the exploration activities that result in a greater environmental impact require approval. The work that the Company carries out on its exploration licences is largely restricted to drilling and ancillary activities associated with the drilling programs (i.e., low impact road construction, drilling stations). As such, the reclamation costs in respect of drilling activities are not material to Lavras and are factored into the budget for exploration programs.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to Lavras Gold that are based on its beliefs as well as assumptions made by the information currently available.

Words like anticipate, believe, estimate, expect, and similar expressions are used in this document in relation to:

- Lavras Gold
- Lavras Gold's management
- regulatory compliance
- the sufficiency of working capital
- the estimated cost and availability of funding for the continued exploration and development of the company
- future events.

These are forward-looking statements, and are subject to certain risks, uncertainties, and assumptions.

Lavras has attempted to identify the important risk factors in this document but caution that many factors could cause the actual results, performance, and achievements of Lavras Gold to be materially different from any future results, performance, or achievements that may be expressly implied by such forward looking statements.