



# LAVRAS GOLD



**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**  
**Three months ended March 31, 2025**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**



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## NOTICE TO READERS

The attached condensed interim consolidated financial statements, as at and for the three months ended March 31, 2025, have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

/s/ Hemdat Sawh

Chief Financial Officer

Toronto, Ontario

May 15, 2025

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)  
(Unaudited)

		As at	
	Notes	March 31, 2025	December 31, 2024
ASSETS		\$	\$
<b>Current assets</b>			
Cash and cash equivalents		13,317,368	1,649,592
Accounts receivable		83,139	27,782
Prepays and deposits		201,281	90,902
		13,601,788	1,768,276
<b>Non-current assets</b>			
Exploration and evaluation properties	5	25,753,323	23,883,422
Property and equipment	6	255,084	288,774
		26,008,407	24,172,196
<b>Total assets</b>		<b>39,610,195</b>	<b>25,940,472</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		1,412,137	1,109,909
Current portion of lease liabilities	7	49,958	60,443
		1,462,095	1,170,352
<b>Non-current liabilities</b>			
Lease liabilities	7	110,543	102,637
<b>Total liabilities</b>		<b>1,572,638</b>	<b>1,272,989</b>
<b>Equity</b>			
Capital stock	8(b)	43,833,459	29,887,759
Contributed surplus	8(c)	2,627,577	2,416,743
Deficit		(8,423,479)	(7,637,019)
		38,037,557	24,667,483
<b>Total liabilities and equity</b>		<b>39,610,195</b>	<b>25,940,472</b>

Business of Lavras Gold and going concern (Note 1)

Contingencies (Note 13)

## Approved by the Board

/s/ Lawrence Lepard  
Chair, Audit Committee

/s/ Rowland Uloth  
Chair, Board of Directors

*The accompanying notes are an integral part of these condensed interim consolidated financial statements*

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited)

	Notes	Three months ended March 31	
		2025	2024
		\$	\$
<b>Expense</b>			
General and administrative	11	551,197	536,946
Share-based payments	8(c)	194,525	43,511
Depreciation		7,947	6,110
Foreign exchange loss		58,320	18,932
		811,989	605,499
<b>Other income (expense)</b>			
Interest income		36,930	119,774
Interest and finance charges		(11,401)	(13,117)
		25,529	106,657
<b>Loss and comprehensive loss</b>		<b>(786,460)</b>	<b>(498,842)</b>
<b>Basic and diluted loss per share</b>	<b>9</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average shares outstanding – basic and diluted</b>	<b>9</b>	<b>55,459,397</b>	<b>51,353,016</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

(Unaudited)

	Notes	Shares #	Capital stock \$	Contributed surplus \$	Deficit \$	Total equity \$
<b>Balance December 31, 2023</b>		<b>51,353,016</b>	<b>29,881,895</b>	<b>839,293</b>	<b>(3,968,912)</b>	<b>26,752,276</b>
Share-based payments	8(c)	—	—	53,634	—	53,634
Loss and comprehensive loss for the period		—	—	—	(498,842)	(498,842)
<b>Balance March 31, 2024</b>		<b>51,353,016</b>	<b>29,881,895</b>	<b>892,927</b>	<b>(4,467,754)</b>	<b>26,307,068</b>
Share-based payments	8(c)	—	—	1,526,342	—	1,526,342
Exercise of stock options	8(b)	11,250	5,864	(2,526)	—	3,338
Loss and comprehensive loss for the period		—	—	—	(3,169,265)	(3,169,265)
<b>Balance December 31, 2024</b>		<b>51,364,266</b>	<b>29,887,759</b>	<b>2,416,743</b>	<b>(7,637,019)</b>	<b>24,667,483</b>
Prospectus financing, net of cost of issue	8(b)	6,819,500	13,932,159	—	—	13,932,159
Share-based payments	8(c)	—	—	216,663	—	216,663
Exercise of stock options	8(b)	23,750	13,541	(5,829)	—	7,712
Loss and comprehensive loss for the period		—	—	—	(786,460)	(786,460)
<b>Balance March 31, 2025</b>		<b>58,207,516</b>	<b>43,833,459</b>	<b>2,627,577</b>	<b>(8,423,479)</b>	<b>38,037,557</b>

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

# CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars) (Unaudited)

	Notes	Three months ended March 31	
		2025	2024
		\$	\$
<b>Operating activities</b>			
Net loss for the period		(786,460)	(498,842)
Share-based payments	8(c)	194,525	43,511
Depreciation	6	7,947	6,110
Interest and foreign exchange adjustment on lease liabilities	7	5,204	6,400
Foreign exchange loss on lease liabilities		12,227	—
		(566,557)	(442,821)
Accounts receivable		(55,357)	(11,789)
Prepays and deposits		(110,379)	(60,656)
Accounts payable and accrued liabilities		87,302	(36,750)
Net cash used in operating activities		(644,991)	(552,016)
<b>Investing activities</b>			
Exploration and evaluation properties		(1,600,886)	(1,034,746)
Property and equipment		(6,208)	(15,197)
Net cash used in investing activities		(1,607,094)	(1,049,943)
<b>Financing activities</b>			
Common shares issued	8(b)	15,002,900	—
Common shares issue cost	8(b)	(1,070,741)	—
Exercise of stock options	8(b)	7,712	—
Repayment of lease liabilities	7	(20,010)	(19,730)
Net cash from/(used in) financing activities		13,919,861	(19,730)
<b>Change in cash and cash equivalents during the period</b>		<b>11,667,776</b>	<b>(1,621,689)</b>
<b>Cash and cash equivalents, beginning of period</b>		<b>1,649,592</b>	<b>11,052,838</b>
<b>Cash and cash equivalents, end of period</b>		<b>13,317,368</b>	<b>9,431,149</b>
<b>Supplemental cash flow information</b>			
Cash interest earned		36,930	119,774
<b>Non-cash investing activities</b>			
Exploration and evaluation expenses included in accounts payable		(1,004,792)	369,748
Capitalized depreciation included in exploration and evaluation properties	5,6	31,951	39,094
Capitalized share-based payments included in exploration and evaluation properties	5	22,138	10,123
Change in estimate of right-of-use assets		—	—
Additions to right-of-use assets		—	—

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 (Expressed in Canadian dollars) (Unaudited)

## 1. Business of Lavras Gold and going concern

Lavras Gold Corp. (“Lavras Gold” or the “Company”) was incorporated under the *British Columbia Business Corporations Act* on November 25, 2021. Lavras Gold’s business activities include the exploration and evaluation of mineral properties in Brazil.

The Company’s head office is located at 82 Richmond Street East, Suite 201, Toronto, Ontario, Canada M5C 1P1. The registered office is at 1055 Dunsmuir Street, Suite 3000, Vancouver, British Columbia, Canada V7X 1K8.

Lavras Gold is listed on the TSXV under the symbol LGC and on the OTCQX under the symbol LGCFF.

All dollar amounts are in Canadian dollars unless otherwise noted.

The Company’s Board of Directors authorized the issue of these condensed interim consolidated financial statements on May 15, 2025.

### GOING CONCERN

The Company has not earned any revenue to date from its operations. The Company’s business focus is exploring the Lavras do Sul Project (the “LDS Project”).

The recoverability of the LDS Project’s carrying values and the related deferred exploration and evaluation expenditures depend on:

- discovering economically recoverable reserves.
- maintaining an interest in the underlying mineral claims.
- the Company’s ability to obtain necessary financing to complete their development.
- establishing profitable production in the future or selling the properties for sufficient proceeds.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business.

However, Lavras Gold is an exploration-focused company and subject to the risks and challenges of companies in the same sector. These include exploration, development, and operational risks that are standard to the mining industry. Current market conditions also include other uncertainties like the volatility of precious metal prices and the broader global economy.

These risks mean that although additional financing will be required to carry out future exploration activities, there can be no assurance that funding initiatives will be successful or that the Company will have access to adequate funding or funding under favourable terms.



These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and financial position classifications that would be necessary were the going concern assumption deemed inappropriate. These adjustments could be material.

Lavras Gold has an accumulated deficit of \$8,423,479 as at March 31, 2025 (December 31, 2024: \$7,637,019) and working capital of \$12,139,693 (December 31, 2024: \$597,924). The Company's ability to continue operating depends on its ability to continue to raise adequate financing, operate profitably in the future, and repay liabilities arising from normal operations as they come due. As such, the material uncertainties listed above may cast significant doubt upon its ability to continue as a going concern.

## 2. Basis of presentation

These condensed interim consolidated financial statements have been prepared according to IFRS Accounting Standards ("IFRS") 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These accounting policies are consistent with IFRS as issued by the IASB and the International Financial Reporting Interpretations Committee.

Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024.

Preparing condensed interim consolidated financial statements that conform with IAS 34 requires management to make judgments, estimates, and assumptions that affect how policies are applied, and the reported amounts of assets, liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are 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. Actual results may differ from these estimates.

The accounting policies, critical judgments, and estimates used to prepare these condensed interim consolidated financial statements are consistent with those applied and disclosed in the consolidated financial statements for the year ended December 31, 2024.

The interim results do not necessarily indicate the results for a full year.

These condensed interim consolidated financial statements are presented in Canadian dollars and include the Company's Brazilian subsidiaries as detailed below.

<b>Subsidiary</b>	<b>Ownership</b>
LDS Mineração do Brasil Ltda ("LDS")	100%
Lavras do Sul Mineração do Brasil Ltda ("LDSM")	49%

Although Lavras Gold only has 49% of the voting rights in LDSM, Lavras Gold has determined that it has the full beneficial ownership over LDSM as Lavras Gold is exposed to variable returns from its involvement with LDSM and has the ability to affect those returns through its power to control the activities of LDSM. Accordingly, LDSM is fully consolidated in these condensed interim consolidated financial statements.

### 3. Financial risk factors and capital risk management

Lavras Gold's activities expose it to three key financial risks:

- credit risk.
- liquidity risk.
- market risk.

The management team is responsible for managing these risks. It receives guidance from the Audit Committee under policies approved by the Board of Directors, which also provides regular guidance on overall risk management.

#### CREDIT RISK

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

Lavras Gold's credit risk is primarily attributable to cash and cash equivalents of \$13,317,368 as at March 31, 2025 (December 31, 2024: \$1,649,592). Credit risk on cash and cash equivalents is remote, as they are held with reputable financial institutions and closely monitored by management.

The Company believes that the credit risk for financial instruments included in accounts receivable is remote. Most of the receivables are made up of taxes receivable, so no amount was applied for credit losses.

#### LIQUIDITY RISK

Liquidity risk is the risk that the Company will be unable to meet its short-term financial obligations. The goal in managing this risk is to make sure the Company can meet its liabilities when they are due. However, there can be no assurance that adequate financing will be obtained in the future or that the terms of the financing will be favourable (Note 1).

On March 31, 2025, the Company had cash and cash equivalents balance of \$13,317,368 (December 31, 2024: \$1,649,592) to settle current liabilities of \$1,462,095 (December 31, 2024: \$1,170,352).

#### MARKET RISK

Market risk is the risk of loss from changes in market factors such as interest rates, foreign exchange rates, and commodity price.

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

Lavras Gold regularly monitors its cash management policy of investing excess cash in high yield savings accounts. Interest rate risk is remote, as the cash is relatively unaffected by changes in short-term interest rates.

### ***b) Foreign currency risk***

The Company's functional currency is the Canadian dollar. Major purchases are transacted in Canadian dollars and Brazilian reais. The Company maintains a Brazilian real-denominated bank account to fund exploration expenses with enough funds to support monthly forecasted cash outflows.

### ***c) 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 Gold is not a gold producer as at March 31, 2025. 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 management's knowledge and experience of the financial markets, the following movements are reasonably possible over a twelve-month period.

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 three months period ended March 31, 2025.

Lavras is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, accounts receivable, accounts payable denominated in Brazilian reais, and cash denominated in U.S. dollars.

A plus or minus 5% change in the foreign exchange rate of the Brazilian real against the Canadian dollar would affect net loss for the three months period ended March 31, 2025, by approximately \$12,200 (March 31, 2024: \$18,500).

A plus or minus 5% change in the foreign exchange rate of the U.S. dollar against the Canadian dollar would affect net loss for the three months period ended March 31, 2025, by approximately \$600 (March 31, 2024: \$75,300).

## **CAPITAL RISK MANAGEMENT**

Capital structure is managed and adjusted based on the funds available to support the acquisition, exploration, and development of exploration and evaluation properties. The Board of Directors does not establish quantitative "return on capital" criteria for management but rather relies on the expertise of management to sustain the future development of the business.

The Company considers its capital to be equity, which comprises share capital, other components of equity and accumulated deficit, which on March 31, 2025, totaled \$38,037,557 (December 31, 2024: \$24,667,483).

The Company's exploration and evaluation properties are in the exploration stage; as such the Company depends on external financing to fund activities. Lavras Gold will continue to assess new properties and may seek to acquire interests in additional properties if management believes sufficient geologic or economic potential exists and if there are adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of Lavras Gold, is appropriate. There were no changes in its approach during the three months period ended March 31, 2025. Neither Lavras Gold nor its subsidiaries are subject to externally imposed capital requirements.

## 4. Categories of financial instruments

	As at	
	March 31, 2025	December 31, 2024
	\$	\$
Financial assets		
Amortized cost		
Cash and cash equivalents	13,317,368	1,649,592
Accounts receivable, excluding HST/GST receivable	2,944	2,936
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	1,412,137	1,109,909
Lease liabilities	160,501	163,080

## FINANCIAL INSTRUMENTS RECORDED AT FAIR VALUE

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used to make the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – valuation techniques using either direct observable inputs (i.e., prices) or indirect observable inputs (i.e., derived from prices) for the asset or liability, other than the quoted prices in Level 1
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature.

## 5. Exploration and evaluation properties

	As at	
	March 31, 2025	December 31, 2024
	\$	\$
<b>Acquisition costs</b>		
Balance, beginning of period/year	8,430,074	7,511,050
Property payments	–	919,024
Balance, end of period/year	8,430,074	8,430,074
<b>Exploration expenditures</b>		
Balance, beginning of period/year	15,453,348	8,466,717
Expenditures during the period/year		
Drilling, assaying and related costs	1,339,706	4,438,913
Supplies	1,862	285,112
Consulting	282,201	923,876
Salaries	139,573	536,509
Transportation	17,350	105,157
Travel and accommodation	1,161	17,585
Concession taxes	2,546	33,844
Software license renewal	–	148,945
Depreciation	31,951	159,309
Share-based payments	22,138	129,420
Other exploration and evaluation expenses	31,413	207,961
Total exploration expenditure for the period/year	1,869,901	6,986,631
Balance, end of period/year	17,323,249	15,453,348
<b>Total</b>	<b>25,753,323</b>	<b>23,883,422</b>

### LDS PROJECT

The LDS Project consists of various mineral rights in the state of Rio Grande do Sul, Brazil, which are held either through LDSM, or under the Vidal de Souza Purchase Agreements pending transfer of title to LDSM. LDSM was set up to meet the legal requirements for operating in a border zone. LDSM is a subsidiary that is controlled by its Brazilian subsidiary, LDS.

### RTDM Option Agreement

During the year ended December 31, 2021, Lavras Gold, through its subsidiaries, was assigned the rights and obligations under an option agreement (the “RTDM Option Agreement”) with Rio Tinto Desenvolvimento Minerais Ltda. (“RTDM”).

RTDM acquired options to earn interests in mineral rights through agreements that were signed with two separate landowners: certain mineral rights (the “CBC Mineral Rights”) optioned by Companhia Brasileira do Cobre (“CBC”, “CBC Option Agreement”) and certain mineral rights (the “VS Mineral Rights”) optioned by the Vidal de Souza family (the “Vidal de Souza Option Agreement”).

The agreements with the landowners are described below.

Lavras Gold will be required to pay RTDM the following:

- US\$1,806,000 when the Installation License covering the LDS Project is received, and
- a 0.5% NSR on production from the mineral rights underlying the RTDM Option Agreement.

### **CBC Purchase Agreement**

On November 16, 2021, the CBC Option Agreement was replaced with an agreement to purchase the CBC Mineral Rights (the CBC Purchase Agreement).

The CBC Purchase Agreement required payments aggregating US\$1,000,000 of which US\$500,000 was paid as at December 31, 2023. The remaining balance of US\$500,000 was paid in April 2024 upon the approved transfer of the CBC Mineral Rights to LDSM

Lavras Gold must pay US\$50,000 each year if mining activities are not initiated within 10 years from the date of execution of the Purchase Agreement on November 16, 2021.

Lavras Gold must pay CBC a royalty equal to 1.5% of the gross revenue related to future mining activity on the CBC Mineral Rights. Lavras Gold has a right of first refusal for any proposed transfer by CBC of the royalty.

### **Vidal de Souza Purchase Agreements**

On October 22, 2004, RTDM entered into an option agreement with Vidal de Souza for the VS Mineral Rights. This option agreement which was assigned to LDSM have been subsequently replaced with a series of purchase agreements (collectively, the “VS Purchase Agreements”) between Vidal de Souza and LDSM.

The VS Purchase Agreements required the following payments by Lavras Gold:

- a) US\$55,000 at execution (paid).
- b) US\$135,000 for direct payments of estimated costs related to estate settlement of which US\$121,000 was paid in Q3 2024; the remaining balance will be settled under part (c) below.
- c) US\$199,000 within ten days of the date of applying for the mineral rights transfer.
- d) US\$625,000 within ten days of the date of obtaining title to the mineral rights.

Lavras Gold must make a single payment of US\$120,000 if mining activities are not initiated within six years from the date of obtaining title.

Lavras Gold must make a single payment of US\$80,000 if mining activities are not initiated within ten years from the date of obtaining title.

Lavras Gold must pay VS a royalty equal to 1.57% of the net revenue related to future mining activity on the VS Mineral Rights. Lavras Gold has a right of first refusal for any proposed transfer by VS of the royalty. VS has the option to sell the royalty to Lavras Gold for US\$5,000,000 during the first 60 days following the payment of the first quarterly instalment of royalty. Advance royalty payments of US\$350,000 are required if certain conditions are met.

### **IAMGOLD Agreement**

During the year ended December 31, 2021, Lavras Gold, through its subsidiaries, was assigned the rights and obligations under a purchase agreement (the IAMGOLD Purchase Agreement) with IAMGOLD Corporation (“IAMGOLD”) to obtain a 100% interest in four mineral rights (the “BPML Mineral Rights”).

The purchase price payable by Lavras Gold for the BPML Mineral Rights is US\$700,000 of which US\$100,000 was paid as at December 31, 2024 (December 31, 2023: US\$50,000). The remaining US\$600,000 is payable as follows:

- a) US\$100,000, within 10 days from the date that Lavras Gold submits an economic exploitation plan that indicates the technical and economic feasibility of the project.
- b) US\$100,000, within 10 days from the date that Lavras Gold completes a feasibility study.
- c) US\$400,000, within 12 months from the date that Lavras Gold commences commercial production for any of the titles comprising the BPML Mineral Rights.

Lavras Gold paid US\$50,000 in 2023 as additional consideration as a result of delays in the transfer of title for the BPML Mineral Rights.

In addition, Lavras Gold must pay a 3.0% net smelter return royalty on the BPML Mineral Rights. Lavras Gold may, at any time, elect to purchase 1.0% of the royalty from IAMGOLD by paying US\$1,000,000 to IAMGOLD.

## 6. Property and equipment

	Right-of-use \$	Leasehold improvements \$	Furniture and equipment \$	Computer software \$	Computer hardware \$	Total \$
<b>Cost</b>						
<b>Balance as at December 31, 2023</b>	<b>290,647</b>	<b>33,688</b>	<b>42,921</b>	<b>239,576</b>	<b>43,263</b>	<b>650,095</b>
Change in estimate (Note 7)	(7,219)	—	—	—	—	(7,219)
Additions for the year	51,777	—	16,226	—	24,661	92,664
<b>Balance as at December 31, 2024</b>	<b>335,205</b>	<b>33,688</b>	<b>59,147</b>	<b>239,576</b>	<b>67,924</b>	<b>735,540</b>
Change in estimate (Note 7)	—	—	—	—	—	—
Additions for the period	—	—	380	—	5,828	6,208
<b>Balance as at March 31, 2025</b>	<b>335,205</b>	<b>33,688</b>	<b>59,527</b>	<b>239,576</b>	<b>73,752</b>	<b>741,748</b>
<b>Accumulated depreciation</b>						
<b>Balance as at December 31, 2023</b>	<b>107,127</b>	<b>11,485</b>	<b>6,005</b>	<b>118,915</b>	<b>10,902</b>	<b>254,434</b>
Depreciation for the year	58,822	6,974	5,360	101,927	19,249	192,332
<b>Balance as at December 31, 2024</b>	<b>165,949</b>	<b>18,459</b>	<b>11,365</b>	<b>220,842</b>	<b>30,151</b>	<b>446,766</b>
Depreciation for the period	16,359	1,676	1,454	15,068	5,341	39,898
<b>Balance as at March 31, 2025</b>	<b>182,308</b>	<b>20,135</b>	<b>12,819</b>	<b>235,910</b>	<b>35,492</b>	<b>486,664</b>
<b>Carrying amounts</b>						
At December 31, 2024	169,256	15,229	47,782	18,734	37,773	288,774
<b>At March 31, 2025</b>	<b>152,897</b>	<b>13,553</b>	<b>46,708</b>	<b>3,666</b>	<b>38,260</b>	<b>255,084</b>

Depreciation for the three months ended March 31, 2025, amounting to \$31,951 (December 31, 2024: \$159,309) has been included in exploration and evaluation properties.

The change in estimate related to variable inputs in underlying lease contracts for office space and core sheds in Brazil.

## 7. Lease liabilities

Lease liabilities are related to the long-term lease contracts for office space and core sheds in Lavras do Sul, with terms of up to 5 years at an incremental borrowing rate of 10%.

	As at	
	March 31, 2025	December 31, 2024
	\$	\$
Lease liabilities, beginning of the period/year	163,080	203,813
Change in estimate (Note 6)	–	(7,219)
Foreign exchange adjustment	12,227	(34,305)
Additions	–	51,777
Repayments	(20,010)	(72,994)
Interest portion	5,204	22,008
Lease liabilities, end of the period/year	160,501	163,080
Less: current portion	49,958	60,443
Non-current portion	110,543	102,637

As at March 31, 2025, the remaining minimum payments are as follows:

	\$
2025	63,306
2026	78,811
2027	40,070
2028	3,890
	<b>186,077</b>

## 8. Capital stock

### A) AUTHORIZED

Unlimited number of common shares.

### B) ISSUED

	Notes	Shares #	Amount \$
<b>Balance, December 31, 2023</b>		<b>51,353,016</b>	<b>29,881,895</b>
Exercise of stock options	(i)	11,250	5,864
<b>Balance, December 31, 2024</b>		<b>51,364,266</b>	<b>29,887,759</b>
Issued under prospectus net of issue cost	(ii)	6,819,500	13,932,159
Exercise of stock options	(iii)	23,750	13,541
<b>Balance, March 31, 2025</b>		<b>58,207,516</b>	<b>43,833,459</b>

- (i) In Q3 2024, 11,250 stock options were exercised at a weighted average exercise price of \$0.30 for proceeds of \$3,338 and contributed surplus of \$2,526.
- (ii) On February 6, 2025, the Company completed a "best efforts" public offering, pursuant to which the Company issued an aggregate of 6,819,500 common shares of the Company (each, a "Share") at a price of \$2.20 per Share for gross proceeds of \$15,002,900 to the Company, which included the full exercise of the over-allotment option granted in connection therewith (the "Offering"). The Shares were issued and sold pursuant to the terms of an agency agreement dated February 3, 2025 among the Company, Paradigm Capital Inc. and Canaccord Genuity, as co-lead agents, and Raymond James Ltd. and Research Capital Corporation (collectively, the "Agents").



In connection with the Offering, the Agents were paid an aggregate cash commission of \$764,610 which included \$720,126, representing 6% on \$12,002,100 gross proceeds, and \$44,484 cash commissions on the remaining \$3,000,800 from the President's List. Legal, accounting, filing and other closing costs were \$306,131 for total cost of issue of \$1,070,741 and net proceeds of \$13,932,159 from the Offering.

- (iii) In Q1 2025, 23,750 stock options were exercised at weighted average exercise price of \$0.32 for proceeds of \$7,712 and contributed surplus of \$5,829.

## C) SHARE-BASED PAYMENTS

Lavras Gold has an Omnibus Long-Term Incentive Plan ("Omnibus Plan") pursuant to which Lavras Gold may grant stock options, restricted share units ("RSUs") and deferred share units ("DSUs") to provide additional incentives to directors, senior officers, employees, consultants, and management.

Under the terms of the Company's rolling stock option plan, the Company is authorized to grant up to a maximum of 10% of the issued and outstanding common shares at the time of the grant with an exercise year not to exceed ten years.

Under the terms of the Company's fixed RSU/DSU plans, the Company is authorized to grant up to a combined maximum of 41,103,869 common shares of the Company. Vesting is limited to a minimum of one year for RSU/DSU and a maximum of three years for RSU from the date of grant.

The term, exercise price and vesting conditions of the stock options, RSUs and DSUs are fixed by the Board of Directors at the time of grant.

### Stock options

Stock option transactions and the number of stock options outstanding are as follows:

	Options #	Weighted average exercise price \$
<b>Balance, December 31, 2023</b>	<b>3,652,500</b>	<b>0.39</b>
Granted	1,454,000	1.70
Exercised	(11,250)	(0.30)
<b>Balance, December 31, 2024</b>	<b>5,095,250</b>	<b>0.76</b>
Exercised	(23,750)	(0.32)
Expired	(18,750)	(0.86)
<b>Balance, March 31, 2025</b>	<b>5,052,750</b>	<b>0.77</b>

Details of the stock options outstanding and exercisable are as follows:

	Exercisable at March 31, 2025 #	Exercise price \$	Fair value at date of grant \$	Remaining contractual life years
Number of options				
1,500,000	1,275,000	0.50	499,500	2.05
561,250	413,125	0.35	148,282	2.32
1,320,000	910,000	0.23	231,000	3.29
100,000	100,000	0.22	16,700	3.30
125,000	62,500	1.15	109,500	3.62
1,446,500	676,625	1.70	1,871,366	4.16
<b>5,052,750</b>	<b>3,437,250</b>	<b>0.77</b>	<b>2,876,348</b>	<b>3.07</b>

The grant date fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following estimates:

	March 31, 2025	December 31, 2024
Weighted average fair value per option (\$)	–	0.23
Weighted average risk-free interest rate (%)	–	3.73
Expected life (years)	–	5.0
Weighted average expected volatility (%)	–	100
Expected rate of forfeiture (%)	–	nil
Expected dividend yield (%)	–	nil

The fair value compensation and contributed surplus relating to stock options vested for the three months ended March 31, 2025, was \$174,995 (March 31, 2024: \$53,634); of which \$152,857 (March 31, 2024: \$43,511) was expensed and the remaining \$22,138 (March 31, 2024: \$10,123) was capitalized to exploration and evaluation properties.

### **Restricted Share Units (“RSUs”)**

The Company’s Omnibus Plan provides for the grant of RSUs based on Lavras Gold’s share price at the date of grant. Unless otherwise stated, the RSUs vest equally or graded over a one-year to three-year period.

RSU transactions and the number of RSUs outstanding are as follows:

	RSUs #	Weighted average fair value \$
<b>Balance, December 31, 2023</b>	-	-
Granted (i)	97,242	1.70
<b>Balance, December 31, 2024 and March 31, 2025</b>	<b>97,242</b>	<b>1.70</b>

- (i) On May 29, 2024, the Company granted 97,242 RSUs to three officers of the Company. These RSUs vest on May 29, 2025.

During the three months period ended March 31, 2025, the total share-based payments expense related to RSUs was \$41,668 (March 31, 2024: \$nil).

## **9. Net loss per common share**

The calculation of basic and diluted loss per share for the three months period ended March 31, 2025, was based on the loss attributable to common shareholders of \$786,460 (March 31, 2024: \$498,842), divided by the weighted average number of common shares outstanding of 55,459,397 (March 31, 2024: 51,353,016).

## 10. Related party transactions

Lavras Gold incurred charges with directors, officers (Chief Executive Officer, Chief Financial Officer and V.P. Investor Relations who are the key management personnel), and a company with common directors as follows. These transactions were in the normal course of business and are measured at amounts representing normal commercial terms:

	Three months ended March 31	
	2025	2024
	\$	\$
Salaries paid to officers	151,250	122,500
Directors' fees	18,000	15,000
Share-based payments	156,637	34,670
Consulting fees	6,000	6,000
	331,887	178,170

Accounts payable and accrued liabilities include \$nil (December 31, 2024: \$6,000) director's fees payable to a director of the Company.

## 11. General and administrative expenses

General and administrative expenses consist of the following:

	Three months ended March 31	
	2025	2024
	\$	\$
Consulting fees	44,045	69,967
Professional fees	41,374	70,258
Salaries and benefits	191,131	155,568
Directors' fees	18,000	15,000
Marketing, promotion and business development	113,992	93,301
Filing and transfer agent fees	55,129	28,219
Travel	394	2,797
Information technology support	55,482	55,799
Other general and administrative	31,650	46,037
	551,197	536,946

## 12. Segmented information

The Company operates in one reportable operating segment – mineral exploration. The Company's resource properties are in Brazil and its corporate assets are in Canada. Lavras Gold is in the exploration stage and, accordingly, has no reportable segment revenues.

Long term assets by geographic region are as follows:

	Canada	Brazil	Total
	\$	\$	\$
<b>March 31, 2025</b>			
Exploration and evaluation properties	–	25,753,323	25,753,323
Property and equipment	13,073	242,011	255,084
<b>December 31, 2024</b>			
Exploration and evaluation properties	–	23,883,422	23,883,422
Property and equipment	31,556	257,218	288,774

### 13. Contingencies

Due to the nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for these items when a liability is both probable and the amount can be reasonably estimated.