



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Unaudited)

(Expressed in thousands of United States Dollars)

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in thousands of United States dollars)

As at

	<u>Note</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 3,413	\$ 6,113
Marketable Securities		219	76
Receivables		111	126
Prepaid expenses		706	776
Inventory	3	<u>1,545</u>	<u>1,341</u>
		5,994	8,432
Property, plant and equipment	4	103,997	104,902
Restricted cash	5	<u>3,074</u>	<u>3,074</u>
Total Assets		<u>\$ 113,065</u>	<u>\$ 116,408</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	6	\$ 1,687	\$ 1,640
Amounts due to related parties	14	131	136
Nuton Project Payable	7	564	432
Lease liabilities		104	103
Insurance liabilities		420	493
Derivative liabilities	8	851	235
Debt	10	<u>2,215</u>	<u>1,442</u>
		5,972	4,481
Lease liabilities		195	222
Debentures	11	4,555	4,330
Debt	10	13,483	14,178
Derivative liabilities	8	123,243	115,823
Asset retirement obligation	9	<u>7,376</u>	<u>8,097</u>
Total liabilities		154,824	147,131
Equity			
Capital Stock	12	112,828	112,828
Other equity reserves	12	14,309	14,205
Deficit		(168,067)	(156,927)
Accumulated other comprehensive loss		<u>(829)</u>	<u>(829)</u>
Total Equity		<u>(41,759)</u>	<u>(30,723)</u>
Total Liabilities and equity		<u>\$ 113,065</u>	<u>\$ 116,408</u>

See note 1 - Nature of Operations and Going Concern

Approved on May 8, 2024 on behalf of the Board of Directors:

/signed/

Stephen Axcell

Chair of the Audit Committee

/signed/

Fred DuVal

Director

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in thousands of United States dollars)

		Three months ended	
		March 31,	
	Note	2024	2023
Revenue			
Revenue		\$ (339)	\$ (1,096)
Cost of sales	13	1,589	2,557
Loss from mine operations		1,250	1,461
Operating Expenses			
Evaluation and permitting		64	115
Office and administration		197	152
Professional fees		140	160
Directors and officers fees		435	524
Investor relations		62	92
Share-based compensation	12	100	99
Regulatory fees		16	25
Depreciation		42	48
Total Operating Expenses		1,056	1,215
Other Items			
Loss on derivative at fair value	8	8,036	21,509
Financing expense		1,047	822
Interest income		(48)	(19)
Unrealized (gain) on foreign exchange		-	(6)
Loss on modification of financial liabilities	10&11	-	426
Other income		(201)	(134)
Total Other Items		8,834	22,598
Loss and comprehensive loss for the period		\$ 11,140	\$ 25,274
Loss per common share:			
Basic and Diluted		\$ 0.04	\$ 0.09
Weighted average number of common shares outstanding:			
Basic and Diluted	12	315,415,858	276,204,365

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in thousands of United States dollars)

		Three months ended	
		March 31,	
	Note	2024	2023
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Loss for the period		\$ (11,140)	\$ (25,274)
Items not affecting cash:			
Loss on derivative at fair value	8	8,036	21,509
Depreciation		60	78
Accretion of asset retirement obligation		124	41
Share-based compensation	12	104	103
Financing expense		303	77
Nebari Extension Bonus	10	-	450
Gain on Marketable Securities		(143)	(15)
Unrealized gain on foreign exchange		-	(6)
Non-cash working capital item changes:			
Receivables		15	(187)
Prepaid expenses		70	(281)
Inventory		(204)	303
Accounts payable and accrued liabilities		21	77
Amounts due to related parties		(5)	64
Insurance liabilities		(73)	290
Net cash used by operating activities		(2,832)	(2,771)
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Nuton funds received	7	594	-
Nuton Project expenditure	7	(462)	-
Net cash provided by investing activities		132	-
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Proceeds from issuance of debentures	11	-	2,993
Net cash provided by financing activities		-	2,993
Net change in cash and cash equivalents		(2,700)	222
Effect of foreign exchange on cash and cash equivalents		-	6
Cash and cash equivalents, beginning of year		6,113	5,604
Cash and cash equivalents, end of period		\$ 3,413	\$ 5,832
Supplemental cash flow disclosures:			
Interest paid		\$ 615	\$ 671

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

EXCELSIOR MINING CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Unaudited - Expressed in thousands of United States dollars)

	<u>Capital Stock</u>		<u>Other Equity Reserves</u>	<u>Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
	<u>Number of Common shares</u>	<u>Amount</u>				
Balance, December 31, 2022	274,835,944	\$ 108,045	\$ 12,453	\$ (127,968)	\$ (829)	\$ (8,299)
Stock issuance	2,368,421	450	-	-	-	450
Debenitures	-	-	612	-	-	612
Share-based compensation	-	-	13	-	-	13
Income for the period	-	-	-	(25,274)	-	(25,274)
Balance, March 31, 2023	<u>277,204,365</u>	<u>\$ 108,495</u>	<u>\$ 13,078</u>	<u>\$ (153,242)</u>	<u>\$ (829)</u>	<u>\$ (32,498)</u>
Balance, December 31, 2023	315,415,858	\$ 112,828	\$ 14,205	\$ (156,927)	\$ (829)	\$ (30,723)
Share-based compensation	-	-	104	-	-	104
Loss for the period	-	-	-	(11,140)	-	(11,140)
Balance, March 31, 2024	<u>315,415,858</u>	<u>\$ 112,828</u>	<u>\$ 14,309</u>	<u>\$ (168,067)</u>	<u>\$ (829)</u>	<u>\$ (41,759)</u>

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

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited - Expressed in thousands of United States dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Excelsior Mining Corp. (“Excelsior” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol “MIN”. The address of the Company’s registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The Company is developing the Gunnison Project in Southeastern Arizona and has entered into an agreement with Nuton LLC (“Nuton”), a Rio Tinto Venture, to further evaluate the use of its Nuton™ copper heap leaching technologies at the Johnson Camp Mine (JCM) and to generate cash flow to continue to support the development of the Gunnison project. The Company is moving ahead with the work to advance this strategy.

During the three months ended March 31, 2024, the Company incurred a net loss of \$11,140 that included a non-cash loss on derivatives of \$8,036 and used cash for operating activities of \$2,832. As at March 31, 2024, the Company had a working capital of \$nil, including a cash balance of \$3,413.

In support of the Company’s plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023, the Company and its lender, Nebari Natural Resources Credit Fund I LLP (“Nebari”), executed a second amendment to the loan agreement which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025. The amendment also lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance. On November 30, 2023, the Company and Nebari executed a third amendment to the loan agreement which extended the due date of the \$15,000 loan to June 30, 2026. The amendment also lowers the applicable interest rate to 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

The Company’s cash flow projections indicate that the minimum balance requirement will be breached during the second quarter of 2024 unless additional financing is obtained. The amendment to the loan agreement allows a 60 day cure period in the event of a breach of this condition.

Pursuant to the Copper Purchase and Sale Agreement (the “Stream Agreement”) with Triple Flag International Ltd. (“Triple Flag”), the Company is required to maintain a leverage ratio of 3.5:1. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage ratio until June 30, 2026 (the “Leverage Ratio Grace Period”) to accommodate the extension of the Nebari loan. On December 14, 2023, the Company and Triple Flag executed a further amendment to the Stream Agreement which suspends the Leverage Ratio Grace Period until September 30, 2026 to accommodate the further extension of the Nebari loan.

On February 9, 2023, the Company executed an agreement for a total of \$3,000 of unsecured convertible debentures. On July 31, 2023, the Company entered into an Option Agreement with Nuton pursuant to which Nuton provided \$3,000 for pre-payment of Stage 1 costs, and \$2,000 for an exclusive option to form a joint venture with the Company. The Company also closed a \$5,500 financing on December 14, 2023, with Greenstone Excelsior Holdings LP (“Greenstone”) and Triple Flag USA Royalties Ltd. (“Triple Flag USA”). Greenstone has sold 1.5% of its total 3% gross revenue royalty on JCM to the Company for consideration of \$3,100 in Common Shares and \$2,400 of unsecured convertible debentures. The Company then resold the 1.5% gross revenue royalty on JCM to Triple Flag USA for \$5,500 in cash.

Although the Company has taken steps to extend the maturity of the Nebari loan and to eliminate or mitigate the risk of certain covenant breaches, unless the Company raises financing it will breach the \$2,500 minimum cash covenant under the Nebari loan during the second quarter of 2024. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through future mining of the existing JCM pits and a combination of equity, debt, or other arrangements. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Consolidated Interim Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. These adjustments could be material.

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited - Expressed in thousands of United States dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The Company prepares the annual consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2023.

All dollar figures are expressed in thousands of United States dollars unless otherwise indicated. Canadian dollars are expressed as “CAD\$”.

b. Adoption of new accounting standards and accounting developments

Amendments to IAS 1 – Presentation of Financial Statements In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Noncurrent Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, Classification of Liabilities as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024 and adoption of these amendments did not have an effect on our financial statements."

c. Significant estimates

The preparation of these condensed consolidated interim financial statements in conformity with IFRS Accounting Standards requires management to make estimates and judgments. These estimates, judgments and assumptions affect the reported amounts of assets, liabilities, shareholders’ equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company’s critical estimates and judgments is provided in Note 2, Basis of Presentation, of the audited consolidated financial statements for the year ended December 31, 2023 and 2022.

3. INVENTORY

The Company records inventory at the lower of cost and net realizable value (NRV). The average COMEX price for Grade A copper cathode for the reporting month is used to determine the NRV of copper cathode in inventory. The copper cathode held as finished goods at month end is shipped and sold the following month. At the end of March 2024, the company recorded a write-down of \$720 (2023- \$781) to adjust the copper inventory value to NRV.

The summary for inventory for the three months ended March 31, 2024 and the year ended December 31, 2023 are summarized below.

	March 31, 2024	December 31, 2023
Materials & Supplies	\$ 946	\$ 933
Copper in Solution	290	287
Finished goods	309	121
Inventory	\$ 1,545	\$ 1,341

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited - Expressed in thousands of United States dollars)

4. PROPERTY, PLANT AND EQUIPMENT

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Construction in Progress	Total
Cost						
At January 1, 2023	14,309	12,242	584	1,009	81,469	109,613
Additions	-	-	-	26	-	26
Option Payment	-	-	-	-	(2,000)	(2,000)
Change in Asset Retirement Obligation Estimate	(306)	-	-	-	-	(306)
Termination of Lease	-	-	-	(42)	-	(42)
At December 31, 2023	14,003	12,242	584	993	79,469	107,291
Accumulated Depreciation						
At January 1, 2023	(824)	(103)	(481)	(645)	(101)	(2,154)
Depreciation	-	(11)	(82)	(104)	(76)	(273)
Termination of Lease	-	-	-	38	-	38
At December 31, 2023	(824)	(114)	(563)	(711)	(177)	(2,389)
Net carrying amount	13,179	12,128	21	282	79,292	104,902
Cost						
At January 1, 2024	14,003	12,242	584	993	79,469	107,291
Change in Asset Retirement Obligation Estimate	(845)	-	-	-	-	(845)
At March 31, 2024	13,158	12,242	584	993	79,469	106,446
Accumulated Depreciation						
At January 1, 2024	(824)	(114)	(563)	(711)	(177)	(2,389)
Depreciation	-	-	(21)	(25)	(14)	(60)
At March 31, 2024	(824)	(114)	(584)	(736)	(191)	(2,449)
Net carrying amount	12,334	12,128	-	257	79,278	103,997

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited - Expressed in thousands of United States dollars)

5. RESTRICTED CASH

As of March 31, 2024, the Company has restricted cash deposits of \$3,074 (March 31, 2023 - \$3,311) as collateral to secure the issuance of reclamation bonds.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Trade payables	\$ 634	\$ 673
Accrued liabilities	891	773
Employee-related accruals	162	194
	<u>\$ 1,687</u>	<u>1,640</u>

Trade payables include the Company's obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid. Accrued liabilities and employee-related accruals include estimated amounts for goods or services received but not yet invoiced by the supplier, as well as obligations that increase throughout the year and are settled at points in time, such as property taxes and employee bonuses.

7. NUTON PROJECT

On July 31, 2023, the Company entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Excelsior's Johnson Camp mine in Cochise County, Arizona. Under the Option Agreement, Excelsior remains the operator and Nuton funds Excelsior's costs associated with a two-stage work program at JCM. Nuton provided \$3,000 to Excelsior for Stage 1 costs and a payment of \$2,000 for an exclusive option to form a joint venture with Excelsior over the Johnson Camp Mine after the completion of Stage 2. The \$2,000 has been applied against the capitalized costs related to JCM for accounting purposes.

In March 2024, the Company received \$594 from Nuton for additional drilling for continued Stage 1 work. Consistent with the original \$3,000 received, these funds have been treated as a liability and all Stage 1 costs incurred by Excelsior continue to be applied to that liability.

Under the terms of the Option Agreement, the Stage 1 work program involves Excelsior completing diamond drilling, engineering, permitting activities, and project execution planning. Nuton will complete mineralogy, predictive modeling, engineering, and other test work. Based on the results of the Stage 1 work program, Nuton has the option to proceed to Stage 2.

The summary for the usage of the \$3,594 pre-payment for Stage 1 activities for the project period ended March 31, 2024 are summarized below.

	Project spend incurred as at	
	March 31, 2024	
	<u>Actual</u>	<u>Remaining</u>
Drilling	\$ 1,519	393
Engineering	437	(125)
Permitting	80	150
Project Execution Planning	994	146
	<u>\$ 3,030</u>	<u>\$ 564</u>

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited - Expressed in thousands of United States dollars)

8. DERIVATIVE LIABILITIES

On October 30, 2018 the Company entered into an agreement for a \$75,000 project financing package (collectively, the “Financing”) with Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”) for the purposes of developing the Gunnison Project. The closing of the Financing occurred on November 30, 2018. The Company determined that the stream obligation is a derivative liability, and as such, the stream obligation is recorded at fair value through profit or loss (“FVTPL”) at each statement of financial position date.

The fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the copper forward price curve, the long-term copper price volatility of 21.85% (December 31, 2023 – 21.01%), a discount rate which factors in the Company’s credit spread of 6.97% (December 31, 2023 – 7.43%), the life of mine production schedule and expectations including expansion plans and characterization of the stream for tax purposes.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedule and expectations including expansion plans are based on the information compiled by qualified persons.

The following is a summary of the derivative activity through the three months ended March 31, 2024:

	<u>Stream</u>	<u>Warrants</u>	<u>Total</u>
Fair value at December 31, 2022	\$ 101,294	\$ 8	\$ 101,302
Loss (gain) during the year	14,764	(8)	14,756
Fair value at December 31, 2023	\$ 116,058	\$ -	\$ 116,058
Loss (gain) during the period	8,036	-	8,036
Fair value at March 31, 2024	\$ 124,094	\$ -	\$ 124,094

At March 31, 2024, the current portion of the derivative liabilities is \$851 based upon the production schedule and other inputs used in the valuation.

9. ASSET RETIREMENT OBLIGATION

The Company’s asset retirement obligation (“ARO”) represents management’s best estimate of the present value of costs that are expected to be incurred for mine closure and reclamation and rehabilitation costs for the JCM and the Gunnison Project. Based on the current projected mine life of the Gunnison Project, these costs and activities are not expected to begin until approximately 30 years after the start of operation on the Gunnison Project. During the first quarter of 2024, the Company reviewed the assumptions used in the present value calculation and adjusted the obligation to \$7,376. The update resulted in a net decrease of (\$721), which includes accretion for the three months ended March 31, 2024 of \$82 and a change due to rates of (\$803).

As of March 31, 2023, the estimated undiscounted JCM reclamation obligation is \$12,119 (2023 - \$12,119) and the estimated undiscounted Gunnison Project reclamation obligation is \$2,903 (2023 - \$2,903). In addition to the undiscounted cost estimates, the primary assumptions that affect the present value calculation are the inflation rate and the discount rate. For the update prepared as of March 31, 2024, the Company used an inflation rate of 2.0% (2023 – 2.0%) and a discount rate of 4.34% (2023 – 4.03%) in calculating the present value of the obligation. The current inflation rate used is based on target inflation rates set by the Federal Reserve. The discount rate is based on the 30-year treasury bond index.

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
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Changes in the ARO for the three months ended March 31, 2024 and the year ended December 31, 2023 are summarized below.

Asset Retirement Obligation	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 8,097	\$ 8,245
Change in estimate	(845)	(306)
Accretion expense	124	158
Balance, end of period	\$ 7,376	\$ 8,097

10. DEBT

On October 31, 2019, the Company entered into an agreement with Nebari Natural Resources Credit Fund I LP (“Nebari”) for a \$15,000 credit facility (the "Credit Facility"). The Credit Facility was fully drawn by May 31, 2020.

On December 22, 2021, the Company entered into an Amended and Restated Credit Agreement (“ARCA”) with Nebari to extend the maturity of the Credit Facility to September 29, 2023. The interest rate charged on the outstanding balance continued at 14.2%. The ARCA included an upward interest rate supplement that was calculated as the excess of the 3 month LIBOR rate over 1.5% and was determined on the first day of each month through January 30, 2023. The amendment included a repayment bonus to Nebari of 3% (\$450) of the amount drawn on the credit facility which is payable at maturity. The amendment to the loan agreement required the Company to maintain a \$5,000 minimum cash balance allowing a 60 day cure period in the event of a breach of this condition.

In support of the Company’s plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023 the Company and Nebari executed a Second Amendment to the ARCA (“Second ARCA”) which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025 and lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance; however, starting January 31, 2024, the Company was to start paying back the principal on the first \$5,000 tranche at \$333/month. The interest rate was set at 14.2% plus a supplement based on the amount (if any) by which (i) the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months plus 0.26161% exceeds (ii) 1.5%. The rate supplement cannot be negative.

In addition to the repayment bonus on ARCA, the Second ARCA required an upfront \$450 extension bonus that was paid to Nebari with common shares of the Company. The loss on modification of the existing credit facility agreement of \$894 was expensed in 2023.

On November 30, 2023, the Company and Nebari executed a Third Amendment to the Second ARCA (“Third ARCA”) which extends the due date of the \$15,000 loan advanced by Nebari to June 30, 2026. The interest rate is reduced to 10.5% plus a supplement equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

In consideration for The Third ARCA, the Company issued \$1,050 in common shares of the Company to Nebari. The Company adjusted the fair value of the debt to include the Third Amendment to the ARCA, and increased the liability component \$677, and recognized a loss on modification of \$677 in 2023.

EXCELSIOR MINING CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
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Changes in the debt for the three months ended March 31, 2024, and year ended December 31, 2023, are summarized below.

Debt	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 15,620	\$ 15,405
Financing expense	78	215
Balance, end of period	\$ 15,698	\$ 15,620
<i>Current</i>	<i>2,215</i>	<i>1,442</i>
<i>Non current</i>	<i>13,483</i>	<i>14,178</i>

11. DEBENTURES

On February 9, 2023, the Company closed a Debenture Offering (“First Debenture Offering”) and issued \$3,000 principal amount of debentures. The terms of the debentures include:

- a maturity date of three years from the date of closing (the “First Debenture Maturity Date”), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on April 1, 2025 and on the Maturity Date, unless earlier converted into common shares of the Company (“Common Shares”);
- the principal amount of the debentures is convertible into Common Shares at the option of the holder at a conversion price of USD\$0.19 per Common Share;
- the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

The First Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,128 with an effective interest rate of 21.2%, and the equity component was measured as the residual amount of \$872.

On December 14, 2023, the Company amended the First Debenture Offering maturity date to September 30, 2026. The impact of the amendment decreased the carrying value of the liability component, resulting in a gain on modification of \$263. The effective interest rate is 21.2%.

On December 14, 2023, the Company closed a Second Debenture Offering (the “Second Debenture Offering”) and issued \$2,400 principal amount of debentures. The terms of the debentures include:

- a maturity date of September 30, 2026 (the “Second Debenture Maturity Date”) and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;
- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into Common Shares;
- subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly call meeting (the “Shareholder Approval”), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per Common Share;
- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

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The Second Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,011 with an effective interest rate of 19.6%, and the equity component was measured as the residual amount of \$389.

Changes in the debentures for the three months ended March 31, 2024, and year ended December 31, 2023, are summarized below.

Debentures	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 4,330	\$ -
Proceeds	-	5,400
Revaluation	-	(1,262)
Financing Expense	225	192
Balance, end of period	\$ 4,555	\$ 4,330
<i>Current</i>	-	-
<i>Non current</i>	4,555	4,330

12. CAPITAL STOCK AND OTHER EQUITY RESERVES

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares with no par value and an unlimited number of non-voting common shares with no par value. As of March 31, 2024, there were 315,415,858 common shares outstanding and nil non-voting common shares outstanding.

There were no dilutive shares for the period ended March 31, 2024 (2023 – nil).

Stock Options

The Company's stock option plan (the "Plan") provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. The Plan reserves for issuance, along with the Company's other Security-Based Compensation Plans a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options.

Options granted under the Plan have a maximum term of ten years. The exercise price of the options is determined by the Board of Directors and is not less than the closing price of the common shares on the last trading day prior to the date the options are granted. The vesting terms are at the Board of Directors' discretion.

The Plan is an evergreen plan which provides that if any option has been exercised, then the number of common shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan. The Plan will operate in conjunction with the Restricted Share Unit Plan (the "RSU Plan") and the Performance Share Unit Plan (the "PSU Plan"). The Stock Option Plan, RSU Plan and PSU Plan are collectively referred to as the "Security-Based Compensation Plans".

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The following is a summary of stock option activity for the three months ended March 31, 2024 and the year ended December 31, 2023:

	Number of Options	Weighted Average Exercise Price (CAD\$)
Outstanding, December 31, 2022	17,497,500	\$ 0.78
Granted	7,215,000	\$ 0.26
Expired	(4,580,000)	\$ 1.01
Forfeited	(1,312,500)	\$ 0.70
Outstanding, December 31, 2023	18,820,000	\$ 0.53
Expired	(3,045,000)	\$ 1.02
Outstanding, March 31, 2024	15,775,000	\$ 0.43
Exercisable, March 31, 2024	9,551,250	\$ 0.51

During the three months ended March 31, 2024, no stock options were exercised.

As of March 31, 2024, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price CAD\$	Remaining life (years)	Expiry Date
200,000	200,000	CAD\$ 0.96	0.70	December 10, 2024
210,000	210,000	CAD\$ 1.12	0.83	January 28, 2025
1,480,000	1,480,000	CAD\$ 0.48	0.98	March 24, 2025
50,000	37,500	CAD\$ 0.27	1.00	March 31, 2025
600,000	600,000	CAD\$ 0.60	1.00	March 31, 2025
3,250,000	3,250,000	CAD\$ 0.60	1.04	April 15, 2025
800,000	-	CAD\$ 0.73	1.37	August 12, 2025
100,000	100,000	CAD\$ 0.80	1.39	August 19, 2025
235,000	235,000	CAD\$ 0.82	1.94	March 8, 2026
300,000	300,000	CAD\$ 0.74	2.00	March 31, 2026
635,000	635,000	CAD\$ 0.41	2.75	December 31, 2026
700,000	525,000	CAD\$ 0.27	3.09	May 2, 2027
500,000	250,000	CAD\$ 0.27	3.84	February 1, 2028
200,000	100,000	CAD\$ 0.23	3.90	February 22, 2028
6,515,000	1,628,750	CAD\$ 0.26	4.09	May 1, 2028
<u>15,775,000</u>	<u>9,551,250</u>			

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for the risk-free interest rate, dividend yield, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options. The Company recognized share-based compensation costs of \$104 for the three months ended March 31, 2024 (March 31, 2023 - \$103) of which \$4 (March 31, 2023 - \$4) was included in cost of sales.

Restricted Share Units

The Company's RSU Plan, adopted on June 28, 2018, provides for the grant of restricted shares to employees, consultants, officers, and directors of the Company. An individual restricted share unit will have the same value as one common share. The number of RSUs awarded, and its associated vesting terms, are determined at the discretion of the Board of Directors. The maximum aggregate number of common shares issuable to participants at any time pursuant to the RSU Plan, together with all other Security-Based Compensation Plans of the Company, may not exceed 10% of the currently issued and outstanding common shares of the Company at the time of a grant of the RSU.

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Upon each vesting date, participants receive the issuance of common shares from treasury equal to the number of RSUs vesting, or a cash payment equal to the number of vested RSUs multiplied by the fair market value of a common share, calculated as the closing price of the common shares on the TSX for the trading day immediately preceding such payment date; or a combination thereof. The RSU Plan is considered a cash-settled award plan, therefore, the RSU Plan is classified as a liability, and is measured at fair value on the grant date and is subsequently adjusted for changes in fair value at each reporting date until settlement. The fair value of RSUs is estimated based on the quoted market price of the Company's common shares on the last day of the reporting period.

A summary of the activity related to the Company's RSUs through the three months ended March 31, 2024 is provided below.

<u>Restricted Share Units</u>	
Balance, December 31, 2022	1,823,400
Exercised	(1,823,400)
Balance, December 31, 2023	-
Exercised	-
Granted	-
Balance, March 31, 2024	-

There was no activity during the three months ended March 31, 2023, the fair value of outstanding RSUs was \$nil (March 31, 2023 increased by \$90).

13. EXPENSES BY NATURE

The summary for cost of sales for the three months ended March 31, 2024 and 2023 are summarized below.

	Three months ended	
	2024	2023
Direct mining costs	\$ 821	\$ 1,691
Royalties and selling costs	63	201
Employee compensation and benefits	683	631
Share-based compensation	4	4
Depreciation	18	30
Cost of Sales	\$ 1,589	\$ 2,557

The decrease of cost of \$968 is mainly due to the allocation of mining costs to the Nuton project and an increase in Finished Goods at the end of Quarter 1, 2024.

14. RELATED PARTY TRANSACTIONS

Related parties and related party transactions are summarized below.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, former SVP/Chief Financial Officer, current Interim Chief Financial Officer, SVP/GM, and Corporate Secretary.

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Remuneration attributed to key management personnel is summarized as follows:

	Month ended March 31,	
	2024	2023
Salaries, fees and benefits	\$ 435	\$ 524
Share-based compensation	89	100
Total	<u>\$ 524</u>	<u>\$ 624</u>

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

Other Related Parties

Kinley Exploration LLC (“Kinley”) is an entity owned by Colin Kinley, a Director of the Company. Kinley provides certain technical services regarding project preparation and development to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount shown in the table below represents amounts paid to Kinley as reimbursement for legal fee expenses incurred by Kinley.

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions with related parties other than key management personnel included the following:

	Month ended March 31,	
	2024	2023
Kinley	\$ -	\$ 3
Total	<u>\$ -</u>	<u>\$ 3</u>

As of March 31, 2024, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$131 (March 31, 2023 - \$188)

15. SEGMENTED INFORMATION

The Company operates in one reportable operating segment in North America. The Company’s property, plant and equipment is in the United States.

16. FINANCIAL INSTRUMENTS

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

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Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

Currency risk

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks. These investments generally have a fixed interest rate and therefore the risk is minimal.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the interest rate would decrease the value of the stream obligation by \$11,638, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$13,860.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$12.5/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$12.5/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$18,504, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$18,927.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

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The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-quality North American financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations (see note 1 – Nature of Operations and Going Concern).

The Company has the following guaranteed commitments and contractual obligations as of March 31, 2024:

<u>Contractual Obligations</u>	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts Payable and Accrued Liabilities	\$ 1,687	\$ 1,687	\$ -	\$ -	\$ -
Lease Liabilities	299	104	195	-	-
Insurance Liabilities	420	420	-	-	-
Debentures	4,555	-	4,555	-	-
Debt	15,698	2,215	13,483	-	-
Total Contractual Obligations	<u>\$ 22,659</u>	<u>\$ 4,426</u>	<u>\$ 18,233</u>	<u>\$ -</u>	<u>\$ -</u>

As of March 31, 2024, the Company has cash and cash equivalents of \$3,413 to settle current liabilities of \$5,972.

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

17. LEGAL

On November 3, 2021 the Company became aware of a civil claim filed against the Company and certain of its officers and directors in the Supreme Court of British Columbia by MM Fund (the "Action"). The plaintiff seeks certification of the Action as a class proceeding on behalf of a class of all persons and entities, wherever they may reside or may be domiciled, who purchased the securities of the Company offered by the Company's Prospectus Supplement dated and filed on February 12, 2021 (the "Prospectus").

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The plaintiff alleges that the Prospectus contained misrepresentations related to the Company's anticipated timeline to achieve a production rate of 25 million pounds per annum. The plaintiff alleges that as a result of the misrepresentations in the Prospectus, the securities of the Company were sold to the public at an artificially inflated price. The plaintiff seeks an order certifying the Action as a class proceeding, a declaration the Prospectus contained a misrepresentation, unspecified damages, pre- and post-judgment interest and costs.

On September 1, 2022, the British Columbia Supreme Court granted the application by the Company to strike MM Fund's certification application and further ordered MM Fund to remove all pleadings relating to advancing a class proceeding against the Company. The Company was awarded its costs of the application in any event of the cause.

MM Fund's action may continue as an individual claim; however, subject to appeal, MM Fund has been found to be incapable of advancing the action as a class proceeding. Subsequently on September 26, 2022, MM Fund appealed this ruling to the British Columbia Court of Appeal. The appeal hearing occurred on April 6, 2023 and on April 30, 2024, the British Columbia Court of Appeal dismissed the appeal. However, on May 2, 2024 the plaintiff commenced a new civil claim in the Ontario Superior Court of Justice on the same terms as the Action seeking to certify a class proceeding in Ontario.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

**EXCELSIOR MINING CORP.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

Management's Discussion and Analysis ("MD&A") is as of May 8, 2024 and relates to the financial condition of Excelsior Mining Corp. and its subsidiaries ("Excelsior" or the "Company") as of March 31, 2024. The MD&A supplements and complements Excelsior's unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2024 (the "Consolidated Financial Statements") and related notes. Comparison of the financial results in this MD&A is provided to the financial results for the three-month period ended March 31, 2023, or the year ended December 31, 2023. Other relevant documents to be read with this MD&A include the Audited Consolidated Financial Statements for the year ended December 31, 2023, and the Annual Information Form ("AIF") for the year ended December 31, 2023. These documents are available on the Company's website at www.excelsiormining.com, and on the SEDAR+ website at www.sedarplus.com.

The Consolidated Financial Statements for the three months ended March 31, 2024 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as applicable to interim financial reports including International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements. The accounting policies applied in the condensed consolidated interim financial statements are consistent with those applied in the Company's audited annual consolidated financial statements unless otherwise disclosed (see Accounting Policies, Estimates and Judgements). All dollar amounts are expressed and presented in thousands of United States dollars except per share amounts (unless otherwise noted). Canadian dollars are expressed as "CAD\$".

Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from Management's expectations. Readers are encouraged to read the "Cautionary Statements" section presented later in this MD&A including the factors described in "Risk Factors" and "Forward-Looking Information".

APPROVAL

The Board of Directors of Excelsior Mining Corp. has approved the disclosure contained in this MD&A as of May 8, 2024.

DESCRIPTION OF BUSINESS AND GOING CONCERN

Excelsior Mining Corp. ("Excelsior" or the "Company") was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol "MIN". The address of the Company's registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The Company is developing the Gunnison Project in Southeastern Arizona and has entered into an agreement with Nuton LLC ("Nuton"), a Rio Tinto Venture, to further evaluate the use of its NutonTM copper heap leaching technologies at the Johnson Camp Mine (JCM) and to generate cash flow to continue to support the development of the Gunnison project. The Company is moving ahead with the work to advance this strategy.

During the three months ended March 31, 2024, the Company incurred a net loss of \$11,140 that included a non-cash loss on derivatives of \$8,036 and used cash for operating activities of \$2,832. As at March 31, 2024, the Company had a working capital of \$nil, including a cash balance of \$3,413.

The Company's cash flow projections indicate that the minimum balance requirement will be breached during the second quarter of 2024 unless additional financing is obtained. The amendment to the loan agreement allows a 60 day cure period in the event of a breach of this condition.

In support of the Company's plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023, the Company and its lender, Nebari Natural Resources Credit Fund I LLP ("Nebari"), executed a second amendment to the loan agreement which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025. The amendment also lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance. On November 30, 2023, the Company and Nebari executed a third amendment to the loan agreement which extended the due date of the \$15,000 loan to June 30, 2026. The amendment also lowers the applicable interest rate to 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

Pursuant to the Copper Purchase and Sale Agreement (the "Stream Agreement") with Triple Flag International Ltd. ("Triple Flag"), the Company is required to maintain a leverage ratio of 3.5:1. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an

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MANAGEMENT'S DISCUSSION & ANALYSIS
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amendment to the Stream Agreement which suspends the applicability of the leverage ratio until June 30, 2026 (the "Leverage Ratio Grace Period") to accommodate the extension of the Nebari loan. On December 14, 2023, the Company and Triple Flag executed a further amendment to the Stream Agreement which suspends the Leverage Ratio Grace Period until September 30, 2026 to accommodate the further extension of the Nebari loan.

On February 9, 2023, the Company executed an agreement for a total of \$3,000 of unsecured convertible debentures. On July 31, 2023, the Company entered into an Option Agreement with Nuton pursuant to which Nuton provided \$3,000 for pre-payment of Stage 1 costs, and \$2,000 for an exclusive option to form a joint venture with the Company. The Company also closed a \$5,500 financing on December 14, 2023, with Greenstone Excelsior Holdings LP ("Greenstone") and Triple Flag USA Royalties Ltd. ("Triple Flag USA"). Greenstone has sold 1.5% of its total 3% gross revenue royalty on JCM to the Company for consideration of \$3,100 in Common Shares and \$2,400 of unsecured convertible debentures. The Company then resold the 1.5% gross revenue royalty on JCM to Triple Flag USA for \$5,500 in cash.

Although the Company has taken steps to extend the maturity of the Nebari loan and to eliminate or mitigate the risk of certain covenant breaches, unless the Company raises financing it will breach the \$2,500 minimum cash covenant under the Nebari loan during the second quarter of 2024. As a result, there remain conditions that represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through future mining of the existing JCM pits and through a combination of equity, debt, or other arrangements. However, there can be no assurance that the Company will be able to obtain the necessary financing. The Consolidated Interim Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. These adjustments could be material.

COPPER STREAM

On November 30, 2018 the Company finalized an agreement for a \$75,000 project financing package ("Project Financing", or "copper stream" or "copper stream derivative liability") with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") for the purpose of developing the Gunnison Project. In connection with the Project Financing, the Company issued Triple Flag 3.5 million five-year common share purchase warrants (the "warrants"), under a five-year term beginning on November 30, 2018, entitling Triple Flag to purchase 3.5 million Excelsior common shares at a strike price of CAD\$1.50 per share issued.

In the amendment to the Triple Flag agreement that was executed on December 22, 2021 the Company and Triple Flag agreed to remove the right to buy-down the stream percentage and adjust the warrant strike price to CAD \$0.54 effective January 11, 2022.

As of September 30, 2019, the Company has received all funding from the \$75,000 project financing, consisting of a \$65,000 copper stream (the "Stage 1 Upfront Deposit"), and \$10,000 in equity financing.

Under the terms of the Project Financing, Triple Flag committed to fund the Stage 1 Upfront Deposit in return for Excelsior selling to Triple Flag a percentage of the refined copper production from the Gunnison Project at a reduced price equal to 25% of the copper spot price. The exact percentages of copper production to be sold to Triple Flag varies according to the total production capacity, based on a sliding scale.

The percentages applicable at certain production levels are detailed in the table below.

<u>Scenario Description</u>	<u>Stage 1 (25M lbs/yr)</u>	<u>Stage 2 (75M lbs/yr)</u>	<u>Stage 3 (125M lbs/yr)</u>
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

Following a decision by Excelsior to expand the production capacity, Triple Flag will have the option to invest a further \$65,000 in exchange for an increase in its entitlement to copper under the Stream ("Expansion Option").

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The table below shows the range of percentage of production to be purchased by Triple Flag based on specified production levels and that includes Triple Flag's Expansion Option. Actual amounts will be calculated within the range, based on the proven production history.

Scenario Description	Stage 1 (25M lbs/yr)	Stage 2 (75M lbs/yr)	Stage 3 (125M lbs/yr)
Stage 1 Upfront Deposit + Expansion Option	16.50%	11.00%	6.60%

As at March 31, 2024 the fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the copper forward price curve, the long-term copper price volatility of 21.85% (December 31, 2023 – 21.01%), a discount rate which factors in the Company's credit spread of 6.97% (December 31, 2023 – 7.43%), the life of mine production schedule and expectations including expansion plans and characterization of the stream for tax purposes.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedule and expectations including expansion plans are based on the information compiled by qualified persons.

NEBARI FINANCING

On October 31, 2019, the Company entered into an agreement with Nebari for a \$15,000 credit facility (the "Credit Facility"). The Credit Facility was fully drawn by May 31, 2020.

On December 22, 2021, the Company entered into an Amended and Restated Credit Agreement ("ARCA") with Nebari to extend the maturity of the Credit Facility to September 29, 2023. The interest rate charged on the outstanding balance continued at 14.2%. The ARCA included an upward interest rate supplement that was calculated as the excess of the 3 month LIBOR rate over 1.5% and was determined on the first day of each month through January 30, 2023. The amendment included a repayment bonus to Nebari of 3% (\$450) of the amount drawn on the credit facility which is payable at maturity. The amendment to the loan agreement required the Company to maintain a \$5,000 minimum cash balance allowing a 60 day cure period in the event of a breach of this condition.

In support of the Company's plan for JCM sulfide leaching and Gunnison wellfield stimulation trials, on January 30, 2023 the Company and Nebari executed a Second Amendment to the ARCA ("Second ARCA") which extended the due date of the \$15,000 loan advanced by Nebari to March 31, 2025 and lowered the required \$5,000 minimum cash balance for the Company to a \$2,500 minimum cash balance; however, starting January 31, 2024, the Company was to start paying back the principal on the first \$5,000 tranche at \$333/month (see the next paragraph for amendment). The interest rate was set at 14.2% plus a supplement based on the amount (if any) by which (i) the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months plus 0.26161% exceeds (ii) 1.5%. The rate supplement cannot be negative.

In addition to the repayment bonus on ARCA, the Second ARCA required an upfront \$450 extension bonus that was paid to Nebari with common shares of the Company. The loss on modification of the existing credit facility agreement of \$894 was expensed.

On November 30, 2023 the Company and Nebari executed a Third Amendment to the Second ARCA ("Third ARCA") which extends the due date of the \$15,000 loan advanced by Nebari to June 30, 2026. The interest rate is reduced to 10.5% plus a supplement equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

In consideration for The Third ARCA, the Company issued \$1,050 in common shares of the Company to Nebari. The Company adjusted the fair value of the debt to include the Third Amendment to the ARCA, and increased the liability component \$677, and recognized a loss on modification of \$677.

In addition, the earlier amortization of the \$5,000 principal payback from the Second ARCA has been modified and will begin monthly in June 2024 as follows:

- June 2024 through December 2024 - \$206 (\$200 principal, \$6 repayment bonus),
- January 2025 through December 2025 - \$257.5 (\$250 principal, \$7.5 repayment bonus),
- January 2026 through June 2026 - \$309 (\$300 principal, \$9 repayment bonus)

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2023 "DEBENTURE OFFERING" FINANCING

On February 9, 2023 the Company closed a Debenture Offering ("First Debenture Offering") and issued \$3,000 principal amount of debentures. The terms of the debentures include:

- a maturity date of three years from the date of closing (the "First Debenture Maturity Date"), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on April 1, 2025 and on the Maturity Date, unless earlier converted into common shares of the Company;
- the principal amount of the debentures is convertible into common shares at the option of the holder at a conversion price of USD\$0.19 per common share;
- the accrued and unpaid interest is convertible into common shares at a conversion price equal to the volume weighted average price of the common shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

On December 14, 2023 the Company amended the First Debenture Offering maturity date to September 30, 2026.

On December 14, 2023 the Company closed a Second Debenture Offering (the "Second Debenture Offering") and issued \$2,400 principal amount of debentures. The terms of the debentures include:

- a maturity date of September 30, 2026 (the "Second Debenture Maturity Date") and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;
- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement (equal to the greater of the sum of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a tenor of 3 months or 1.5%), for which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into common shares;
- subject to the receipt of disinterested shareholder approval from the holders of the common shares at a duly and validly call meeting (the "Shareholder Approval"), the principal amount of the debenture is convertible into common shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per common share;
- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into common shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

GUNNISON PROJECT

The Company is currently in limited operation with little or no acid injection to the wellfield. The ramp up process has been slowed by the formation of CO₂ in the wellfield which occurs when the acidified raffinate comes into contact with secondary calcite within the permeable fracture system. The Company applied for an amendment to the Environmental Protection Agency to allow well stimulation and this amendment was received on April 21, 2023. The permit became effective on May 26, 2023. Well stimulation has the potential to fundamentally change the performance of the wellfield and eliminate or reduce the need for the raffinate neutralization plant. Subject to the receipt of financing, the Company intends to proceed to field trials in the second half of 2024. The Company submitted the well stimulation work plan required by the permit on November 27, 2023 and received approval for the work plan on December 15, 2023.

The economics on the Gunnison Project were reviewed as part of an updated technical report discussed under the heading below "Johnson Camp Mine".

JOHNSON CAMP MINE

On June 22, 2022 the Company announced the completion of its infill drill program on the JCM open pit. A total of 43 diamond holes were drilled and assay results obtained. The results, along with other information, will be used by the Company to develop

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a mine plan that focuses on higher-grade zones first. Permitting of the new leach pad necessary to restart was approved in January 2023.

On January 16, 2023, the Company announced a Collaboration Agreement with Nuton LLC, a Rio Tinto venture, to evaluate the use of its Nuton™ copper heap leaching technologies at JCM. The Nuton™ technologies are an extensive portfolio of advanced copper heap leaching technologies targeted at primary sulfide minerals (including lower grade minerals), which could not otherwise be processed using traditional leaching technologies. These technologies offer the potential to produce additional copper in a cost-effective manner that has significant environmental benefits and reduces waste from new and ongoing operations.

On February 28, 2023 the Company announced the results of a National Instrument ("NI") 43-101 Technical Report dated effective February 1, 2023, incorporating the results of the 2022 drilling program into an Updated Preliminary Economic Assessment (the "PEA"), that contemplates the application of sulfide leaching technologies to improve recoveries at the JCM open pit.

Heap leaching of sulfide copper with accelerated pyrite oxidation is proposed in this PEA. The plans for JCM include mining and leaching oxide, sulfide, and transition material from the Burro and Copper Chief pits for approximately 20 years to produce copper cathode at a capacity up to 25 million pounds per annum (mppa).

The mining of JCM would be by traditional open pit and the highlights of the PEA financial model are tabulated below assuming a copper price of \$3.75/lb.

Mine life and post mining processing	~20 years
Heap Leach material mined	~85.2 M ton
Total copper grade (CuT%)	0.37%
Average LOM total copper recovery*	77%
Cu produced	492 M lb
Total tonnage mined	196 M ton
Initial mine capital	\$58.9 million
Total operating cash cost (\$/lb Cu)**	\$2.24
After-tax NPV/IRR (7.5% discount rate)	\$180.0M / 30.4%

*Total copper recovery includes a combination of oxide, transition and primary sulfide mineral recoveries.

** Includes all operating costs, site G&A, royalties, non-income taxes, salvage, reclamation and closure.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

As part of the PEA, the technical report also includes a republishing of the Prefeasibility Study Update ("PFS") on the North Star Deposit of the Gunnison Copper Project. The Gunnison Project is designed as a copper in-situ recovery ("ISR") mine using solvent extraction-electrowinning ("SX-EW") to produce copper cathode and the Johnson Camp mine is a conventional open pit and heap leach operation.

The Company announced on July 31, 2023 that it has entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Excelsior's Johnson Camp mine in Cochise County, Arizona. Under the Option Agreement, Excelsior remains the operator and Nuton funds Excelsior's costs associated

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with a two-stage work program at Johnson Camp. Nuton provided a \$3,000 pre-payment to Excelsior for Stage 1 costs and a payment of \$2,000 for an exclusive option to form a joint venture with Excelsior over the Johnson Camp Mine after the completion of Stage 2. The \$2,000 has been accounted as a credit to capitalized JCM costs, and the \$3,000 has been accounted for as a liability with all costs associated with the Nuton project reducing the liability.

Rio Tinto has developed the Nuton™ Technologies, an extensive portfolio of advanced copper heap leaching technologies targeted at primary sulfide minerals (including lower grade mineral deposits), which could not otherwise be processed using traditional leaching or sulfide processing technologies. These technologies offer the potential to produce additional copper in a cost-effective manner that has significant environmental benefits and reduces waste from new and ongoing operations.

Under the terms of the Option Agreement, the Stage 1 work program involves Excelsior completing diamond drilling, detailed engineering, permitting activities, and project execution planning. Nuton will complete mineralogy, predictive modelling, engineering and other test work. Based on the results of the Stage 1 work program, Nuton has the option to proceed to Stage 2. The Stage 1 work program began in August 2023. Most of the Stage 1 work program is complete; however, additional drilling was added to the Stage 1 work program in March 2024, designed to fill gaps in the resource model related to the current mine plan. Drill hole results are expected in May 2024. Sulfide, mixed and oxide mineralized column testing is under the management of Nuton and continues to proceed. It is anticipated sufficient information will be available in the second quarter of 2024 to allow Nuton to make a Stage 2 decision.

If Nuton proceeds to Stage 2, it will make a \$5,000 payment to Excelsior for the use of existing infrastructure at the Johnson Camp mine for the Stage 2 work program. Nuton will also be responsible for funding all of Excelsior's costs associated with Stage 2. The full Stage 2 work program is anticipated to take up to five years but will proceed based on milestones related to engineering and mobilization, infrastructure and construction, mining, leaching, copper production and post-leach rinsing. Mining is expected to commence in year one. The completion of all milestones would result in full scale commercial production over several years at Johnson Camp utilizing Nuton™ Technologies. Revenue from operations will first be used to pay back Stage 2 costs to Nuton and will then be credited to Excelsior's account.

In August 2023, the Company commenced the drill program at Johnson Camp with Nuton. Thirteen holes have been drilled using diamond drill rigs to generate PQ sized core and assays have been returned for all holes. The Stage 1 drill program is divided into two phases. Phase 1 holes (designated PH1) were drilled from the bottom of the Burro open pit towards the east and northeast and declined at about 35 degrees. These holes were designed to drill approximately parallel to the dip of the easterly dipping mineralization. The purpose of this drilling is to collect a relatively large volume of representative material for metallurgical testing. Phase 2 holes (designated PH2) were drilled above the mineralization from the east side of the Burro pit. These holes were designed to test the extent of the mineralization and provide further representative metallurgical samples. Further details on the assay results are available in Excelsior press releases dated September 14, 2023 and October 16, 2023.

In March 2024, Nuton provided an additional \$0.6 million for additional drilling for continued Stage 1 work. The drilling and analysis should conclude in the second quarter of 2024.

After the completion of Stage 2, Nuton will have the right to form a joint venture on Johnson Camp per mutually agreeable terms whereby Nuton will hold an initial 49% and Excelsior an initial 51%. The purpose of the joint venture is to continue the development of the Johnson Camp Mine using Nuton™ Technologies. Should Nuton not exercise their joint venture rights, Nuton and Excelsior will discuss in good faith Excelsior's continued use of the Nuton™ Technologies at the Johnson Camp Mine subject to certain licensing terms and conditions. The infrastructure arrangements at Johnson Camp under this Option Agreement are non-exclusive. During Stages 1 and 2, Excelsior may continue to use the Johnson Camp infrastructure for processing Gunnison solutions and other copper sources not related to the Stage 2 work program so long as capacity requirements for the Stage 2 work program are met. See additional discussion below in "Outlook".

The Company had 39 employees as of March 31, 2024.

Copper Offtake Agreement

On March 5, 2020, the Company entered into a purchase and sale agreement with Trafigura Trading LLC for 100% of copper cathode production from the Gunnison Project in 2020 on commercially competitive terms. The agreement is renewable annually based on mutual consent. Presently, the Company and Trafigura Trading LLC settle the purchase and sale of copper cathode production on a lode-by-lode basis.

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STRONG & HARRIS

Excelsior filed a National Instrument (“NI”) 43-101 Technical Report entitled “Estimated Mineral Resources and Preliminary Economic Analysis, Strong and Harris Copper-Zinc-Silver Project, Cochise County, Arizona” dated effective September 9, 2021 (the “Report”) available on SEDAR+ at www.sedarplus.com. The Strong and Harris deposit is a complementary asset that has the potential to allow the Company to become a larger and longer-term producer than previously envisioned.

Mining of the Strong and Harris deposit would be by traditional open pit with high-grade underground mining of the remaining sulfides at the bottom of the pit. The PEA has been completed by Mine Development Associates, a division of RESPEC (MDA), the highlights of which are tabulated below assuming a \$3.50/lb. copper price, \$1.28/lb. zinc price, and \$110/ton acid cost. See table below.

Mine Life	~7 years
Material Mined	~54 M ton
Cu/Zn Grades	0.56% / 0.68%
Cu/Zn Produced	437 M lb / 575 M lb
Initial Capital	\$328 million
Operating Costs (\$/lb CuEq)	\$1.76
Average Cu/Zn annual production	62 Mlbpa / 82 Mlbpa
Pre-Tax NPV/IRR (8% discount rate)	\$325M / 25%

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the conclusions reached in the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company’s next steps with Strong and Harris are a drill program targeting adjacent geophysical anomalies with the goal of expanding the mineral resource, which may be followed by additional metallurgical test work and eventual completion of a feasibility study. The drill program is subject to additional working capital.

OUTLOOK

The Company has previously disclosed the various issues that have been identified during the ramp-up phase of initial production at the Gunnison Project. Certain issues have been resolved but a variety of issues still need to be worked through, such as how to minimize the impact of carbon-dioxide on fluid flows and how best to maximize flow rates in general. The reduced flow rates are slowing ramp-up to nameplate production of 25 million pounds per annum. The Company continues to investigate remedial processes and believes well stimulation has the potential to substantially improve the situation. Subject to financing, the Company intends to undertake well stimulation trials in the second half of 2024. At this time, the Company is unable to forecast when nameplate production will be reached as it needs to complete its review of remedial processes and fully assess any required adjustments to the operating plan.

For the three months ended March 31, 2024, total copper sold was 90,249 lbs. with an additional 77,617 lbs. in inventory. This low total production number is due to the wellfield being on care and maintenance during the three months ended March 31, 2024. The main source of copper is from the small amount of copper in solution from the historical JCM leach pad. Additional wellfield optimization initiatives are being planned or considered.

Excelsior’s focus continues to be on attaining a sustained production rate of 25 million pounds of copper per year, after which Excelsior will focus on expanding that production rate. Achieving this outcome is contingent on resolving ramp-up issues and successfully implementing many of our wellfield optimization programs.

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The Company is exploring additional options to accelerate the removal of carbon-dioxide that if successful could potentially lower the required capital and operating costs as compared to the previous raffinate neutralization path. This includes a plan to undertake well stimulation trials in the second half of 2024, subject to financing of the well stimulation work plan. Well stimulation has the potential to clean out some of the CO₂ bubbles, improve flow rates, improve sweep efficiency, and increase permeability and copper production. Data will be collected during the trials to ascertain the effectiveness of the technique. Additional well stimulation modelling has recently been completed, which supports the results of prior modelling, indicating well stimulation has the potential to greatly improve flow, connectivity and permeability, thereby improving sweep efficiency and gas bubble removal. Contractors have been identified for certain aspects of the well stimulation trails and long-lead item equipment has been acquired or ordered. Trials are subject to additional working capital.

Excelsior is taking a broader and more integrated view of the entire mining camp under its control, including the potential for a large, centralized, processing facility taking advantage of the recent advances in sulfide leaching technology, like that provided by Nuton, combined with more traditional mining approaches like large open pit mining. Well stimulation at the Gunnison Copper Project remains the primary focus; however, the results of Excelsior's review may indicate favorable economics for open pit mining of Excelsior assets. The resource estimate of the Gunnison Copper Project compares favorably to other proposed open pit mining operations in Arizona in terms of grade and tonnage. The concept of a larger, centralized processing facility being fed by traditional mining activities would benefit the nearby Strong and Harris project, which is located only 2 miles (3.2 km) north of Johnson Camp.

In addition to Gunnison, Excelsior has been progressing the JCM open pits towards a restart of mining and processing operations. Successful restart of mining and processing at JCM has the potential to generate cash flow to support the Company during mitigation of the flow rate inhibition experienced at the Gunnison wellfield. Restart of the JCM open pits is contingent on successful metallurgical test work related to sulfide and transitional mineral leaching and receipt of sufficient financing. Investigation of sulfide leaching is being conducted in collaboration with Nuton. It is expected much of this test work will be completed in the first half of 2024. Should Nuton elect to move to Stage 2 of the project, construction at Johnson Camp is anticipated to commence in the second half of 2024.

SELECTED QUARTERLY INFORMATION

The following table summarizes selected financial information for the Company for each of the past eight quarters ending March 31, 2024:

	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Net (income)/loss for the period	\$ 11,140	\$ 24,760	\$ (2,757)	\$ (18,318)
Loss (gain) on derivative at fair value	8,036	20,476	(5,726)	(21,496)
(Income)/loss per share (basic and diluted)	0.04	0.09	(0.01)	(0.07)
Total assets	113,065	116,408	113,332	116,701
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022
Net (income)/loss for the period	\$ 25,274	\$ 35,399	\$ (15,925)	\$ (44,608)
Loss (gain) on derivative at fair value	21,509	32,216	(19,090)	(48,531)
(Income)/loss per share (basic and diluted)	0.09	0.13	(0.06)	(0.16)
Total assets	119,860	118,761	131,056	138,663

The net (income)/loss for the last eight quarters reflects the Company remaining in the care and maintenance phase awaiting well stimulation trials. The volatility in market factors used in the valuation of the copper stream derivative and the agreement to remove the buy-down right resulted in fluctuations in the valuation of the copper stream derivative and consequently net (income)/loss.

The quarterly results presented above do not necessarily reflect any recurring expenditure patterns or predictable future trends. The main reason for quarter over quarter variations is the valuation of the stream liability which is discussed above under the heading "Copper Stream".

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REVIEW OF FINANCIAL RESULTS

Three months ended March 31, 2024 compared to the three months ended March 31, 2023:

For the three months ended March 31, 2024 the Company's net loss was \$11,140 (\$0.04 per share) compared to a net loss of \$25,274 (\$0.09 per share) for the three-months ended March 31, 2023. The difference in net loss for the three-month periods ended March 31, 2024 and March 31, 2023 derived primarily from the non-cash loss of \$8,036 and \$21,509, respectively, which was from the revaluation of the copper stream derivative liability (described below).

Significant changes in the "Loss from mine operations" listed in the consolidated statements of loss and comprehensive loss for the three months ended March 31, 2024 and 2023 are described below:

For the three months ended March 31, 2024, Revenue was \$339 (\$2023 - \$1,096). The main source of revenue comes from the small amounts of copper in solution from the historical JCM heap leach pad, which is steadily declining.

Cost of sales incurred during the three months ended March 31, 2024, were \$1,589 (2023 - \$2,557). The decrease of cost of \$968 is mainly due to the allocation of mining costs to the Nuton project payable account and an increase in Finished Goods at the end of Quarter 1, 2024.

Significant changes in the "Expenses" categories listed in the consolidated statements of loss and comprehensive loss for the three months ended March 31, 2024 and 2023 are described below:

For the three months ended March 31, 2024, evaluation and permitting expenses incurred were \$64 (2023 - \$115). Costs for the three months ended March 31, 2023 were higher than the comparable period of 2024 due to the studies conducted on the JCM pits and further evaluation, modeling, and economic assessments associated with the Gunnison resources in 2023.

Office and administration expenses incurred during the three months ended March 31, 2024, were \$197 compared to \$152 during the same period of the prior year, representing an increase of \$45 mainly due to legal fees and computer expenses.

During the three months ended March 31, 2024, the Company incurred directors and officers fees of \$435 (2023 - \$524). The decrease in expense of \$89 was mainly due to costs allocated to the Nuton project.

Significant changes in the "Other Items" listed in the consolidated statements of loss and comprehensive loss for the three-months ended March 31, 2024 and 2023 are described below:

The copper stream derivative liability is recorded at fair value at each period end using a Monte Carlo simulation valuation model. The key inputs used by the model in generating future copper revenue for purposes of valuing the stream obligation at March 31, 2024 include: the copper forward price curve (based on COMEX futures), long-term copper price volatility of 21.85%, a discount rate which factors in the Company's credit spread of 6.97% and the life of mine production schedule and expectations including expansion plans and characterization of the stream for tax purposes. During the three months ended March 31, 2024, the non-cash loss of \$8,036 for revaluation of derivative liabilities was primarily driven by a decrease in the credit spread from 7.43% to 6.97%, and copper price which has slightly increased by approximately \$0.17 across the price curve.

Financing expense for the three months ended March 31, 2024 was \$1,047 compared to \$822 for the three months ended March 31, 2023. The increase of \$225 was mainly due to the accretion of interest and present value of the debentures and Nebari debt.

The loss on debt modification for the three-month period ended March 31, 2023 (\$426) was the result of adjusting the carrying value of the liability to the present value of the cash flows under the amended agreement with Nebari.

Other income of \$201 for the three-month period of 2024 and \$134 for the three-month period of 2023 mainly represents sales of waste rock material from JCM and the value fluctuation of marketable securities. The increase was mainly due to the current valuation of marketable securities of \$105.

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LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of \$3,413 as of March 31, 2024 (December 31, 2023 - \$6,113). Cash and cash equivalents decreased \$2,700 during the three months ended March 31, 2024 compared to an increase of \$228 for the same period in 2023. The increase in the 2023 period was due to the debenture offering financing.

Net cash used in operating activities for the three months ended March 31, 2024 was \$2,832 compared to \$2,771 for the same period of 2023.

Net cash provided by investing activities for the three months ended March 31, 2024 was \$132 compared to \$nil for the three-month period of 2023. The Company received \$594 from Nuton for additional Stage 1 drilling work.

Net cash provided by financing activities for the three months ended March 31, 2024 was \$nil compared to \$2,993 provided in the same three-month period of 2023. The “debenture offering” financing was the main contributor to the cash provided in 2023.

The Company had a working capital of \$nil at March 31, 2024 (December 31, 2023 - \$3,951). The decrease in working capital was primarily the result of a portion of the principle on the Nebari debt becoming due in the next 12 months, along with the non-cash valuation on the Triple Flag stream obligation.

Please see “Nebari Financing”, and “2023 ‘Debenture Offering’ Financing” for more details on capital resources.

STATEMENT OF FINANCIAL POSITION INFORMATION

The following is a summary of the Company’s financial position at March 31, 2024 compared to the annual statement of financial position at December 31, 2023:

	As at March 31, 2024	As at December 31, 2023
Cash and cash equivalents	\$ 3,413	\$ 6,113
Marketable Securities	219	76
Receivables (current and long-term)	111	126
Prepaid expenses	706	776
Inventory	1,545	1,341
Property, plant and equipment, net	103,997	104,902
Restricted cash	3,074	3,074
Total Assets	\$ 113,065	\$ 116,408
	As at March 31, 2024	As at December 31, 2023
Accounts payable and accrued liabilities	\$ 1,687	\$ 1,640
Amounts due to related parties	131	136
Nuton Project payable	564	432
Lease liabilities (current and long-term)	299	325
Insurance premium financing	420	493
Derivative liability (current and long-term)	124,094	116,058
Debt (current and long-term)	20,253	19,950
Asset retirement obligation	7,376	8,097
Capital stock	112,828	112,828
Other equity reserves	14,309	14,205
Deficit	(168,067)	(156,927)
Accumulated other comprehensive loss	(829)	(829)
Total Liabilities and Equity	\$ 113,065	\$ 116,408

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Assets

Cash and cash equivalents decreased by \$2,700 during the three months ended March 31, 2024 as previously discussed in "Liquidity and Capital Resources" above.

The increase of \$143 in Marketable Securities was mainly due to the receipt of remaining shares from the Intrepid Metals Corp. Purchase and Sales Agreement and the revaluation of said shares.

Liabilities

The increase in the Nuton Project payable of \$132 was mainly due to the receipt of funds for additional Stage 1 drilling work as previously discussed in "Liquidity and Capital Resources" above.

During the three months ended March 31, 2024, the derivative liability increased \$8,036 mainly due to changes in the valuation model assumptions related to the copper forward price curve and credit spread.

Equity

During the three months ended March 31, 2024, other equity reserves increased by \$104 due to share-based compensation.

Outstanding Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of non-voting common shares without par value. The Company has securities outstanding as follows:

Security Description	March 31, 2024	Date of report
Common Shares	315,415,858	315,415,858
Stock options	15,775,000	15,775,000
Convertible Debt	36,832,874	36,832,874

There were 3,045,000 stock options that expired in the three months ended March 31, 2024. There were no stock options exercised in the three months ended March 31, 2023.

Contractual Obligations

The Company has the following contractual obligations as of March 31, 2024:

Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts Payable and Accrued Liabilities	\$ 1,687	\$ 1,687	\$ -	\$ -	\$ -
Lease Liabilities	299	104	195	-	-
Insurance Liabilities	420	420	-	-	-
Debentures	4,555	-	4,555	-	-
Debt	15,698	2,215	13,483	-	-
Total Contractual Obligations	<u>\$ 22,659</u>	<u>\$ 4,426</u>	<u>\$ 18,233</u>	<u>\$ -</u>	<u>\$ -</u>

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

RELATED PARTIES

Related parties and related party transactions are summarized below:

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board

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of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, former SVP/Chief Financial Officer, current Interim Chief Financial Officer, SVP/GM, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Month ended March 31,	
	2024	2023
Salaries, fees and benefits	\$ 435	\$ 524
Share-based compensation	89	100
Total	<u>\$ 524</u>	<u>\$ 624</u>

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

Other Related Parties

Kinley Exploration LLC ("Kinley") is an entity owned by Colin Kinley, a Director of the Company. Kinley provides certain technical services regarding project preparation and development to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amount shown in the table below represents amounts paid to Kinley as reimbursement for legal fee expenses incurred by Kinley.

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions with related parties other than key management personnel included the following:

	Month ended March 31,	
	2024	2023
Kinley	\$ -	\$ 3
Total	<u>\$ -</u>	<u>\$ 3</u>

As of March 31, 2024, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$131 (March 31, 2023 - \$188)

ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The accounting policies applied in the preparation of the audited consolidated financial statements for the year ended March 31, 2024 are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

FINANCIAL INSTRUMENTS

As of March 31, 2024, the Company's risk exposures and the impact on the Company's financial instruments are summarized below.

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

Information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital is provided below. Risk management is the responsibility of Management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

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Market risk

Market risk is the risk that changes in market price, such as copper prices, foreign exchange rates and interest rates will affect the Company's cash flows or the value of its financial instruments.

Currency risk

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks. These investments generally have a fixed interest rate and therefore the risk is minimal.

The Company's outstanding debt obligations are at fixed interest rates (except the Nebari loan and Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to changes in market interest rates. The Nebari loan and Second Debenture Offering are fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the interest rate would decrease the value of the stream obligation by \$11,638, whereas a 1% decrease in the interest rate would increase the value of the stream liability by \$13,860.

A 1% increase in the rate supplement for the Nebari loan would increase interest payments \$12.5/mo, whereas a 1% decrease in the rate supplement would decrease the Nebari interest payments \$12.5/mo.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$18,504, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$18,927.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-quality North American financial institutions.

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Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations (see Description of Business and Going Concern).

As of March 31, 2024, the Company has cash and cash equivalents of \$3,413 to settle current liabilities of \$5,972.

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities are Level 3.

LEGAL

On November 3, 2021 the Company became aware of a civil claim filed against the Company and certain of its officers and directors in the Supreme Court of British Columbia by MM Fund (the "Action"). The plaintiff seeks certification of the Action as a class proceeding on behalf of a class of all persons and entities, wherever they may reside or may be domiciled, who purchased the securities of the Company offered by the Company's Prospectus Supplement dated and filed on February 12, 2021 (the "Prospectus").

The plaintiff alleges that the Prospectus contained misrepresentations related to the Company's anticipated timeline to achieve a production rate of 25 million pounds per annum. The plaintiff alleges that as a result of the misrepresentations in the Prospectus, the securities of the Company were sold to the public at an artificially inflated price. The plaintiff seeks an order certifying the Action as a class proceeding, a declaration the Prospectus contained a misrepresentation, unspecified damages, pre- and post-judgment interest and costs.

On September 1, 2022, the British Columbia Supreme Court granted the application by the Company to strike MM Fund's certification application and further ordered MM Fund to remove all pleadings relating to advancing a class proceeding against the Company. The Company was awarded its costs of the application in any event of the cause.

MM Fund's action may continue as an individual claim; however, subject to appeal, MM Fund has been found to be incapable of advancing the action as a class proceeding. Subsequently on September 26, 2022, MM Fund appealed this ruling to the British Columbia Court of Appeal. The appeal hearing occurred on April 6, 2023 and on April 30, 2024, the British Columbia Court of Appeal dismissed the appeal. However, on May 2, 2024 the plaintiff commenced a new civil claim in the Ontario Superior Court of Justice on the same terms as the Action.

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CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management, including the Chief Executive Officer and the Chief Financial Officer, are responsible for the design of the Company's disclosure controls and procedures in order to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

Internal Control Over Financial Reporting

The Company maintains a system of internal controls over financial reporting, as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings in order to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable and in accordance with IFRS Accounting Standards. During the three months ended March 31, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitation of Controls and Procedures

Our management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

ADDITIONAL INFORMATION

Additional disclosure concerning the Company, including the AIF for the year ended December 31, 2023, is available on the SEDAR+ website, www.sedarplus.com.

TECHNICAL INFORMATION

Excelsior's technical work on the Gunnison Project is supervised by Stephen Twyerould, Fellow of AUSIMM, President & CEO of Excelsior and a Qualified Person as defined by NI 43-101. Mr. Twyerould has reviewed and approved the technical information contained in this MD&A.

Additional information about the Gunnison Project and Johnson Camp Mine can be found in the technical report filed on SEDAR+ at www.sedarplus.com entitled: "Gunnison Copper Project Prefeasibility Study Update and JCM Heap Leach Preliminary Economic Assessment", dated effective February 1, 2023.

Additional information about the Strong & Harris Project can be found in the technical report filed on SEDAR+ at www.sedarplus.com entitled: "Estimated Mineral Resources and Preliminary Economic Analysis, Strong and Harris Copper-Zinc-Silver Project, Cochise County, Arizona" dated effective of September 9, 2021.

CAUTIONARY STATEMENTS

Risk Factors

The exploration for and development of mineral deposits involves significant risks and uncertainties, which even a combination of careful evaluation, experience and knowledge may not eliminate. The more prominent risk factors that may materially affect the Company's future performance, in addition to those referred to herein, are discussed in the AIF for the year ended December 31, 2023.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws concerning anticipated developments and events that may occur in the future. Forward-looking information contained in this MD&A includes, but is not limited to, statements with respect to: (i) the market and future price of copper and related products; (ii) requirements for additional capital; (iii) development, construction and production timelines and estimates; (iv) statements relating to the economic viability of the Gunnison Project and Johnson Camp, including mine life, total tonnes mined and processed and mining operations; (v) the future effects of environmental compliance requirements on the business of the Company; (vi) the intention to mine Johnson Camp and future production therefrom; (vii) the results of the Preliminary Economic Assessment on Strong & Harris; and (viii) the statements under the heading "Outlook" in this MD&A, including statements about the production of copper.

In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information contained in this MD&A is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of mineral resource and reserve estimates, copper and other metal prices, the timing and amount of future exploration and development expenditures, the estimation of expansion and sustaining capital requirements, the estimation of labor and operating costs, the availability of necessary financing and materials to continue to develop, operate and expand the Gunnison Project in the short and long-term, the progress of development activities, the receipt of and compliance with necessary regulatory approvals and permits, the estimation of insurance coverage, and assumptions with respect to currency fluctuations, environmental risks, title or surface rights disputes or claims, and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information including, without limitation, the following risks and uncertainties referred to under the heading "Risk Factors" in the Company's AIF for the year ended December 31, 2023:

- risks relating to the fact that the Company depends on a single mineral project;
- operational risks inherent in the conduct of mining activities, including the risk of accidents, labour disputes, availability of reagents and power, increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the development process;
- risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined including the possibility that mining operations may not commence at the Gunnison Project;
- assumptions regarding expected capital and operating costs and expenditures, production schedules, economic returns and other projections;
- our production estimates, including accuracy thereof;
- the fact that we have no mineral properties in commercial production and no history of production or revenue;
- risks relating to variations in mineral resources and reserves, grade or recovery rates resulting from current exploration and development activities;
- risks related to fluctuations in the price of copper as the Company's future revenues, if any, are expected to be derived from the sale of copper;
- risks related to a reduction in the demand for copper in the Chinese market which could result in an extended period of lower prices and demand for copper;
- financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the development and construction activities at the Gunnison Project may not be available on satisfactory terms, or at all;
- the Company has no history of mining operations and no revenues from operations and expects to incur losses for the foreseeable future;
- risks associated with secured debt and the copper stream agreement;
- risks related to the Company obtaining and maintaining various permits required to conduct its current and anticipated future operations;
- risks related to disputes concerning property titles and interest;
- risks relating to the ability to access infrastructure;
- risks related to the significant governmental regulation to which the Company is subject;

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- environmental risks;
- climate change risks;
- risks related to the adequacy of financial assurance arrangements with State and Federal Governments;
- reliance on key personnel;
- risks related to increased competition in the market for copper and related products and in the mining industry generally;
- cybersecurity risks;
- risks related to potential conflicts of interests among the Company's directors and officers;
- exchange rate fluctuations between the Canadian and United States dollar;
- uncertainties inherent in the estimation of inferred mineral resources;
- land reclamation requirements may be burdensome;
- risks associated with the acquisition of any new properties;
- risks related to legal proceedings to which the Company may become subject;
- potential liabilities associated with the acquisition of Johnson Camp;
- our ability to comply with foreign corrupt practices regulations and anti-bribery laws;
- changes to relevant legislation, accounting practices or increasing insurance costs;
- significant growth could place a strain on our management systems;
- share ownership by our significant shareholders and their ability to influence our governance; and
- risks relating to the Company's Common Shares, including that future sales or issuances of our debt or equity securities may decrease the price of our securities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking information is made as of the date of this MD&A.

RISK FACTORS

Readers are cautioned that the risk factors discussed above are not exhaustive. The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information and readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", in this MD&A and under the heading, "Risk Factors", in the AIF.

CAUTIONARY NOTE TO U.S. INVESTORS – INFORMATION CONCERNING PREPARATION OF RESOURCE AND RESERVE ESTIMATES

Technical disclosure regarding the Company's properties included in this MD&A and in the documents incorporated herein by reference has been prepared in accordance with the requirements of Canadian securities laws. Without limiting the foregoing, such technical disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Reserves ("CIM Definition Standards").

Canadian standards, including NI 43-101, differ significantly from the historical requirements of the Securities and Exchange Commission (the "SEC"), and mineral reserve and resource information contained or incorporated by reference in this Prospectus Supplement may not be comparable to similar information disclosed by U.S. companies.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC. Under the SEC Modernization Rules, the definitions of "proven mineral reserves" and "probable mineral reserves" have been amended to be substantially similar to the corresponding CIM Definition Standards and the SEC has added definitions to recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" which are also substantially similar to the corresponding CIM Definition Standards; however, there are still

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differences in the definitions and standards under the SEC Modernization Rules and the CIM Definition Standards. Therefore, the Company's mineral resources and reserves as determined in accordance with NI 43-101 may be significantly different than if they had been determined in accordance with the SEC Modernization Rules.