



***MANAGEMENT DISCUSSION & ANALYSIS***

**Year Ended December 31, 2023 and 2022**

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## MANAGEMENT DISCUSSION & ANALYSIS

This Management Discussion and Analysis (“MD&A”) of Elevation Gold Mining Corporation (the “Company” or “Elevation”), has been prepared by management and approved by the Board of Directors as of April 17, 2024 and contains information that management believes is relevant to an assessment and understanding of the Company’s financial position and the results of its operations and cash flows for the year ended December 31, 2023 and 2022. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023 and 2022, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Additional information, including this MD&A, the audited consolidated financial statements for the year ended December 31, 2023 and 2022, press releases, and other corporate filings are available on the SEDAR+ website, [www.sedarplus.ca](http://www.sedarplus.ca), and the Company’s website, [www.elevationgold.com](http://www.elevationgold.com).

This MD&A contains certain non-IFRS measures. The Company believes these measures, in addition to information prepared in accordance with IFRS, provide investors with useful information to assist in their evaluation of the Company’s performance and ability to generate cash flow from its operations. While these measures are intended to provide additional information, they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS, as they do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. References in this MD&A to total cash costs, all-in sustaining costs (“AISC”), average realized gold price, and per ounce equivalents are all considered non-IFRS measures and for further details on these metrics, refer to the section *Non-IFRS Measures*.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors outlined in the *Risk Factors* and *Forward-Looking Statements* sections. This MD&A provides management’s analysis of historical financial and operating results and provides estimates of the Company’s future financial and operating performance based on information currently available. Actual results will vary from estimates and variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

All dollar amounts in this MD&A are expressed in U.S. dollars (“\$”) unless otherwise noted. References to “CAD \$” are to the Canadian dollar.

## COMPANY OVERVIEW

Elevation is a publicly listed gold and silver producer, engaged in the operation, acquisition, exploration and development of mineral properties located in the United States. The Company is incorporated under the laws of British Columbia, Canada and maintains its corporate head office at Suite 1920 – 1188 West Georgia Street, Vancouver, British Columbia, Canada. Elevation’s common shares are listed on the TSX Venture Exchange (“TSXV”) in Canada under the ticker symbol ELVT and on the OTCQB in the United States under the ticker symbol EVGDF.

The Company’s principal operation is the 100% owned Moss Mine in Mohave County, Arizona. Elevation also holds the title to the Hercules exploration property, located in Lyon County, Nevada, which is a prospective gold exploration project and an option on the Silver Creek Property, located adjacent to the Moss Mine from La Cuesta International, Inc. The Company’s management and technical team are proven professionals with extensive experience in all the aspects of mineral exploration, mine development, operations and capital markets. Key strategic priorities for the Company are to increase production, reduce costs and increase efficiency, grow the Moss Mine and Hercules resources and to consider other projects leading to the long-term growth of the Company and shareholder value creation.

## CONSOLIDATED RESULTS SUMMARY

The following are financial and operational highlights for the year ending December 31, 2023. Additional information and comparisons to prior periods is provided throughout this MD&A.

- Elevation produced 31,047 ounces of gold and 202,060 ounces of silver during 2023 from 2,798,293 ore tonnes processed with average grades of 0.47 g/t gold and 6.80 g/t silver.
- The Company generated total revenue of \$66.4 million on 31,063 ounces of gold and 281,467 ounces of silver sold. The average realized price of gold per ounce sold <sup>(1)</sup> was \$1,927.
- Income from mine operations before depreciation and depletion of \$12.5 million.
- Total Cash Costs per ounce of gold sold <sup>(1)</sup> of \$1,424 and all-in sustaining costs (“AISC”) per ounce of gold sold <sup>(1)</sup> of \$2,126 for Q4 2023. Total Cash Costs per ounce of gold sold <sup>(1)</sup> of \$1,524 and all-in sustaining costs (“AISC”) per ounce of gold sold <sup>(1)</sup> of \$2,130 for the year ended December 31, 2023. For further details refer to the *Non-IFRS Measures* section in this MD&A.

<sup>(1)</sup> This is a non-IFRS measure, for further information refer to the *Non-IFRS Measures* section in this MD&A.

## OUTLOOK

The Company will continue mining in the West Pit and Mordor areas during Q1 2024 and begin development of the Reynolds Pit area. All of Q1 mined ore will be placed on the new 3A Phase 2 Leach Pad and will benefit from brief percolation times associated with first and second lift ore placement. The 3A-Ph2 Leach pad, which was completed in Q4 2023, will provide sufficient leach pad capacity for ore planned to be mined through 2025. The Company completed additional reverse circulation drilling in the Reynolds Pit area during Q3 and Q4 2023. Results were announced on February 27, 2024.

Comments regarding Q4 performance are discussed further in the review of mining and processing operations section in this MD&A.

## EXTERNAL PERFORMANCE DRIVER AND TRENDS

The price of gold is a significant factor in determining the Company’s profitability, financial performance, and cash flow from operations. The price of gold is subject to volatile price fluctuations and can be affected by numerous economic conditions including supply and demand, interest rates, and global and political issues, such as the Ukraine-Russia and Israeli-Palestinian conflicts. Management considers the gold price outlook for 2023 and longer-term to be favourable. As of December 31, 2023, the price of gold closed at \$2,062 per ounce. The average spot gold price for 2023 was \$1,943 (the average for 2022 was \$1,801). Despite continued volatility, the overall price of gold continues to trade at historically high values; however, longer term periods of lower gold prices would result in reduced profitability, financial performance, and cash flow from operations for the Company.

## REVIEW OF MINING AND PROCESSING OPERATIONS

The Company operates an open pit mine and extracts precious metals with a heap leach and Merrill Crowe circuit to produce gold and silver doré. The table below presents operational highlights for the periods presented.

		Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Mining</b>					
Ore mined	t	620,039	723,418	2,747,220	2,963,038
Waste mined	t	1,127,903	954,845	5,310,084	5,486,747
Total mined	t	1,747,942	1,678,263	8,057,304	8,449,785
Strip ratio	waste/ore	1.82	1.32	1.93	1.85
<b>Crushing</b>					
Tonnes stacked	t	604,147	738,478	2,798,293	2,976,281
Tonnes stacked per day (average)	tpd	6,567	8,027	7,667	8,154
Contained gold ounces stacked	oz	10,421	12,540	42,206	43,401
Contained silver ounces stacked	oz	152,133	93,266	611,669	331,875
Gold grade	g/t	0.54	0.53	0.47	0.45
Silver grade	g/t	7.83	3.93	6.80	3.47
<b>Processing</b>					
Merrill Crowe recovery – gold	%	97	99	98	98
Gold ounces produced	oz	7,989	9,183	31,047	31,094
Silver ounces produced	oz	60,706	52,329	202,060	160,480
<b>Sales</b>					
Gold ounces sold <sup>(1)</sup>	oz	7,754	9,060	31,063	31,666
Silver ounces sold <sup>(1)</sup>	oz	66,123	67,624	281,467	257,659

<sup>(1)</sup> Includes gold ounces purchased and sold to the final customer in accordance with the revolving credit facility agreement.

<sup>(2)</sup> Includes silver ounces purchased and sold to the final customer in accordance with the silver streaming agreement.

### Mining

During Q4 2023, a total of 620,039 tonnes (Q4 2022: 723,418) of ore was mined at a strip ratio of 1.82 (Q4 2022: 1.32). Average grade mined was 0.55 grams per tonne (“g/t”) gold in Q4 2023 (Q4 2022: 0.53 g/t). The Company moved a total of 1,747,942 tonnes for Q4 2023 (Q3 2022: 1,678,263).

Mining operations in Q4 of 2023 were conducted in the East Pit, West Pit, and the Mordor area. The Mordor area has continued to show higher-grade ore and more favorable fragmentation when compared to the West Pit. Mining activity in the West Pit has begun to slow down, with a focus on prioritizing mining of the Mordor Pit. Ore deliveries from the East Pit were similar to Q3 2023, contributing to the higher-grade ore material delivered to the crusher. Total ore tonnage deliveries in Q4 2023 and YTD 2023 were lower than 2022 due to the reduced crusher throughput. Looking ahead to Q1 of 2024, mining will take place in the Mordor area, West Pit, and the newly established Reynolds Pit. The East Pit is expected to contribute a limited amount of ore tonnage through the first half of 2024.

### Crushing and Stacking

During Q4 2023, the average crushing rate was 6,567 tonnes per day (Q4 2022: 8,027), resulting in a total of 604,147 crushed tonnes (Q4 2022: 738,478) at an average gold grade of 0.54 g/t (Q4 2022: 0.53 g/t) and an average silver grade of 7.83 g/t (Q4 2022: 3.93 g/t).

Tonnes crushed for Q4 2023 were below expectations due to a mechanical failure of a major component in one of two tertiary crushers. Repair of the crusher limited the capacity of the plant to 50% for the majority of November and part

of December. Additionally, operating procedures were modified as a means of mitigating dust, which resulted in less continuous crusher operations. The throughput returned to normal levels during Q1 2024. For the year, crushed tonnes were 6% below the crushed tonnes in 2022, and most of the shortfall was a result of the Q4 issues.

### Processing

During Q4 2023, a total of 7,989 gold ounces and 60,706 silver ounces were produced (Q4 2022: 9,183 gold ounces and 52,329 silver ounces).

The Merrill Crowe recovery process closed the year at 98% efficiency with less downtime than budgeted. Stacking began on the newly completed Pad 3A Phase 2 expansion in mid-November, and gold production reflected stacked ounces provided by the crusher.

## FINANCIAL RESULTS

The net loss for the three months and year ended December 31, 2023 and 2022 is comprised of the following items:

<i>(in thousands of dollars)</i>	Q4 2023		Q4 2022		YTD 2023		YTD 2022	
Revenue	\$	16,337	\$	17,108	\$	66,356	\$	62,008
Production costs		(11,637)		(13,467)		(50,429)		(56,396)
Royalties		(881)		(952)		(3,419)		(3,196)
Mine operating income before depreciation and depletion		3,819		2,689		12,508		2,416
Depreciation and depletion		(3,234)		(4,463)		(13,568)		(10,310)
Income (loss) from mine operations		585		(1,774)		(1,060)		(7,894)
Corporate administrative expenses		(776)		(712)		(3,064)		(3,429)
Finance costs		(2,068)		(1,585)		(8,449)		(6,646)
Gain on modification of debt		549		-		549		-
Gain (loss) on revaluation of derivative liabilities		(637)		(5,167)		793		8,097
Impairment of mineral properties		(11,163)		-		(11,163)		(33,850)
Other		(94)		(52)		(150)		114
Loss for the period	\$	(13,604)	\$	(9,290)	\$	(22,544)	\$	(43,608)

Average realized gold per ounce sold for Q4 2023 was \$1,916, compared to \$1,732 for Q4 2022. During Q4 2023, the Company sold a total of 7,754 gold ounces and 66,123 silver ounces for total revenue of \$16.3 million. For Q4 2022, the Company sold 9,060 ounces of gold and 67,624 ounces of silver for total revenue of \$17.1 million.

Average realized gold per ounce sold for 2023 was \$1,927, compared to \$1,786 for 2022. During 2023, the Company sold a total of 31,063 gold ounces and 281,467 silver ounces for total revenue of \$66.4 million (an increase of 7% from 2022). For 2022, the Company sold 31,666 ounces of gold and 257,659 ounces of silver for total revenue of \$62.0 million.

Production costs are comprised of mining, processing, maintenance, site administration and site share-based compensation, net of inventory changes and include write-downs of inventories due to net realizable value impairments. The table below provides a breakdown of major components of the Company's production costs:

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Contractors and outside services	\$ 6,903	\$ 7,249	\$ 27,542	\$ 28,273
Employee compensation and benefits expense	2,355	2,318	9,436	8,915
Materials and consumables	3,201	2,996	11,692	11,612
Other expenses	1,213	1,837	5,393	5,829
Share-based compensation	6	53	63	215
	<b>13,678</b>	<b>14,453</b>	<b>54,126</b>	<b>54,844</b>
Changes in inventories	(2,041)	(986)	(3,697)	1,552
	<b>\$ 11,637</b>	<b>\$ 13,467</b>	<b>\$ 50,429</b>	<b>\$ 56,396</b>

- Contractors and outside services decreased by \$0.3 million for Q4 2023 compared to Q4 2022, which was largely driven by the capitalisation of \$1.0 million in stripping costs. Quarterly expenditures, prior to the adjustment for stripping costs, increased compared to Q4 2022 largely due to a 4% increase in total tonnes mined. For YTD 2023, charges were down \$0.7 million compared to YTD 2022, which was largely driven by the capitalisation of \$5.1 million in stripping costs. No such capitalisation occurred in 2022. YTD expenditures, prior to the adjustment for stripping costs, increased compared to YTD 2022 due to several factors, including longer haul distances, narrow mining conditions and the move into a new mining area. The transition to the Mordor area in Q3 led to longer waste hauls and less productive mining due to pioneering work (initial development of a mining area, including haul road development). Mining in the East Pit involved mining out the old access ramp to the Center Pit, which was narrow and resulted in lower-than-planned productivity. To improve fragmentation, increased drill and blast costs were incurred. The fragmentation issues in Q2 2023 also led to the creation of an ore oversize stockpile, which required the use of a rental excavator and rock hammer to further fragment the oversized material.
- Employee compensation and benefits increased by \$0.5 million for YTD 2023 compared to YTD 2022. This increase was largely driven by an increase in the average headcount, including key management positions, as well as incremental improvements in employee compensation.
- Materials and consumables and share-based compensation for Q4 and YTD 2023 are consistent with Q4 and YTD 2022.
- Other expenses decreased by \$0.6 million and \$0.4 million for Q4 and YTD 2023 compared to the respective comparative periods, which was driven by \$0.5 million in freight and mobilization costs related to the change in mining contractor, which occurred in Q4 2022.
- The Company had an inventory recovery of \$2.0 million in Q4 2023 (\$1.0 million in Q3 2022), and an inventory recovery of \$3.7 million for YTD 2023 (\$1.6 million charge for YTD 2022). Charges (and recoveries) related to inventory will fluctuate from period to period and reflect events such as increases or drawdowns of physical inventory balances, increases or reductions of inventory costs, and net realizable value adjustments. During the year ended December 31, 2022, the Company recorded a net realizable value write-down of inventory of \$1.6 million. All impairments and reversals of impairments are included in changes in inventories and form part of production costs.

Depletable mineral properties and most assets included in plant and equipment are depleted on a units of production basis over the life of the mine. Depletion and depreciation rates for all periods are consistent with units of contained gold ounces stacked on the heap leach and increased depreciation and depletion expenses reflect the Company's current life of mine plan.

The increase in royalty expenses for YTD 2023 compared to YTD 2022 is directly correlated to increases in total revenue.

Reductions in corporate administrative expenses in 2023 compared to 2022 are the result of reductions in share-based compensation and corporate office expenditures.

The increase in finance costs during YTD 2023 compared to YTD 2022 was driven by an increase in debt, including the \$17.7 million revolving credit facility, which bears interest at 10% per annum.

The gain on modification of debt was the result of a modification to the Company's revolving credit facility, which included an extension of the maturity date and a reduction in interest rate from 12% to 10% per annum.

Gain (loss) on revaluation of derivative liabilities includes the changes to the silver stream embedded derivative, the warrant derivatives, the convertible debenture derivatives and revolving credit facility derivative. The silver stream embedded derivative is valued using a Monte Carlo simulation valuation model that uses key inputs including silver forward curve prices, long-term silver production volatility, anticipated silver production, and other metrics. The warrant, convertible debenture and revolving credit facility derivatives are calculated using a Black-Scholes option model and use key inputs such as share price, gold price and volatility. Changes to the valuation of derivatives can be material from period to period. The loss on revaluation for Q4 2023 included a \$0.5 million loss on the silver stream derivative due to an increase in the silver price and a change in the life of mine plan for Moss. The loss on revaluation for Q4 2022 included a \$5.5 million loss on the silver stream derivative, which was driven by increasing silver prices, offset by a \$0.3 million gain on the warrant derivative due to a decrease in the Company's share price. The gain on revaluation for YTD 2023 included a \$1.1 million gain on the silver stream derivative due to a decrease in the silver price, offset by a \$0.4 million loss on the revolving credit facility derivative due to increasing gold prices. The gain on revaluation for YTD 2022 was largely the result of a decrease in the Company's share price impacting the warrant derivative.

At December 31, 2023, the Company recognized a non-cash impairment of mineral properties of \$11.2 million (2022: \$33.9 million), of which \$8.8 million (2022: \$nil) was recorded in plant and equipment, \$1.7 million (2022: \$21.5 million) was recorded in depletable mineral properties and \$0.7 million (2022: \$12.3 million) in non-depletable mineral properties. Management completed an assessment of impairment indicators for the Moss Mine cash generating unit ("CGU"), due to continued losses from mining operations as well as the Company's market capitalization remaining below the carrying value of net assets. Accordingly, the Company estimated the recoverable amounts of the CGU and compared them to the carrying value of the CGU. The recoverable amount of the CGU was based on a fair value less cost of disposal method using discounted cash flow models. Upon completion of the Company's impairment assessment, it was determined that the Moss Mine CGU was impaired by \$11.2 million, which resulted in a charge of the same amount to the Company's statement of income and loss and is included in the YTD 2023 period.

The projected cash flows used in impairment testing are significantly affected by changes in assumptions. Key assumptions included by management in the discounted cash-flow model included a gold price of \$2,108 per ounce, gold and silver recoveries of 77% and 43%, respectively, as indicated in life of mine plans, and a real after-tax discount rate of 6%. Management's estimates of the recoveries are prepared by or under the supervision of and verified by Qualified Persons as defined in National Instrument 43-101 of the Canadian Securities Administrators (management's experts). The Company performed a sensitivity analysis on these key assumptions. Based on the impairment testing performed at June 30, 2022, the sensitivity to changes in these key assumptions is as follows:

- a 10% decrease in the short and long term gold price would result in an additional impairment of \$19.6 million,
- a 10% decrease in gold recoveries would result in an additional impairment of \$19.0 million, and
- a 1% increase in the real after-tax discount rate to 7% would result in an additional impairment of \$0.7 million.

## SELECTED ANNUAL INFORMATION

The following selected annual financial information is derived from the audited Financial Statements of the Company for the three most recently completed financial years:



	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	\$ 66,356	\$ 62,008	\$ 58,845
Net income (loss)	(22,544)	(43,608)	3,575
Basic income (loss) per share	(0.20)	(0.44)	0.06
Diluted income (loss) per share	(0.20)	(0.44)	0.02
Total assets	106,764	113,931	140,983
Total non-current financial liabilities	45,110	32,893	33,336

The increases in revenue in 2022 and 2023 were driven by increases in gold grade from 0.43 g/t in 2021, to 0.45 g/t in 2022 and 0.47 g/t in 2023, resulting in additional production and gold ounces sold, as well as increasing gold price.

The increase in non-current financial liabilities in 2023 was due to the drawdown of \$11.5 million on the revolving credit facility.

The net loss and the decrease in total assets in 2023 and 2022 were the result of the Company recognizing a non-cash impairment of mineral properties of \$11.2 million and \$33.9 million respectively.

## EXPLORATION

### Reverse Circulation and Greenfields Exploration Programs

In May 2023, the Company provided an update on its reverse circulation drilling program in the Reynolds Pit area and the ROM Pad Ramp area. Highlights included:

- AR23-663R in the Reynolds Pit area intersected 47.2 meters grading 0.38 g/t Au, 1.69 g/t Ag, and 60.9 meters grading 0.33 g/t Au, 1.96 g/t Ag, respectively.
- AR23-663R extends the newly identified mineralization zone in the Reynolds Pit area that appears to be a north dipping structure. It was collared 87 meters southeast of and on a line 63 meters east of AR23-662R, which intersected 225.6 meters of mineralization grading 0.56 g/t Au and 2.77 g/t Ag, which in-turn was collared 80.5 meters northeast of AR22-656R which intersected 110.6 meters of mineralization grading 0.50g/t Au, 1.93 g/t Ag.
- Results were received for AR23-661R, also in the Reynolds Pit area, which intersected 44.2 meters grading 0.35 g/t Au, 1.58 g/t Ag and 7.62 m grading 0.35 g/t Au, 1.29 g/t Ag and 7.62m grading 0.85 g/t Au and 9.04 g/t Ag.

AR23-661R was drilled to the north-northeast into the Moss vein and associated structures, and AR23-663R was drilled to the south-southeast across the north-dipping structures. Both holes intersected gold and silver mineralization. AR23-663 expands the zone of known mineralization in the southern Reynolds Pit area to the east by about 62.5 meters.

In the ROM Pad Ramp area, two holes were drilled between the Center Pit and the crusher on the haul truck road that connects the West Pit with the East Pit. These holes were drilled to test for hanging wall mineralization between the crusher and the Center Pit. Both holes collared on the same drill pad, and both holes intersected gold and silver mineralization, highlighted by 65.53 meters with average grade of 0.33 g/t Au and 3.43 g/t Ag, including 33.53 meters with average grade 0.44 g/t Au, 4.68 g/t Ag (AR23-664R).

In April 2023, the Company provided an update on drilling completed in the Reynolds Pit area, including AR23-662R, which intersected 225.6 meters of nearly continuous gold mineralization with an average grade of 0.56 g/t gold, with several higher-grade internal zones highlighted by 12.2 meters grading at 1.30 g/t gold. Highlights included:

- AR23-662R, collared 80.5 meters northeast of AR22-656R, on a line 37.5 meters east of AR22-656R.
- AR22-656R intersected 108.2 meters grading 0.36 g/t Au and 2.94 g/t Ag.
- AR23-662R intersected 225.6 meters with an average grade of 0.56 g/t Au and 2.77 g/t Ag.

Assay results for four RC holes drilled on two lines in the Reynolds Pit area were reported. Three of the holes were drilled to the north-northeast into the Moss vein and associated structures. All three intersected gold and silver mineralization. The fourth hole (AR23-662R) was drilled to the south-southwest into the newly identified north-dipping structures. AR23-662R intersected 225.6 meters of nearly continuous gold and silver mineralization with an average grade of 0.56 g/t Au and 2.77 g/t Ag.

AR23-662R was drilled on an azimuth of 188 degrees with a dip of -39 degrees and a total depth of 274.3 meters. It was drilled to test a series of surface quartz vein and stockworks surface outcrops displaying a northerly dip, conjugate to and beginning approximately 120 meters south of the Moss vein system. Variable amounts of free quartz with very low pyrite content were identified and logged in the RC chips during drilling, signifying the presence of a structure hosting a low-sulfide, epithermal stockworks and vein system. Assay results have verified that AR23-662R intersected a significant gold and silver bearing system.

AR23-662R is one of three RC holes across three lines drilled over an apparent strike length of approximately 104.2 meters to test the north dipping structures. AR22-656R, which also intersected significant gold and silver mineralization, was drilled on a line approximately 37.5 meters west of AR23-662R. Results for RC hole AR22-656R highlighted by 108.2 meters grading at 0.36 g/t Au and 2.94 g/t Ag. The third hole drilled to test the north dipping structures is AR23-663R. It was drilled on a line approximately 62.5 meters east of AR23-662R. RC chips logged from AR23-663R also display variable amounts of free quartz with very little pyrite. Only approximately 1/3 of the potential strike length of the potential north dipping structures have been tested, and the untested strike length extends to both the east and west of the tested strike length.

In March 2023, the Company provided an update from its recent reverse circulation (“RC”) resource definition and expansion drilling program at Moss Mine and an update on its recent greenfields exploration core drilling program.

- Twenty-two RC holes totaling 4,906 m have been completed into three different near-mine targets (Mordor, Reynolds Pit, and ROM Pad Ramp).
- Assay results for fourteen RC holes have been received, all of which intersected significant zones of gold mineralization.
- Significant zones of gold mineralization have been intersected in the Reynolds Pit area, where previously only historic drilling existed.
- Five diamond core holes totaling 3,141 meters have been drilled on greenfields targets in the Florence Hill, Grapevine and McCullough Patents areas (Hardy Vein) areas.

The three targets of interest for this near-mine program include the area immediately west of the West Pit (Mordor area), the area between the Center Pit and the crusher (ROM Pad Ramp), and the Mid-West Extension (Reynolds Pit).

In the Mordor area, three holes were drilled from a single drilling platform in a north-south fan immediately west of the West Pit. All three holes intersected gold mineralization, both near-surface and at depth. This drilling is intended to extend the West Pit westward as mining progresses down the hillside. Highlights include:

- 7.62m grading 0.69 g/t Au, 0.46 g/t Ag, and 3.05m grading 0.38 g/t Au, 1.50 g/t Ag and 19.81m grading 0.38 g/t Au, 0.89 g/t Ag (AR22-642R)
- 7.62 m grading 0.56 g/t Au, 0.76 g/t Ag, and 6.10m grading 0.88 g/t Au, 3.38 g/t Ag, and 54.86m grading 0.38 g/t Au, 0.75 g/t Ag, including 7.62m grading 0.62 g/t Au, 1.52 g/t Ag, and including 4.57m grading 1.15 g/t Au, 1.07 g/t Ag (AR22-643R)

In the early 1990’s Reynolds Metals drilled several holes in the Reynolds Pit area. The holes were drilled vertically and only reached depths of approximately 122 meters. Most of these holes intersected low-grade gold mineralization associated with hanging-wall stockworks veining. Elevation’s Mine Plan of Operation that was approved in March 2020 includes a permitted mine pit and stockpile in this area. This discovery could extend Elevation’s active mining area more than 500 meters to the west.

At the Reynolds Pit area, Elevation's program consisted of seventeen inclined holes (up to -45 degrees), drilled both to the north and the south, perpendicular to the structures hosting gold mineralization. This drilling has been quite successful with most holes intersecting thick zones of gold mineralization associated with the south dipping Moss vein structure and hanging wall stockworks. A previously untested north dipping vein and stockworks structure approximately 150 meters south of the Moss vein structure was also tested. New drilling results indicate this structure could host vein and stockworks zones up to 80 meters thick (true width) with gold grades as high as 0.92 g/t over 10.67 meters (AR22-656R). Assay results for eleven of the seventeen holes have been received. Highlights include:

- 92.96m grading 0.46 g/t Au, 1.76 g/t Ag, including 16.76m grading 1.32 g/t Au, 3.68 g/t Ag (AR22-648R)
- 100.58m grading 0.50 g/t Au, 1.93 g/t Ag, including 4.57m grading 2.23 g/t Au, 5.73 g/t Ag, and including 6.10m grading 1.09 g/t Au, 2.85 g/t Ag (AR22-654R)
- 108.20m grading 0.36 g/t Au, 2.94 g/t Ag, including 10.67m grading 0.92 g/t Au, 4.01 g/t Ag, and including 6.10m grading 0.82 g/t Au, 9.73 g/t Ag, and including 3.05m grading 0.92 g/t Au, 10.10 g/t Ag (AR22-656R)

At the area between the Center Pit and the crusher (ROM Pad Ramp), two RC holes have been completed. These holes are designed to test the shallow area between the areas and were drilled to depth to the deeper extents of the Ruth and Moss veins in this area.

#### Update on Greenfields Core Drilling Program

Five diamond core holes have been completed at the Florence Hill and Grapevine exploration areas for approximately 3,141 meters. These holes tested a broad structural zone at Florence Hill and an intensely hydrothermally altered area at Grapevine, as well as several epithermal quartz-calcite vein systems including the Hardy vein and the potential extension of the West Oatman vein/Gold Road vein structure. All drill core has been logged and sampled in detail. Florence Hill and Grapevine drilling will require additional study of trace elements seen in those intercepts to guide future exploration in this area. The Hardy vein intersections show positive but thin and uneconomic gold intersections.

#### LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As of December 31, 2023, the Company had cash and cash equivalents of \$1.5 million (December 31, 2022: \$3.3 million). The decrease in cash of \$1.8 million compared to the year ended December 31, 2022, was primarily due to a cash outflow from operating activities of \$1.6 million, offset by the Company completing an amendment to a revolving credit facility, which allowed the Company to draw down an additional \$11.5 million of funds. Under the terms of the amendment, the total maximum principal amount that may be outstanding at any given time is \$17.7 million, interest will be paid on a quarterly basis and is payable by delivery of physical gold. The total of gold ounces deliverable is calculated by dividing total interest payable by \$1,850 per ounce. Partial repayments of principal, of varying amounts, are required quarterly, beginning in March 2024 until paid off in its entirety in February 2025.

During the year ended December 31, 2023, working capital increased by \$0.6 million to \$6.3 million. The increase in working capital was primarily due to a build-up in inventory of \$5.8 million and the extension of the maturity date of the revolving credit facility to February 2025, which resulted in \$3.7 million less in current debt, offset by the drawdown of a \$6.6 million promissory note. Adjusted working capital, excluding derivatives which are non-cash liabilities, is \$10.1 million.

The Company is in compliance with all externally imposed debt covenants relating to its debt facilities and lease obligations as of December 31, 2023.

#### Going Concern

The Company is subject to many risks common to other companies in the same business, including under-capitalization and resource limitations. The Company may require additional capital to continue the operations of the Moss Mine or to continue as a going concern. There can be no assurance that such capital will be available or, if available, will be

on reasonable terms. As a result, there are conditions and events, which constitute material uncertainties that may cast significant doubt on the validity of this assumption.

As at December 31, 2023, the Company had working capital of \$6.3 million (2022: \$5.6 million) and in the year ended December 31, 2023, the Company incurred a loss of \$22.5 million (2022: \$43.6 million), which included a non-cash impairment of plant and equipment and mineral properties of \$11.2 million (2022: \$33.9 million). The Company used cash in operating activities of \$1.6 million (2022: \$4.4 million), used cash for investing activities of \$15.6 million (2022: \$13.1 million), and received \$15.3 million in cash from financing activities (2022: \$19.7 million).

The ongoing operations and capital expenditures of the Moss Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to commodity price risk from fluctuations in the market prices for gold and silver. In the year ended December 31, 2023, the Company had a loss from mine operations of \$1.1 million, which was net of \$13.6 million of depreciation. To continue operations at the Moss Mine, the Company will require additional financing. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future.

### Cash Flows

Cash used in operating activities during YTD 2023 was \$1.6 million (2022: \$4.4 million). The improvement compared to YTD 2022 is largely due to a higher gold price in 2023 positively impacting revenues and the pre-sale of \$2.9 million of gold production.

Cash provided by financing activities during YTD 2023 was \$15.3 million (2022: \$19.7 million), which consisted of proceeds from the revolving credit facility of \$11.5 million and \$6.5 million from a short term promissory note, offset by debt and lease repayments totalling \$2.7 million.

Cash used in investing activities during YTD 2023 was \$15.6 million (2022: \$13.1 million), which included capital expenditures largely tied to construction and materials to be used for the new heap leach pad and exploration drilling.

### Use of Proceeds

#### 2022 Equity Financing

In March 2022, the Company completed a public offering of C\$18.4 million. The funds received have been utilized in capital projects and exploration at the Moss Mine, including the building and completion of the heap leach pad 2C, monitoring and production well construction, and exploratory drilling, as well as for general and administrative purposes.

At the time of the offering, the intended use of the net proceeds were estimated to be as follows (in CAD \$ and converted to U.S. dollars at a rate of CAD \$1.00 to USD \$0.7772, the exchange rate on March 8, 2022, being the date of the offering document):

<i>(in thousands of dollars)</i>	Approximate Amount (CAD \$)	Approximate Amount (USD \$)
Heap Leach Pad Construction	\$ 3,920	\$ 3,047
Monitoring and Water Well Construction	3,120	2,425
Exploration Program	4,870	3,785
Miscellaneous Capital Expenditures	477	371
Engineering Studies for Future Heap Leaching	956	743
General and Administrative Expenses and Working Capital	5,059	3,932
<b>Total</b>	<b>\$ 18,402</b>	<b>\$ 14,303</b>

In March 2022, as a result of the over-allotment option being exercised by the broker agents, the Company received net cash proceeds of \$17.1 million (net of financing broker fees paid in cash and regulatory, legal, and accounting fees incurred related to the financing). A summary of the current expenditures and funds allocated to the above noted projects and their progress follows:

- The purchase of supplies and construction required for a new heap leach pad was completed in August 2022. Total funds allocated to the project to December 31, 2022 was approximately \$3.0 million. This project is now considered complete and milestones reached.
- The monitoring wells were completed in Q2 2022 at a cost of approximately \$0.4 million, while the costs associated with the production wells were approximately \$1.5 million. The production wells were completed and brought online in Q3 2022. The monitoring well project consisted of drilling and completing five points of compliance monitoring wells, which are a requirement of an Aquifer Protection Permit and subject to review and approval of multiple regulatory agencies. Current production wells at the Moss Mine Project were scheduled to be mined out in the proposed 2022 mine expansion. It is anticipated that the new production wells will reduce the amount of water to be delivered from offsite sources and support future operations and exploration work. This project is now considered complete and milestones reached.
- Exploration work at Moss Mine included expenditures of approximately \$3.0 million in RC drilling programs and geophysical surveys over the course of Q2 2022 and Q3 2022 (see details under the *Exploration* section in this MD&A). The exploration program was extended to test high-priority regional targets, including Florence Hill in August 2022. Elevation was able to accomplish its intended milestones with the funds from the equity financing. Exploration work continues and will be based on additional available funds and operating cashflows.
- The Company has also completed \$0.3 million in miscellaneous capital expenditures and \$0.2 million in pad design and technical studies. These projects are considered on-going and funded by on-going operations as required.
- In April 2022, the Company repaid approximately \$2.2 million in interest and principal related to a short-term loan which carried a fixed annual interest rate of 18% per annum. The Company was able to renegotiate the repayment of the remaining loan and reduce the interest rate on repayment to 12% per annum. The Company considered the repayment of this loan advantageous considering the high interest rate component. This short-term loan has now been repaid in full as at December 31, 2022.
- The Company utilized \$7.1 million in general working capital and funding operations since the time of the financing.

There are no remaining balances from the financing yet to be utilized in capital projects or operational activities.

## SUBSEQUENT EVENTS

- 304,166 stock options of the Company with an exercise price of C\$1.44 expired.
- 2,481,537 warrants of the Company with an exercise price of C\$0.53 expired.
- The Company closed out the advance facility agreement.
- The terms of the short term promissory note were amended. The maturity date was extended to March 31, 2024 and the principal was increased to \$9,861.
- On February 26, 2024 the Company entered into a secured loan agreement (the "Demand Note"). The Demand Note is secured against all of the Company's property, is repayable on demand, and does not accrue interest. A total of \$3,500 was drawn down by the Company and \$31 in fees were accrued.
- On March 15, 2024, the terms of the revolving credit facility were amended. Under the terms of the amendment the maturity date of the facility was extended to April 1, 2025, interest is capitalized and compounds quarterly and shall be payable on maturity.
- On April 3, 2024 the Company consolidated the outstanding unsecured debts including the revolving credit facility and the short term promissory note under the silver streaming agreement. The terms of the debt remain unchanged with approximately \$10,000 being payable on demand and not subject to interest, and

approximately \$18,200 being payable on April 1, 2025 and subject to an interest rate of 10% per annum, with interest payable on maturity. As a result of the consolidation, the debt is now secured against all of the Company's assets pursuant to the security granted in connection with the silver stream.

- On April 1, 2024 the Company the interest rate on the Multiple Advanced Promissory Note (Note 8b) at 6.3% for a period of one year.
- On April 12, 2024, the Company announced that Patriot Gold Corp. ("Patriot"), which holds a 3% net smelter returns royalty (the "NSR royalty") on the Moss Mine, has filed a complaint (the "Complaint") in the Maricopa County Superior Court for payment of amounts owing pursuant to the NSR royalty. The Company continues to engage with Patriot in an effort to resolve the Complaint without litigation.

## SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars, except per share amounts)	Three Months Ended							
	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022
Revenue	\$ 16,337	\$ 18,152	\$ 14,912	\$ 16,953	\$ 17,108	\$ 16,979	\$ 14,386	\$ 13,535
Cost of sales	(15,752)	(18,084)	(17,290)	(16,288)	(19,062)	(16,684)	(20,711)	(13,624)
Operating income (loss) from mine operations before depreciation and depletion	3,819	3,826	837	4,026	2,689	2,132	(3,923)	1,517
Income (loss) for the period	(13,604)	(2,150)	(3,151)	(3,639)	(9,290)	1,193	(33,804)	(1,707)
Basic Income (loss) per share	\$ (0.12)	\$ (0.02)	\$ (0.03)	\$ (0.03)	\$ (0.08)	\$ 0.01	\$ (0.31)	\$ (0.03)
Gold ounces produced (oz)	7,989	8,380	6,788	7,889	9,183	8,835	6,809	6,268
Gold ounces sold (oz)	7,754	8,391	6,840	8,078	9,060	9,096	6,998	6,512
Average realized gold price per ounce <sup>(1)</sup>	\$ 1,916	\$ 1,941	\$ 1,946	\$ 1,906	\$ 1,732	\$ 1,713	\$ 1,864	\$ 1,881
Total Cash Costs per ounce sold <sup>(1)</sup>	\$ 1,424	\$ 1,485	\$ 1,824	\$ 1,407	\$ 1,604	\$ 1,770	\$ 2,425	\$ 1,648

<sup>(1)</sup> This is a non-IFRS measure, for further information refer to the *Non-IFRS Measures* section in this MD&A.

The financial results are most directly impacted by the level of gold production/gold sales and the gold price for each quarter, which are the main drivers of the volatility noted for revenue and operating income from mine operations before depreciation and depletion in the above quarterly information table. Income (loss) for the period can be volatile from quarter to quarter due to the change in the Company's share price and global silver market pricing which will affect the fair value of the Company's derivative instruments related to warrants, convertible debentures, and the silver stream obligation.

Since the beginning of 2021, overall grade has been decreasing as the mine entered a phase of lower grade ore processing, which has been the contributing factor in the reduced gold production and ounces sold, while gold prices continue to remain strong across all periods when compared to historical values. The Company anticipates seeing higher-grade ore being available as the Moss Mine development continues to progress into the East Pit.

For the three months ended June 30, 2022, cost of sales was negatively impacted by a \$6.0 million write down of heap leach and doré inventory and a non-cash impairment of \$33.9 million on the Moss Mine cash generating unit, both discussed in the *Financial Results* section of this MD&A.

For the three months ended September 30, 2022, revenue increased compared to the three months ended June 30, 2022 due to additional sales of 2,098 gold ounces. Cost of sales was positively impacted by a reversal of a previous write down of heap leach and doré inventory of \$3.0 million.

For the three months ended December 31, 2022, revenue increased compared to the three months ended September 30, 2022 due to an increase in gold price. Cost of sales was positively impacted by a reversal of a previous write down of heap leach and doré inventory of \$1.5 million, offset by a change in depreciation base which resulted in an additional \$2.5 million in depreciation for the quarter.



For the three months ended March 31, 2023, revenue decreased compared to the three months ended December 31, 2022 due to a reduction in grade from 0.53 g/t to 0.43 g/t, resulting in 982 fewer gold ounces sold. Cost of sales was positively impacted by a reversal of a previous write down of heap leach and doré inventory of \$1.6 million and capitalization of stripping costs of \$2.1 million, offset by a change in depreciation base in Q4 2022 which resulted in additional depreciation for that quarter.

For the three months ended June 30, 2023, revenue increased compared to the three months ended March 31, 2023 largely due to increasing gold prices, despite a decrease in gold grade from 0.43 g/t to 0.38 g/t, resulting in 158 fewer gold ounces sold. Cost of sales was negatively impacted by rising costs related to the Company’s mining contractor and a \$1.2 million heap leach and dore inventory write-down.

For the three months ended September 30, 2023, revenue increased compared to the three months ended June 30, 2023 largely due to the sale of an additional 1,551 gold ounces reflecting an increase in gold grade from 0.38 g/t to 0.53 g/t. Cost of sales was negatively impacted by rising costs related to the Company’s mining contractor.

For the three months ended December 31, 2023, revenue decreased compared to the three months ended September 30, 2023 largely due to the sale of 637 fewer gold ounces reflecting a decrease in ore crushed of 170,441 tonnes. Cost of sales was positively impacted by a \$1.0 million decrease in contract mining costs and a \$0.5 million decrease in depletion and depreciation. Loss for the period increased due to a \$11.2 million non-cash impairment on the Moss Mine cash generating unit which is discussed in the *Financial Results* section of this MD&A.

Total Cash Costs per ounce sold is a measure of the weighted average costs. The Company continues to focus on improving the Company’s grade control by focusing on in-fill drilling in order to reduce per ounce costs as production grows. Most recently, the Company has noted a reduction in direct cash costs per ounce added to the heap leach pad. The Company’s focus will continue to be on mining higher grade ounces, (when compared to 2023), while continually looking to reduce costs in the mining process, for example, mining in wider areas in Mordor versus narrow areas of East Pit.

### CONTRACTUAL OBLIGATIONS

At December 31, 2023, the Company had the following contractual obligations outstanding:

	Within 1 year	2–3 years	4-5 years	5+ years	Total
Debt <sup>(1)</sup>	\$ 11,255	\$ 20,249	\$ 415	\$ 1,281	\$ 33,200
Trade and other payables	10,030	-	-	-	10,030
Lease commitments	311	98	-	-	409
Silver stream	1,766	2,384	-	-	4,150
Provision for reclamation	-	-	11,322	389	11,711
	\$ 23,362	\$ 22,731	\$ 11,737	\$ 1,670	\$ 59,500

(1)Includes interest due on convertible debenture and debt.

### OFF-BALANCE SHEET ARRANGEMENTS

At the date of this MD&A, there were no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

### RELATED PARTY TRANSACTIONS

Related party transactions were incurred in the normal course of business and initially measured at their fair value, which is the amount of consideration established and agreed to by the parties. Amounts due to or from related parties are non-interest bearing, unsecured and due on demand.

### Key Management and Board of Directors Compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, either directly or indirectly. The Company has identified its members of the Board of Directors and executive officers including its Chief Executive Officer and Chief Financial Officer. The remuneration of the Company’s key management personnel is as follows:

	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Salaries and short-term benefits	\$ 165	\$ 144	\$ 813	\$ 898
Directors fees	\$ 18	-	30	-
Share-based payments	\$ 21	\$ 122	\$ 78	\$ 373

Included in salaries and short-term benefits for the year ended December 31, 2023 was \$0.1 million of termination payments made to the former Chief Financial Officer of the Company. Included in salaries and short-term benefits for the year ended December 31, 2022 was \$0.2 million of termination payments made to the former President of the Company.

### PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed asset or business acquisitions or dispositions.

### ADOPTION OF NEW ACCOUNTING STANDARDS

No new accounting standards have been adopted during the year ended December 31, 2023.

### FUTURE ACCOUNTING POLICY CHANGES ISSUED BUT NOT YET IN EFFECT

There were no future accounting policy changes or pronouncements issued but not yet in effect that may have a significant impact to the Company operations as at December 31, 2023.

### OUTSTANDING SHARE DATA

The total number of outstanding common shares, stock options, and warrants is as follows:

As of:	April 17, 2024	December 31, 2023	December 31, 2022
Common shares	113,007,018	110,604,095	110,391,281
Stock options	5,108,327	5,412,493	5,856,826
Deferred Share Units	800,000	1,000,000	-
Restricted Share Units	-	-	15,139
Warrants	49,345,987	51,827,524	58,436,736

At the Company’s Annual and Special Meeting on August 18, 2022, the shareholders of the Company elected to adopt a new 10% rolling security based compensation plan (“Equity Incentive Plan”) to replace the previous Option Plan and Share Unit Plan, which allows for the issuance of incentive stock options, deferred share units, performance share units, restricted share units, stock appreciation rights, and share purchase rights (“Awards”). Pursuant to the Equity Incentive Plan, a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of all Awards granted thereunder. Terms of any granting of Awards will be determined by the Board, subject to the provisions of the Equity Incentive Plan and the policies of the TSX Venture Exchange. No individual may be granted Awards exceeding 5% of the Company’s common shares outstanding in any twelve-month period. Full details of the Equity Incentive Plan is available on the Company’s Management Information Circular filed on June 22, 2023 available on [www.sedar.com](http://www.sedar.com).



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## FAIR VALUE MEASUREMENTS AND FINANCIAL RISK MANAGEMENT

The carrying values of cash, trade and other receivables, and trade and other payables approximate their fair values due to the short-term nature of these instruments. In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange. The carrying value amount of the Company's financial instruments that are measured at amortized cost (including debt, lease obligation, and silver stream obligation) approximates fair value as they are measured using level 2 assumptions and using inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Similarly, the carrying value of the Company's derivative instruments, which are recognized at fair value through profit or loss approximates the fair value based on the various valuation techniques associated with those instruments.

### Financial Risk Management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk because of its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has implemented and monitors compliance with risk management policies.

### Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Company has credit risk in respect of its cash, trade and other receivables, and restricted cash. The Company considers the risk of loss relating to cash and restricted cash to be low because these instruments are held only with a Canadian Schedule 1 financial institution, a US-chartered commercial bank, and a US government agency. Trade and other receivables as of December 31, 2023 related primarily to gold and silver dore bars sold but for which the funds were not collected prior to the period end. All amounts in trade and other receivables are expected to be collectible in full due to the nature of the counterparties and previous history of collectability.

### Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company manages its liquidity risk through the preparation of budgets and forecasts, which are regularly monitored and updated as management considers necessary and through the Company's capital management activities. A summary of contractual maturities of financial liabilities is included in the section *Contractual Commitments*.

### Market Risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

### Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in Canadian dollars and the fluctuation of the CAD \$ in relation to US dollar will have an impact on the Company's profitability and the Company's financial assets and liabilities. The Company has assessed the impact to be low. At December 31, 2023, the Company held cash denominated in US dollars ("USD") of \$1.4 million and less than CAD \$0.1 million (December 31, 2022: USD \$3.3 million and CAD \$0.1 million). With other variables unchanged, a 1% increase on the USD/CAD exchange rate would increase debt by less than \$0.1 million. The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

### Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for gold and silver. 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 value of the silver stream embedded derivative will fluctuate with changes in the price of silver which will affect future earnings. Management closely monitors trends in commodity prices of gold and other precious and base metals as part of its routine activities, as these trends could significantly impact future cash flows.

### Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash, which is held at variable market rates, and is exposed to interest rate risk on its outstanding borrowings. With other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by less than \$0.1 million. The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

## NON-IFRS PERFORMANCE MEASURES

The Company has included certain non-IFRS measures in this MD&A. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

### **Total Cash Costs and Total Cash Costs per Ounce of Gold Sold**

Total cash costs is a common financial performance measure in the gold mining industry but has no standard meaning. The Company reports total cash costs on a gold ounce sold basis. The Company believes that, in addition to measures prepared in accordance with IFRS, such as revenue, certain investors can use this information to evaluate the Company's performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor the Moss mine's operating cost and performance. Total cash costs include cost of sales such as mining, processing, maintenance, site administration, royalties, selling costs and changes in inventories as well as site-based share compensation less non-cash depreciation and depletion and silver revenue divided by gold ounces sold to arrive at total cash costs per ounce of gold sold. Other companies may calculate this measure differently.

### Total AISC and AISC per Ounce of Gold Sold

The Company believes that AISC more fully defines the total costs associated with the operation of the Moss mine and producing gold. The Company calculates AISC as the sum of total cash costs (as described above), sustaining capital expenditures, accretion on decommissioning and restoration provision, treatment and refinery charges netted against revenue and corporate administrative expenses, all divided by gold ounces sold to arrive at a per ounce amount. Other companies may calculate this measure differently because of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital.

The following table reconciles these non-IFRS measures to the most directly comparable IFRS measure disclosed in the financial statements.

<i>(in thousands of dollars, except per ounce figures)</i>	Q4 2023	Q4 2022 <sup>(1)</sup>	YTD 2023	YTD 2022 <sup>(1)</sup>
Gold ounces sold	7,754	9,060	31,063	31,666
Cost of sales	\$ 15,752	\$ 18,882	\$ 67,416	\$ 69,902
Less: Depreciation and depletion	(3,233)	(4,462)	(13,568)	(10,310)
Add: Refining and transportation	94	71	321	293
Less: Silver and other bi-product revenue	(1,571)	(1,491)	(6,824)	(5,739)
<b>Total Cash Costs</b>	<b>11,042</b>	<b>13,000</b>	<b>47,345</b>	<b>54,146</b>
Sustaining capital expenditures	3,293	888	9,162	10,456
Capitalized stripping	971	-	5,115	-
Accretion	400	202	1,468	511
Corporate administration	776	712	3,064	3,429
<b>Total AISC</b>	<b>\$ 16,482</b>	<b>\$ 14,802</b>	<b>\$ 66,154</b>	<b>\$ 68,542</b>
<b>Cash Costs per ounce of gold sold</b>	<b>\$ 1,424</b>	<b>\$ 1,435</b>	<b>\$ 1,524</b>	<b>\$ 1,710</b>
<b>AISC per ounce of gold sold</b>	<b>\$ 2,126</b>	<b>\$ 1,634</b>	<b>\$ 2,130</b>	<b>\$ 2,165</b>

<sup>(1)</sup> Prior period comparable figures for 2022 included adjustments for heap leach and dore net realisable value write-downs, however, for the purposes of conforming to the current period calculation, the adjustment has been excluded in both periods.

The Company has calculated Total Cash Costs, Total AISC, and relevant per ounce of gold unit rates consistently across each of the periods presented, which include period adjustments for heap leach and doré impairments. These impairments and reversals can create fluctuations where such adjustments occur. The decrease in cash costs per ounce compared to 2022 is driven by heap leach and dore net realizable value write-downs in 2022. The increase in AISC per ounce sold from Q4 2022 to Q4 2023 is driven by an increase in sustaining capital expenditures, including \$2.5 million in construction costs related to new heap leach pads and \$0.3 million in near-mine exploration drilling.

### Average Realized Price of Gold

Average realized price is used by management and investors to better understand the gold price throughout a period.

Average realized price is calculated as revenue per the Consolidated Statements of Loss and Comprehensive Loss of the Company for each of the periods presented with adjustments as noted below, less silver revenue divided by gold ounces sold.

<i>(in thousands of dollars, except per ounce figures)</i>	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Gold revenue	\$ 14,860	\$ 15,688	\$ 59,853	\$ 56,562
Gold ounces sold	7,754	9,060	31,063	31,666
<b>Average realized price per ounce sold</b>	<b>\$ 1,916</b>	<b>\$ 1,732</b>	<b>\$ 1,927</b>	<b>\$ 1,786</b>

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## RISKS AND UNCERTAINTIES

The Company is subject to various business, financial, operational, and other risks, uncertainties, contingencies and other factors which could materially adversely affect the Company's future business, operations, and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A.

The nature of the Company's activities and the locations in which it operates mean that the Company's business generally is exposed to significant risk factors, known and unknown, many of which are beyond its control.

For a comprehensive discussion of risks faced by the Company, which may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to the Company's latest Annual Information Form ("AIF"), filed on [www.sedarplus.ca](http://www.sedarplus.ca).

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

In compliance with the Canadian Securities Administrators' Regulation, the Company has filed certificates signed by the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting.

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized, and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation.

Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Management believes that any system of internal control over financial reporting, no matter how well conceived and operated, has inherent limitations. As a result, even those systems designed to be effective can provide only reasonable, not absolute, assurance that the objectives of the control system are met. There have been no changes in Elevation's internal control over financial reporting during the year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include but are not limited to statements regarding the Company's future exploration and development plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a party, the ability of the Company to hire and retain employees and consultants and estimated administrative and other expenditures. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading *Risks and Uncertainties* in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading *Risks and Uncertainties* and to those that may be discussed as part of forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that 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 statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required

regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### TECHNICAL INFORMATION

Unless otherwise indicated, all technical data contained in this MD&A that relates to geology, exploration and mineral resources has been reviewed and approved by Ron Kieckbusch, CPG., Consultant to Elevation Gold. Mr. Kieckbusch is a Qualified Person as defined by National Instrument 43-101 and is responsible for the Moss and Hercules Exploration Projects.

Unless otherwise indicated, the technical disclosure contained within this MD&A that relates to the Company's operating mine has been reviewed and approved by Tim J. Swendseid, P.E., MBA, CFA, Chief Executive Officer of the Company and a Qualified Person for the purpose of National Instrument 43-101.