

TSX: BSX | OTCQB: BSXGF



Belo Sun Foundational Document



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ABOUT BELO SUN MINING CORPORATION

Belo Sun – Building Prosperity Through Responsible Mining

More information about the Company, its Board of Directors and management can be found on the Company's website www.belosun.com. The website is available in both Portuguese and English.

Headquartered in Toronto, Canada, Belo Sun Mining Corp. ("Belo Sun" or the "Company") is a Toronto Stock Exchange ("TSX") listed and OTCQB Venture Market ("OTCQB") traded development and mineral exploration mining company. Belo Sun's principal asset is the Volta Grande Gold Project ("PVG"), located in Brazil in the State of Pará, near the city of Altamira. Belo Sun is led and managed by experienced mining professionals with a proven track record of success in exploration and mine development.

Belo Sun has robust corporate governance policies and is committed to using best practices in responsible mining, environmental protection and community relations in the development and operation of PVG. The Company has been and will continue to be a good neighbour and responsible corporate citizen in Brazil and operates in full compliance with Brazilian laws and regulations. Belo Sun believes that the success of PVG is inextricably linked to the contribution the project will make to improving the quality of life and standard of living in its host communities.



ABOUT THE VOLTA GRANDE PROJECT (PVG)

A Catalyst for Growth & Opportunity

PVG is located in the Municipality of Senador José Porfírio, approximately 49 kilometers southeast of the city of Altamira (est. pop. 150,000), in the Midwest region of the State of Pará.

The development, construction and operation of PVG will have a positive economic impact on the local and regional economies and will generate significant business and employment opportunities and long-term sustainable value for the people of Senador José Porfírio and Pará State.

PVG is a planned open pit mining project with a mineral resource estimated in the Feasibility Study (1) to contain 4.95 million ounces in measured and indicated resources and 1.15 million ounces in inferred resources. The Feasibility Study demonstrates that PVG has positive economic potential with an estimated mineral reserve of 3.79 million ounces. (2)

PVG will require an estimated capital investment of approximately R\$2 billion and is expected to take from 24 to 30 months to build once all required approvals have been received. When in operation the mine will produce an estimated 205,155 ounces of gold on average annually generating about R\$30 million in mining royalties (CFEM) per year and around R\$25 million in environmental fees (SNUC). Mine life at PVG is estimated to be at least 17 years.

Construction of PVG and related infrastructure (a 230-kV transmission line and connecting roads) will create an estimated 10,000 direct and indirect jobs. The operating mine will support an estimated 600 direct jobs and 1,500 indirect jobs.

PVG has the support of the Ministry of Mines and Energy, local authorities, Indigenous leaders and Peoples from the two main Indigenous lands, local and regional farmers and the villages of Ressaca, Ilha da Fazenda and Galo in the project's area of influence.

1. Effective date for the Mineral Resource Estimate is March 30, 2015; Technical report can be found on SEDAR or www.belosun.com
2. Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. Open pit mineral resources are reported at a cut-off grade of 0.4 g/t Au (based on a gold price of \$1,400/oz)



ABOUT THE VOLTA GRANDE PROJECT (PVG)

2012	<ul style="list-style-type: none"> • The Environmental Impact Study (EIA) and Environmental Impact Report (RIMA) completed. • Belo Sun requests the Terms of Reference and authorization from FUNAI for the Indigenous Study (ECI).
2014	<ul style="list-style-type: none"> • Environmental License (LP) is granted.
2015	<ul style="list-style-type: none"> • Feasibility Study is completed.
2016	<ul style="list-style-type: none"> • Indigenous Study (ECI) completed.
2017	<ul style="list-style-type: none"> • Construction License (LI) granted (under suspension).
2018	<ul style="list-style-type: none"> • The work plan for the development of the complementary Indigenous Study (with primary data) approved by FUNAI.
2020	<ul style="list-style-type: none"> • The Indigenous Study (ECI) approved.
2021	<ul style="list-style-type: none"> • FUNAI authorized SEMAS to proceed with the issuance of the LP and the next stage of the Indigenous Consultation program (PBA-CI). • PVG is approved to participate in the Pro-Strategic Minerals Policy and becomes part of the Investments Partnerships Program (PPI). • Land Use concession agreement established between Belo Sun and INCRA.
2022	<ul style="list-style-type: none"> • The Juruna and Arara Indigenous Peoples of Volta Grande do Xingu ratify the conduct of the consultation in accordance with ILO Convention 169.
2023	<ul style="list-style-type: none"> • Submission to FUNAI of the Working plan for the Indigenous component of the Basic Environmental Plan (PBA-CI). • The Federal Regional Court of the 1st Region (TRF1) rules that, going forward, IBAMA will be the competent environmental permitting authority for PVG. The Court also reaffirmed that licenses (the LP and the LI) issued in the past by SEMAS remain in place and that the Company is not required to resubmit its applications for those permits to IBAMA.
2024	<ul style="list-style-type: none"> • The Federal Court of Altamira rules that the Land Use concession agreement between the Company and INCRA is null and void on procedural grounds but refused a petition to void the Company's licenses. This ruling is pending confirmation by the Federal Court in Brasilia (TRF1). INCRA has appealed the ruling.
2025	<ul style="list-style-type: none"> • The Federal Court of Appeals in Brasilia (TRF1) reverses the 2023 ruling that designated IBAMA as the competent environmental permitting authority for PVG. In a unanimous decision the Appeals Court deemed SEMAS as the competent environmental permitting authority going forward.

PVG Project Chronology & Major Milestones

CURRENT STATUS OF PVG

As the construction license (LI) remains suspended there is currently no construction work or mining underway at PVG. The Company continues to work diligently with its partners, stakeholders, and government authorities to meet all the criteria required to advance the permitting process. The Company remains committed to developing this world-class gold asset for the benefit of its shareholders and Brazil.



A MESSAGE FROM THE BOARD AND MANAGEMENT OF BELO SUN

Optimizing Environmental Safeguards While Maximizing Economic Benefits

Belo Sun is honoured to have been granted the opportunity to develop PVG, one of the best undeveloped gold assets in the world. We are excited at being able to contribute to, and invest in, Brazil's future as a global mining leader.

The Board and management are aware that, despite the undeniable economic and employment benefits that PVG will create, because of its location, it is a controversial project. We know that there are legitimate concerns about the environmental impact of a mine in the region and about the potential risks to the Xingu River. We take those concerns and risks very seriously and have designed and engineered a mine to optimize environmental safeguards and to minimize environmental risks.

This approach is evident in the decisions we have made on all elements of the mining operation – tailings dam design and construction, water management,

waste management and fuel and energy supply options. In every instance we will invest in technologies and processes that will reduce the mine's environmental footprint. For example, we will use rainwater capture and water recycling systems that will enable us to operate the mine without taking water from the Xingu River or any other regional water body. PVG will not impact water levels in the Xingu River nor will it alter the flow of the river.

There is no question that PVG will be a catalyst for economic growth and employment in its host region. To maximize the benefits to the people of the Municipality of Senador José Porfírio, PVG has prioritized local hiring and supply policies and will offer training and development programs to ensure that its neighbours can take advantage of the opportunities the mine will generate. We are proud of the open, positive and transparent relationships our Brazil team

has built with our host communities and with the Brazilian authorities and regulators. We look forward to broadening and deepening those relationships as the project advances. We especially appreciate the support we have received from the Indigenous Leaders and the Juruna and Arara Indigenous Peoples. Their support has been instrumental in the success we have achieved to date.

Belo Sun has been a responsible developer and is committed to being a responsible mine operator. The Company believes that well-regulated, responsible mining operations can make a safe and positive contribution to improving the quality of life and creating new opportunities for all people in its host region. We will continue to work to progress PVG for the benefit of all its stakeholders.



PVG'S ECONOMIC IMPACT

Creating Wealth, Opportunities and Jobs

PVG has the potential to be an economically transformative project in its host municipality and region as its positive economic impact extends beyond the estimated 10,000 direct and indirect jobs created during construction and the 600 direct and 1,500 indirect jobs that the operating mine will support.

Moreover, the development of PVG will encourage the economic regularization of mining in the region by providing a well-regulated, responsible and long-term alternative to the dangerous and environmentally damaging illegal mining operations in the region as a source of employment and income.

- Belo Sun will prioritise local procurement policies and source more than R \$100 million annually in purchases from local suppliers.
- During construction PVG will provide an economic boost of more than R\$1.5 million daily to the regional economy.
- Belo Sun will participate in and support the verticalization of the gold production chain in Para State.
- Belo Sun will prioritise local hiring and provide job training, offering courses in partnership with institutions such as – Sebrae (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas - Brazilian Service of Support to Micro and Small Companies), Redes, SENAI (Serviço Nacional de Aprendizagem Industrial - National Service of Industrial Education) and SENAR (Serviço Nacio-

nal de Aprendizagem Rural - National Service of Agrarian Education).

- The mining operation will increase the GDP of Senador José Porfírio Municipality (22,000 inhabitants), from R\$40 million to R\$1 billion annually, the same value as the current GDP of the regional hub of Altamira with a population of 150,000 inhabitants.



KEY CONTRIBUTIONS INCLUDE:



Investing in Strong and Healthy Communities

For years, PVG has established a climate of transparency and trust with communities around the project by being open and approachable and by regularly engaging with anyone who may be impacted by its activities. To that end, since it arrived in the region, the Company has operated an information office in the Ressaca Village near the PVG site to improve communication between the Company and the local communities, and Indigenous Peoples.

In the context of our CSR policy, Belo Sun is working to improve the local population's access to public services such as health care and education by assisting the municipality with health initiatives, programs, and events. When requested, Belo Sun assists with the donation of medical supplies and, the transport of doctors, nurses, dentists and teachers to the area.

The Company's community relationships and community programs are based on and guided by the four pillars of its Corporate Social Responsibility (CSR) policy:



Environmental Responsibility



Ethical Responsibility



Community Support & Donations



Economic Responsibility

Recently, Belo Sun has supported community initiatives such as:

- A breast cancer awareness event with the municipality
- A tree-planting event with the local school
- Vaccination campaigns
- A training program for small farmers on the use of machinery
- Stop To Domestic Violence campaigns
- Graduation celebration ceremonies at the local Ressaca Village school
- Sponsorship of local festivals - "Caratinga Festival" at Senador José Porfírio and "Cocoa Festival" at Mocoto Village

Should the mine proceed, the Company has committed to investing in a range of other community programs and community infrastructure projects which may include:

- Environmental recovery of areas degraded by illegal mining and deforestation (riparian forests on the Xingu River).
- Implementation of a tourist project for ReBio (Biological Reserve), Tabuleiro do Imbaubal, to encourage and assist with the nesting of Amazon Turtles.
- Implementation of a conservation and recovery project at ReBio Igarapé-Nazaré in the Senador José Porfírio Municipality.
- Support for local efforts to combat illegal deforestation.
- The construction of public facilities such as schools, health units, a cultural center, and a landfill in the local municipality.
- Implementation of an emergency response coordination function.
- Improving road infrastructure and traffic movement in the region.
- Strengthening the network of specialized labour suppliers in the State of Pará.
- Promotion of local development and technical assistance to expand local production chains.
- Support for INCRA (Instituto Nacional de Colonização e Reforma Agrária – National Institute for Colonization and Agrarian Reform) in accelerating land regularization and titling of more than 3,000 settler families.
- The establishment of a local development fund to contribute to local community associations.
- Continuous dialogue and engagement with local communities and Indigenous Peoples.
- Adaptation and monitoring of PVG's social-environmental programs.

These programs and commitments are indicative of Belo Sun's belief that fair and transparent benefit sharing with local communities is critical to sustaining a long term and successful operation and maintaining its social license to operate.

Respecting Indigenous Rights and Communities

The Company is investigating a benefit fund for the Indigenous Peoples and local communities. The fund would be financed from net profits from PVG and would provide financial resources to assist in local community and Indigenous Peoples' projects.

Belo Sun has established positive, respectful and trust-based relationships with the Juruna and Arara Indigenous Peoples of the Volta Grande do Xingu communities in its area of influence. In part, this relationship grew out of the extensive consultations the Company held with the Indigenous Peoples during the permitting process. These consultations, which were carried out by a multi-disciplinary team of anthropologists, sociologists and Indigenous experts, complied with Brazilian law, with ILO Convention 169 and followed, step by step, the process defined by the Protocols of Consultation of the Juruna (Yudjá) Indigenous People (Protocolo de Consulta Juruna - Yudjá), created by this Indigenous community in 2017 (Process SEI-FUNAI 08620.019136/2012-40, SEI-FUNAI document 0447024).

Upon concluding the consultation process, the Company completed the Indigenous Study (ECI), which was formally submitted and approved by FUNAI in December 2021. Following the preliminary approval in March 2022 from the Volta Grande do Xingu Indigenous Peoples, in the fall of 2022, they provided a letter to FUNAI ratifying the approval in compliance with ILO Convention 169 (Process SEI-FUNAI 08620.019136/2012-40, SEI-FUNAI documents 3928398 and 3956044).



Protecting the Environment and the Xingu River

Belo Sun has consistently complied with Brazilian environmental laws and regulations through the permitting process and has made protecting the environment and safeguarding the Xingu River its top priorities when designing and engineering the mining operation at PVG. In particular, the Company will implement measures to ensure that its mine does not use water from the Xingu or from any other river in the region, that its carbon footprint is minimized, and that its tailings impoundment

WATER MANAGEMENT AT PVG

At PVG, Belo Sun plans to invest in an innovative technological process that will enable it to run the mine and the processing plant using only rainwater. The process involves capturing and storing rainwater during the rainy season in two small containment lakes. When the mine is in operation, consistent with best environmental management practices, all water will be permanently recirculated between the tailings dam and the processing plant. This will enable the Company to operate the mine without drawing water from the Xingu River or other bodies of water in the region.

If this technological process is implemented, the mine will not take water from the Xingu River and will therefore not impact water levels, cause flooding or change of the flow of the river. Consequently, the mine will not compound the damage to the river and to the riverine communities that has allegedly been caused by the Belo Monte dam.



Belo Sun's operations are southeast of the city of Altamira, in the Midwest region of the State of Pará.

REDUCING PVG'S CARBON FOOTPRINT

The Company continues to consider opportunities to reduce PVG's carbon emissions footprint, and to measurably minimize noise and dust emissions once in development, through the evaluation of reduced truck and haulage requirements, and the use of alternative energy sources.

A BEST IN CLASS TAILINGS DAM

A critical component of Belo Sun's plan to operate a safe mine that protects the environment and people and property in local communities is the commitment to construct a safe tailings dam at PVG. The current design meets the international construction standards established by the international Commission on Large Dams (ICOLD), the Canadian Dam Association, the Mining Association of Canada, the current relevant Brazilian regulations and will fully comply with Brazil's National Dam Safety Policy. Belo Sun remains committed to the evaluation of further dam design safety.

Unlike other mines in Brazil where dams have been built on tailings, PVG will construct an engineered tailings dam on solid rock in a natural valley in a highly stable geological zone. The dam will have a downstream design, which is the safest type of dam in the industry and will be overseen by an independent Tailings Management Review Board.

The Independent Tailings Dam Review Board, which reports directly to the Belo Sun Board of Directors, has examined the current proposed structure and design, will review any alternative designs or modifications to the dam, and will oversee the construction and operation of the dam.

The tailings dam will be constructed in compliance with the safety standards set by Brazil's National Mining Agency (ANM) and will be subject to stringent management, monitoring, maintenance and emergency response protocols and procedures, including:

- Daily inspections.
- Monthly evaluations of instrumentation and data analysis.
- Annual inspections by the engineer responsible for the project.
- Review of dam conditions by an independent specialist.
- Management panel displaying key performance indicators.

The decommissioning of the tailings dam is integrated into the mine closure plan which has been developed by an expert team of specialists in civil, mining and environmental engineering and in geology drawn from three major companies – Lycopodium, VogBR and Brandt Meio Ambiente. Both the mine closure plan and the tailings decommissioning plan align with Brazilian regulatory standards.



Conclusion

Belo Sun and the Volta Grande Project offer Brazil an opportunity to work with an experienced company to develop a low cost, high grade, long life, technologically advanced and safe mine in an environmentally responsible manner in an area of the country that would significantly benefit economically and socially from the project. PVG is supported by the local communities and by the Indigenous Peoples in its area of influence and will be a major employer and contributor in the region for years to come.

This foundational document contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the progress of the advancement of the Volta Grande Project; anticipated design and construction features of the project; anticipated benefits for local communities and stakeholders; anticipated social projects and initiatives to be implemented; planned tailing dam construction and features; potential environmental initiatives; and anticipated licensing timelines and advancements. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks inherent in the mining industry and risks described in the public disclosure of the Company which is available under the profile of the Company on SEDAR at www.sedar.com and on the Company’s website at www.belosun.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.