The following Management's Discussion and Analysis ("MD&A") of Tocvan Ventures Corp. (the "Company" or "Tocvan") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of December 30, 2024, and should be read in conjunction with the audited consolidated financial statements for the year ended August 31, 2024 and 2023, and the related notes contained therein, which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted. The Company's functional currency is Canadian Dollar, and the Company's wholly-owned subsidiary's functional currency is also Canadian Dollar.

Additional information related to the Company is available on the Company's website at https://tocvan.com, or on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting timelines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of gold ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement. The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the year to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Brodie Sutherland, P. Geo, a director and CEO of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management's discussion and analysis.

Description of Business

Tocvan was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares are trading on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" and on OTC QB under the symbol "TCVNF". The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4, Canada. The registered and records office address is Suite 1150 – 707 7 Avenue SW, Calgary, Alberta T2P 3H6, Canada.

On September 15, 2020, the Company incorporated, under the laws of Mexico, a wholly-owned subsidiary, Burgencio S.A. de C.V. ("Burgencio"). Burgencio's office address is Blvd. Morelos No. 639, locales 13 y 14, Col. Bachoco, C.P. 83148, Hermosillo, Sonora, Mexico.

As of the date of this MD&A, the Company is focused on the exploration and development of its two projects; the Pilar Gold Project ("Pilar") and El Picacho Project ("El Picacho"). Pilar is located near the town of Suaqui Grande in Sonora, Mexico and El Picacho is located in the Region of Sonoran Desert, 140 kilometers north of Hermosillo, Sonora, Mexico.

The Pilar Project consists of two concessions, the Guadalupana concession and La Sonora concession, totaling 105 hectares; during the year ended August 31, 2024, the Company acquired additional land, expanding the Pilar Project area from 105 hectares to 2,273 hectares. The Pilar Project shows NW-SE trends of gold and silver mineralization with significant grades in several locations. The Company has not yet determined whether the Pilar Project contains ore reserves that are economically recoverable.

El Picacho Project consists of 12 mining concessions totaling 2,395 hectares north of Hermosillo, Sonora, Mexico and fully accessible by road. El Picacho Project is interpreted as an orogenic gold system within the regional Caborca Orogenic Gold Belt known for producing gold mines that include La Herradura and San Francisco. The Company has not yet determined if El Picacho Project contains ore reserves that are economically recoverable.

The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties.

OVERALL PERFORMANCE

During the year ended August 31, 2024, the Company incurred a net loss of $1,171,463 (2023 – $2,468,378, as restated). The Company had no revenues and the operating expenses were associated primarily with exploration- and evaluation-related expenses, share-based payments, advertising and promotion activities, management and consulting fees.

At August 31, 2024, the Company had cash of $101,639 (2023 – $20,825) and a working capital deficit of $1,374,683 (2023 –$1,268,583, as restated). The working capital deficit increased due to a $691,862 decrease in current assets from $1,575,111 as at August 31, 2023, to $883,249 as at August 31, 2024, led by a decrease in fair value of financial assets by $676,845 to $678,395 (2023 – $1,355,240), a $74,074 decrease in receivables to $60,785 (2023 – $134,859), and by a $21,757 decrease in prepaid expenses to $42,430 (2023 – $64,187). These decreases were in part offset by an $80,814 increase in cash to $101,639 (2023 – $20,825) as at August 31, 2024.

The working capital was also affected by the decrease in current liabilities of $585,761 to $2,257,933 (2023 – $2,843,694, as restated), mainly due to a $1,183,099 decrease in the fair value of Sorbie debenture to $775,205 (2023 –

$1,958,304). This decrease was in part offset by increased accounts payable of $879,269 (2023 – $366,304) and increased amounts due to related parties of $603,459 (2023 – $519,086), which were mostly related to unpaid bills for deferred exploration expenditures.

To date, the Company's main source of financing has been derived from the issuance of common shares and debt.

COMMITMENTS

Pilar Gold Project

Pilar Agreement with Colibri

On September 22, 2019, the Company signed an option agreement (the "Pilar Agreement") to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

	Cash payment	Exploration work	Common shares
September 22, 2019	$125,000 (paid)	$Nil	2,000,000 (issued)
September 21, 2020	$125,000 (paid)	$175,000 (completed)	1,000,000 (issued)
September 21, 2021	$25,000 (paid)	$425,000 (completed)	1,000,000 (issued)
September 21, 2022	$75,000 (paid)	$400,000 (completed)	1,000,000 (issued)
September 21, 2023	$75,000 (paid)	$500,000 (completed)	
September 21, 2024		$500,000 (completed)	
TOTAL	**$425,000**	**$2,000,000**	**5,000,000**

On September 18, 2023, the Company submitted an exercise notice to Colibri to confirm its 51% ownership of the Pilar gold-silver project as the Company fulfilled its initial commitment under the covenants of the Pilar Agreement.

The Pilar Agreement gave the Company an option to acquire the remaining 49% interest in the Pilar Project within six months after the Company acquires 51% ownership, or to establish a joint venture agreement with Colibri. The option to acquire the additional interest required a $2,000,000 cash payment and granting Colibri a 2% net smelter return royalty ("NSR"), 1% of which can be repurchased for an additional cash payment of $1,000,000.

The Company elected to enter into a joint venture or to form a new corporate entity with Colibri for the development of the remaining optioned property under the Pilar Agreement. Since the optioned property represents only 4.6% of the total land area controlled and wholly-owned by Tocvan, the management of the Company decided that the funds required to acquire the remaining 49% interest in the Pilar Project would be better used for future exploration activities.

On December 19, 2023, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at $210,000. The anti-dilution provision will no longer be applicable as of September 22, 2024.

SV Agreement with SVP: Pilar Landholding Expansion

On October 17, 2023, the Company entered into a definitive agreement (the "SV Agreement") with Suaqui Verde Properties ("SVP"), a private owner, for an option to acquire 100% interest in a 2,173 hectare contiguous land immediately adjacent and north of Pilar Project. Under the terms of the SV Agreement, the Company agreed to the following commitments:

	Cash payment	Exploration work	Shares
On closing	US$250,000 (paid)	US$Nil	Nil
Six months after closing	US$200,000 (accrued)	US$Nil	250,000(issued)
1st anniversary	US$Nil	US$100,000	500,000(1)
2nd anniversary	US$1,050,000	US$150,000	500,000
3rd anniversary	US$1,150,000	US$250,000	750,000
4th anniversary	US$650,000	US$250,000	250,000
5th anniversary	US$700,000	US$250,000	250,000
TOTAL	**US$4,000,000**	**US$1,000,000**	**2,500,000**

(1) These shares were issued on December 27, 2024

SVP will retain a 2% NSR. After the initial five-year period, the Company can elect to extend the SV Agreement by another ten years by starting advance royalty payments or purchase full title ownership through an additional payment of US$500,000. The SVP acquisition expanded the Pilar Project area from 105 hectares to 2,278 hectares.

On December 1, 2023, and December 18, 2023, the Company paid a total of $341,175 (US$250,000) in cash to Cuprum Mining Corporation for SVP in relation to the cash commitments under the SV Agreement.

On August 8, 2024, the Company issued 250,000 common shares valued at $120,000, representing the six-month option payment according to the SV Agreement. As at August 31, 2024, $275,880 (US$200,000) payable on the six-month anniversary were accrued and remained unpaid. SVP agreed to extend the payment of this amount until February 15, 2025.

PILAR PROJECT UPDATE

The Pilar Gold-Silver property is interpreted as a structurally controlled low-sulphidation epithermal project hosted in andesite rocks. Three primary zones of mineralization have been identified in the north-west part of the property from historic surface work and drilling and are referred to as the Main Zone, North Hill and 4-T. The Main Zone and 4-T trends are open to the southeast and new parallel zones have been recently discovered. Structural features and zones of mineralization within the structures follow an overall NW-SE trend of mineralization. Mineralization extends along a 1.2-km trend, only half of that trend has been drill tested so far.

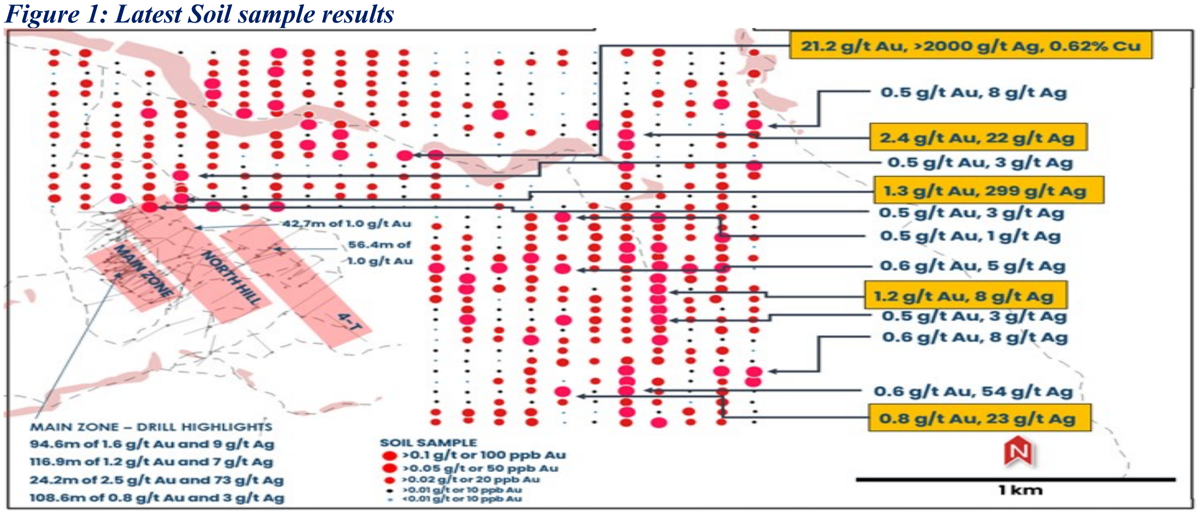
During the year ended August 31, 2024, the Pilar Project was expanded from 105 hectares to 2,277.7 hectares with the acquisition of adjacent claims. The expansion area hosts several prospective zones that have seen limited exploration to date.

To date, the following milestones have been achieved:

- over 25,000 meters of drilling has been completed from 132 target drill holes;

- A total of 949 soil samples has been collected along the entire project area. Over 541 of these soil and 385 rock samples corresponding to the extension area of the Pilar Project have been collected by the technical staff covering over 230 hectares or 2.3 square kilometers over the northern and eastern extensions of the Main Zone, North Hill and 4-T trends with results yielding high-grade gold and silver mineralization across the soil grid with the highest value returning 21.2 g/t Au, greater than 2,000 g/t Ag, 0.62$ Cu,12.7% Pb and 2.3 Zn. See Figure 1 below:

Figure 1: Latest Soil sample results



- ➢ preliminary geological modelling across the Pilar Project is ongoing;

- ➢ Reverse circulation ("RC") drilling is expected to start in early December of 2024 and continue up to December 22th, and be restarted early in January 2025. A diamond drill program will focus on improving the geological model along the main zone. The Diamond Drilling Hole ("DDH") drilling has a target core drilling of 1,000 meters on the JV area (Tocvan and Colibri share a 51/49% interest in Pilar's Main Zone); core drilling to build a geological model across Pilar specially the Main Zone; and

- ➢ Planning for the proposed pilot plant to evaluate the 50,000 tonnes of material on site is still ongoing. Permitting is expected to be completed in time for the commencement of pilot mining in Q1 of 2025. The Company will target a surface materials expected to average 1.3 g/t Au and from 2023 bulk sample testing with an expected recovery of 62% and testing other methods like agitate leach and gravity to run comparative analysis.

Project Drill highlights included:

- ➢ 2019 and earlier: 15,000m of Historic Core & RC drilling. Highlights include:
  - 61.0m @ 0.8 g/t Au
  - 16.5m @ 53.5 g/t Au and 53 g/t Ag
  - 13.0m @ 9.6 g/t Au
  - 9.0m @ 10.2 g/t Au and 46 g/t Ag

- ➢ 2020 Phase I RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 94.6m @ 1.6 g/t Au, including 9.2m @ 10.8 g/t Au and 38 g/t Ag
  - 41.2m @ 1.1 g/t Au, including 3.1m @ 6.0 g/t Au and 12 g/t Ag
  - 24.4m @ 2.5 g/t Au and 73 g/t Ag, including 1.5m @ 33.4 g/t Au and 1,090 g/t Ag

- ➢ 2021 Phase II RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 39.7m @ 1.0 g/t Au, including 1.5m @ 14.6 g/t Au
  - 47.7m @ 0.7 g/t Au including 3m @ 5.6 g/t Au and 22 g/t Ag
  - 29m @ 0.7 g/t Au
  - 35.1m @ 0.7 g/t Au

- ➢ 2022 Phase III diamond Drilling Highlights include (all lengths are drilled thicknesses)
  - 116.9m @ 1.2 g/t Au, including 10.2m @ 12 g/t Au and 23 g/t Ag
  - 108.9m @ 0.8 g/t Au, including 9.4m @ 7.6 g/t Au and 5 g/t Ag
  - 63.4m @ 0.6 g/t Au and 11 g/t Ag, including 29.9m @ 0.9 g/t Au and 18 g/t Ag

Pilar Metallurgy Highlights

- 2021 Bottle Roll Results SGS (Durango) – Main Zone RC Drill Hole Composites (from JES-20-32, 94.6m at 1.6 g/t Au)
  - Sample 494801 – 1.15 g/t Au Head Grade, 91.6% Recovery of Au
  - Sample 494804 – 0.63 g/t Au Head Grade, 90.6% Recovery of Au

- 2022 Column Leach Study
  - Four (4) Column Leach Samples from Surface Trenches across Main Zone and 4T Trend
  - Head Grade Range: 0.4 g/t Au to 5.0 g/t Au*
  - Gold Recovery Range: 88.9% to 96.9%*

  **Important Note – Testing was completed by a local private producer and contractor based in Sonora, Mexico. The facility used to calculate head-grade and recovery is not a certified lab.*

- 2023 Diagnostic Leach Study
  - Five (5) composite samples were submitted to LTM (Hermosillo) for diagnostic leach study to determine the characteristics and mineral association of gold and silver
  - Diagnostic Leach Study Reports High-Percentage of Recoverable Gold and Silver (Au: 95 to 99%; Ag: 73 to 97%)
  - Head screen assays report high-grade gold and silver (2.7 to 24.9 g/t Au and 8.8 to 74.2 g/tAg)
  - Gravity Concentrate Assays for Gold and Silver range from 35.6 to 290.3 g/t Au and 53 to 1,152 g/t Ag
  - Majority of Gold and Silver can be Recovered with Gravity Concentration and Agitated Cyanide Leach

- 2023 Bulk Sample
  - Over 1,400 tonnes of oxide-gold material were extracted from select areas exposed at surface across the project area, focusing on the Main Zone and 4-T Trends where preliminary column leach studies have returned promising head-grade and recovery results. Bulk Sample material was prepared for processing by heap-leach method at a private mining operation less than 25 kilometers to the west of Pilar. Information from the sample aims to provide a more detailed account of expected head-grade and recovery percentage of gold along with providing key information to optimize future production facilities.
  - Over 800 tonnes of material were processed through heap leach, an additional 350 tonnes of crushed material and 250 tonnes of raw-bulk sample are available for gravity recovery and later agitated leach testing.
  - The leaching process was active for 44 days, extracting gold and silver from over 800 tonnes of bulk sample material. Sampling of the Bulk Sample material was completed in May, (News Release, May 16, 2023) results from ALS (Hermosillo) provided an average grade of 1.9 g/t Au and 12.7 g/t Ag. An onsite laboratory was used to sample the pregnant solution during the program with weekly duplicate samples sent to certified labs LTM (Hermosillo) and SGS (Durango).
  - Final bulk tests report a 62% Recovery of gold achieved over 46-day leaching period.
  - 62% recovery of gold; Head grade calculated at 1.9 g/t Au and 7 g/t Ag; extracted grade Calculated at 1.2 g/t Au and 3 g/t Ag
  - In addition to the bulk sample an Agitated Bottle Roll Test returned rapid and high recovery returning 80% recovery of gold and 94% recovery of silver after rapid 24-hour retention time (News Release August 22, 2023).
  - Dore bar Poured from first bulk sample material extracted from Pilar. The bar weighs 1.487 kilograms in total, with assays from local certified laboratory LTM returning 17.5% of gold and 69% of silver (News Release November 30, 2023).

Other Metallurgical Studies included gravity recovery with agitate leach results of five composite samples returned 95%-99% recovery of gold, 73% to 97% recovery of silver and recovery of 99% Au and 73% Ag from drill core composite at 120-meter depth.

El Picacho Project

Millrock Agreement

On June 7, 2021, the Company signed a letter of commitment (the "Millrock Agreement") to purchase El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock"). On signing of the letter of commitment, the Company made an initial payment of $94,196 (US$78,000). On September 15, 2021, the Company entered into an assignment agreement (the "Suarez Assignment") with Millrock for an initial five-year option to acquire El Picacho property from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho consists of 12 mining concessions totaling 2,395 hectares.

To acquire 100% interest in El Picacho Project, the Company is required to pay US$1,985,600 and an additional payment of US$60,000 is required to gain surface rights to use the Picacho Ranch. Both payments are to be made in a series of instalments ending on June 11, 2026. Millrock is to retain a 2% NSR with an option for the Company to purchase back 1% NSR for US$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of US$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

A summary of the commitments on El Picacho option agreement and surface rights is as follows:

	Option payment	Surface rights payment
Closing	US$5,000 (paid by Millrock)	US$6,000 (paid by Millrock)
Six months after closing	US$Nil	US$6,000 (paid)
1st anniversary	US$21,400 (paid)	US$6,000 (paid)
Six months after 1st anniversary	US$21,400 (paid)	US$6,000 (paid)
2nd anniversary	US$21,400 (paid)	US$6,000 (paid)
Six months after 2nd anniversary	US$21,400 (paid)	US$6,000 (paid)
3rd anniversary(1)	US$41,400 (paid)	US$6,000 (paid)
(*extended to February 15, 2025*)	US$208,600	
Six months after 3rd anniversary	US$Nil	US$6,000
4th anniversary	US$650,000	US$6,000
Six months after 4th anniversary	US$Nil	US$6,000
5th anniversary	US$1,000,000	US$6,000
TOTAL	**US$1,990,600**	**US$66,000**

(1) *The Company paid US$47,400 towards the third-anniversary payment; the payment of the remaining US$256,000 cash commitment has been extended until February 15, 2025.*

EL PICACHO PROJECT UPDATE

El Picacho Gold-Silver Project is interpreted as an orogenic gold system within the regional Caborca Orogenic Gold Belt known for producing gold mines that include La Herradura and San Francisco. The project is 140 kilometers north of Hermosillo and totals 2,395.33 hectares. Six primary zones of mineralization have been identified across El Picacho Property totaling over six kilometers of prospective trends. Surface sampling has identified high-grade gold and silver values. Surface geological and structural mapping has been completed by Tocvan in 2022 adding a new target area which was previously identified.

During the year ended August 31, 2023, the Company carried out a maiden drill program targeting the shallow targets defined at the San Ramon Prospect, an area approximately 500-meters by 500-meters in size where two extensive underground workings have returned high-grade gold with silver. San Ramon represents one prospect of currently seven prospect areas across the 24km^2 property that are defined by artisanal underground workings (adits and shafts) that coincide with high-grade gold and silver mineralization.

2023 - 2024 El Picacho Project Highlights

- Surface Sampling, Mapping and Data Compilation Defining Key Target Areas
- San Ramon Prospect – 500-meter trend, highlighted by two underground workings, up to 22 g/t Au
- Murcielago Prospect – 450-meter trend, highlighted by 7.2 g/t Au, 36 g/t Ag and 4.4% Pb in Silicified brecciated limestone
- Jabali Prospect – 500-meter trend, highlighted by average sample grade of 3.2 g/t Au, up to 32 g/t Au
- Initial Drill Targeting at San Ramon Prospect was completed in December of 2022, totaling 1,075.1- meters.
- Drill results are highlighted by hole SRA-22-003 which returned 27.5-meters of 0.5 g/t Au, including 12.2m of 1.1 g/t Au and hole SRA-22-010 which returned 44.2-meters of 0.6 g/t Au, including 12.2m of 2.0 g/t Au.

EXPLORATION AND EVALUATION ASSETS - SUMMARY

Total costs incurred on exploration and evaluation assets ("E&E assets") are summarized as follows:

Year ended August 31, 2024	Pilar	El Picacho	Total
Acquisition costs			
Balance, August 31, 2023	**$ 2,640,000**	**$ 196,789**	**$ 2,836,789**
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	**2,965,862**	**523,494**	**3,489,356**
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	**$ 7,567,216**	**$ 1,267,542**	**$ 8,834,758**

Period ended August 31, 2023	Pilar	El Picacho	Total
Acquisition costs			
Balance, August 31, 2022	**$ 1,915,000**	**$ 135,687**	**$ 2,050,687**
Cash and acquisition payments accrued	75,000	61,102	136,102
Shares issued	650,000	–	650,000
Balance, August 31, 2023	2,640,000	196,789	2,836,789
Deferred exploration expenditures			
Balance, August 31, 2022	2,116,564	153,177	2,269,741
Geologist fees and assays	835,480	295,628	1,131,108
Other exploration expenses	13,818	74,689	88,507
Balance, August 31, 2023	2,965,862	523,494	3,489,356
Total E&E assets, August 31, 2023	**$ 5,605,862**	**$ 720,283**	**$ 6,326,145**

SELECTED ANNUAL INFORMATION

The Company is providing the following selected information with respect to the Company's audited consolidated financial statements for the last three fiscal years ended August 31, 2024, 2023 and 2022. The audited consolidated financial statements for these fiscal periods were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

	Year ended August 31, 2024	**Year ended August 31, 2023** *As restated*	**Year ended August 31, 2022** *As restated*
	$	$	$
Net loss and comprehensive loss	**(1,171,463)**	(2,468,378)	(1,988,768)
Basic and diluted loss per share	**(0.03)**	(0.06)	(0.06)
Total assets	**10,170,346**	7,901,256	7,639,985

RESULTS OF OPERATIONS

For the Year ended August 31, 2024 and 2023

During the year ended August 31, 2024, the Company incurred a net loss of $1,171,463 (2023 – $2,468,378 restated). The net loss and comprehensive loss for the years ended August 31, 2024 and 2023 were as follows:

Operating Expenses	Year ended August 31, 2024	Year ended August 31, 2023 *As restated*
	$	$
Advertising and promotion	**229,754**	570,813
Audit and accounting	**99,399**	91,345
Consulting	**626,346**	564,878
Financing fees	**17,320**	32,771
Legal	**37,441**	48,972
Management fees	**48,000**	48,000
Meals and entertainment	**960**	17,087
Office and miscellaneous	**53,261**	40,404
Regulatory fees	**63,630**	60,387
Share-based compensation	**331,350**	747,219
Travel	**21,585**	23,010
Total operating expenses	**(1,529,046)**	(2,244,886)
Other gain (loss)	357,583	(223,492)
Net loss and comprehensive loss for the year	**(1,171,463)**	**(2,468,378)**

Other gains and losses for the years ended August 31, 2024 and 2023 included the following:

Other gain (loss)	Year ended August 31, 2024	Year ended August 31, 2023 *As restated*
	$	$
Foreign exchange loss	(52,315)	(64,643)
Interest expense	(19,145)	(30,384)
Realized loss on financial assets	(828,685)	(596,583)
Realized gain on debenture	693,570	–
Unrealized gain on financial assets	749,702	502,388
Unrealized loss on debenture	(185,544)	(34,270)
Other gain (loss)	**357,583**	**(223,492)**

During the year ended August 31, 2024, the Company recorded a net loss and comprehensive loss of $1,171,463 (2023 – $2,468,378, as restated). The Company's operating expenses for the year were $1,529,046 (2023 – $2,244,886). The decrease in operating expenses was mainly due to a $415,869 decrease in share-based payments to $331,350 (2023 – $747,219), which resulted from reduced share-based payments and the timing of vesting periods of stock options granted. As a result of reduced investor engagement activities during the year ended August 31, 2024, the Company's advertising and promotion expenses decreased by $341,059 to $229,754 (2023 – $570,813). The Company's meals and entertainment expenses decreased by $16,127 to $960 (2023 – $17,087), financing fees decreased by $15,451 to $17,320 (2023 – $32,771), and legal fees decreased by $11,531 to $37,441 (2023 - $48,972).

These decreases were in part offset by increased consulting fees of $626,346 (2023 – $564,878), which increased as a result of demand for external consultants for corporate activities associated with strategy development and funding initiatives. In addition, the Company's office expenses increased to $53,261 (2023 – $40,404), accounting and audit expenses increased to $99,399 (2023 – $91,345), and regulatory fees increased to $63,630 (2023 – $60,387).

In addition to the regular operating expenses, the Company recorded other gain of $357,583 (2023 – $223,492 loss, as restated), and mostly from unrealized gain of $749,702 (2023 - $502,388) on revaluation of fair value of financial assets and realized gain of $693,570 (2023 - $Nil) on debenture payable from the exercise of 1,380 Sorbie Notes during the year ended August 31, 2024.

These gains were in part offset by an $828,685 loss (2023 – $596,583) associated with Sorbie's Monthly Settlements and an unrealized loss of $185,544 (2023 – $34,270) from the revaluation of the convertible debenture.

SUMMARY OF QUARTERLY RESULTS

The following sets out a summary of the Company's quarterly results for the eight most recently completed quarters. All periods listed below were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Period ended	Net and comprehensive (income) loss	(Income) Loss per share; basic and diluted
	$	$
August 31, 2024	(319,363)	(0.01)
May 31, 2024[(1)]	330,508	0.01
February 29, 2024[(1)]	532,032	0.01
November 30, 2024[(1)]	628,286	0.02
August 31, 2023[(1)]	561,646	0.01
May 31, 2023[(1)]	460,537	0.01
February 28, 2023[(1)]	779,961	0.02
November 30, 2023[(1)]	666,234	0.02

(1) The above quarterly results have been restated for adjustments required to correct the errors associated with the classification of warrants issued as part of Sorbie 1 Transaction and Sorbie 2 Transaction, which required a retrospective restatement. The detailed discussion has been provided in Note 15 to the annual consolidated financial statements for the year ended August 31, 2024.

During the last eight quarters, the comprehensive loss ranged from a loss of $779,961 for the quarter ended February 28, 2023, to a gain of $319,363 for the quarter ended August 31, 2024, mostly from a combination of gains on revaluation of fair values on remaining financial assets and convertible debenture. However, some operating expenses, like advertising, share-based compensation, accounting and audit expenses, have had substantial fluctuations. Advertising expenses depend on activities related to fund sourcing from institutional and foreign investors. Changes in share-based compensation are due to timing differences in vesting periods during the periods. In general, operating expenses decreased mainly due to the reduced corporate activities and concentration of the efforts on exploration of the Company's Pilar Project.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity markets.

The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	August 31, 2024	August 31, 2023 *(As restated)*
	$	$
Working capital deficit	(1,374,683)	(1,268,583)
Deficit	(8,438,584)	(7,267,121)

At August 31, 2024, the Company had cash of $101,639 (2023– $20,825) and a working capital deficit of $1,374,683 (2023 – $1,268,583, as restated). The working capital deficit increased due to a $691,862 decrease in current assets from $1,575,111 as at August 31, 2023, to $883,249 as at August 31, 2024. The largest change was associated with a $676,845 decrease in fair value of financial assets from $1,355,240 as at August 31, 2023, to $678,395 as at August 31, 2024, arising from the revaluation of Sorbie 3 Settlement cashflows to be settled within 12-month period and the absence of cashflows from Sorbie 1 Settlement and Sorbie 2 Settlement having matured during the year ended August 31, 2024. The Company's receivables decreased from $134,859 at August 31, 2023, to $60,785 at August 31, 2024, and prepaid expenses decreased from $64,187 at August 31, 2023 to $42,430 at August 31, 2024.

The working capital was also affected by the decrease in current liabilities of $585,762 mainly from a $1,183,099 decrease in debenture payable to $775,205 (2023 – $1,958,304). The fair value of debenture payable decreased as a result of the exercise of 1,380 Sorbie Notes during the year ended August 31, 2024, and the change in the price of the Company's common shares from $0.57 at August 31, 2023 to $0.435 at August 31, 2024. The increase in working capital deficit was further affected by increased accounts payable and accrued liabilities of $879,268 (2023 – $366,304), mostly related to outstanding exploration expenditures, and increased amounts due to related parties of $603,459 (2023 – $519,086).

Cash Flows for the Years ended August 31, 2024 and 2023

	Year Ended August 31, 2024	Year Ended August 31, 2023 *(As restated)*
	$	$
Net cash used in operating activities	(1,263,543)	(1,076,803)
Net cash provided by financing activities	2,891,847	1,962,626
Net cash used in investing activities	(1,547,006)	(951,437)
Change in cash during the period	**81,298**	**(65,614)**

Cash Flows Used in Operating Activities

During the year ended August 31, 2024, the Company used $1,263,543 (2023 – $1,076,803) to cover its operating activities. The cash was used to cover the Company's cash operating expenses of $1,197,212 (2023 – $1,453,310, as restated), which was determined as the Company's net loss of $1,171,463 (2023 – $2,468,378, as restated) adjusted for non-cash items of $25,749 (2023 – $1,015,068), to decrease its due to related parties by $38,787 (2023 – $30,800), decrease its accounts payable and accrued liabilities by $48,566 (2023 – $225,767 increase), and to increase its amounts receivable by $735 (2023 – $20,671 increase). These uses of cash were in part offset by a $21,757 decrease in prepaid expenses (2023 - $202,211).

Cash Flows Provided by Financing Activities

Net cash provided by financing activities during the year ended August 31, 2024, was $2,891,847 (2023 – $1,962,626). Of this amount, $1,550,399 was generated from shares issued for private placements (2023 – $553,481), $4,725 was generated from the exercise of warrants (2023 – $5,760 was generated from warrant exercises, and $11,563 was generated from the exercise of options), and $1,336,723 (2023 – $1,391,822) were received from Sorbie Monthly Settlements.

Cash Flows Used in Investing Activities

Net cash used in investing activities during the year ended August 31, 2024, was $1,547,006 (2023 – $951,437) of which $574,936 was used to acquire an interest in the Pilar and El Picacho Projects (2023 - $136,102), and the balance was used to pay for drilling programs and other deferred exploration costs on these properties.

Management of Capital

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution of the ownership interests of the Company's shareholders and may result in dilution of the value of such interests.

The Company does not have sufficient funds to cover anticipated administrative expenses and exploration-related activities to be conducted throughout the current fiscal year and will continue to engage in fund sourcing and financing activities to ensure adequate funds to cover, aside from working capital and exploration expenditures, its financial commitments from property option agreements, financial obligations from its current financial liabilities, or unforeseen liquidity requirements.

Sensitivity Analysis on Sorbie Transactions

The following table illustrates the impact of a 10 % increase and a 10% decrease in the Company's share price on the fair value of the financial assets and financial liabilities from Sorbie transactions:

Transactions	Fair Market Value as at August 31, 2024	10% Share Price Increase	10% Share Price Decrease
Monthly Settlements- April 2024	$ 1,130,734	$ 1,244,344	$ 1,019,121
	$ 1,130,734	**$ 1,244,344**	**$ 1,019,121**

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the years ended August 31, 2024 and August 31, 2023 was as follows:

Description	August 31, 2024	August 31, 2023
Advertising and promotions	$ –	$ 23,173
Consulting fees	12,000	26,000
Deferred exploration expenditures	384,987	448,594
Finders' fees	–	34,262
Management fees	48,000	48,000
Share-based compensation	40,683	396,701
	$ 485,670	**$ 976,730**

Related party balances

During the year ended August 31, 2024, the Company incurred $48,000 (2023 – $48,000) in management fees and $12,000 (2023 – $12,000) in deferred exploration expenditures to a company controlled by the CEO. As at August 31, 2024, $549 was due from the related party (2023 – balance payable to the related party of $46,143).

During the year ended August 31, 2024, the Company incurred $372,987 (2023 – $436,594) in deferred exploration expenditures to a company controlled by a director including $48,926 or US$36,000 (2023 – $48,711 or US$36,000) in geological and consulting fees. As at August 31, 2024, $604,294 (2023 – $462,143) was owed to the related party.

During the year ended August 31, 2024, the Company incurred $12,000 (2023 – $12,000) in consulting fees to the Company's CFO. As at August 31, 2024, $17 (2023 – $Nil) was owed to the CFO.

As at August 31, 2024, $Nil (2023 – $10,800) was owed to the former CEO.

All amounts due to related parties are unsecured, non-interest bearing, and with no fixed repayment terms.

CHANGES IN ACCOUNTING POLICIES

The accounting policies set out below and in the Company's consolidated financial statements have been applied consistently to all periods presented in the consolidated financial statements.

Material Accounting Policies

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, the condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional currency of the Company is the Canadian dollar. The functional currency of Burgencio is also the Canadian dollar, which is determined to be the currency of the primary economic environment in which Burgencio operates. All amounts in the consolidated financial statements are expressed in Canadian dollars, the Company's reporting currency.

All significant accounting policies adopted by the Company have been described in the notes to the condensed consolidated interim financial statements for the year ended August 31, 2024.

RETROSPECTIVE RESTATEMENT

The 2023 and 2022 comparative figures have been restated for the correction of errors as disclosed in Note 15 of the annual consolidated financial statements for the year ended August 31, 2024.

FINANCIAL INSTRUMENTS

Fair Values

The Company's financial instruments consist of cash, GST, VAT and other receivable, accounts payable and accrued liabilities and amounts due to related parties. The fair values of these financial instruments approximate their carrying values because of their current nature. Financial assets at fair value through profit and loss are revalued at each reporting date based on the three levels of a fair value hierarchy.

The following table summarizes the carrying values of the Company's financial instruments:

	August 31, 2024	August 31, 2023
Financial assets at amortized cost (i)	$ 162,424	$ 155,684
Financial assets at fair value through profit and loss (ii)	$ 1,130,734	$ 1,355,240
Financial liabilities at amortized cost (iii)	$ 1,482,728	$ 885,390
Financial liabilities at fair value through profit and loss (iv)	$ 775,205	$ 1,958,304

(i) Cash, amounts receivable, and due from related parties
(ii) Monthly Settlements resulting from Sorbie Transactions
(iii) Due to related parties and accounts payable
(iv) Debenture payable issued as a result of Sorbie Transactions

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution and GST receivable from the Government of Canada and amounts due from a related party. As such the Company's credit risk exposure is minimal.

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 manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. The Sorbie Notes mature on June 28, 2025, however, will only be settled through conversion to shares. The warrants payable can only be settled in shares. The Company's other financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

As at August 31, 2024, the Company was exposed to foreign currency risk through the following financial assets and liabilities denominated in foreign source currencies, converted to Canadian Dollars at the prevailing rate at the end of the reporting year.

			+ /- 10% Fluctuation	
As of August 31, 2024	**CAD Equivalent**	**Currency**	**Increase**	**(Decrease)**
Cash	$ 16,440	USD	$ 1,644	$ (1,644)
Cash	627	MXN	63	(63)
Accounts payable and accrued liabilities	(653,786)	USD	(65,379)	65,379
Accounts payable and accrued liabilities	(405)	MXN	(41)	41
Accounts payable and accrued liabilities	(2,984)	EURO	(298)	298
Due to related parties	(603,459)	USD	(60,346)	60,346
Total	**$ (1,243,567)**		**$ (124,357)**	**$ 124,357**

Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

Equity Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company. The Company has exposure to equity price risk since the settlement amounts from Sorbie transactions are affected by the movement of the Company's share price. Marketable securities (Cascade Shares) and dividends payable, however, will have no price risk impact as the securities have been distributed to its shareholders before the fiscal year-end.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at August 31, 2024.

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Please refer to Note 3 in the consolidated financial statements for the years ended August 31, 2024 and 2023, for a description of the capitalized exploration and development costs on the Pilar and El Picacho properties. For a description of the general and administrative expenses, please refer to the statement of comprehensive loss contained in the consolidated financial statements for the years ended August 31, 2024 and 2023.

SHARES ISSUANCES

On November 1, 2023, the Company issued 854,000 common shares to Sorbie upon the conversion of 700 Sorbie Notes, with a fair value of $380,030 (Note 10).

On November 28, 2023, the Company closed the first tranche of a non-brokered private placement issuing 820,000 units for gross proceeds of $369,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.60 per share exercisable within 24 months from the issuance date. The warrants were valued at $8,200 using the residual method and recorded in reserves.

In connection with the closing of the first tranche of the private placement, the Company paid a total of $32,400 in cash finders' fees, $7,500 in legal fees, and issued 72,000 finders' warrants. Each finders' warrant entitles the holder to acquire one additional common share at $0.44 per share exercisable within 24 months from the closing of the first tranche. The finders' warrants were valued at $12,733 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.44
Exercise price	$0.45
Exercise term	24 months
Risk free rate	4.29%
Volatility	70.70%

On December 11, 2023, the Company closed the second and final tranche of the non-brokered private placement, issuing 680,333 units for gross proceeds of $306,150. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.60 per share, for 24 months from the closing date. The warrants were valued at $23,812 using the residual method and recorded in reserves.
In relation to the second tranche of the private placement, the Company paid $5,550 in legal fees and $15,165 in finders'

fees; in addition, the Company issued 33,700 finders' warrants. Each finders' warrant entitles the holder to acquire one additional common share at $0.45 per share exercisable within 24 months from the closing of the second tranche. The finders' warrants were valued at $5,363 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.415
Exercise price	$0.45
Exercise term	24 months
Risk free rate	4.18%
Volatility	70.66%

On December 12, 2023, the Company issued 5,387 common shares valued at $2,397 to settle $2,397 interest payable on Sorbie Notes.

On December 19, 2023, the Company issued 525,000 common shares valued at $210,000 to Colibri in accordance with Section 9 (Anti-Dilution Clause) of Pilar Agreement (Note 4).

On February 2, 2024, the Company issued 829,600 common shares to Sorbie upon the conversion of 680 Sorbie Notes, with a fair value of $306,952 (Note 10) and 10,977 common shares valued at $4,062 to settle $4,062 interest payable on Sorbie Notes.

On April 24, 2024, the Company closed the first tranche of a non-brokered private placement issuing 1,713,800 units at $0.35 per unit for gross proceeds of $599,830. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.50 per share, exercisable within 36 months from the closing of the first tranche, subject to accelerated expiry provisions. The warrants were valued at $nil using the residual method.

In relation to the private placement, the Company paid a total of $10,000 in legal fees and $52,885 in cash finders' fees and issued 151,000 finders' warrants exercisable at $0.35 per common share, expiring on April 24, 2027. The finders' warrants were valued at $26,935 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.35
Exercise price	$0.35
Exercise term	36 months
Risk free rate	4.16%
Volatility	73.77%

Concurrently with closing of April 24, 2024, private placement, the Company issued 4,585,714 units to Sorbie in exchange for the Sorbie 3 Settlement payments over the 24 months pursuant to the terms and conditions of Sorbie 3 Transaction. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable at $0.50 per share and expires on April 24, 2027. The units were valued based on the fair value of expected Sorbie 3 Settlements, which was determined to be $1,116,398 using Monte Carlo Simulation (Note 5).

On May 8, 2024, the Company closed its second and final tranche of the non-brokered private placement issuing 1,201,600 units for gross proceeds of $420,560 at $0.35 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at $0.50 per share, exercisable within 36 months from the closing date, subject to accelerated expiry provisions. The Company paid $10,000 in legal fees and $11,641 in cash finders' fees and issued 33,260 finders' warrants exercisable at $0.35 per common share, expiring on May 8, 2027. The finders' warrants were valued at $5,923 using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.35
Exercise price	$0.35
Exercise term	36 months
Risk free rate	4.06%
Volatility	73.54%

On June 26, 2024, the Company issued 10,500 common shares on the exercise of finders' warrants for gross proceeds of $4,725.

On August 8, 2024, the Company issued 250,000 shares valued at $120,000 to Suaqui Verde Properties in relation to the Pilar landholding expansion.

On October 18, 2024, 38,595 common shares were issued on exercise of finders' warrants at $0.35 per share for total gross proceeds of $13,508.

On October 21, 2024, 28,500 common shares were issued on exercise of subscriber's warrants at $0.50 per share for total gross proceeds of $14,250.

On December 10, 2024, the Company issued 4,012,500 units to Sorbie in relation to a private placement of $1,800,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.75 within 36 months from the closing date. The proceeds of the offering will be paid out to the Company over 24 monthly cash payments (the "Sorbie 4 Settlement") that are measured against a benchmark price of $0.66 per share (the "Sorbie 4 Benchmark") with a set number of shares totaling $1,800,000 at the Sorbie 4 Benchmark. The actual cash paid out under each Sorbie 4 Settlement is determined based on a VWAP for 20 trading days prior to the Sorbie 4 Settlements. If the measured share price is above the Sorbie 4 Benchmark, the Company receives more than 100% of the expected Sorbie 4 Settlements. However, if the share price is below the Sorbie 4 Benchmark, the Company receives less than 100% of the Sorbie 4 Settlements.

On December 10, the Company issued 636,083 units at a price of $0.48 per unit for gross proceeds of $305,320. Each unit consisted of one common share and one share purchase warrant exercisable at $0.75 within 36 months from the closing date. In relation to the private placement, the Company paid $24,696 as finders' fees and issued 51,450 finders' warrants exercisable at $0.48 per common share for a period of 36 months from the closing date.

On December 27, 2024, the Company issued 500,000 common shares to Suaqui Verde Properties, S.A. De C.V. under its share issuance commitment included in SV Agreement.

OUTSTANDING SHARE DATA

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares issued or issuable
Common shares	56,187,697
Stock options	3,112,500
Warrants	16,492,546
	76,292,743

BUSINESS RISKS

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada/United States/Mexico exchange rates, all of which are beyond the Company's control.

- Inflation and other economic factors beyond the Company's control may cause an increase in costs and expenses, resulting in the Company being unable to complete its objectives with its currently available funds, if at all, which may have an adverse impact on the Company's operations.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to acquire and maintain its exchange listing.

- The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the interim condensed financial statements.

FURTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.