Highlander Silver Corp.
(An Exploration Stage Company)

Management's Discussion and Analysis (MD&A)

For the nine months ended

June 30, 2024

This Management's Discussion and Analysis ("MD&A") of Highlander Silver Corp. (the "Company" or "Highlander") is the Company's initial MD&A, and provides information on the Company's business activities, financial condition, financial performance, cash flows and outlook for the nine months ended June 30, 2024, and to the date of this MD&A. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") in Canadian dollars, unless otherwise indicated. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4" respectively. The following information should be read in conjunction with the Company's consolidated audited financial statements for the year ended September 30, 2023, and 2022 (the "Financial Statements").

The Company's main corporate strategy is to advance its mineral properties to a drill-ready stage and then conduct exploration and evaluation. The Company has not yet determined whether its mineral property interests contain mineral reserves that are economically viable. The Company's continued operations, and the underlying value and recoverability of the amounts shown for mineral property interests, are entirely dependent upon the existence of economically recoverable mineral reserves of the Company and those in which it holds a mineral property or shareholder interest. The continued exploration and development of projects will depend on it receiving future cash flows from its ability to obtain share capital financing.

Additional information regarding the Company is available on SEDAR at www.sedar.com, and the Company's website www.highlandersilver.com. This MD&A has been prepared effective as of August 29, 2024.

On August 12, 2021, 1303554 B.C. Ltd. ("Subco") acquired all of the issued and outstanding common shares of CAPPEX Mineral Ventures Inc. ("CAPPEX") a private British Columbia exploration and evaluation company incorporated on September 20, 2017. The acquisition was completed by entering into a Business Combination (the "Business Combination") with CAPPEX and Subco that resulted in a reverse takeover ("RTO") of the Company by CAPPEX. The Business Combination was structured as a three-cornered amalgamation, whereby CAPPEX and Subco amalgamated, and the securities of the amalgamated company were acquired by the Company in exchange for the issuance of securities of the Company to the former securityholders of CAPPEX. The Transaction was accounted for as an RTO of the Company by CAPPEX for accounting purposes, with CAPPEX being identified as the accounting acquirer, and accordingly, these financial statements are a continuation of CAPPEX. The net assets of the Company at the date of the RTO are deemed to have been acquired by CAPPEX. These consolidated financial statements (the "financial statements") include the results of operations of the Company since August 12, 2021. The comparative figures are those of CAPPEX prior to the RTO. At the time of the transaction the Company continued its financial year end

Forward-looking statements and risk factors

This MD&A contains forward-looking statements that are related to the Company's activities and future financial results. The results for the current periods are not necessarily indicative of the results for any future period. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance as the mineral exploration business is not without risk and most exploration projects will not become mines. The Company is subject to a number of risks and uncertainties due to the nature of its business and the early stage of its exploration projects. A detailed discussion of risks is presented under *Risk Factors,* below.

The Company disclosure of a technical or scientific nature has been reviewed and approved by a Qualified Person ("QP") Greame Lyall under the definition of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

Acquisition of Reliant Ventures S.A.C.

On May 23, 2024, the Company completed the acquisition of 100% of the shares of Reliant Ventures S.A.C. ("Reliant"), a private Peruvian company that holds the San Luis Project, located in the Ancash department of central Peru. The acquisition was made pursuant to a share purchase agreement with SSR Mining Inc. ("SSR Mining"). The total consideration for the acquisition included an initial payment of USD $5,000,000 (CAD $6,978,100) in cash, with additional contingent consideration of up to USD $37,500,000 based on achieving specific project milestones (see below).

The acquisition of the San Luis Properties constitutes an asset acquisition and has been accounted for under the acquisition method, as outlined in IFRS 3, Business Combinations. However, since the assets acquired did not qualify as a business under IFRS 3, the acquisition has been treated as a purchase of individual assets and liabilities.

The allocation of the purchase price to the assets acquired and liabilities assumed is based on their estimated fair values as of the acquisition date. The assets, liabilities, and operations of the San Luis Properties have been included in the Company's consolidated financial statements starting from May 23, 2024.

Reliant' s assets, liabilities, and operations from May 23, 2024, were included in the financial statements.

Net assets (liabilities) of Reliant acquired:	**May 23, 2024** **$**
Cash	167,237
Receivables and prepayments	212,124
Value added tax - long term	5,071,608
Property and equipment	52,186
Mineral property interests	7,721,680
Accounts payable and accrued liabilities	(437,125)
Reclamation provision - long term	(520,134)
Deferred income tax	(1,696,787)
Net assets acquired	**10,570,789**

Consideration paid on asset acquisition:	**$**
Cash	6,978,100
Contingent consideration	3,412,275
Transaction costs - cash	180,414
Total consideration paid	**10,570,789**

The contingent consideration is structured around achieving specific operational milestones:

1. $2,500,000 USD upon commencement of an initial drilling program. ("Milestone 1")
2. $5,000,000 USD upon completion of a feasibility study. ("Milestone 2")
3. $10,000,000 USD upon the beginning of commercial production. ("Milestone 3")
4. $10,000,000 USD on the first anniversary of commercial production. ("Milestone 4")
5. $10,000,000 USD on the second anniversary of commercial production. ("Milestone 5")

Consideration payable is comprised of the $2,500,000 USD ($3,412,275 CDN) payable upon commencement of an initial drilling program. Given the current stage of the project and the uncertainty surrounding the achievement of Milestones 2, 3, 4, and 5, it is not possible to reliably estimate the probability of these events occurring. As a result, only Milestone 1, which is considered highly probable, will be recognized as part of the contingent consideration.

The Company recognizes a provision for environmental restoration and for the closure of its mining units corresponding to its legal obligation to restore the environment at the end of its operations. At the date of initial recognition of the liability arising from this obligation, measured at the estimated future value discounted to its present value.

Mineral properties and business update

San Luis

Following extensive due diligence across technical, environmental, social and corporate domains, including a site visit to the San Luis project, the company announced that it was entering into a share purchase agreement with SSR Mining to acquire the San Luis project (see news release of November 30th, 2023). The project is located in the Ancash Department, which is well-known for mining in Peru with major past and present production from the Pierina gold mine and Antamina copper-zinc mine, respectively.

This transformational acquisition includes a historical high-grade gold – silver Measured and Indicated resource of 348,000 ounces (oz) of gold (Au) grading 22.4 g/t Au, and 9,003,300 oz silver (Ag) grading 578.1 g/t Ag. The resource is hosted within the Ayelen and Ines vein systems and is open in multiple directions. Further, there are multiple targets for growth on the property given limited and focused historical drilling, and undrilled targets supported by highly anomalous (> 4 g/t Au) trenching and rock samples. The extensive ground holding totaling 23,098 Ha has yet to be systematically explored with many structures that have not yet been sampled providing further exploration potential. Given this, Highlander Silver will implement a comprehensive program of geological mapping and sampling to develop a technical assessment of the discovery potential before more focused exploration on the highest priority targets.

Community access agreements have been established by previous operators. As a new operator, the Company recognizes the opportunity to establish fresh long-term mutually beneficial relationships with the local communities and will strive to do this from the outset.

Financing for this transformative acquisition is backstopped by the Augusta Group and members of the Lundin family.

Pursuant to the Share Purchase Agreement the Company has agreed to purchase the San Luis Project from SSR Mining through the purchase of SSR Mining's direct and indirect shareholdings of four subsidiary companies, in consideration for an initial payment of US$5,000,000 in cash (paid) or US$7,500,000 in common shares of the Company, or a combination thereof, (the "Initial Consideration"). If any portion of the Initial Consideration is paid in common shares of the Company, such number of common shares will not exceed 4.9% of the Company's issued and outstanding common shares as at the closing date.

The Company may pay up to an additional US$37,500,000 in cash to SSR Mining as contingent consideration (the "Contingent Consideration") upon completion of certain milestones in relation to the San Luis Project. The Contingent Consideration is only accrued and payable if and when the following milestones are achieved:

(a) $2,500,000, after the commencement of an initial drilling program at the San Luis Project;
(b) $5,000,000 after the completion of a feasibility study on any portion of the San Luis Project;
(c) $10,000,000 after the beginning of commercial production;
(d) $10,000,000 after the first anniversary of commercial production; and
(e) $10,000,000 after the second anniversary of commercial production.

Pursuant to the Share Purchase Agreement, a 4% net smelter returns royalty (the "Royalty") on the San Luis Project is to be granted to SSR Mining prior to closing of the Transaction. At any time before the commencement of mine construction on the San Luis Project, the Company may buy back half of the Royalty for US$15,000,000, which if, exercised, would reduce SSR Mining's royalty interest to 2%.

Closing of the Transaction was completed after market hours on May 22nd, 2024, and announced via news release on May 23rd 2024.

Fieldwork

Highlander´s technical team commenced field reconnaissance of the San Luis project during July 2024. Several targets were reviewed to understand mineralization types and structural settings. Fieldwork took place in the Miramar sector of the Cochabamba community with the following outputs:

- **San Simón:** two (02) mineralized structures: (1) NNW-trending structure (<0.80m wide and up to 150m long, composed by quartz-pyrite-arsenopyrite±sphalerite and quartz±sulfides alteration halo. (2) NNE-trending structure (<0.40m wide and up to 50m long) containing quartz-chalcopyrite-pyrite-chlorite. Rock chip samples show a polymetallic signature with high Au-Ag-As and Zn>Pb>Cu, selected samples: 0.8 m @ 1.17 g/t Au, 34 g/t Ag, 1% As, 284 g/t Pb and 4,940 g/t Zn, and 0.6 m @ 1.02 g/t Au, 31 g/t Ag, 1.2 % As, 740 g/t Pb and 5,780 g/t Zn.
- **Cerro Colorado (Huinchos):** NE-trending structure (<1m wide and 250m long) composed by three (03) veinlets (<10cm in thickness) with an assemblage of pyrite-arsenopyrite-galena-sphalerite. The structure is hosted at the contact between a rhyolitic dyke and a sequence of andesitic tuffs. Surface geochemistry shows polymetallic signature with high Au, Ag, As and base metals. Samples from old mine dumps assay 36.9 g/t Au, 110 g/t Ag, 7.64% As, 0.89% Pb and 0.65% Zn, and 20.8 g/t Au, 1,485 g/t Ag, 3.73% As, 0.47% Pb and 1.56% Zn.
- **Sheyla:** NNW vein controlled by a normal fault and hosted by andesitic lava flow. Vein infill is cockade and comb quartz without sulfides. Rock chip samples show no Au and Ag anomalies.
- **Regina:** cockade and comb quartz vein (<3m in thickness) with subordinate sphalerite-galena emplaced in NNW fault along a rhyolitic dyke cutting andesitic lava flow and andesitic tuff. Historical rock chip samples show very low metal values with <0.2 g/t Au and <21 g/t Ag.
- **Yanacoto:** contains a NE-trending massive sulfide vein (pyrrhotite-galena), between 0.2 – 0.3 m thick, hosted by andesitic lava flow. Surface geochemistry show low Au content but up to 216 g/t Ag and 10% Pb.

In general, the reviewed areas show thin and discontinuous veins and veinlets, partially covered by soil and alluvial sediments, and more detailed fieldwork is required to correctly evaluate their potential.

Proposed Exploration program

Planned exploration will be focused on the under-explored San Luis vein field that comprises more than 5 km of combined vein strike length of en-echelon vein structures striking west-northwest to northwest. The Au-Ag epithermal vein field has potential to extend to the north and northwest of the known veins where surface exploration has not been completed, and from the Ayelén-Inés bonanza grade historical resource area to the Bonita target along an unexplored north-south corridor approximately 10 km long and 5 km wide for a total area of about 50 km².
The San Luis mineralized vein structures have continuous strike lengths over hundreds of metres and down-dip extents, based on drilling intercepts, exceeding 300 m. Vein thicknesses vary considerably due to local faulting, shearing and dyking, and range in true width from 50 cm to more than 10 m but commonly average 1.5 m to 3.5 m. Mineralogical and textural features of the veins structures are consistent with a low sulphidation epithermal origin, which are controlled and hosted by normal faults that are sub-vertical to moderately inclined to the northeast.
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The first exploration target to be developed is the Bonita target and surrounding area, which includes a NW trending complex structure comprising a 600 m long array of veins/veinlets between 0.5 to 5 m wide and 50 to 200 m long of massive to crustiform quartz with fine-grained sulphides (mostly pyrite), free gold and electrum. Previous rock chip and channel sampling returned high grade Au, with a low Ag/Au ratio (around 5:1). The Bonita vein system has limited drilling, with just two historic drill holes including BOD-001, which returned 35.25 m of 5.54 g/t Au and 25.43 g/t Ag, from 19.1 m downhole, including 3.2 m @ 30.2 g/t Au and 114.8 g/t Ag. Au grades from historic drilling and trenching plus the strike length are similar to the Ayelén vein system. Fieldwork will include detailed mapping and systematic channel sampling of the known mineralized structures and also prospecting work at the adjacent areas, with the final objective of defining drill targets.

La Estrella

On August 10, 2021, the Company purchased from Minera Ares S.A.C. the Estrella 001 exploration concession located in the Huancavelica Department of central Peru for a cash payment of CAD$3,701 (US$2,700), being payment of the administrative costs. Minera Ares retains a 2% NSR on metallic minerals production and Highlander Silver has a right to buy back the first 1% for USD$200,000 and the second 1% for USD$300,000, for a total of USD$500,000. Subsequently, on September 10, 2021 Highlander´s local Peruvian subsidiary Minera CAPPEX S.A.C. closed the Transfer Agreement to acquire the 400 hectare, (untitled) Estrella 001 concession. The company continued to monitor the surrounding area and on November 2, 2022 – Minera CAPPEX S.A.C. filed a concession application for a key 200 hectare area contiguous with Estrella 001. Four other parties filed simultaneously. In accordance with Peruvian mining law, this triggered a state-run auction with closed envelope bids to decide which entity will be the holder of the mineral rights.

As announced in a News Release on March 23, 2023, the Estrella 002 concession was acquired via auction with the Peruvian Mining Authority for consideration of USD$31,000. Th mining title was formally registered with the mining authority in Q4 2023. In addition, the Company acquired the La Estrella project data base including diamond drill core, assay results and laboratory certificates from Alianza Minerals Ltd. in consideration for the payment of CAD$ 15,000 and the issuance of 75,000 common shares of Highlander Silver.

The La Estrella project is located in the Huancavelica Department, Central Peru, about 250 km ESE of Lima, on the eastern slope of the Western Cordillera. It is within the prolific Miocene polymetallic belt, approximately 34 km NNE of the Julcani Mine, which has produced over 105 million ounces of silver from high grade vein mineralisation averaging 16 ounces per ton since production started by Buenaventura in 1953 (Hector Barrionuevo, Julcani – Mina emblematica de Minas Buenaventura con 63 años de operación. PERU XVIII Peruvian Geological Congress).

Mineralisation at La Estrella occurs spatially and genetically associated with a sequence of volcanic and subvolcanic rocks, comprising coarse fragmental dome-diatreme andesite, massive porphyritic andesite and dacite dome facies, with late stage emplacement of amygdaloidal, biotite-feldspar porphyritic lamprophyre dykes and sills. These rocks lie on the hanging wall of a west-dipping fault, against redbeds of the Permo-Triassic Mitu Formation.

From 2003 to 2012 a total of 8,500 m was drilled in 41 holes defining a NNE tabular, west dipping mineralised system approximately 1,800 m long north to south, up to 300 m wide east to west, and 200 m thick. The deposit, which is open to the north, south and also down dip to the west, consists of multi-episodic polymetallic (Ag-Au ±Pb ±Zn ±Cu) intermediate sulphidation epithermal mineralisation that often starts in drill holes within a few metres from surface.

During Q2 2023, the Company developed 3D geological models of the (Ag-Au ±Pb ±Zn ±Cu) mineralization using the available drilling information and interpreted geological controls. Potential extensions to the mineralized envelopes have been used to outline a near surface exploration target of 15 to 35 Mt averaging between 50 and 60 g/t Ag, and 0.4 to 0.6 g/t Au containing some 25 to 60 Moz Ag and 0.2 to 0.7 Moz Au.

The potential quantity and grade of the exploration target is conceptual in nature, and more exploration is required to define a mineral resource. Important aspects such as metallurgical processing options need to be investigated to evaluate potential recoveries of Ag and Au. As such, it is uncertain if this work will result in the target being delineated as a mineral resource. In addition, further drilling will be required to investigate the extensions and continuity of the mineralization.

Geological Model

During Q3 2023, the Company relogged drill core and conducted surface mapping to develop detailed geological model. The following understanding of controls on mineralisation was developed as a key component of the model:

Hydrothermal alteration and mineralisation at La Estrella are associated with a dacitic to andesitic dome complex intruded along transtensional zones, exploiting the rheologic contrast between limestones and red beds. The dome complex is more than 2 km long in the North to South direction and has a maximum width of 900 m, dipping about 35° West, and it is formed by numerous, irregular intrusion facies, where earlier basal facies are overlain by younger facies.

The dome complex is cut by NE faults producing uplifted and down dropped blocks, with maximum measured displacements of about 80 m. These faults probably acted simultaneously with dome emplacement, acting as upflow channels of the hydrothermal fluids, and exert control on the alteration and mineralisation distribution.

Hydrothermal alteration is mostly hosted within the early facies of the dome complex, with a large, silicified core surrounded by strong quartz-sericite alteration and an outer halo of weaker illite-kaolinite or chlorite alteration.

Hydrothermal alteration is pervasive affecting the vitreous-rich early dome facies and follows upflow channels through a set of North-South and Northeast structures.

The mineralisation is found in disseminated and vein forms, associated with silicification and quartz-sericite alteration.

There are 2 stages of mineralisation: 1. Early stage and 2. Epithermal stage.

1. Early stage: Related to a late-stage magmatic derived, high temperature hydrothermal fluid, introduced into the dome complex shortly after emplacement, forming a large footprint of ~2,000 m x 600 m controlled by NE and N-S structures. Mineralisation of Au±Cu±As is associated with medium-coarse pyrite, within veinlets, disseminated, cementing hydrothermal breccias or as quartz vein halos.

2. Epithermal stage: Later than the Early stage, consists mainly of quartz with fine-grained dark sulphides (pyrite-Ag sulphosalts and scarce galena and chalcopyrite) with polymetallic mineralisation of Ag±Au-Pb>Cu>Zn. The epithermal stage is commonly emplaced in discontinuous and thin structures, and as diffuse halos around early-stage pyrite, mainly related to NE upflow structures.

Proposed Drill program

The understanding gained from development of the 3D geologic model enables targeting of the most prospective areas for economic mineralisation. The upcoming drill program will have two main objectives: a) expand the zone of known Ag-Au mineralsation and b) target structurally favorable zones for high grade feeder potential.

Drill permits

The FTA (Ficha Técnica ambiental) environmental instrument for La Estrella project was approved on March 26th, 2024, by Resolution 167-2024 of the MINEM (Ministry of Energy and Mines). The FTA is initially active for a period of 14 months and the Company is allowed to build and drill 15 new drill pads within the authorized areas. All authorized exploration areas lie within Los Andes Community with which the Company has an agreement in place.

The water permit request was presented on April 2nd to the Local water authority at Huancavelica and was granted on May 12th, 2024. The water permit is valid through July 2025 and can be extended to July 2026.The final permit required, called the "Inicio de Actividades" (Start of Activities), is currently under evaluation by the Social Management Office of the Peruvian government, and the company is expecting a resolution over the next few months. Originally all drill permits were anticipated by Q2 2024, with drill mobilization also anticipated in Q2 2024, however, due to delays in the permit concession, the drill program is also delayed until the "Inicio de Actividades" is granted. The Company is working closely with the Mining Authority to work through this process.

Community relations

Community engagement work continues. On October 2nd, 2023, the Company signed a two-year exploration agreement with the Los Andes community for approximately $7,200. With this agreement in place, the Company has access to the planned drill sites. On January 7th, 2024, an exploration agreement was agreed in public assembly with the Añancusi community for approximately $7,000, signing and payment is still pending and will be formalized in the upcoming months. On January 15th, 2024, a two year exploration agreement was signed with the San Antonio de Añallya community for approximately $2,800. The Company has a permanent presence in the community, carrying out informative meetings, and also promoting economic and cultural activities for all Community members.

Community engagement work continues, and on October 2nd, 2023, the Company signed a two-year exploration agreement with the Los Andes community for approximately CAD$7,200. With this agreement in place, the Company has access to the planned drill sites. On January 7th, 2024, an exploration agreement was agreed in public assembly with the Añancusi community for approximately CAD$7,000, signing and payment is anticipated over the coming weeks. On January 15th, 2024, a two year exploration agreement was signed with the San Antonio de Añallya community for approximately CAD$2,800.

Alta Victoria

The mining lease agreement connected with the Alta Victoria project expired on December 4th, 2023, therefore the Company will not be conducting any further exploration on the project.

During 2023, the Company announced the acquisition of two new, high quality projects namely La Estrella (News Release of March 23rd, 2023) and San Luis (News release of November 30th, 2023). Following a strategic review of the Company´s mineral project portfolio, and the need to focus resources on projects that have the highest probability of creating shareholder value, the decision was taken to allow the mining lease at Alta Victoria to lapse.

Property Location

The Alta Victoria Project is located 160 kilometres NE of Lima, the capital city of Perú. The property covers 3,215 hectares, recently reduced from 6,476 hectares straddling the continental divide which defines the departmental borders separating the Lima Department to the west, from the Department of Junín on the eastern slope. The majority of the concession block lies inside of the Junín Department under local jurisdictions of the Yauli Province and District of Marcapomacocha.

Road access links the property to Lima via the town of Canta. Average elevation of the project area is 4,700m above msl. The local community "Comunidad Campesina San Francisco de Asis de Yantac" sits within the concession block with whom the Company holds an ongoing surface access rights agreement.

Alta Victoria is comprised of two claim blocks, the 2,186.17-hectare Minera Yantac block and 1,900 hectares staked and 100% owned by the Company. All concessions are currently in good standing with regards to the option payments and governmental license fees.

Underlying Agreements

Pursuant to an Option Agreement between the Company and the shareholders of Minera Yantac S.A.C.("Minera") dated December 26, 2018, as amended July 27, 2020, and subsequently on January 5th 2023 the Company has the option to acquire Minera Yantac, holder of 10 of the concessions, by paying a total of US$5,000,000 over eleven years and two months. Under the Option Agreement a portion of the payments are to be made to the prior owners of the Alta Victoria Project, with the balance paid to the shareholders of Minera Yantac.

The Company has paid and is required to make the following payments:

- US$60,000 (paid);
- US$5,000 per month for 32 months from August 2018 to March 2020 and from August 2020 to July 2021 (a total of US$160,000, of which US$125,000 has been paid in cash and US$30,000 was satisfied by the issuance of securities, described below);
- US$10,000 per month from August 2021 to February 2023 (total US$190,000 – paid);
- Monthly payments are suspended for up to 18 months from March 2023 to August 2024. They resume at US$5,000 per month from September 2024 until July 2028 (a total of US$235,000); and
- US$4,355,000 on August 4, 2028.

The parties agreed to suspend the payments under the Option Agreement and Transfer Agreement for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

The parties agreed to suspend the payments for the months of April, May, June and July 2020 as a result of the COVID-19 pandemic.

Pursuant to an agreement dated July 27, 2020, the Company issued 200,001 units consisting of one common share and one share purchase warrant at a deemed price of US$0.15. The warrants are exercisable at C$0.25 per the Company Share until July 20, 2022 (these warrants have expired unexercised).

Work Commitment and Royalty

The Alta Victoria Project is subject to a net smelter returns royalty of 1.5% on all metallic metals and 3.00 Peruvian Soles per ton of non-metallic metals produced from the Alta Victoria Project. The net smelter returns royalty was granted by Minera Yantac to Minera Flor de Maria S.A.C., one of the former titleholders of the Alta Victoria Project.

Surface Access

The Company also entered into a surface access agreement with the community of San Francisco de Asis de Yantac in April 2018 for a 2-year term. On January 24, 2020, the company signed a second access 2-year agreement that was extended due to the covid pandemic by four months to May 24, 2022. The Company signed a twelve-month extension to the surface rights agreement effective June 1, 2022. The Company paid s/73,000 (Nuevo Soles) or approximately US$18,850 to the community in execution of this renewed agreement. The Company is currently in discussions with the community to renew the access agreement.

Exploration Status

The Company holds a DIA (Declaración de Impacto Ambiental) class-permit which allows the company to drill from up to 40-platforms over a three-year period. The DIA was suspended by the Company in September 2021. The suspension was maintained for 12 months until September 2022 when a second drilling campaign was completed from September 8 to October 30, 2022. The permit period will subsequently be extended beyond its original termination date of February 2023 by the 12 months it was suspended.

The 2022 drill program comprised 10 diamond drill holes with a total of 1800.50 metres drilled in two target areas 1) Santa Teresita Target Area and 2) Pachas Target Area. Drill hole depths ranged from 103.5 metres to 300 metres. Significant intercepts from this program are shown in the tables below.

Highlander Silver Corp - Santa Teresita Drill Intercepts 2022

Drill Hole	Depth (m)			Thickness (m)	AgEq	Au g/t	Ag g/t	Cu%	Pb %	Zn %	Mn%
	Total	From	To								
AV22-12	160.5	39.00	39.75	0.75	181.90	0.52	38.60	0.04	0.80	1.82	8.11
		71.90	75.9	4.00	153.20	0.08	42.54	0.02	0.96	1.81	15.95
		111.90	114.75	2.85	102.66	0.02	93.52	0.04	0.11	0.14	40.80
AV22-13	156.5	100.35	105.80	5.45	31.08	0.35	1.33	0.00	0.00	0.01	1.48
AV22-14	223.5	58.15	61.34	3.19	119.16	0.19	76.69	0.03	0.31	0.41	39.04
		68.6	76.50	7.90	231.63	0.79	64.53	0.08	0.82	1.82	22.07
AV22-15	103.5	43.1	45.8	2.70	140.76	0.05	98.79	0.04	0.31	0.79	26.23
		53.2	54.9	1.70	92.72	0.03	65.84	0.04	0.26	0.46	24.35
		58.3	60.6	2.30	61.45	0.06	35.90	0.01	0.27	0.42	14.65
		65.3	66.2	0.90	80.09	0.09	39.60	0.01	0.40	0.50	16.54
AV22-16	148.5	No Significant Intercepts									
AV22-17	300	59.45	60.25	0.80	41.60	0.04	41.60	0.01	0.04	0.03	11.11
		100.50	105.20	4.70	178.15	1.13	13.18	0.01	0.25	1.50	1.17
		116.73	120.35	3.62	167.86	0.34	125.42	0.06	0.28	0.12	23.49
		124.57	127.30	2.73	152.29	1.74	4.39	0.00	0.01	0.01	1.75
		207.60	209.00	1.40	143.13	0.02	24.80	0.00	0.11	2.80	1.19

Highlander Silver Corp - Pachas Area Drill Intercepts 2022

Drill Hole	Depth (m)		Thickness (m)	AgEq	Au g/t	Ag g/t	Cu%	Pb %	Zn %
	From	To							
AV22-08	19.10	21.00	1.90	76.05	0.71	15.7	0.02	0.03	0.05
	77.55	78.6	1.05	78.20	0.02	15.0	0.04	0.90	1.54
AV22-09	No Significant Intercepts								
AV22-10	No Significant Intercepts								
AV22-11	130.80	131.95	1.15	113.82	0.12	52.0	0.43	0.11	0.10

Detailed analysis and interpretation of these results were communicated via a News Release on December 28th, 2022. To date on the Alta Victoria Project, 17 drill holes have been executed totaling 4,100.8 metres. To ensure best use of the DIA (Declaración de Impacto Ambiental), the company is once again in the process of suspending the drill permit to extend the expiration date for an additional 6 months. This will move the expiration date of the DIA permit to approximately August 2024. Detailed information on the first drilling campaign from September to November 2020, can be found in the Company's Listing Statement, available at www.sedar.com.

The field work carried out on Alta Victoria between December 2020 and September 2022 focused on refining drill targets for the 2022 drill program and prospecting the large areas that had yet to be evaluated. This work led to the discovery of previously unrecognized outcropping mineralization and significant areas of zinc rich geochemical anomalism in soil. Results of this work was reported in detail in the MD&A of December 2021. This work also served to sterilize areas and has led to allowing concessions covering ground with little exploration potential to expire. Two concessions, Vic Norte III and Sapicancha 1, both covering 600 hectares were allowed to expire. A second review and ranking of prospects was completed in Q1 2023, following which the Company further reduced its property holdings from 6,476 Hectares to 4,086 Hectares, retaining the most prospective areas including the Santa Teresita and Pachas targets, and a significant buffer zone for future development around them. As part of this property reduction, the Company relinquished the Ninarupa prospect (see news release dated May 13, 2022) to focus on the priorities outlined above.

The company continues to evaluate exploration potential across the entire concession holdings. Relinquishing concessions with little exploration potential saves the company annual license fee costs and helps to focus exploration efforts where discovery potential lies.

Environmental monitoring

To comply with Peruvian regulations, a complete environmental monitoring is required every 6 months. To proceed to final project, closure an environmental monitoring was carried out at Alta Victoria. The Company has contracted Certimin to measure all field parameters, including surface waters quality, air quality, noise level, soil quality, hydrobiology and biology. Field work was done during the last week of May 2024 and the results were available by mid-July. With those parameters, Geades Consulting prepared the final report for the Alta Victoria project closure, which was presented to the Ministry of Energy and Mines (MINEM) on August 5th, 2024.

Polituncho

Following a strategic review of the Company´s portfolio, and the decision to focus resources on the highest quality projects, the Company terminated its option to acquire a 100% interest in the Polituncho project. See also news release of July 17, 2023.

The Polituncho property is comprised of two exploration concession applications covering 600 hectares. The Polituncho concession covers 500 hectares covering the main area of interest, while Polituncho 2 covers 100 hectares and is contiguous with the main Polituncho concession. The Polituncho concession has been titled and registered in the public registry. The Polituncho 2 concession has been titled and is in process to be registered in the public registry. The property is located approximately 145 km east of Lima and 15 km southwest of Alta Victoria. The Company announced the signing of a Letter of Intent (LOI) setting out the proposed terms for an Option Agreement to purchase 100% of the Polituncho property on November 30, 2021. The Option Agreement was signed on January 18th, 2022 and amended on February 23rd 2023, extending the term for 6 months and suspending monthly cash payments of US$5,000 for 6 months. The total acquisition costs for 100% ownership of the project increased from US$2,000,000 to US$2,100,000.

The Company can earn 100% ownership of the property by:

- Making a total of US$2,100,000 in cash payments over 4 years to the individual vendor (the "Vendor") as follows:
  - US$5,000 on the signing of the Letter of Intent and US$5,000 on the execution of the Agreement (both paid);
  - US$5,000 per month from January 2022 to February 2023 (total US$70,000 – paid);
  - US$5,000 per month payments from September 2023 to June 2024;
  - US$10,000 per month payments from July 2024 to June 2026;
  - A final US$1,735,000 payment due on July 17th 2026; and
  - Drilling a minimum of 2,500 metres.

Upon completion of a positive feasibility study the Company is required to make a one-time lump sum payment of US$1,000,000 to the Vendor. The Vendor retains a 2% NSR which the Company may buy back for US$500,000 per 1% at its election within six (6) months on declaration of commercial production.

The Company, at its election, can exercise the option to acquire the property at any time within the forty-eight (48) month option period by notifying the Vendor and paying the outstanding balance owing as of the date of notification.

Exploration Status

Historic exploration by Solitario Zinc Corp. was conducted from 2007 to 2011 and identified a large area of gold and silver-lead-zinc mineralization hosted in Tertiary volcanics and volcaniclastics. The rocks display intense hydrothermal argillic and quartz-sericite-pyrite alteration associated with the mineralization. This historic work included 1,959 rock chip grab samples, 853 soil samples and 11 diamond drill holes totaling 2,016 metres scattered on the property.

On July 25, 2022 Highlander purchased all the technical data accumulated by Solitario including multi-element geochemistry on all rock, soil and core samples as well as core logs and core photos. This transaction was announced publicly on August 9, 2022.

Field staff returned to work on the Polituche project shortly following the 2022 drill program at Alta Victoria. Work focused on additional sampling and mapping in areas known to host mineralization to establish continuity and style of potential targets, as well as more reconnaissance level work using a hand held pXRF scanner for soil, talus and rock analysis.

The following table shows sampling completed to date at Polituche:

Sample Type	Company	Samples by Company	Total Samples
Rock Samples (chip, select grab, channel)	Highlander	168	2,092
	Solitario	1924	
Soil Samples (ICP multi-element analysis)	Highlander	106	818
	Solitario	712	
pXRF (Soil)	Highlander	766	766
Drill Core Assays (11 DDH´s, 2015.6m)	Solitario	1062	1062

As indicated from previous work, high grade mineralization is closely associated with andesitic dike and dome rocks which intrude relatively flat lying andesitic to dacitic pyroclastics and volcaniclastics. The current working model remains as has been described previously whereby an early, low to moderate grade gold event is overprinted by high grade silver-lead-zinc, intermediate sulphidation veins and hydrothermal breccias. Complete reporting on the latest sample results will be completed over the coming weeks.

<u>Write-off of properties</u>

During the year ended September 30, 2023, following a strategic review of the Company´s portfolio, and the decision to focus resources on the highest quality projects, the Company terminated its option to acquire a 100% interest in the Polituche project.

The Company wrote-off the carrying value of the Polituche Property to $nil.

On December 4, 2023, the Company terminated the Alta Victoria option agreement and wrote-off the carrying value of the property to $nil.

Exploration Expenditures

The Company's accounting policies capitalize exploration and evaluation costs until such time that they are either impaired or advanced into production. The history of cumulative capitalized exploration and evaluation costs are as follows:

	Alta Victoria Property $	Politunche Property $	Estrella $	San Luis $	Total $
October 1, 2022	3,506,341	138,971	-	-	3,645,312
Acquisitions/staking/assessments	87,847	30,002	48,521	-	166,370
Administrative	126,446	-	100,277	-	226,723
Geological and related expenditures	360,700	8,505	1,163	-	370,368
Legal expenses	16,727	3,698	4,085	-	24,510
Field equipment and related expenditures	29,921	6,812	2,001	-	38,734
Services	11,071	793	4,549	-	16,413
Personnel	276,558	7,649	7,515	-	291,722
Foreign exchange translation	(30,865)	(1,373)	(1,175)	-	(33,413)
June 30, 2023	**4,384,746**	**195,057**	**166,936**	**-**	**4,746,739**
October 1, 2023	-	-	254,571	-	254,571
Acquisitions/staking/assessments	36,660	-	-	7,467,958	7,504,618
Geological and related expenditures	7,677	-	136,020	124,659	268,356
Dues & fees	17,860	-	23,352	-	41,212
Legal expenses	7,535	1,962	3,652	2,181	15,330
Field equipment and related expenditures	19,503	-	23,205	-	42,708
Services	7,040	296	20,845	10,679	38,860
Personnel	117,313	16	114,760	8,338	240,427
Impairments/write-downs	(213,588)	(2,274)	-	-	(215,862)
Foreign exchange translation	-	-	-	-	(18,889)
June 30, 2024	**-**	**-**	**576,405**	**7,613,815**	**8,171,331**

During 2023 and 2022, the Company carried out exploration activities in the Le Estrella and Alta Victoria projects, resulting in a substantial increase of exploration investment as compared to prior years.

Selected annual information

The following are the main financial indicators for the periods indicated:

	September 30, 2023	September 30, 2022	September 30, 2021
Expenses	$ (925,592)	$ (733,899)	$ (477,904)
Loss and comprehensive loss	$ (5,315,988)	$ (736,677)	$ (1,795,537)
Weighted average number of common shares outstanding - basic and diluted	30,423,174	30,278,734	20,670,091
Loss and comprehensive loss per share - basic and diluted	(0.17)	(0.02)	(0.09)

	September 30, 2023 $	September 30, 2022 $	September 30, 2021
Total assets	518,541	5,703,671	5,777,293
Working capital surplus	17,888	1,744,595	3,465,370
Total liabilities	(234,986)	(289,220)	(70,908)
Shareholders' equity	283,555	5,414,451	5,706,385
Deficit	(8,303,840)	(2,780,948)	(2,253,901)

This increase in expenses and comprehensive loss in the period ended June 30, 2024 as compared to 2023 was largely a result of the Company's write off of the Polituche Property and Alta Victoria Property. Additionally, property investigation costs related to San Luis increased by approximately $94,000.

During the nine months ended June 30, 2024, professional fees increased by approximately $170,000 to $477,000 primarily due to the increased legal, accounting, auditor, and management fees incurred during the period in relation to the San Luis due diligence.

Office expenses increased by approximately $85,000 to $141,000 due to the Company incurring public company expense requirements and activities related to Peruvian office expenses have increased in comparison to the prior period due to the acquisition of Reliant Ventures S.A.C.

Share based payments increased by approximately $415,000 to $599,000.

All other amounts were consistent with prior period costs.

During the three months ended June 30, 2024, professional fees decreased by approximately $53,000 to $49,000 primarily due to the decreased legal, accounting, auditor, and management fees incurred during the period in relation to the write down of the Alta Victoria and Polituche properties and the activities involved in the prior year.

Office expenses increased by approximately $50,000 to $74,000 due to the Company incurring public company expense requirements and activities related to Peruvian office expenses have increased in comparison to the prior period due to the acquisition of Reliant Ventures S.A.C.

Share based payments decreased by approximately $51,000 to $nil.

All other amounts were consistent with prior period costs with exception to consulting fees and transfer agent and filing fees which increased in the current period due to the Reliant Ventures S.A.C acquisition.

SUMMARY OF QUARTERLY RESULTS

The following table shows results from the previous quarters:

Period Ending	Income (loss) and comprehensive income (loss) $	Basic and Diluted Net Loss Per Share $
June 30, 2024	(179,049)	(0.00)
March 31, 2024	(854,924)	(0.01)
December 31, 2023	(447,005)	(0.01)
September 30, 2023	(4,615,543)	(0.00)
June 30, 2023	(235,949)	(0.00)
March 31, 2023	(230,894)	(0.00)
December 31, 2022	(233,602)	(0.00)
September 30, 2022	(159,999)	(0.00)
June 30, 2022	(117,926)	(0.00)
March 31, 2022	(40,687)	(0.00)

The main activities during 2021 were related to financing efforts, resulting in a general increase of administration, professional and legal fees. Administration and accounting included the preparation of consolidated financial statements, preparation of income tax returns, and compensation of services provided in Peru. Professional fees in 2020 were paid to a director of the Company in connection with business development activities. Audit and legal increased in connection with financing activities carried out during 2020.

The main activities during fiscal 2022 are related to the Company's completed RTO listing, resulting in an increase in operating expenses due to the professional fees, transfer agent and filing fees required for a publicly traded Company.

The main activities during fiscal 2023 are related to the Company's exploration targets, resulting in an increase in operating expenses due to the professional fees, transfer agent and filing fees. In addition, the Company had impairment losses due to the write off of the Polituche property.

Liquidity Working Capital and Capital Resources

Based on its current operating plan, management estimates that the Company will have enough cash to sustain its operations for the next year.

The longer-term ability of the Company to continue its business is dependent on the continuing success of its exploration programs coupled with available funding through sale of its share capital. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to raise money on acceptable terms or at all.

During the nine months ended June 30, 2024, the Company cash outflows of approximately $788,000 in respect of operating activities, compared to approximately $556,000 during the comparative 2023 period. Further, the Company had cash flows from financing during the nine months ended June 30, 2024, of approximately $12,100,000 from a private placement financing, compared to $nil during the comparative 2023 period. Lastly, the Company used approximately $7,300,000 in cash on investing activities associated with the deferred exploration and evaluation costs of the Company's mineral property interests and the acquisition of Reliant Ventures S.A.C. and used approximately $1,100,000 during the comparative 2023 period.

The Company has relied on cash from financing activities to support its operations and investments. On June 30, 2024 the Company was in a working capital deficiency position. The Company has an approximately $436,000, in working capital deficiency.

Transactions with related parties

A number of key management personnel and Directors hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. There were no loans to key management personnel or Directors, or entities over which they have control or significant influence during the nine months ended June 30, 2024 and June 30, 2023.

Key management personnel and Directors receive no salaries, non-cash benefits (other than incentive stock options), or other remuneration directly from the Company, other than noted below, and there are no contracts with them that cannot be terminated without penalty on thirty to ninety days advance notice. Key management personnel and Directors participate in the Company's stock option plan.

During the nine months ended June 30, 2024, key management of the Company were granted 1,525,000 stock options exercisable at $0.55 for a period of three years, with a fair value of $538,701.

During the nine months ended June 30, 2023, key management of the Company were granted 1,700,000 stock options exercisable at $0.21 for a period of five years, with a fair value of $65,823.

The following related parties transacted with the Company or Company controlled entities during the period:

(a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).

(b) Philip Anderson was former Director, former interim CEO and General Manager of Minera CAPPEX S.A.C. He provided the Company with geological, management and administrative services. He resigned during the year ended September 30, 2023.

(c) David Fincham was appointed as the Company's CEO effective October 2022.

(d) Graeme Lyall is the Company's Director. He has significant influence of Lyall Consult SPA. ("Lyall"). Lyall provides the Company with geological services.

(e) Dr. Leandro Echavarria is the Company's VP of Exploration. He has significant influence of LE Geological Services USA. ("LE Geo"). LE Geo provides the Company with geological services.

(f) Augusta Investments **(**Richard Warke) is a significant shareholder

The aggregate value of transactions and outstanding balances with key management personnel and Directors and entities over which they have control or significant influence were as follows:

	Transactions Nine months ended June 30, 2024 $	Transactions Nine months ended June 30, 2023 $	**Balances outstanding June, 2024 $**	Balances outstanding September 30, 2023 $
DBM CPA	80,888	55,738	5,250	5,250
Philip Anderson	-	42,639	-	-
Lyall Consult SPA	29	93,720	29	15,379
LE Geological Services	154,129	29,862	18,465	16,200
David Fincham	154,457	147,664	22,000	78,487
	389,503	369,623	**45,744**	115,316

All related party balances are unsecured and are due within thirty days without interest.

Outstanding Share Data

As at June 30, 2024 and the date of this MD&A the Company has:

a) 80,999,697 common shares issued and outstanding as at June 30, 2024. As of the date of this MD&A the Company had 81,221,620 common shares issued and outstanding.

b) 29,975,000 share purchase warrants are outstanding as at June 30, 2024 and no change in share purchase warrants as at the date of this MD&A the Company.

c) 2,275,000 stock options outstanding as at June 30, 2024. As of the date of this MD&A the Company had 1,825,000 stock options outstanding as at the date of this MD&A.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

Accounting Policies

Please refer to notes 2 to the Financial Statements for a complete description of the basis of presentation and the accounting policies followed, respectively.

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities, and consideration payable.

The carrying value of receivables, accounts payable and accrued liabilities and consideration payable approximates its fair value because of the short-term nature of the instrument.

Financial instruments measured at fair value on the financial statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $	Level 2 $	Level 3 $	Total $
June 30, 2024				
Cash and cash equivalents	3,400,026	-	-	3,400,026
	3,400,026	**-**	**-**	**3,400,026**
September 30, 2023				
Cash	229,702	-	-	229,702
	229,702	-	-	229,702

Financial instruments - risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the majority of funds in Canadian banks and credit unions or with Canadian governments. The Company has minimal receivables exposure, and its various refundable credits are due from Canadian government.

(b) Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations. For the nine months ended June 30, 2024 and June 30, 2023, every 1% fluctuation in interest rates up or down would have had an insignificant impact on profit or loss.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

(d) Currency risk

As at June 30, 2024 all of the Company's cash and cash equivalents was held either in Canadian dollars, US dollars or Peruvian Soles. The Company incurs expenditures in Canada and Peru, and as such is exposed to currency risk associated with these costs.

A change in the value of the Peruvian Soles by 10% relative to the Canadian dollar would not have a significant impact on the Company's working capital and net loss for nine months ended June 30, 2024, and June 30, 2023.

Segmented information

The Company operates in one reportable operating segment being the acquisition, exploration, and evaluation of mineral properties in Canada and Peru. As at June 30, 2024, the Company holds non-current assets comprising mineral property interests of $8,171,331 (September 30, 2024 - $254,571), property and equipment of $72,925 (September 30, 2024 - $11,096), and value added tax receivable of $5,037,618 (September 30, 2024 - $nil) in Peru. The remainder of the Company's non-current assets are located in Canada.

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses, and the valuation of stock options and share purchase warrants. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

Resource properties: The carrying value of the Company's mineral properties are reviewed by management quarterly, or whenever events or circumstances indicate that their carrying amounts may not be recovered. Management considers potential impairment indicators including, but not limited to, changes in commodity prices, plans for the properties and the results of exploration to date.

Risk Factors

AN INVESTMENT IN THE COMMON SHARES IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS MD&A, READERS AND PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements.

Issues related to the Company's mineral projects:

Limited Operating History

The Company is an early-stage company. The La Estrella and Alta Victoria Projects are early exploration stage properties. As such, in addition to the risks disclosed above which are specific to the Company's material property, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the La Estrella and Alta Victoria Projects require significant additional expenditures in order to conduct exploration drilling at La Estrella and During the three months ended December 31, 2023, the Company has written down Alta Victoria and will no longer pursue further exploration activities on the property. Most exploration projects do not result in the discovery of commercially mineralized deposits. An investment in the Common Shares therefore carries a high degree of risk and should be considered speculative by investors.

Trends

The Company's financial success is dependent upon the discovery of mineral resources which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as market value of the products produced and availability of capital from the public marketplace. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's results or financial position.

Negative Cash-Flow

Since its incorporation, the Company has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses, make option payments and to conduct the recommended exploration programs.

Operating Hazards and Risks

The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damages. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in any of which events the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from ore and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Ownership of Property Interests and Assets

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in the Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title. Land may be transferred by the State to businesses and citizens for possession and use based on leases.

In order to satisfy itself of its ownership of its property interests in Peru, the Company has, among other things: (i) obtained and reviewed title opinions from certain local law firms in Peru; (ii) obtained and reviewed certificates of compliance issued by the appropriate governmental officials in Peru; (iii) conducted searches in Peru; and (iv) reviewed, negotiated and executed various agreements with the Government of Peru relating to the acquisition and/or transfer of certain mining titles and concessions.

Environmental Factors

The Company conducts exploration activities in various parts of Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment, including, in some cases, posting of reclamation bonds. Extensive environmental legislation has been enacted in Peru by federal, state and municipal governments. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any environmental hazards on any of the properties held or formerly worked by the Company. The approval of new mines in Peru is subject to detailed review by Peruvian mining authorities and there is no assurance that such approval can be obtained. Further, under such review process, there is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. Failure to comply with the legislation may have serious consequences. Orders may be issued requiring operations to cease or be curtailed or requiring installation of additional facilities or equipment. Violators may be required to compensate those suffering loss or damage by reason of its mining activities and may be fined if convicted of an offense under such legislation.

Peruvian mining law establishes requirements for the decommissioning, reclamation and rehabilitation of mining properties in a state of permanent closure. Such closure requirements relate to the protection and restoration of the environment and the protection of the public safety. Some former mining properties must be managed for long periods of time following closure in order to fulfill closure requirements. The costs of closure of mining properties, and, in particular, the cost of long-term management of mining properties can be substantial. In the case of the Alta Victoria Project, exploration activities have and will in the future cause moderate environmental impact. By Peruvian mining law, environmental impact from past mining activities prior to the onset of present-day exploration activities are not the responsibility of the company.

Such historic mining disturbance are well documented in the DIA permitting document and will not be included in any future remediation requirement unless those same historical mine works have been further utilized or disturbed by the company.

The Company has adopted environmental practices designed to ensure that it continues to comply with or exceed all environmental regulations currently applicable to it. The Company is currently engaged in exploration with minimal environmental impact.

Community Relations

Community relations may affect the Company's business. Maintaining a positive relationship with the communities in which the Company operates is critical to continuing successful exploration and development. Community support for operations is a key component of a successful exploration or development project. As a business in the mining industry, the Company may come under pressure in the jurisdictions in which the Company explores or develops, to demonstrate that other stakeholders benefit and will continue to benefit from our commercial activities. The Company may face opposition with respect to our current and future development and exploration projects which could materially adversely affect our business, results of operations, financial condition and share price.

Environmental Permits

The ability of the Company to explore its properties is dependent on environmental regulations and the permitting process. A permit for drilling from existing roads and disturbed areas is in place for the Alta Victoria Project. Future work to allow road construction and additional surface disturbance at the Company's projects will require filing for necessary environmental permits. The Company's interest in a property or project could be adversely affected by an inability to obtain environmental permits.

Competition and Agreements with Other Parties

The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. There is significant and increasing competition for a limited number of resource acquisition opportunities and as a result, the Company may be unable to acquire attractive mining properties on terms it considers acceptable. The Company competes with other companies that may have substantially greater financial resources than the Company. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Metals Prices

The Company's revenues, if any, and ability to attract equity financing is expected to be in large part derived from the discovery of mineral properties and the sale of minerals contained or interests related thereto. The price of those commodities has fluctuated widely, particularly in the last three years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations, cannot accurately be predicted.

Management and Directors

The Company is dependent on its key management personnel. Loss of the key person could have an adverse effect on the Company. The Company does not maintain "key-man" insurance in respect of any of its management.

Conflicts of Interest

Certain of the Directors and Officers of the Company are also in their personal capacities, or as Directors or Officers of other companies, engaged in mineral exploration and development. Accordingly, exploration opportunities or prospects of which they become aware may not necessarily be made available to the Company. The Directors and Officers intend to allocate opportunities or prospects from time to time on the basis of prudent business judgment. The Directors are required by law to act honestly and in good faith with a view to the best interest of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a Director for the approval of such transaction.

Foreign Operations

The Company's operations are currently conducted principally in Peru. As such, its operations are exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of the Company's mining operations and appropriation of assets. The Company's operation is not in an area with a history of political issues or criminal activity which have led to disturbances in exploration or mining activities. Risks and uncertainties vary from region to region and could include terrorism; hostage taking; extortion; local drug gang activities; military repression; expropriation; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Although the Company strives to maintain good relations with the local community in Peru by providing employment opportunities and social services, local opposition to mine development projects could arise, and such opposition could be violent. There can be no assurance that such local opposition will not arise with respect to the Company's foreign operations. If the Company were to experience resistance or unrest in connection with its operations, it could have a material adverse effect on its operations.

Government Regulation

The Company's mineral exploration activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that the new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit, suspend, terminate or curtail production or development. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed on them for violations of applicable laws or regulations. Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties, or require abandonment or delays in the development of new mining properties.

The Company is at the exploration stage on its property. Exploration requires responsible best exploration practices to comply with Company policy, government regulations, and maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license in any territory in which it is carrying out work. In Peru, mineral exploration primarily falls under federal jurisdiction, but there are state, municipal, local and community issues to be addressed.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Surface Exploration Rights

Mining concession licenses in Peru are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Peru surface rights are owned by private persons or communities (local communal organizations), and agreements for access must be made with the surface owners to do significant work. There are potential risks with regard to the completion of a successful exploration program in that there is a possibility of not being able to extend the surface access agreement over part of the area of interest, or problems with obtaining an environmental permit for road construction and drilling.

Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

Legal Proceedings

As at the date of this document, there were no legal proceedings against or by the Company.

Subsequent event

On July 29, 2024 the Company issued 75,000 common shares as performance bonus shares to David Fincham, and 146,923 common shares as consideration for a former director cancelling 450,000 stock options.

Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

David Fincham	Director, President, Chief Executive Officer	(Columbia)
Graeme Lyall	Director	(Chile)
Stephen Brohman	Chief Financial Officer	(CDN)
Leandro Echavarria	VP Exploration	(Argentina)
Federico G. Velasquez	Director	(CDN)

Approval

The Board of Directors of Highlander have approved the disclosures in this MD&A.