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 29, 2023, and should be read in conjunction with the consolidated financial statements for the year ended August 31, 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 traded on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" on March 1, 2019. 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 properties; the Pilar Gold Project ("Pilar") and the El Picacho Property ("El Picacho"). Pilar is located near the town of Suaqui Grande in Sonora, Mexico.

Pilar consists of two concessions, the Guadalupana concession and the La Sonora concession, totaling 105 hectares. Additional land acquisitions were made subsequent to August 31, 2023 expanding the Pilar Project area from 105 hectares to 2,277.72 hectares.

The Pilar property shows NW-SE trends of gold and silver mineralization with significant grades in several locations. The Company has not yet determined whether the Pilar property 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 necessary financing to complete the development, and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties.

El Picacho is located 140 kilometers north of Hermosillo in Sonora, Mexico and is fully accessible by road. El Picacho consists of 12 mining concessions totaling 2,395.33 hectares.

The El Picacho property 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 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 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, 2023, the Company incurred a net loss of $1,760,488 (2022 – $2,199,183).

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, 2023, the Company had cash of $20,825 (2022 – $86,439) and working capital deficit of $2,046,018 (2022 –$1,756,511). The working capital deficit increased as a result of a $202,211 decrease in prepaid expenses from $266,398 at August 31, 2022 to $64,187 at August 31, 2023, and $65,614 decrease in cash balances from $86,439 as at August 31, 2022 to $20,825 at August 31, 2023. These decreases were amplified by increased accounts payable of $366,304 (2022 – $87,494), increased amounts due to related parties of $519,086 (2022 – $211,987), which were mostly related to outstanding exploration expenditures, and to a smaller extent an increased balance due under convertible debenture issued to Sorbie of $1,958,304 (2022 – $1,924,034).

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

During the year ended August 31, 2023, and up to the date of this MD&A, the Company issued the following shares:

On September 21, 2022, the Company issued 1,000,000 Common Shares with a fair value of $650,000 as payment for Pilar Project pursuant to the Property Option Agreement dated September 22, 2019, as amended on August 31, 2021, between the Company and Colibri Resource Corp.

On September 27, 2022, the Company issued 9,600 Common Shares on exercise of finders warrants with an exercise price of $0.60 for total gross proceeds of $5,760.

On December 2, 2022, the Company issued 18,750 Common Shares to a former Director on exercise of options at an exercise price of $0.35 for total gross proceeds of $6,563. The share price at the time the options were exercised was $0.47.

On January 6, 2023, the Company issued 12,500 Common Shares to a former Director on exercise of options at an exercise price of $0.40 for total proceeds of $5,000. The share price at the time the options were exercised was $0.55.

On February 16, 2023, the Company closed a non-brokered private placement (the "Offering") by issuing a total of 1,227,353 units of its common stock at a price of $0.52 per unit for gross proceeds of $638,224. The private placement consisted of three tranches, which closed on January 30, 2023, February 9, 2023, and February 16, 2023. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant (the "Warrant"). Each full Warrant entitles the holder to acquire additional Common Share at a price of $0.62 exercisable within 18 months from the close of the respective tranche. In connection with this Offering, the Company paid $15,400 in legal fees and $56,342 in cash commissions. In addition, the Company issued 108,351 finders warrants ("Finders' Warrants") entitling the holder to acquire one Common Share at a price of $0.52 exercisable within 18 months from the close of the respective tranche. The Finders' Warrants were valued at $26,517 using Black Scholes option pricing model with the following assumptions:

Share price	$0.52 - $0.60
Exercise price	$0.52
Exercise term	18 months
Risk free rate	3.9%
Volatility	79.16% - 80.10%

On February 22, 2023, the Company issued 218,000 Common Shares at $0.50 per share for total value of $109,000 to a vendor for services rendered in production and broadcasting media in accordance with the agreement dated August 15, 2022.

On April 5, 2023, the Company completed a financing transaction with Sorbie. As part of the April Sorbie transaction, the Company issued a total of 1,169,118 April Sorbie Units . Each April Sorbie Unit consisted of one common share and one-half of one common share purchase warrant ("April Sorbie Warrant"). Each full April Sorbie Warrant entitles Sorbie to acquire one additional share at an exercise price of $0.68 exercisable until April 5, 2026. The Company allocated the fair value of the future April Sorbie Settlements expected to be received from the April Sorbie Transaction between all the components of the April Sorbie Transaction based on the guidance available under IAS 32. Based on this, on initial recognition of its fair value at $604,357, the Company allocated $256,278 to the April Sorbie Warrants with $348,079 allocated to the shares issued as part of the April Sorbie Transaction. Subsequently, at August 31, 2023, the fair value of the April Sorbie remaining monthly settlements was revalued at $314,655 and April Sorbie Warrants revalued at $156,645. In connection with April Sorbie Transaction, the Company paid cash of $13,000 in legal fees, which were recorded as share issuance cost.

On April 20, 2023, the Company granted 200,000 incentive stock options to its directors and 200,000 incentive stock options to its consultants. The options vest quarterly over a one-year period following the grant date, are exercisable at a price of $0.72, and expire on April 20, 2028.

On July 18, 2023, the Company issued 59,137 Common Shares to Sorbie. The shares were issued pursuant to the Loan Note Instrument dated for reference June 28, 2022, which specified an annual interest on the Sorbie Debentures to be accrued and paid annually either in cash or Common Shares of the Company at Sorbie's discretion. The 59,137 Common Shares issued to Sorbie represented a conversion of accrued interest as at June 28, 2023, being $28,090 at $0.475 per Common Share.

On November 1, 2023, the Company issued 854,000 common shares for a total consideration of $700,000 to Sorbie pursuant to the exercise of 700 Sorbie Notes with each note convertible into 1,220 common shares under the Sorbie agreement signed on June 28, 2022. The total interest of $2,397 accrued on the 700 Sorbie Notes up to November 1, 2023, was converted into 5,387 common shares at a deemed price of $0.445. These shares were issued on December 12, 2023.

On November 29, 2023, the Company closed the first tranche of a non-brokered private placement of 820,000 units at $0.45 per unit for gross proceeds of $369,000. 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 a price of $0.60 per share exercisable within 24 months from the closing of the first tranche, and subject to accelerated expiry provisions.

On December 11, 2023, the Company closed the second and final tranche of the non-brokered private placement issuing 680,333 units at $0.45 per unit for gross proceeds of $306,150. Each unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share at a price of $0.60 per share exercisable within 24 months from the closing of the offering, subject to accelerated expiry provisions.

In relation to the above non-brokered private private placement financing that closed on December 11, 2023, the Company paid an aggregate cash commissions of approximately $47,165 and issued a total of 105,700 finders' warrants. Each finders' warrant is exercisable at a price of $0.45 per common share 24 months from the closing date of the respective tranche.

On December 19, 2023, the Company issued 525,000 common shares to Colibri Resources Corp. in pursuant to the anti-dilution clause found in Section 9 of the Property Option Agreement dated September 22, 2019.

Changes in management

On November 30, 2022, Mr. Fred Jones resigned from the Board of Directors of the Company. Mr. Jones continued to provide advisory services to the Company up to April 30, 2023.

On December 1, 2022, the Company announced an appointment of Mr. Ralph Wintermantel and Mr. Luis Arroyo to its Board of Directors. Mr. Wintermantel, a resident of Germany, brings over 20 years of financial market experience, and the Company believes that his expertise will provide the Company with a crucial link to the European shareholder base. Mr. Arroyo, a resident of Mexico, brings with him 48 years of professional experience in mine operations and wealth of knowledge and resources stemming from his background in moving projects from exploration to production.

On December 29, 2022, Mr. Derek Wood, co-founder and director of the Company stepped down as a director of the Company to pursue other career endeavors. Mr. Wood was an integral part of the formation of Tocvan and set a Company culture that values shareholders above all else through mindful acquisitions, appropriate deployment of capital and a tight share structure.

Commitments

Pilar Gold Project

To acquire 51% of the Pilar Project in the state of Sonora, Mexico the Company was required to pay a cash deposit to Colibri Resource Corp. of $25,000, which the Company paid on September 18, 2019. After satisfactory due diligence was completed, the Company decided to proceed with the fulfillment of its initial commitment pursuant to the option agreement in the Pilar Project and paid Colibri an additional $100,000 and issued 2,000,000 common shares.

To fulfill its commitment under the option agreement with Colibri, the Company was required to fulfill certain work commitments and make the following payments:

	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**

Once the Company has fulfilled the above commitments it will have earned a 51% interest in the Pilar Project and will have a six-month option to decide to purchase the remaining 49% interest in the Pilar Project or establish a joint venture agreement with Colibri. The option to acquire the additional interest will require a $2,000,000 cash payment and granting to Colibri a 2% net smelter returns royalty ("NSR"), 1% of which can be repurchased for an additional cash payment of $1,000,000.

On September 19, 2023, the Company submitted an exercise notice to Colibri Resources Corp for the majority ownership of 51% of the Pilar gold-silver project in Sonora, Mexico after fulfilling 100% of its cash commitments, 100% of its work commitment and 100% of its share issuance commitment. The Company has also the right to purchase the remaining 49% of the Pilar project and plans to do so, subject to the conditions of the property option agreement.

On October 18, 2023, the Company signed a definitive agreement with a private title owner for the acquisition of 100% ownership of 2,172.72 hectares adjacent and north of its Pilar Gold-Silver project in Sonora, Mexico. The additional area acquired expanded the Company's holdings for the Pilar Project from 105 hectares to a total of 2,277.72 hectares.

Under the terms of the Agreement, the Company will be required to a pay a total of US$4,000,000 in cash, issue 2,500,000 Common Shares and spend US$1,000,000 in exploration work on the property within a 5-year period. The title owner will retain a 2% NSR on the property acquired. After 5-year period, the Company can elect to extend the Agreement by another 10 years by starting advance royalty payments or purchase full title ownership through additional payment of US$500,000. On December 1, 2023, the Company paid US$150,000 as partial payment of its commitments upon signing and closing of the acquisition and on December 18, 2023, the Company paid the remaining balance of US$100,000 as full payment and fulfillment on its cash commitment upon closing of the Agreement.

A summary of the commitments to be fulfilled on the acquisition as follows:

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

(1)The Company made a payment of US$150,000 on December 1, 2023 and USD$100,000 on December 18, 2023.

El Picacho Project

On June 7, 2021, the Company signed a letter of commitment to purchase the El Picacho Project from Recursos Millrock S. de R.L. de C.V. ("Millrock") a Mexican corporation. 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 of option agreement with Millrock, which transferred to the Company the initial 5-year option to acquire El Picacho within the Caborca Orogenic Gold Belt in Sonora, Mexico.

To acquire 100% interest in the El Picacho Project, the Company is required to pay US$1,985,600 and an additional payment of US$60,000 will be required to gain surface rights to use the Picacho Ranch. Both payments are to be paid in series of instalments ending on April 1, 2026. Millrock is to retain a 2% NSR with 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 are 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 (1)	US$6,000
3rd anniversary	US$250,000	US$6,000
Six months after 3rd anniversary	US$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 $21,400 subsequent to the fiscal year-end

.

Exploration Projects

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

Year ended August 31, 2023	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2022	$ –	$ 1,915,000	$ 135,687	$ 2,050,687
Cash	–	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**

Year ended August 31, 2022	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2021	$ 125,000	$ 990,000	$ 94,196	$ 1,209,196
Cash	–	25,000	41,491	66,491
Shares issued	465,000	900,000	–	1,365,000
Disposition of assets	(590,000)	–	–	(590,000)
Balance, August 31, 2022	–	1,915,000	135,687	2,050,687
Deferred exploration expenditures				
Balance, August 31, 2021	83,970	1,241,963	–	1,325,933
Geologist fees and assays	–	831,370	84,066	915,436
Other exploration expenses	–	43,231	69,111	112,342
Disposition of assets	(83,970)	–	–	(83,970)
Balance, August 31, 2022	–	2,116,564	153,177	2,269,741
Total E&E assets, August 31, 2022	**$ –**	**$ 4,031,564**	**$ 288,864**	**$ 4,320,428**

Project Update

Pilar Gold Project

Located in the State of Sonora, Mexico, 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.

To date, over 23,000 m of drilling has been completed. Subsequent to August 31, 2023, the 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.

Project highlights include:

- 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/t Ag)
  - 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).

El Picacho

The El Picacho Gold-Silver property 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 the 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 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 (see news release September 13, 2022)
  - Murcielago Prospect – 450-meter trend, highlighted by 7.2 g/t Au, 36 g/t Ag and 4.4% Pb in silicified brecciated limestone (see news release July 6, 2022)
  - 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. (See news releases January 10, 2023 and January 17, 2023)
  - 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.

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, 2023, 2022 and 2021. The audited consolidated financial statements for these fiscal periods were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Statement of Comprehensive Loss Data	**Year ended August 31, 2023**	**Year ended August 31, 2022**	**Year ended August 31, 2021**
	$	$	$
Total revenue	–	–	–
Operating expenses	(2,244,886)	(1,325,893)	(1,440,071)
Other gain/(loss)	484,398	(873,290)	–
Net loss and comprehensive loss	(1,760,488)	(2,199,183)	(1,440,071)
Basic and diluted loss per share	(0.05)	(0.07)	(0.05)

Balance Sheet Data	**As at August 31, 2023**	**As at August 31, 2022**	**As at August 31, 2021**
	$	$	$
Total assets	7,901,256	7,639,985	2,836,618
Total liabilities	3,621,129	4,052,562	82,388
Total equity	4,280,127	3,587,423	2,754,230

Results of Operations

During the year ended August 31, 2023, the Company incurred a net loss of $1,760,488 (2022 – $2,199,183).

The operating expenses for the years ended August 31, 2023 and 2022 were as follows:

	Year ended August 31, 2023	**Year ended August 31, 2022**
	$	$
Advertising and promotion	570,813	724,933
Audit and accounting	91,345	24,148
Consulting	564,878	93,300
Financing fees	32,771	22,242
Legal	48,972	45,797
Management fees	48,000	64,500
Meals and entertainment	17,087	1,056
Office and miscellaneous	40,404	38,705
Regulatory fees	60,387	58,580
Share-based compensation	747,219	238,179
Travel	23,010	14,453
Total operating expenses	**2,244,886**	**1,325,893**

Other items for the years ended August 31, 2023 and 2022 included the following:

	Year ended August 31, 2023	**Year ended August 31, 2022**
	$	$
Foreign exchange loss	(64,643)	(8,118)
Interest expense	(30,384)	(4,925)
Realized loss on sale of asset	–	(423,970)
Realized loss on financial asset	(596,583)	(63,679)
Unrealized gain (loss) on financial asset	502,388	(1,053,198)
Unrealized gain (loss) on debenture payable	(34,270)	891,015
Unrealized gain (loss) on warrants payable	707,890	(210,415)
Other items	**484,398**	**(873,290)**

During the year ended August 31, 2023, the Company recorded a net loss and comprehensive loss of $1,760,488 (2022 – $2,199,183). The Company's operating expenses for the year were $2,244,886 (2022 – $1,325,893). The increase in operating expenses was mainly due to the increased consulting fees of $564,878 (2022 – $93,300), share-based compensation of $747,219 (2022 – $238,179), audit and accounting fees of $91,345 (2022 – $24,148) and regulatory fees of $60,387 (2022 – $58,580). Increased consulting fees were due to more consultants being contracted for increased corporate activities. Increased share-based compensation resulted from different vesting periods of stock options granted to the Company's directors, officers, and consultants; and increased accounting and audit fees as well as regulatory and transfer fees resulted from increased corporate activities. The above increases were offset by the decreased advertising and promotion expenses of $570,813 (2022 – $724,933) and management fees of $48,000 (2022 – $64,500).

In addition to the regular operating expenses, the Company recorded other income of $484,398 (2022 – $873,290 loss), which included unrealized gain from the fair value valuation of warrants payable totaling $707,890 (2022 – $210,415 loss) and $502,388 (2022 – $1,053,198 loss) in unrealized gain on the revaluation of future remaining Monthly Settlements receivable from Sorbie. These gains were offset by $596,583 realized loss (2022 – $63,679) from Monthly Settlements the Company received from Sorbie during the year, and $34,270 unrealized loss from revaluation of the fair value of Sorbie Notes (2022 – $891,015 gain).

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.

	Three months ended August 31, 2023	**Three months ended May 31, 2023**	**Three months ended February 28, 2023**	**Three months ended November 30, 2022**
	$	**$**	**$**	**$**
Total assets	7,901,256	8,447,220	7,680,935	7,586,863
Working capital	(2,046,018)	(1,561,921)	(1,340,727)	(1,484,068)
Shareholders' equity	4,280,127	4,394,911	4,475,085	4,213,398
Comprehensive loss	285,664	538,093	590,943	345,788
Loss per share	0.01	0.01	0.02	0.01

	Three months ended August 31, 2022	Three months ended May 31, 2022	Three months ended February 28, 2022	Three months ended November 30, 2021
	$	$	$	$
Total assets	7,639,985	4,554,009	4,600,323	4,491,902
Working capital	(1,756,511)	391,205	46,916	430,277
Shareholders' equity	3,587,423	4,321,522	4,381,504	4,383,702
Comprehensive loss	837,237	706,615	380,690	274,641
Loss per share	0.02	0.02	0.01	0.01

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, 2023	August 31, 2022
Working capital deficit	$ (2,046,018)	$ (1,756,511)
Deficit	$ 6,769,646	$ 5,009,158

At August 31, 2023, the Company had cash of $20,825 (2022 – $86,439) and working capital deficit of $2,046,018 (2022 – $1,756,511). The working capital deficit increased as a result of a $202,211 decrease in prepaid expenses from $266,398 at August 31, 2022 to $64,187 at August 31, 2023, and $65,614 decrease in cash balances from $86,439 as at August 31, 2022 to $20,825 at August 31, 2023. These decreases were amplified by increased accounts payable of $366,304 (2022 – $87,494), increased amounts due to related parties of $519,086 (2022 – $211,987), which were mostly related to outstanding exploration expenditures, and to a smaller extent an increased balance due under convertible debenture issued to Sorbie of $1,958,304 (2022 – $1,924,034).

During the year ended August 31, 2023, the Company used $1,076,803 (2022 – $912,843) to cover its operating activities. The cash was used to cover the Company's cash operating expenses of $1,453,310 (2022 – $1,095,832), which was determined as the Company's net loss of $1,760,488 (2022 – $2,199,183) adjusted for non-cash items of $307,178 (2022 – $1,103,351) to increase its receivables by $20,671 (2022 – $12,697 decrease), and to decrease its amounts due to related parties by $30,800 (2022 – $194,568 increase). These uses of cash were in part offset by increase in accounts payables and accrued liabilities of $225,767 (2022 – $102,667) and decrease in the prepaid expenses of $202,211 (2022 – $181,943 increase).

Net cash provided by financing activities during the year ended August 31, 2023, was $1,962,626 (2022 – $1,792,833). Of this amount $553,481 was generated from shares issued for private placements (2022 – $1,315,089), $17,323 (2022 – $133,108) was generated on exercise of options and warrants, and $1,391,822 (2022 – $344,636) from the Monthly Settlements received from Sorbie.

Net cash used in investing activities during the year ended August 31, 2023, was $951,437 (2022 – $943,411) of which $136,102 was used to acquire interest in the Pilar and El Picacho properties (2022 - $60,768), and the balance was used to pay for drilling programs and other deferred exploration costs on these properties.

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 to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses and continue to conduct exploration activities throughout the current fiscal year. It will continue to focus on actively exploring its mineral properties.

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, 2023**	**10% Share Price Increase**	**10% Share Price Decrease**
Sorbie Monthly Settlements	$ 1,040,585	$ 105,487	$ (102,218)
April Sorbie Settlements	314,655	31,396	(31,024)
Warrants @$1.20	324,350	78,937	(71,179)
Warrants @$1.30	155,929	39,056	(34,981)
Warrants @$1.40	140,511	36,142	(32,165)
Warrants @$0.68	156,645	24,667	(23,815)
	$ 2,132,675	**$ 315,685**	**$ (295,382)**

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, 2023 and 2022 was as follows:

Description	**August 31, 2023**	**August 31, 2022**
Advertising and promotions	$ 23,173	$ –
Consulting fees	26,000	–
Exploration expenses	448,594	340,276
Finder's fees	34,262	–
Management fees	48,000	64,500
Rent expense	–	4,500
Share-based compensation	396,701	100,248
	$ 976,730	$ 509,524

Related party balances

At August 31, 2023, the Company incurred $48,000 in management fees to the Company's CEO. A total of $46,143 (2022 – $64,739) was owed to the Company's CEO and a company controlled by the CEO including $19,893 owed for reimbursable expenditures covering office and miscellaneous expenses.

At August 31, 2023, $462,143 was owed to a company controlled by a director of the Company (2022 – $125,948).

At August 31, 2023, the Company incurred $23,173 in advertising and promotion expenses to a company controlled by a director (2022 - $Nil).

At August 31, 2023, $Nil (2022 – $1,050) was owed to an officer of the Company. During the year, the Company incurred $12,000 (2022 – $2,000) in consulting fees to the related party.

At August 31, 2023, $3,150 (2022 – $12,600) was owed to a former CEO and director and $7,650 (2022 – $7,650) was owed to a company controlled by the former related party.

At August 31, 2023, the Company incurred $14,000 (2022 – $Nil) in consulting fees and $34,262 (2022 – $Nil) in finder's fees to a company controlled by a former director.

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.

Significant 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, 2023.

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, 2023	**August 31, 2022**
Financial assets at amortized cost (i)	$ 155,684	$ 200,627
Financial assets at fair value through profit and loss (ii)	$ 1,355,240	$ 2,852,532
Financial liabilities at amortized cost (iii)	$ 885,390	$ 299,481
Convertible debenture - debt component (iv)	$ 2,735,739	$ 3,753,081

(i) Cash, amounts receivables, and due from related parties
(ii) Monthly Settlements resulting from Sorbie Transactions, and marketable securities
(iii) Due to related parties, accounts payable and accrued liabilities
(iv) Sorbie Notes, warrants payable issued to Sorbie as a result of Sorbie Transactions, and dividend payable

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, Sorbie may convert to shares at any time. 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. The Company has financial risk arising from fluctuations in foreign exchange rates as the Company, through its wholly owned subsidiary, does own foreign currency denominated financial assets and liabilities.

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, 2023.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 3 in the consolidated financial statements for the year ended August 31, 2023 and 2022, 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, 2023 and 2022.

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	42,869,828
Stock options	3,362,500
Warrants	10,468,910
	56,701,238

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.