MANAGEMENT DISCUSSION AND ANALYSIS FOR
BGX- BLACK GOLD EXPLORATION CORP.
(FORMERLY 1280582 BC Ltd)

FOR THE YEAR ENDED December 31, 2023

Prepared as of April 9, 2024

Contact Information
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INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of BGX- Black Gold Exploration Corp. formerly 1280582 BC Ltd. (the "Company") has been prepared by Management in accordance with the requirements of National Instrument 51-102. The information contained in this MD&A is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

This MD&A should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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 and functional currency of the Company, unless specifically noted.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" and "forward-looking statements" (together, "forward looking statements") within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities; the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the resources that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for oil and gas, the availability of financing to fund the Company's ongoing and planned exploration and possible future operations on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in processing, exploration and research and development activities, the political climate in Argentina, the Company's ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Forward-looking statements are made based on management's experience, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law.

Investors are cautioned against attributing undue certainty to forward-looking statements.

OVERVIEW

BGX- Black Gold Exploration Corp. formerly 1280582 BC Ltd. (the "Company") was incorporated on December 21, 2020 in the Province of British Columbia. On February 24, 2021, the name of the Company changed from 1280582 BC Ltd. to BGX - Black Gold Exploration Corp. The Company is engaged in oil and gas exploration in Argentina. The registered address of the Company is 6th Floor- 905 West Pender Street Vancouver, BC V6C 1L6.

On August 26, 2021, the Company issued a total of 500,000 special warrants (each a "Special Warrant") at $0.05 per Special Warrant for a total consideration of $25,000. Each Special Warrant is convertible into units of the Company (each a "Unit") comprising of one common share and one share purchase warrant (a "Warrant"). The Special Warrant will be deemed exercised on the date that is the earlier of: (i) the third business date on which the receipt for a final prospectus to qualify for distribution of the Underlying shares is received by the Company from the British Columbia Securities Commission; and (ii) four months following the date of issuance. On December 27, 2021, the Special Warrants were exercised into 500,000 units (each a "Unit"). Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share at an exercise price of $0.05 for a period of five years from the date on which the Company's shares commence trading on a Canadian securities exchange. Using the residual method, a $nil value was allocated to the warrants.

On September 30, 2021, the Company issued a total of 2,050,000 special warrants (each a "Special Warrant") at $0.20 per Special Warrant for total consideration of $410,000. Each Special Warrant is convertible into units of the Company (each a "Unit") comprising of one common share and one share purchase warrant (a "Warrant"). The Special Warrant will be deemed exercised on the date that is the earlier of: (i) the third business date on which the receipt for a final prospectus to qualify for distribution of the Underlying shares is received by the Company from the British Columbia Securities Commission; and (ii) 4 months following the date of issuance. On January 31, 2022, the Special Warrants were exercised into 2,050,000 units (each a "Unit"). Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant"). Each Warrant is exercisable into one common share at an exercise price of $0.20 for a period of five years with an expiry date of January 31, 2027. Using the residual method, a $nil value was allocated to the warrants.

During the year ended December 31, 2022, the Company accepted subscription agreements for a total of 88,630 special warrants (each a "Special Warrant") at $1.50 per Special Warrant for total consideration of $132,945. During the year ended December 31, 2023, the Company accepted further subscriptions in advance for a total of 1,997 special warrants (each a "Special Warrant") at $1.50 per Special Warrant for total consideration of $2,995.
On July 24, 2024, the Company closed the agreement and issued Special Warrants. On February 2, 2024, these Special Warrants converted into units (a "Unit"). Each Unit is comprised of one common share and one share purchase warrant (a "Warrant"), Each Warrant is exercisable into one common share at an exercise price of $3.00 for a period of three years from the date on which the Company's shares commence trading on a Canadian Securities Exchange, subject to acceleration.

During the year ended December 31, 2022, the Company accepted subscriptions in advance for a total of 457,916 units at $1.50 per unit for total consideration of $686,874. As at December 31, 2023, subscriptions in advance was $686,874. On January 19, 2024, the unit financing was closed and the Company issued the units, comprising of one common share and one share purchase warrant (each a "Warrant"). Each Warrant is exercisable into one common share at an exercise price of $3.00 for a period of three years from the date of issuance.

On July 7, 2023, the Company entered into an amended purchase agreement with International Iconic Gold Exploration Corporation ("ICON") to acquire an oil and gas asset El Carmen ("the Property") by way of purchasing 95% interest in Spinell S.A. ("Spinell"), the owner of the property, in exchange for securities of the Company. The Company issued 100,000 common shares at a price of $1.00 per share for a deemed transaction value of $100,000. Additionally, 2,000,000 shares of the Company at a deemed price of $1.00 per share were issued to ICON and are being held in escrow until certain milestones are met in connection with the Property. These milestones include: 1,000,000 shares of the Company will be released from escrow upon the Property entering production of natural gas; and 1,000,000 shares of the Company will be released from escrow upon the Property entering production of oil.

On December 11, 2023, the Company appointed Endeavour Trust Corporation as its transfer agent.

On February 21, 2024, the Company was listed on the Canadian Securities Exchange with a stock ticker BGX.

On March 7, 2024, the Company adopted an Equity Incentive Plan, a copy of which was previously provided to the Board (the "Equity Incentive Plan"). The Equity Incentive Plan is a 20% rolling plan that provides for the issuance of a number of different equity incentives (including Restricted Share Units, Deferred Share Units and Performance Share Units) and the Company must seek shareholder approval for any grant that is above 10% pending shareholder approval of the Equity Incentive plan.

On March 7, 2024, a total of 186,667 stock options and 13,333 Performance Share Units were approved for issuance to the directors, officers, and consultants of the company. The stock options have an exercise price of $4.00, vesting over a period of 2 to 5 years, and expiry date of March 7, 2029. The CEO received 50,000 stock options, the CFO received 20,000 stock options, and the corporate secretary received 10,000 stock options, where 20% vest immediately and the rest annually over 4 years.

On March 7, 2024, the company performed a debt for common shares conversion where $67,948 was converted at $4.00 a share for 16,987 common shares.

SUMMARY OF ANNUAL INFORMATION

The following table sets forth selected financial information of the Company which has been derived from the consolidated financial statements of the Company for the years ended December 31, 2023 and 2022.

	Year ended December 31, 2023 $	**Year ended December 31, 2022 $**
Total Revenue	-	-
Total Expenses	319,908	35,312
Net Loss	319,908	35,312
Net Loss Per Share	0.08	0.01
Total Assets	3,110,670	1,232,233
Total Liabilities	767,536	839,306

During the year ended December 31, 2023, the net loss from continuing operations was $319,908 (2022 - $35,312). The increase in net loss is mainly attributable to an increase in professional fees, advertising, and general administration expense.

SUMMARY OF QUARTERLY RESULTS

The following is selected financial information as prepared in Canadian dollars under International Financial Reporting Standards derived from the Company's most recently completed fiscal quarters since inception:

	December 31, 2023 $	**September 30, 2023 $**	**June 30, 2023 $**	**March 31, 2023 $**
Total Assets	3,110,670	3,231,381	1,186,209	1, 204,096
Working Capital (Deficiency)	234,286	377,275	326,886	364,449
Revenue	-	-	-	-
Net Loss	(149,962)	(103,905)	(37,563)	(28,478)
Loss per Share	(0.03)	(0.02)	(0.01)	(0.01)

	December 31, 2022 $	September 30, 2022 $	June 30, 2022 $	March 31, 2022 $
Total Assets	1,232,233	1,107,851	1,008,239	427,975
Working Capital (Deficiency)	392,927	415,647	407,023	427,812
Revenue	-	-	-	-
Net Loss	(3,296)	(10,800)	(20,788)	(428)
Loss per Share	(0.00)	(0.00)	(0.00)	(0.01)

Factors causing significant variations in quarterly results are as follows:

During the three months ended March 31, 2022, the Company earned revenue of $nil, and incurred operation expenses of $428, comprised of legal fees of $122 and general administration expense of $306.

During the three months ended June 30, 2022, the Company earned revenue of $nil, and incurred operating expenses of $20,788, comprised of advertisement and promotion expense of $5,000, general administration expense of $1,084, legal fees of 2,704 and professional fees of $12,000.

During the three months ended September 30, 2022, the Company earned revenue of $nil, and incurred operating expenses of $10,800, comprised mainly of general administration expense of $6,244, professional fees of $4,000, and legal fees of $556.

During the three months ended December 31, 2022, the Company earned revenue of $nil, and incurred operating expenses of $3,296, comprised of general administration expense.

During the three months ended March 31, 2023, the Company earned revenue of $nil, and incurred operation expenses of $28,478 comprised mainly of professional fees of $20,000, travel expense of $7,947, general administration expenses of $331 and regulatory fees of $200.

During the three months ended June 30, 2023, the Company earned revenue of $nil, and incurred operating expenses of $37,563 comprised mainly of professional fees of $18,000, audit fees of $7,000, legal fees of $12,506, general administration expenses of $35 and regulatory fees of $22.

During the three months ended September 30, 2023, the Company earned revenue of $nil, and incurred operating expenses of $103,905 comprised mainly of consulting fees of $42,867, professional fees of $12,000, legal fees of $38,618, general administration expenses of $197 and regulatory fees of $10,223.

During the three months ended December 31, 2023, the Company earned revenue of $nil, and incurred operating expenses of $149,962, comprised mainly of professional fees of $35,704, consulting fees of $73,809, audit fees of $11,750, legal fees of $15,048, regulatory fees of $12,290 and general admin of $1,316.

CASH AND WORKING CAPITAL

As at December 31, 2023, the Company had working capital of $234,286. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company requires to pay $80,662 its liability. During the year ended December 31, 2023, the Company raised capital and received subscription in advance of $2,996 (December 31, 2022- $819,819). Since the Company will not be able to generate cash from its operations in the near-term future, the Company will have to rely on the funding through equity issuances and through short-term borrowing in order to fund ongoing operations and to meet its obligations. The ability of the Company to raise capital in future will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

LIQUIDITY

As at December 31, 2023, the Company held assets totaling $3,110,670 consisting of $21,607 in cash, $967,986 short term investment in a guaranteed investment certificate, $12,229 in accounts receivable.

As at December 31, 2023, the Company had total liabilities of $767,536 comprised of $80,662 of accounts payable and subscription received in advance of $686,874.

As at December 31, 2023, the Company had working capital of $234,286 as compared to a working capital of $392,927 at December 31, 2022. During the year ended December 31, 2023, the Company was able to raise funds of $2,996 (2022 - $819,819) from subscription received in advance.

Readers are cautioned that a number of factors beyond the control of the Company could result in the Company not being able to sustain its current position. Such factors could include adverse economic conditions, political and regulatory concerns and key individual staffing problems amongst others.

CAPITAL RESOURCES

Cash used in operating activities during the year ended December 31, 2023 totaled $238,688 (2022 – $21,411), which was attributed to the loss during the year of $285,734 (2022 – $35,312) and the changes in the non-cash working capital items is an increase in accounts receivable of $10,220 (2022 - $1,701), an increase in accounts payable of $61,175 (2022 – $15,954), and a decrease of $nil in due to related parties (2022-$352). The company raised $2,996 (2022 – increase of $819,819) in subscription in advance.

The Company defines capital as the components of shareholders' equity. The Company's objectives when managing capital are to support further advancement of the Company's business objectives, as well as to ensure that the Company is able to meet its financial obligations as they come due. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2023, the Company is not subject to externally imposed capital requirements.

The Company has not issued dividends to date and has no plans to pay dividends in the foreseeable future.

TRANSACTIONS WITH RELATED PARTIES

On July 1, 2023, Maryam Amin Shanjani was appointed as the Chief Financial Officer (CFO) of the Company. On July 10, 2023, Michael Sato and Roger Lui were appointed as directors of the Company and Fransisco Gulisano was appointed as a director and Chief Executive Officer (CEO) of the Company. On July 26, 2023, Hou Yin Ho (Jeffrey Ho) resigned from his position as the Company's director.

As of December 31, 2023, the directors of the Company are Fransisco Gulisano, Michael Sato and Roger Lui.

The Company recognizes its directors and senior officers as key management personnel. During the year ended December 31, 2023, the Company incurred management fees of $28,809 for the CEO. As of December 31, 2023, the Company had an outstanding balance of $28,809 owed to the CEO.

OUTSTANDING SHARE DATA

As of December 31, 2023 and April 9, 2024 the Company has 4,650,000 and 5,228,863 common shares outstanding, respectively.

As of December 31, 2023 and April 9, 2024 the Company has 2,550,000 and 3,098,543 share purchase warrants, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements that would require disclosure.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates include impairment of assets, the useful life and amortization of property and equipment and intangible assets, measurement of share-based payments, and deferred income tax asset valuation allowances. Estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CHANGES IN ACCOUNTING POLICIES

The Company has adopted the IFRS accounting standards and prepared financial statements to comply with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Significant accounting policies disclosed in note 3 of the attached financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL AND OTHER INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee nor written risk management policies. The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at December 31, 2023, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, December 31, 2023 $
Cash	21,607	–	–	21,607

The fair values of other financial instruments, which include accounts receivable, short-term investment, accounts payable, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and accounts receivable. The Company limits exposure to credit loss by placing its cash with high credit quality financial institutions. The Company performs ongoing credit evaluations, does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to currency risk from assets and liabilities denominated in US dollars and ARG peso. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management believes that the risk from fluctuations in foreign exchange rates is not significant.

(d) 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 currently settles its financial obligations with cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Liquidity risk is assessed as high.

(e) Classification of financial instruments

Financial assets and liabilities included in the consolidated statement of financial position are as follows:

	December 31, 2023 $	December 31, 2022 $
Financial assets classified as fair value through profit or loss:		
Cash	21,607	1,230,224
Loans and receivables:		
Accounts receivable	12,229	2,009
Investment GIC	967,986	-
Non-derivative financial liabilities:		
Accounts payables	80,662	19,487
Subscription received in advance	686,874	819,819
	767,536	839,306

SUBSEQUENT EVENTS

On January 19, 2024, the Company closed its subscriptions in advance private placement round and issued 457,916 units of the Company (a "Unit") at a price of $1.50 per Unit for total proceeds of $686,874. Each Unit is comprised of one common share and one share purchase warrant at an exercise price of $3.00 for a period of 3 years with an expiry date of January 19, 2027.

On February 2, 2024, the Company's Special Warrants were exercised into units (each a "Unit"). Each Unit is comprised of one common share and one common share purchase warrants (a "Warrant"). Each warrant is exercisable into one common share at an exercise price of $3.00 for a period of three years. Using the residual method, a $nil value was allocated to the warrants.

On February 21, 2024, the Company was listed on the Canadian Securities Exchange with a stock ticker BGX.

On March 7, 2024, the Company adopted an Equity Incentive Plan, a copy of which was previously provided to the Board (the "Equity Incentive Plan"). The Equity Incentive Plan is a 20% rolling plan that provides for the issuance of a number of different equity incentives, including Restricted Share Units, Deferred Share Units and Performance Share Units) and the Company must seek shareholder approval for any grant that is above 10% pending shareholder approval of the Equity Incentive plan.

On March 7, 2024, a total of 186,667 stock options and 13,333 performance shares were approved for issuance to the directors, officers, and consultants of the company. The stock options have an exercise price of $4.00, vesting over a period of 2 to 5 years, and expiry date of March 7, 2029. The CEO received 50,000 stock options, the CFO received 20,000 stock options, and the corporate secretary received 10,000 stock options, where 20% vest immediately and the rest annually over 4 years.

On March 14, 2024, the company performed a debt for common shares conversion where $67,948 was converted at $4.00 a share for 16,987 common shares.

COMMITMENTS

As at December 31, 2023, the Company has no commitments.

CONTINGENCIES

There are no contingencies liabilities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During year ended December 31, 2023, the Company generated revenue of $nil from operations.

During the year ended December 31, 2023, the Company incurred consulting fees, professional fees of $190,380, audit fees of $30,750, legal expense of $66,172, regulatory fees of $22,735, travel expense of $7,992 and office and general expenses of $1,879.

DISCLOSURE OF INTERNAL CONTROLS

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited consolidated financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

RISK FACTORS

The Company continues to focus on oil and gas mining activities but there is no assurance of success. The Company has incurred a loss of $319,908 for the year ended December 31, 2023 and has a deficit of $327,807.

Management is continuing efforts to attract additional equity and capital investors and may implement cost control measures to maintain adequate levels of working capital. The Company will try to achieve its operational goals. Nevertheless, there can be no assurance provided with respect to the successful outcome of these ongoing actions. If the Company is unable to achieve its goals, the Company may be required to amend its business plan to create a successful strategy.

There is no assurance that the Company will be successful in achieving potential revenue from sales of products and the likelihood of success must be considered in light of the Company’s early stage of operations.

There is no assurance that we will be able to be success in exploration stage of activity and large quantities of our products.

The Company may not be able to establish anticipated levels of high-volume production on a timely, cost-effective basis, or at all. It is possible that the Company does not achieve to milestone is set up for exploration stage and not be able to shift to production stage. As a result of the risks discussed within this MD&A, among others, the Company may not be able to generate or fulfill new sales orders or deliver them in a timely manner, which could have a material effect on its business and results of operations.

Our ability to generate positive cash flow is uncertain.

Our business will continue to require significant amounts of working capital to support our growth. Therefore, we may not achieve sufficient revenue growth to generate positive future cash flow and may need to raise additional capital from investors or other finance sources to achieve our future growth. An inability to generate positive cash flow for the foreseeable future or raise additional capital on reasonable terms may decrease our viability.

Our failure to raise additional capital necessary to expand our operations and invest on the exploration and manufacturing facilities could reduce our ability to compete successfully.

Our sales volume is not assured, and we depend on a limited number of customers for a significant portion of our sales.

The Company expects to continue to sell its products directly to corporate customers, but if these parties do not purchase these products or purchase them in lower quantities or over longer time periods than expected, the Company’s revenue profile and cash flows may be severely affected. The Company continues to rely upon a limited number of customers for a significant portion of its sales and the loss of any customer could have a material adverse effect on its sales and operating results and make it more difficult to attract and retain other customers.