TOCVAN VENTURES CORP.

TOCVAN VENTURES CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED AUGUST 31, 2022

The following Management Discussion and Analysis ("MD&A") of Tocvan Ventures Corp. (the "Company" or "Tocvan") has been prepared by management, in accordance with the requirements of National Instrument 51-102 as of December 30, 2022, and should be read in conjunction with the consolidated financial statements for the year ended August 31, 2022, 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.sedar.com.

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 period 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 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 ("CSE") under the symbol "TOC". 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, 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, totalling 105 hectares. 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 totalling 2,413.7 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.

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, 2022, the Company incurred a net loss of $2,199,183 (2021 - $1,440,071).

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, 2022, the Company had cash of $86,439 (2021 - $149,860) and working capital deficit of $1,756,511 (2021 – working capital of $219,101). Working capital deficit was affected by an increase in current liabilities associate with recognition of the convertible notes, with the fair value of $1,924,034, and the warrants, with the fair value of $1,229,047, issued as part of the financing transaction with Sorbie Bornholm LP.

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

On September 29, 2021, the Company signed an agreement with C3 Metals to purchase 100% of the Rogers Creek property. On October 5, 2021, the Company issued 500,000 shares for a 100% interest in Rogers Creek property subject to 2% net smelter return royalty ("NSR") of which 1% could have been repurchased for $1,000,000. The shares were subject to re-sale restrictions with 200,000 shares becoming free-trading on February 6, 2022, 150,000 shares becoming free-trading on May 5, 2022, and final 150,000 shares becoming free-trading on August 5, 2022.

On April 22, 2022, The Company executed an assignment agreement for the sale of Rogers Creek property to Cascade Copper Corp. ("Cascade Copper"). The transaction consisted of the sale of Rogers Creek property in exchange for 5,000,000 common shares of Cascade Copper (the "Cascade Shares"), a privately-held company, with a deemed issue price of $0.05 per Cascade Share for an aggregate consideration of $250,000. The Company resolved to distribute the Cascade Shares to the Company's shareholders of record as of the close of business on May 31, 2022. The distribution will be effected on the date Cascade Copper completes its initial public offering. As at August 31, 2022, the Company recorded $423,970 loss on the disposition of Rogers Creek and a dividend payable of $600,000, based on the fair market value of Cascade Shares on August 31, 2022.

During the year ended August 31, 2022, and up to the date of this MD&A, the Company issued the following shares:

On September 20, 2021, the Company issued 1,000,000 Common Shares with a fair value of $900,000 as payment for the Pilar Project pursuant to the Property Option Agreement dated September 22, 2019, as amended on August 31, 2021, between the Company and Colibri.

On October 7, 2021, the Company issued 500,000 Common Shares with a fair value of $465,000 to acquire a 100% interest in Rogers Creek property.

On November 30, 2021, the Company closed the first tranche of a non-brokered private placement of units (the "November Units") issuing 471,225 November Units for gross proceeds of $471,225 (the "November Offering"), and on December 13, 2021, the Company closed the second tranche of the November Offering issuing 266,000 November Units for gross proceeds of $266,000. Of the total 737,225 November Units, 90,000 November Units were issued in exchange for services.

Each November Unit consisted of one Common Share and one-half Common Share purchase warrant (the "November Warrant"). Each full November Warrant entitles the holder thereof to acquire one Common Share at a price of $1.50, for a period of 24 months from the closing of each respective November Offering tranche.

In connection with the November Offering, the Company paid $25,500 in legal fees and paid aggregate cash commissions to finders who assisted with the November Offering of $40,791.

In addition, the Company issued a total of 21,378 finders' warrants (the "November Finders' Warrants"). Each November Finders' Warrant is exercisable at a price of $1.00 per Common Share for a period of 24 months from the closing of the respective November Offering tranche. 20,098 November Finders' Warrants were valued at $11,045 using the Black Scholes option pricing model using the following assumptions: share price - $0.94; exercise price - $1.00; expected life – 2 years; expected volatility – 105.45%; risk free interest rate – 0.93%. Remaining 1,280 November Finders' Warrants issued on close of the second tranche were valued at $678 using the following assumptions: share price - $0.96; exercise price - $1.00; expected life – 2 years; expected volatility – 108.29%; risk free interest rate – 1.00%.

On March 21, 2022, the Company closed a non-brokered private placement of 481,071 units (the "March Units") at a price of $0.75 per unit for gross proceeds of $360,803 (the "March Offering"). Each March Unit consisted of one Common Share and one Common Share purchase warrant (the "March Warrant"). Each March Warrant entitles the holder to acquire one Common Share at a price of $1.35 which expires September 21, 2023. Of the 481,071 March Units, 128,000 March Units were issued in exchange for services.

In connection with the March Offering, the Company paid $4,000 in legal fees, paid cash commissions of $14,322, and issued 19,096 finders' warrants exercisable at a price of $0.75 per Common Share expiring on September 21, 2023. The finders' warrants were valued at $6,237 using Black Scholes option pricing model with the following assumptions: share price - $0.73; exercise price - $0.75; expected life – 1.5 years; expected volatility – 97%; risk free interest rate – 2.03%.

On May 9, 2022, the Company closed a non-brokered private placement of 432,750 units at a price of $0.80 per unit (the "May Unit") for gross proceeds of $346,200 (the "May Offering"). Each May Unit consisted of one Common Share and one Common Share purchase warrant (the "May Warrant"). Each May Warrant entitles the holder to acquire one Common Share at a price of $1.40 which expires May 9, 2024.

In connection with the May Offering, the Company paid $10,000 in legal fees, paid cash commissions of $27,696, and issued 34,620 finders' warrants exercisable at a price of $0.80 per Common Share expiring on May 9, 2024. The finders' warrants were valued at $12,644 using Black Scholes option pricing model with the following assumptions: share price - $0.75; exercise price - $0.80; expected life – 2 years; expected volatility – 93%; risk free interest rate – 2.53%.

On June 14, 2022, the Company closed a non-broker private placement and issued 243,500 units at $0.82 per unit (the "June Unit") for gross proceeds of $199,670 (the "June Offering"). Each June Unit consisted of one Common Share and one Common Share purchase warrant (the "June Warrant"). Each June Warrant entitles the holder to purchase one additional Common Share at a price of $1.40 per Common Share exercisable until June 14, 2024.

In connection with the June Offering, the Company incurred $20,500 in legal fees and issued 12,160 finders' warrants exercisable at a price of $0.82 per Common Share exercisable until June 14, 2024. The finders' warrants were valued at $6,001 using Black Scholes option pricing model with the following assumptions: share price - $0.93; exercise price - $0.82; expected life – 2 years; expected volatility – 91.46%; risk-free interest rate – 3.46%.

On June 14, 2022, the Company issued 54,878 Common Shares at $0.82 per share to a consultant to settle a payable account amounting to $45,000 for services rendered to the Company.

On June 28, 2022, the Company completed a financing transaction with Sorbie Bornholm LP ("Sorbie"). As part of the transaction with Sorbie, the Company issued 3,200,000 units (the "Sorbie Units") and 2,809 convertible notes with a face value of $1,000 per note (the "Sorbie Notes") in exchange for 24 monthly cash payments (the "Monthly Settlements") that were measured against a benchmark price of $1.10 per share (the "Benchmark") with a set number of shares totaling $5,125,000 at Benchmark (the "Sorbie Transaction"). Each Sorbie Unit consisted of one Common Share and one Common Share purchase warrant. Each warrant entitles Sorbie to purchase one additional common share at a price of $1.20 exercisable until June 28, 2025. The Company allocated the fair value of the future Monthly Settlements expected to be received from the Sorbie Transaction between all the components of the Sorbie Transaction as follows: $2,810,124 was allocated to the Sorbie Notes, $515,116 was allocated to the warrants issued as part of the Sorbie Notes, $503,516 was allocated to the warrants issued as part of the Sorbie Units, and $Nil was allocated to the shares issued as part of the Sorbie Units.

During the year ended August 31, 2022, the Company issued 254,750 shares on exercise of options to acquire Common Shares for total proceeds of $88,150. The weighted average share price at the time the options were exercised was $0.54.

During the year ended August 31, 2022, the Company issued 101,040 shares on exercise of warrants for total proceeds of $44,958.

On September 21, 2022, the Company issued 1,000,000 Common Shares with a fair value of $710,000 as payment for the Pilar Project pursuant to the Property Option Agreement dated September 22, 2019, as amended on August 31, 2021, between the Company and Colibri.

On September 27, 2022, the Company issued 9,600 common shares on exercise of warrants for total proceeds of $5,760.

On December 2, 2022, the Company issued 18,750 common shares on exercise of an option by one of the directors of the Company for total proceeds of $6,563. At the time the option was exercised the Company's shares were trading at $0.465.

Sorbie Transaction

On June 28, 2022, the Company entered into a financing transaction with Sorbie whereby the Company agreed to issue 3,200,000 Sorbie Units and 2,809 Sorbie Notes with a face value of $1,000 per Sorbie Note in exchange for 24 Monthly Settlements that were measured against a benchmark price of $1.10 per share with a set number of shares totaling $5,125,000 at the Benchmark price.

The actual Monthly Settlements are determined based on a volume weighted average price ("VWAP") for 20 trading days prior to the Monthly Settlement. If the measured share price exceeds the Benchmark for the Monthly Settlement, the Company will receive more than 100% of the expected Monthly Settlements. However, should the share price be below the Benchmark, the Company will receive less than 100% of the Monthly Settlements.

Each Sorbie Unit consists of one common share and one share purchase warrant entitling Sorbie to purchase one additional common share at a price of $1.20 until June 28, 2025. The Sorbie Notes matures on June 28, 2025, can be converted, at discretion of Sorbie, into 1,220 common shares at a deemed price of $0.82 per share. The Sorbie Notes pay interest at 1% per year which is payable in common shares calculated at $0.82 per share. In connection with the Sorbie Notes the Company issued to Sorbie an additional 1,713,490 detachable warrants that entitle Sorbie to purchase one additional common share at a price of $1.30 until June 28, 2025, and an additional 1,713,490 detachable warrants that entitle Sorbie to purchase one additional common share at a price of $1.40 until June 28, 2025.

To determine the fair value of the Monthly Settlements the Company used a Monte Carlo simulation. Based on the terms of the Monthly Settlements, the Company calculated the expected future VWAP share price at each Monthly Settlement, multiplied by the number of predetermined shares per the payment schedule and then discounted using the risk free rate to determine the present value of the future cash flows. Based on the above method, the Company determined the fair value of the cash flows expected from the Sorbie Transaction at June 28, 2022, to be $3,828,756.

To determine the allocation of the fair value of the Monthly Settlements, the Company analyzed Sorbie Units and Sorbie Notes under guidance available under IFRS 9 Financial Instruments. Sorbie Notes are financial instruments that fall within the scope of IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments*. IFRS requires that the terms of a convertible instrument are analyzed and each component separately accounted for according to the definitions of a financial liability and equity. The Company determined that Sorbie Notes and the warrants that were issued as part of the Sorbie Notes and Sorbie Units were liability, therefore the fair values of future Monthly Settlements were allocated first to the Sorbie Notes, then to the warrants, with the remaining value allocated to the shares issued as part of the Sorbie Units.

The following table summarizes the initial allocation of the future Monthly Settlements at June 28, 2022, and their subsequent revaluation to the fair values at August 31, 2022:

		June 28, 2022		**August 31, 2022**
Sorbie Notes[(1)]	$	2,810,124	$	1,924,034
Warrants to acquire up to 1,713,90 Shares at $1.30 per Share		261,387		313,343
Warrants to acquire up to 1,713,90 Shares at $1.40 per Share		253,729		297,069
Warrants to acquire up to 3,200,000 Shares at $1.20 per Share		503,516		618,635
Shares issued as part of the Sorbie Units		-		-
Total	**$**	**3,828,756**	**$**	**3,153,081**

(1)As at August 31, 2022, the Company recorded $4,925 in interest on the Sorbie Notes.

As at the date of this MD&A, the Company had received a total of $746,286 representing the first five Monthly Settlements receivable under the Sorbie Transaction.

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. (an arms-length party) of $25,000, which the Company paid on September 18, 2019. After satisfactory due diligence was completed, the Company decided to proceed with the acquisition of the 51% interest in the Pilar Project, therefore the Company 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 is required to fulfil certain work commitments and make the following payments:

	Cash payment	Exploration work	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	$500,000	
September 21, 2024		$500,000	
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% NSR, 1% of which can be repurchased for an additional cash payment of $1,000,000.

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 (USD$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 property within the Caborca Orogenic Gold Belt in Sonora, Mexico, from the property owners, Suarez Brothers.

To acquire 100% interest in the El Picacho Project, the Company is required to pay Suarez Brothers USD$1,985,600 and an additional payment of USD$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% for USD$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of USD$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.

Exploration Projects

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

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	144,959	2,269,741
Total E&E assets, August 31, 2022	**$ –**	**$ 4,031,564**	**$ 288,864**	**$ 4,320,428**

Year ended August 31, 2021	**Rogers Creek**	**Pilar**	**El Picacho**	**Total**
Acquisition costs				
Balance, August 31, 2020	$ 125,000	$ 385,000	$ –	$ 510,000
Cash	–	125,000	94,196	219,196
Shares issued	–	480,000	–	480,000
Balance, August 31, 2021	125,000	990,000	94,196	1,209,196
Deferred exploration expenditures				
Balance, August 31, 2020	96,140	188,642	–	284,782
Geologist fees and assays	1,500	1,016,057	–	1,017,557
Other exploration expenses	–	37,264	–	37,264
Mining exploration tax credits	(13,670)	–	–	(13,670)
Balance, August 31, 2021	83,970	1,241,963	–	1,325,933
Total E&E Assets, August 31, 2021	**$ 208,970**	**$ 2,231,963**	**$ 94,196**	**$ 2,535,129**

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. Four zones of mineralization have been identified in the north-west part of the property from surface work and drilling and are referred to as the Main Zone, North Hill and 4 Trench and Triple Vein Zone. Structural features and zones of mineralization within follow an overall NW-SE trend of mineralization. Over 14,190 meters of drilling has been completed historically with an additional 8,786.44 meters completed by Tocvan from December 2020 to July 2022.

Project highlights include:

- Total of 23,713 meters of drilling;
- 2,307 meters of historic surface and trench channel sampling with 590 total samples;
- Recent soil sampling results from undrilled areas indicate mineralization extending towards the southeast from the Main Zone, North Hill Zone, and 4-Trench Zone;
- 2020 Surface soil sampling returning up to 8.1 g/t Au and 317 g/t Ag in separate samples;
- 2020 Surface Rock sampling returning up to 23.7 g/t Au and 116 g/t Ag in areas previously not drill tested;
- 2021 Surface Rock sampling returning up to 19.9 g/t Au and 735 g/t Ag;
- Resistivity trends defined by ground geophysical surveys, including Induced Polarization (IP) and Controlled Source Audio Magnetotellurics (CSAMT);
- LiDAR survey of the Project area;
- Completion of Bottle Roll Metallurgical Study with gold recoveries up to 92%;
- Completion of Phase One RC drill program totaling 1,505 meters;
- Completion of Phase Two RC drill program totaling 3,500 meters;
- Completion of Phase Three drill program with 1,256.80 meters of DDH and 1,686.66 meters of RC drilling;
- Opening of four surface trenches, totaling 83.8 meters length, with bulk samples averaging between 0.179 and 0.730 g/t Au, for metallurgical tests; and
- Preliminary Column leach metallurgical tests with gold recoveries over 85%
- Continued Drilling Planned for Infill and Expansion
- Bulk Sample Planned for metallurgy and head grade analysis.

Phase One (December 2020) Drill Highlights:

Drill hole JES-20-32
- 94.6 meters at 1.6 g/t Au from 57.9 to 152.5 meters
  including a high-grade core of 9.2 meters at 10.8 g/t Au and 38 g/t Ag from 57.9 to 67.1 meters

Drill hole JES-20-33
- 41.2 meters at 1.1 g/t Au from 57.9 to 99.1 meters
  including a high-grade core of 3.1 meters at 6.0 g/t Au and 12 g/t Ag from 71.6 to 74.8 meters\

Drill hole JES-20-36
- 24.4 meters at 2.5 g/t Au and 73 g/t Ag from 96.1 to 120.5 meters
  including a high-grade core of 9.2 meters at 6.3 g/t Au and 192 g/t Ag from 96.1 to 105.2 meters
  including 1.5 meters at 33.4 g/t Au and 1,090 g/t Ag from 96.1 to 97.6 meters

Phase Two (April to June 2021) Highlights:

Drill hole JES-21-38
- 29.0 meters at 0.71 g/t Au from surface to 29.0 meters
  including 3.1 meters at 2.6 g/t Au from surface to 3.1 meters
  including 6.1 meters at 1.9 g/t Au from 22.9 to 29.0 meters
- 24.4 meters at 0.56 g/t Au from 67.1 to 91.5 meters
  including 9.2 meters at 1.3 g/t Au and 14 g/t Ag from 79.3 to 88.5 meters

Drill hole JES-21-43
- 35.1 meters at 0.66 g/t Au

Drill hole JES-21-47

- 47.7 meters at 0.70 g/t Au
  including 3 meters at 5.6 g/t Au and 22 g/t Ag

Drill hole JES-21-50

- 39.7 meters at 0.96 g/t Au
  including, 3 meters at 1.5 meters at 14.6 g/t Au

Phase Three (December 2021 to July 2022) Highlights:

JES-22-58 (Core)

- 33.3m at 0.6 g/t Au and 2 g/t Ag, from 85.6 meters
  including 21.7m at 0.9 g/t Au

JES-22-59 (Core)

- 116.9m at 1.2 g/t Au and 7 g/t Ag
  including 48.1m at 2.8 g/t Au and 9 g/t Ag
  including 10.2m at 12.0 g/t Au and 23 g/t Ag

JES-22-61 (Core)

- 63.4m at 0.6 g/t Au and 11 g/t Ag, from 60.8m
  including 29.9m at 0.9 g/t Au and 18 g/t Ag, from 60.8m

JES-22-62 (Core)

- 108.6m at 0.8 g/t Au and 3 g/t Ag, from 48.7m
  including 31.9m at 2.4 g/t Au and 2 g/t Ag, from 125.4m
  including 9.4m at 7.6 g/t Au and 5 g/t Ag, from 144.8m

Drill hole JES-22-62

- 108.6m at 0.8 g/t Au and 3 g/t Ag, from 48.7m
  including 31.9m at 2.4 g/t Au and 2 g/t Ag, from 125.4m
  including 9.4m at 7.6 g/t Au and 5 g/t Ag, from 144.8m

JES-22-63 (RC)

- 54.9m at 0.3 g/t Au and 5 g/t Ag, from 6.1m
  including 13.7m at 0.6 g/t Au and 13 g/t Ag, from 6.1m

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 2,414 hectares. Five 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.

Murcielago Zone

- 450-meter trend of gold-silver hosted in a brecciated dolomitic limestone, highlighted by:
- Historical artisanal mine working is present following high-grade mineralization
- Recent rock sampling highlights:
  - **7.2 g/t Au, 36 g/t Ag and 4.4% Pb**
  - **4.5 g/t Au, 197 g/t Ag, 4.8% Pb and 7.1% Zn**
  - **3.3 g/t Au, 67 g/t Ag and 1.6% Pb**
  - **2.7 g/t Au, 25 g/t Ag and 1.9% Zn**
- Historic Murcielago Rock Samples Results, highlighted:
  - **15.1 g/t Au, 18 g/t Ag and 2.9% Pb**
  - **13.8 g/t Au, 83 g/t Ag and 1.7% Pb**
  - **8.8 g/t Au, 234 g/t Ag and 4.6% Pb**

The five primary target areas, identified by previous work, are summarized below:

San Ramon Zone

- 1.4 km prospective trend;
- Several historic mine workings associated with low angle faults;
- Historic Drill Highlights (Both were reconnaissance holes with no follow-up):

- (Drill hole PD-01) 7.6m @ 0.73 g/t Au, including 3.0m @ 1.37g/t Au
- (Drill hole RCP-02) 10.7m @ 0.67 g/t Au, including 4.6m @ 1.4 g/t Au

- Rock Sampling highlights:
  - 22 g/t Au and 22 g/t Ag
  - 16 g/t Au and 26 g/t Ag
  - 14 g/t Au and 83 g/t Ag

Cornea Zone

- 2.3 km prospective trend;
- Historic mine workings up to 30-meters deep along shear-zones;
- Rock Sampling Highlights:
  - 26 g/t Au and 340 g/t Ag
  - 15 g/t Au and 66 g/t Ag
  - 15 g/t Au and 29 g/t Ag

Jabali Zone

- 0.5 km prospective trend;
- Historic mine workings among low-angle thrust faults;
- Rock Sampling Highlights
  - 32 g/t Au
  - 28 g/t Au and 10 g/t Ag

El Puerto Zone

- 1.2 km prospective trend;
- Historic mine workings along vertical shear-zones hosted within a banded gneiss;
- Rock Sampling Highlights
  - 8 g/t Au and 10 g/t Ag
  - 6.5 g/t Au and 176 g/t Ag

Tortuga Zone

- 1.0 km prospective trend;
- Historic mine workings in Jurassic metasediments surrounded by mineralized biotite gneiss;
- Rock Chip Sampling Highlights
  - 2m @ 4.4 g/t Au and 46 g/t Ag

Rogers Creek Project

The Rogers Creek property covers 212.34 km^2 in the Coastal Mountain Belt of British Columbia about 90 km northeast of Vancouver, B.C. The Rogers Creek project advanced from a small showing discovered on a logging road in 2007 to an advanced exploration stage property with evidence for a large mineralized system. Mineralization is hosted within the Miocene age intrusions of the Cascade Magmatic Arc of southwestern BC, which have seen very little modern exploration.

Porphyry related alteration and mineralization has been identified in four target areas on the Rogers Creek Property. The most extensive zone of alteration/mineralization has been identified in Target Areas I and II within a 6 km x 2 km zone which exhibits widespread propylitic (pyrite-carbonate-chlorite-epidote) alteration. Several stages and styles of mineralization typical of porphyry systems are present within this zone and have been observed both in surface outcrop and in drill core.

The most interesting mineralization to date was observed in drill hole MRC-007 (drilled in 2011), which intersected 380 ppm Cu over 150.9 meters. Drill testing of coincident geological and geophysical targets at this Target have now been prioritized. Follow-up work in 2019 relogged and analyzed core with short-wave infrared (SWIR) confirming alteration clay minerals coincident with porphyry deposits are present and increasing with mineralization recorded in drill hole MRC-007.
Since the Company decided to concentrate its exploration activity on its Pilar Gold and El Picacho Projects in Mexico, on April 22, 2022, the Company entered into an assignment agreement for the sale of 100% of Rogers Creek project to Cascade Copper in exchange for 5,000,000 common shares of Cascade Shares valued at $250,000.

Selected Annual Information

The Company is providing the following selected information with respect to the Company's audited financial statements for the last three fiscal years ended August 31, 2022, 2021 and 2020. The audited financial statements for these fiscal periods were prepared in accordance with International Financial Reporting Standards and is expressed in Canadian dollars.

Statement of Comprehensive Loss Data		**Year ended August 31, 2022**		**Year ended August 31, 2021**		**Year ended August 31, 2020**
Total revenue	$	–	$	–	$	–
Operating expenses	$	(1,325,893)	$	(1,440,071)	$	(940,914)
Other loss	$	(873,290)	$	–	$	–
Net loss and comprehensive loss	$	(2,199,183)	$	(1,440,071)	$	(940,914)
Basic and diluted loss per share	$	(0.08)	$	(0.05)	$	(0.06)

Balance Sheet Data		**As at August 31, 2022**		**As at August 31, 2021**		**As at August 31, 2020**
Total assets	$	7,639,985	$	2,836,618	$	1,707,154
Total liabilities	$	4,052,562	$	82,388	$	103,700
Total equity	$	3,587,423	$	2,754,230	$	1,603,454

Results of Operations

During the year ended August 31, 2022 and 2021, the Company incurred a net loss of $2,199,183 (2021 – $1,440,071).

The expenses for the years ended August 31, 2022 and 2021 included the following major items:

		Year ended August 31, 2022		**Year ended August 31, 2021**
Advertising and promotion	$	724,933	$	643,217
Consulting	$	93,300	$	191,723
Legal fees	$	45,797	$	51,657
Management fees	$	64,500	$	59,362
Office and miscellaneous	$	38,705	$	36,310
Registration and transfer fees	$	58,580	$	49,333
Share-based compensation	$	238,179	$	383,998

The major items that were included in other loss for the years ended August 31, 2022 and 2021 included the following major items:

		Year ended August 31, 2022		**Year ended August 31, 2021**
Realized loss on sale of asset	$	423,970	$	-
Realized loss on financial asset at fair value through profit and loss	$	63,679	$	-
Unrealized loss on financial asset at fair value through profit and loss	$	1,053,198	$	-
Unrealized gain on convertible debenture	$	(891,015)	$	-
Unrealized loss on warrants payable	$	210,415	$	-

The increase in net loss was primarily due to losses incurred from the Sorbie Transaction on revaluation of fair value of the future Monthly Settlements, Sorbie Warrants, and the difference between the expected proceeds from the Monthly Settlements and actual cash received, which were in part offset by gain on revaluation of Sorbie Notes. In addition, net loss was affected by loss recognized from the sale of Rogers Creek Property. The largest operating expenses that contributed to overall net loss were associated with advertising and promotion expenses, legal fees, and management fees, which were offset by decreased share-based payments and consulting fees.

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, 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	$ 817,340	$ 726,512	$ 380,690	$ 274,641
Loss per share	$ 0.02	$ 0.02	$ 0.01	$ 0.01

	Three months ended August 31, 2021	Three months ended May 31, 2021	Three months ended February 28, 2021	Three months ended November 30, 2020
Total assets	$ 2,836,618	$ 2,989,167	$ 2,182,426	$ 2,053,297
Working capital	$ 219,101	$ 490,722	$ 223,877	$ 422,786
Shareholders' equity	$ 2,754,230	$ 2,770,682	$ 2,009,254	$ 1,978,630
Comprehensive loss	$ 192,177	$ 499,731	$ 294,912	$ 466,944
Loss per share	$ 0.01	$ 0.02	$ 0.01	$ 0.02

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 market.

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, 2022	August 31, 2021
Working capital/(deficit)	$ (1,756,511)	$ 219,101
Deficit	$ 5,009,158	$ 2,559,975

As at August 31, 2022, the Company had a cash balance of $86,439, working capital deficit of $1,756,511 and cash used in operations of $912,843 for the year then ended. At August 31, 2022, the working capital deficit was affected by increase in the Company's current liability, as a result of Sorbie Transaction, which included convertible notes with the fair value of $1,924,034, and warrants with the fair value of $1,229,047. Since both debt components of the Sorbie Transaction can be converted to shares of the Company at any time, the liability was classified as current. In addition, the Company recorded dividend payable of $600,000, being the fair value of 5,000,000 Cascade Shares, which the Company resolved to distribute to its shareholders on the date Cascades is listed on a recognized stock exchange. This increase in current liabilities was in part offset by $1,229,026 in fair value of the Monthly Settlements expected to be received in the 12-month period after the year-end, and to a smaller extent by $600,000 in marketable securities associated with Cascade Shares, and an increase in prepaid expenses of $181,943.

Net cash used in operating activities during the year ended August 31, 2022, was $912,843 (2021 – $1,234,476). The Company used the cash to cover its cash operating expenses of $1,095,832, which were calculated as $2,199,183 the Company recorded as net loss adjusted for non-cash items included in the net loss of $1,103,351, and to increase its prepaid expenses by $181,943. These uses of cash were offset by $194,568 increase in amounts due to related parties, $55,000 decrease in amounts due from related party, $102,667 increase in accounts payable and accrued liabilities, and $12,697 decrease in the amounts receivables. During the year ended August 31, 2021, the Company used the cash to cover its operating expenses of $1,056,073, which were calculated as $1,440,071 the Company recorded as net loss adjusted for non-cash items included in the net loss of $383,998, to advance $55,000 to its related party, increase its prepaid expenses by

$78,181, and to decrease its accounts payable and accrued liabilities by $48,427. These uses of cash were offset by $6,502 increase in amounts due to related parties, and $397 decrease in deposits.

Net cash provided by financing activities during the year ended August 31, 2022, was $1,792,833 (2021 – $1,726,849). Of this amount $1,315,089 was generated from shares issued for private placements (2021 – $1,726,849), $133,108 on exercise of options and warrants, and $344,636 from the first Monthly Settlement payment received from Sorbie.

Net cash used in investing activities during the year ended August 31, 2022, was $943,411 (2021 – $1,239,735) of which $86,491 was used to acquire interest in the Pilar and El Picacho properties (2021 - $219,196), and $856,920 was used to pay for drilling programs and other deferred exploration costs on these properties (2021 - $1,020,539)

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.

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, 2022 and 2021 was as follows:

Description	**August 31, 2022**	**August 31, 2021**
Share-based compensation	$ 100,248	$ 156,583
Exploration expenses	340,276	–
Rent expense	4,500	–
Management salaries	64,500	59,362
	$ 509,524	$ 215,945

Related party balances

At August 31, 2022, $64,739 was owed to the Company's CEO and a company controlled by the CEO (August 31, 2021 - $10,500).

At August 31, 2022, $20,250 was owed to a director and a company controlled by him (August 31, 2021 - $6,919).

At August 31, 2022, $125,948 was owed to a company controlled by a director of the Company (August 31, 2021 - $nil).

At August 31, 2022, $1,050 was owed to an officer of the Company (August 31, 2021 - $nil).

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

At August 31, 2021, a company controlled by a director of the Company owed $55,000 for a short-term non-interest-bearing advance. This advance was repaid on September 8, 2021.

Shares issued to related parties

During the year ended August 31, 2022, the Company issued a total of 123,750 Common Shares (2021 - 1,302,500) on exercise of options issued to directors of the Company for total proceeds of $39,188 (2021 - $185,750).

Subsequent to August 31, 2022, the Company issued an additional 18,750 common shares on exercise of an option by the Company's director for total proceeds of $6,563.

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, 2022.

Financial Instruments

Fair Values

The Company's financial instruments consist of cash, amounts receivable, marketable securities, accounts payable and accrued liabilities which are all classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial asset, debenture payable, warrants payable and dividends payable, are all classified at FVTPL. Financial assets and liabilities 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, 2022	August 31, 2021
Financial assets at amortized cost (i)	$ 200,627	$ 217,034
Financial assets at fair value through profit and loss (ii)	$ 2,852,532	$ -
Financial liabilities at amortized cost (iii)	$ 299,481	$ 82,387
Financial liabilities at fair value through profit and loss (iv)	$ 3,753,081	$ -

(i) Cash, amounts receivables, and due from related parties
(ii) Monthly Settlements resulting from Sorbie Transaction, 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 Transaction, 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, Monthly Settlements receivable as a result of Sorbie Transaction, and to a smaller extent GST receivable from the Government of Canada.

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. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits

Foreign Exchange Risk

Foreign currency 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 offices in Canada and Mexico, and holds cash in Canadian, United States, and Mexican Peso currencies. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar and Mexican Peso could have an effect on the Company's results of operations, financial position, and/or cash flows. At August 31, 2022, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the transactions of the Company are denominated in CAD and Mexican Peso currencies, movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

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 is exposed to equity price risk as a result of its investment in common shares of Cascade Copper following sale of the Rogers Creek Property in exchange for 5,000,000 common shares of Cascade Copper.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at August 31, 2022.

Additional Disclosure for Venture Issuers without Significant Revenue

Please refer to Note 3 in the consolidated financial statements for the year ended August 31, 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 year ended August 31, 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	37,299,000
Stock options	2,706,500
Warrants	9,481,503
	49,487,003

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.sedar.com.