TOCVAN VENTURES CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS PERIOD ENDED FEBRUARY 28, 2023

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 April 28, 2023, and should be read in conjunction with the condensed interim consolidated financial statements for the six-month periods ended February 28, 2023 and 2022, and the audited 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, locales 13 y 14, Col. Bachoco, C.P. 83148, Hermosillo, Mexico, Sonora.

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 period ended February 28, 2023, the Company incurred a net loss of $936,731 (2022 - $655,331).

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 February 28, 2023, the Company had cash of $200,050 (August 31, 2022 - $86,439) and working capital deficit of $1,340,727 (August 31, 2022 – $1,756,511). To date, the Company's sole source of financing has been derived from the issuance of common shares and debt.

<u>During the period ended February 28, 2023, and up to the date of this MD&A, the Company issued the following shares:</u>

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 closed a non-brokered private placement with Sorbie and issued 1,169,118 units at $0.544 per unit (the "April Sorbie Units") for gross proceeds of $600,000. The proceeds from the private placement were deposited with a third-party escrow agent and will be delivered in monthly tranches of $50,000 over the next 12-month period pursuant to the terms and conditions of a sharing agreement between the Company and Sorbie dated June 28, 2022, as amended on April 5, 2023. The monthly payouts will be measured against a benchmark price of $0.725 per share.

Each April Sorbie Unit consists of one Common Share and one-half of one Common Share purchase warrant ("Unit Warrant"). Each Unit Warrant entitles Sorbie to purchase one additional Common Share at a price of $0.68 per Unit Warrant expiring on April 5, 2026. In addition to the April Sorbie Units, Sorbie received a corporate finance fee of $36,000, which was paid via issuance of 66,177 Units, which consist of one Common Share and one-half of one Common Share purchase warrant having the same terms as Unit Warrants issued as part of April Sorbie Units.

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.

Changes in management

On December 1, 2022, the Company announced an appointment of two new directors who agreed to join the board of directors of the Company; Mr. Ralph Wintermantel and Mr. Luis Arroyo to the 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. In coordination with these changes, on November 30, 2022, Mr. Fred Jones stepped down from the Board. Mr. Jones will remain a close advisor to the Company.

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. Mr. Wood will remain close advisor to the Company.

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. ("Colibri") (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 within the Caborca Orogenic Gold Belt in Sonora, Mexico.

To acquire 100% interest in the El Picacho Project, the Company is required to pay 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.

TOCVAN VENTURES CORP.

Exploration Projects

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

Period ended February 28, 2023	Rogers Creek	Pilar	El Picacho	Total
Acquisition costs				
Balance, August 31, 2022	$ –	$ 1,915,000	$ 135,687	$ 2,050,687
Cash	–	76,552	35,346	111,898
Shares issued	–	650,000	–	650,000
Balance, February 28, 2023	–	2,641,552	171,033	2,812,585
Deferred exploration expenditures				
Balance, August 31, 2022	–	2,116,564	153,177	2,269,741
Geologist fees and assays	–	94,914	272,892	367,806
Other exploration expenses	–	1,903	35,198	37,101
Balance, February 28, 2023	–	2,213,381	461,267	2,674,648
Total E&E assets, February 28, 2023	**$ –**	**$ 4,854,933**	**$ 632,300**	**$ 5,487,233**

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.

Project highlights include:

- 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
- 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
- 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
- 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

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 have been 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 will be 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 will aim 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. The information provided from the sample will be used for planning in coordination for permitting of full-scale mine and process facilities on-site at Pilar.

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. 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 six-month period ended February 28, 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 Financial Information

Following tables present the comparison of financial condition of the Company as at February 28, 2023, and August 31, 2022, and for the six-month periods ended February 28, 2023 and 2022. The financial statements for these periods were prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars.

Statement of Comprehensive Loss Data		**Six-month period ended February 28, 2023**		**2022**
Total revenue	$	–	$	–
Operating expenses	$	(1,324,959)	$	(655,331)
Other gain/(loss)	$	388,228	$	–
Net loss and comprehensive loss	$	(936,731)	$	(655,331)
Basic and diluted loss per share	$	(0.03)	$	(0.02)

Balance Sheet Data		**As at February 28, 2023**		**As at August 31, 2022**
Total assets	$	7,680,935	$	7,639,985
Total liabilities	$	3,205,850	$	4,052,562
Total equity	$	4,475,085	$	3,587,423

Results of Operations

During the period ended February 28, 2023, the Company incurred a net loss of $936,731 (February 28, 2022– $655,331).

The expenses for the periods ended February 28, 2023 and 2022 included the following major items:

		Six-month period ended February 28, 2023		**2022**
Advertising and promotion	$	580,936	$	378,511
Audit and accounting	$	48,126	$	1,533
Consulting	$	66,788	$	42,900
Legal fees	$	32,196	$	22,823
Management fees	$	32,000	$	39,500
Meals & entertainment	$	11,502	$	106
Office and miscellaneous	$	15,638	$	21,127
Registration and transfer fees	$	31,225	$	28,751
Share-based compensation	$	481,588	$	113,210

The major items that were included in other gain/(loss) for the periods ended February 28, 2023 and 2022 included the following items:

	Six-month period ended February 28, 2023	2022
Realized loss on financial asset at fair value through profit and loss	$ (317,281)	$ –
Unrealized loss on financial asset at fair value through profit and loss	$ (47,977)	$ –
Unrealized gain on convertible debenture	$ 394,103	$ –
Unrealized gain on warrants payable	$ 509,464	$ –

The increase in net loss was primarily due to increased operating expenses, of which advertising and promotion expenses of $580,936 had the biggest impact, as it increased by $202,425, as compared to $378,511 the Company incurred during the comparative period. The second largest expense item was associated with share-based compensation of $481,588 the Company incurred during the six-month period ended February 28, 2023, an increase of $368,378 as compared to $113,210 incurred in the comparative period. Consulting fees of $66,788, accounting and audit fees of $48,126 also increased in comparison to the prior period ended February 28, 2022. These increases were further affected by losses incurred from the Sorbie Transaction: $47,977 associated with loss the Company recognized on revaluation of fair value of the future Monthly Settlements; $317,281 loss from the difference between the expected proceeds from the Monthly Settlements and actual cash received.

The above transactions were in part offset by $394,103 unrealized gain on revaluation of Sorbie Notes and by $509,464 unrealized gain associated with revaluation of warrants issued to Sorbie, and, to a smaller extent, decreased management fees of $32,000, as compared to $39,500 incurred during the period ended February 28, 2022, and decrease in office sundry expenses of $15,638, as compared to $21,127 in comparative period.

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 February 28, 2023	Three months ended November 30, 2022	Three months ended August 31, 2022	Three months ended May 31, 2022
Total assets	$ 7,680,935	$ 7,586,863	$ 7,639,985	$ 4,554,009
Working capital	$ (1,340,727)	$ (1,484,068)	$ (1,756,511)	$ 391,205
Shareholders' equity	$ 4,475,085	$ 4,213,398	$ 3,587,423	$ 4,321,522
Comprehensive loss	$ 590,943	$ 345,788	$ 817,340	$ 726,512
Loss per share	$ 0.02	$ 0.01	$ 0.00	$ 0.02

	Three months ended February 28, 2022	Three months ended November 30, 2021	Three months ended August 31, 2021	Three months ended May 31, 2021
Total assets	$ 4,600,323	$ 4,491,902	$ 2,836,618	$ 2,989,167
Working capital	$ 46,916	$ 430,277	$ 219,101	$ 490,722
Shareholders' equity	$ 4,381,504	$ 4,383,702	$ 2,754,230	$ 2,770,682
Comprehensive loss	$ 380,690	$ 274,641	$ 192,177	$ 499,731
Loss per share	$ 0.01	$ 0.01	$ 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.

	February 28, 2023	August 31, 2022
Working capital deficit	$ 1,340,727	$ 1,756,511
Deficit	$ 5,945,889	$ 5,009,158

As at February 28, 2023, the Company had a cash balance of $200,050 (2022 – $86,439), working capital deficit of $1,340,727 (2022 - $1,756,511) and net cash used in operations of $807,339 (2022 - $440,637) for the period. At February 28, 2023, the working capital deficit was affected by the decrease in the Company's current liability as a result of Sorbie Transaction which included convertible notes with a fair value of $1,543,861 (2022 - $1,924,034) and warrants with the fair value of $719,583 (2022 - $1,229,047). Since both debt components of the Sorbie Transaction can be converted to shares of the Company at any time, these liabilities were classified as current.

Sources and uses of cash	February 28, 2023	February 28, 2022
Cash used in operating activities	$ (807,339)	$ (440,637)
Cash provided by financing activities	1,183,118	804,395
Cash used in investing activities	(262,168)	(414,157)
Change in cash	$ 113,611	$ (50,399)

Net cash used in operating activities during the six-month period ended February 28, 2023, was $807,339 (2022 - $440,637). The Company used the cash to cover its cash operating expenses of $870,522 calculated at a net loss of $936,731 adjusted for non-cash items of $66,209, to increase its receivables by $9,852 and decrease amounts due to related parties by $163,054. These uses of cash were offset by $51,344 increase in the Company's accounts payable and accrued liabilities and by $184,745 decrease in prepaids.

During the comparative period ended February 28, 2022, the Company used $440,637 to support its operating activities, of which $542,121 was used to cover its cash operating expenses, calculated as net loss of $655,331 adjusted for non-cash item of $113,210, to increase its prepaid expenses by $61,270, and to increase amounts receivable by $8,375. These uses of cash were in part offset by $55,000 decrease in amounts due from related parties, $53,489 increase in accounts payable and accrued liabilities, and $62,640 increase in amounts due to related parties.

Cash provided by financing activities during the period ended February 28, 2023, was $1,183,118, of which $599,313 was associated with cash received from Sorbie Monthly Settlements (February 28, 2022 - $Nil), $566,482 was associated with net proceeds from private placement financing the Company closed in February of 2023, and $11,563 and $5,760 received on exercise of options and warrants. In the comparative period, the Company received $804,395 from private placement financing activities.

Net cash used in investing activities during the six-month period ended February 28, 2023, was $262,168 (February 28, 2022 - $414,157), of this amount the Company paid $76,552 (February 28, 2022 - $25,000) to acquire interest in the Pilar Project and $35,346 (February 28, 2022 - $Nil) to acquire interest in Picacho Project. The remaining amount of $150,270 (February 28, 2022 - $389,157) was used to pay for deferred exploration expenses on the Pilar and El Picacho Projects.

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 favorable. If adequate financing is not available when required, the Company may be unable to continue its operations as planned. 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 periods ended February 28, 2023 and 2022 was as follows:

Description	February 28, 2023	February 28, 2022
Share-based compensation	$ 222,272	$ 44,962
Exploration expenses	292,937	128,843
Management fees	30,000	39,500
	$ 545,209	$ 213,305

Related party balances

At February 28, 2023, $54,933 was owed to the Company's CEO and a company controlled by the CEO (August 31, 2022 - $64,739).

At February 28, 2023, $Nil was owed to a director and a company controlled by him (August 31, 2022 - $20,250).

At February 28, 2023, $210,492 was owed to a company controlled by a director of the Company (August 31, 2022 - $125,948).

At February 28, 2023, $Nil was owed to an officer of the Company (August 31, 2022 - $1,050).

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

Significant Accounting Policies

All significant accounting policies adopted by the Company have been described in the notes to the audited consolidated 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:

	February 28, 2023	August 31, 2022
Financial assets at amortized cost (i)	$ 309,265	$ 200,627
Financial assets at fair value through profit and loss (ii)	$ 1,802,785	$ 2,852,532
Financial liabilities at amortized cost (iii)	$ 442,406	$ 299,481
Financial liabilities at fair value through profit and loss (iv)	$ 2,763,444	$ 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 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. 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 February 28, 2023, the Company held $3,894 in Mexican Pesos and have no hedging agreements in place with respect to foreign exchange rates. The majority of the transactions of the Company are denominated in Canadian and the US dollars, and Mexican Peso currencies, however, the movements in the foreign exchange rates are not expected to have 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 following sale of the Rogers Creek Property in exchange for 5,000,000 common shares of Cascade.

Off-Balance Sheet Arrangements

The Company did not have any off-balance sheet arrangements as at February 28, 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, 2022, and to Note 4 in the condensed interim consolidated financial statements for the period ended February 28, 2023, for a description of the capitalized exploration and development costs on the Pilar and El Picacho properties. For a description of the general and administrative expenses, please refer to the statement of comprehensive loss contained in the consolidated financial statements for the periods ended February 28, 2023 and 2022.

Outstanding Share Data

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

	Number of shares issued or issuable
Common shares	39,925,971
Stock options	2,994,000
Warrants	9,546,755
Fully diluted	52,466,726

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 condensed consolidated interim 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.