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 29, 2025, and should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended February 28, 2025 and February 29, 2024, and the related notes contained therein, which have been prepared under IFRS® Accounting Standards ("IFRS"). The information contained herein is not a substitute for a detailed investigation or analysis of any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102.

All financial information in this MD&A has been prepared in accordance with IFRS, and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted. The Company's functional currency is Canadian Dollar, and the Company's wholly-owned subsidiary's functional currency is also Canadian Dollar.

Additional information related to the Company is available on the Company's website at https://tocvan.com, or on SEDAR+ at www.sedarplus.ca.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of metals, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting timelines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained in this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices of gold ore and other commodities; the availability of financing for the Company's exploration programs; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and the ability to attract and retain skilled staff.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement. The Company intends to discuss in its quarterly and annual reports referred to as the Company's management's discussion and analysis documents, any events and circumstances that occurred during the year to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in this management discussion and analysis.

Qualified Person

Brodie Sutherland, P. Geo, a director and CEO of the Company, is a Qualified Person as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and has reviewed and approved all technical information in this management's discussion and analysis.

Description of Business

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018, under the Alberta Business Corporations Act. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "TOC" and on OTC QB under the symbol "TCVNF".

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 - 7th Avenue S.W., 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 projects: the Pilar Gold Project ("Pilar") and El Picacho Project ("El Picacho"). Pilar is located near the town of Suaqui Grande in Sonora, Mexico and El Picacho is located in the Region of Sonoran Desert, 140 kilometers north of Hermosillo, Sonora, Mexico.

The Pilar Project consists of two concessions, the Guadalupana concession and La Sonora concession, totaling 105 hectares. During the year ended August 31, 2024, the Company acquired additional land, expanding the Pilar Project area from 105 hectares to 2,278 hectares. The Pilar Project shows NW-SE trends of gold and silver mineralization with significant grades in several locations. The Company has not yet determined whether the Pilar Project contains ore reserves that are economically recoverable.

El Picacho Project consists of 12 mining concessions totaling 2,395 hectares north of Hermosillo, Sonora, Mexico and fully accessible by road. El Picacho Project 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 Project 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 the 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 six months ended February 28, 2025, the Company incurred a net loss of $1,442,011 (February 29, 2024 – $1,160,318, as restated). The Company had no revenue and its operating expenses were associated primarily with exploration- and evaluation-related expenses, consulting fees, advertising and promotion activities, regulatory, and management fees.

At February 28, 2025, the Company had cash of $186,841 (August 31, 2024 – $101,639) and a working capital deficit of $709,286 (August 31, 2024 – $1,374,683). The working capital deficit decreased mainly due to an increase in current assets by $1,182,610 to $2,065,859 (August 31, 2024 –$883,249) driven by increase in receivables of $370,112 to $430,897 (August 31, 2024 – $60,785) that included $288,000 receivable for shares issued on February 18, 2025, and an increase in financial asset of $540,240 to $1,218,635 (August 31, 2024 – $678,395), which increased as a result of additional cashflows expected from a new sharing agreement with Sorbie Bornholm LLP ("Sorbie"), which closed on December 10, 2024. Furthermore, the Company's prepaid expenses increased by $187,056 to $229,486 (August 31, 2024 –$42,430) and cash increased by $85,202 to $186,841 (August 31, 2024 – $101,639).

Current liabilities also increased, but to a lesser degree by $517,212 to $2,775,145 (August 31, 2024 – $2,257,933).

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

COMMITMENTS

Pilar Gold Project

Pilar Agreement with Colibri

On September 22, 2019, the Company signed an option agreement (the "Pilar Agreement") to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project") from Colibri Resource Corp. ("Colibri"). The agreement was amended on August 31, 2021, and the updated conditions are as follows:

	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 *(paid)*	$500,000 *(completed)*	–
September 21, 2024	–	$500,000 *(completed)*	–
TOTAL	**$425,000**	**$2,000,000**	**5,000,000**

On December 19, 2023, in accordance with the anti-dilution provision included in the Pilar Agreement, the Company issued to Colibri 525,000 common shares valued at $210,000, which was included in acquisition costs. The anti-dilution provision expired on September 22, 2024.

As at February 28, 2025, the Company owns 51% of the Pilar Project, as initially acquired under the Pilar Agreement, as all commitments and conditions of the option agreement had been completed. Furthermore, the Company elected to enter into a joint venture with Colibri for the remaining portion (49%) of the area and continues negotiating a definitive joint venture agreement as of this date.

SV Agreement with SVP: Pilar Landholding Expansion

On October 17, 2023, the Company entered into a definitive agreement (the "SV Agreement") with Suaqui Verde Properties ("SVP"), a private owner, for an option to acquire 100% interest in a 2,173-hectare contiguous land immediately adjacent and north of the Pilar Project. Under the terms of the SV Agreement, the Company committed to the following:

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

(1) Paid subsequent to February 28, 2025

SVP retains a 2% NSR. After the initial five-year period, the Company has the right to elect to extend the Agreement by another ten years by starting advance royalty payments or purchase full title ownership through an additional payment of US$500,000.

On December 1, 2023, and December 18, 2023, the Company paid a total of $341,175 (US$250,000) in relation to the cash commitments under the SV Agreement.

On August 8, 2024, the Company issued 250,000 common shares valued at $120,000, representing the six-month option payment according to the SV Agreement.

On December 27, 2024, the Company issued an additional 500,000 common shares valued at $260,000, representing the first anniversary option payment according to the SV Agreement.

As at February 28, 2025, the Company accrued an additional $24,867 for property surface taxes associated with the Pilar Project's expansion claims.

Subsequent to February 28, 2025, the Company paid US$200,000 in relation to the cash commitments under the SV Agreement.

During the six months ended February 28, 2025, the Company incurred a total of $494,253 in deferred exploration expenses on the Pilar Project.

PILAR PROJECT UPDATE

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 northwest 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.

During the calendar 2024, the Pilar Project was expanded from 105 hectares to 2,278 hectares with the acquisition of adjacent claims. The expansion area hosts several prospective zones that have seen limited exploration to date.

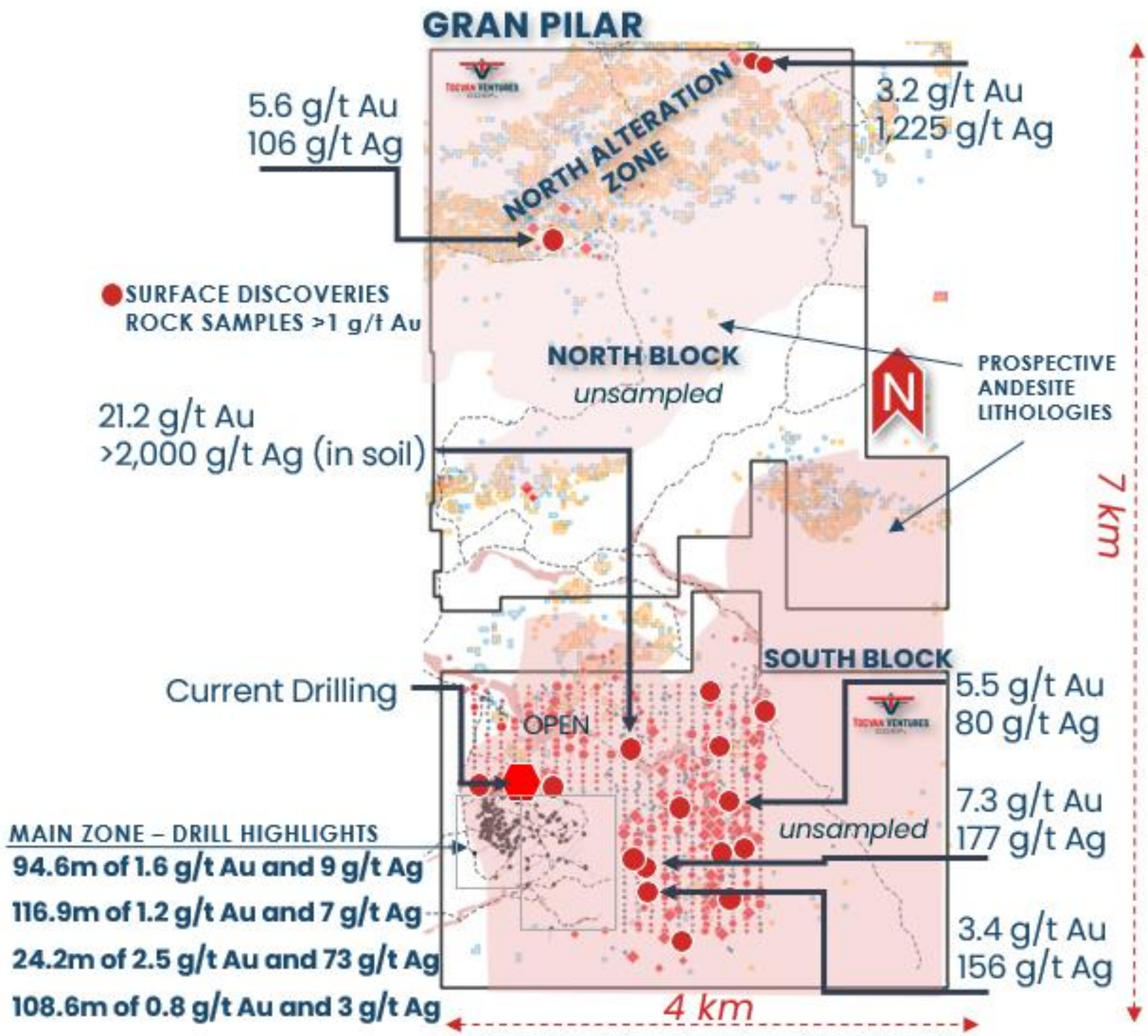
To date, the following milestones have been achieved:

- As of February 28, 2025, a new discovery has been made from the RC drilling at Pilar Project (in 100% controlled expansion area) of high grade gold mineralization up to 19.4 g/t Au over 3.1 meters within 106.8 meters of 0.6 g/t Au from surface.

- Over 27,000 meters of drilling has been completed from 192 drill holes.

- A total of 958 soil samples has been collected along the entire project area. Over 550 of these soil samples and 469 rock samples corresponding to the extension area of the Pilar Project have been collected by the technical staff covering over 230 hectares or 2.3 square kilometers over the northern and eastern extensions of the Main Zone, North Hill and 4-T trends with results yielding high-grade gold and silver mineralization across the soil grid with the highest value returning 21.2 g/t Au, greater than 2,000 g/t Ag, 0.62% Cu,12.7% Pb and 2.3 Zn. Geological map has been also generated along this area. See Figure 1 below:

Figure 1: Current Gran Pilar Prospect Map



- Preliminary geological modelling across the Pilar Project is ongoing; The main zone was mapped in detail in order to provide additional support to the geological model.

- Reverse circulation ("RC") drilling was completed in December of 2024 with four holes drilled at the northern extension of the Pilar area, totaling 776.25 m; RC drilling results were released on February 25, 2025. A diamond drill program was completed in January and February of 2025, a total of ten drill holes for 1,167.5 m of drilling was completed. This drilling was focused on improving the geological model along the main zone. RC drilling is currently active to the north of the Main Zone on 100% controlled Expansion Area. To date, a total of 915 meters have been drilled across six drill holes, results are pending. RC drilling is expected to continue into May. Highlights for the latest drill results are summarized below.

- Planning for the proposed pilot plant to evaluate the 50,000 tonnes of material on site is still ongoing. Permitting is expected to be completed in time for the commencement of pilot mining in Q3 of 2025. The Company will target surface materials expected to average 1.3 g/t Au and from 2023 bulk sample testing with an expected recovery of 62% and testing other methods like agitate leach and gravity to run comparative analysis.

Project Drill highlights included:

- 2019 and earlier: 15,000m of Historic Core & RC drilling. Highlights include:
  - 61.0m @ 0.8 g/t Au
  - 16.5m @ 53.5 g/t Au and 53 g/t Ag
  - 13.0m @ 9.6 g/t Au
  - 9.0m @ 10.2 g/t Au and 46 g/t Ag

- 2020 Phase I RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 94.6m @ 1.6 g/t Au, including 9.2m @ 10.8 g/t Au and 38 g/t Ag
  - 41.2m @ 1.1 g/t Au, including 3.1m @ 6.0 g/t Au and 12 g/t Ag
  - 24.4m @ 2.5 g/t Au and 73 g/t Ag, including 1.5m @ 33.4 g/t Au and 1,090 g/t Ag

- 2021 Phase II RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 39.7m @ 1.0 g/t Au, including 1.5m @ 14.6 g/t Au
  - 47.7m @ 0.7 g/t Au including 3m @ 5.6 g/t Au and 22 g/t Ag
  - 29m @ 0.7 g/t Au
  - 35.1m @ 0.7 g/t Au

- 2022 Phase III diamond Drilling Highlights include (all lengths are drilled thicknesses)
  - 116.9m @ 1.2 g/t Au, including 10.2m @ 12 g/t Au and 23 g/t Ag
  - 108.9m @ 0.8 g/t Au, including 9.4m @ 7.6 g/t Au and 5 g/t Ag
  - 63.4m @ 0.6 g/t Au and 11 g/t Ag, including 29.9m @ 0.9 g/t Au and 18 g/t Ag
- 2024 RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 42.7m @ 1.0 g/t Au, including 3.1m @ 10.9 g/t Au
  - 56.4m @ 1.0 g/t Au, including 3.1m @ 14.7 g/t Au
- 16.8m @ 0.8 g/t Au and 19 g/t Ag
- 2025 RC Drilling Highlights include (all lengths are drilled thicknesses):
  - 106.8m @ 0.6 g/t Au, including 3.1m @ 19.4 g/t Au
  - 16.8m @ 0.4 g/t Au
- 2025 Core Drilling Highlights include (all lengths are drilled thicknesses):
  - 83.5m @ 1.3 g/t Au, including 9.7m @ 10.3 g/t Au
  - 97.4m @ 0.7 g/t Au, including 36.3m @ 1.6 g/t Au
  - 64.9m @ 1.2 g/t Au, including 3.0m @ 21.6 g/t Au and 209 g/t Ag
  - 46.9m @ 0.5 g/t Au, including 2.6m @ 7.2 g/t Au and 80 g/t Ag

Pilar Metallurgy Highlights

- 2021 Bottle Roll Results SGS (Durango) – Main Zone RC Drill Hole Composites (from JES-20-32, 94.6m at 1.6 g/t Au)
  - Sample 494801 – 1.15 g/t Au Head Grade, 91.6% Recovery of Au
  - Sample 494804 – 0.63 g/t Au Head Grade, 90.6% Recovery of Au

- 2022 Column Leach Study
  - Four (4) Column Leach Samples from Surface Trenches across Main Zone and 4T Trend
  - Head Grade Range: 0.4 g/t Au to 5.0 g/t Au*
  - Gold Recovery Range: 88.9% to 96.9%*

**Important Note – Testing was completed by a local private producer and contractor based in Sonora, Mexico. The facility used to calculate head-grade and recovery is not a certified lab.*

- 2023 Diagnostic Leach Study
  - Five (5) composite samples were submitted to LTM (Hermosillo) for diagnostic leach study to determine the characteristics and mineral association of gold and silver
  - Diagnostic Leach Study Reports High-Percentage of Recoverable Gold and Silver (Au: 95 to 99%; Ag: 73 to 97%)
  - Head screen assays report high-grade gold and silver (2.7 to 24.9 g/t Au and 8.8 to 74.2 g/t Ag)
  - Gravity Concentrate Assays for Gold and Silver range from 35.6 to 290.3 g/t Au and 53 to 1,152 g/t Ag
  - Majority of Gold and Silver can be Recovered with Gravity Concentration and Agitated Cyanide Leach

- 2023 Bulk Sample

  - Over 1,400 tonnes of oxide-gold material were extracted from select areas exposed at surface across the project area, focusing on the Main Zone and 4-T Trends where preliminary column leach studies have returned promising head-grade and recovery results. Bulk Sample material was prepared for processing by heap-leach method at a private mining operation less than 25 kilometers to the west of Pilar. Information from the sample aims to provide a more detailed account of expected head-grade and recovery percentage of gold along with providing key information to optimize future production facilities.
  - Over 800 tonnes of material were processed through heap leach, an additional 350 tonnes of crushed material and 250 tonnes of raw-bulk sample are available for gravity recovery and later agitated leach testing.
  - The leaching process was active for 44 days, extracting gold and silver from over 800 tonnes of bulk sample material. Sampling of the Bulk Sample material was completed in May, (News Release, May 16, 2023) results from ALS (Hermosillo) provided an average grade of 1.9 g/t Au and 12.7 g/t Ag. An onsite laboratory was used to sample the pregnant solution during the program with weekly duplicate samples sent to certified labs LTM (Hermosillo) and SGS (Durango).
  - Final bulk tests report a 62% Recovery of gold achieved over 46-day leaching period.
  - 62% recovery of gold; Head grade calculated at 1.9 g/t Au and 7 g/t Ag; extracted grade Calculated at 1.2 g/t Au and 3 g/t Ag
  - In addition to the bulk sample an Agitated Bottle Roll Test returned rapid and high recovery returning 80% recovery of gold and 94% recovery of silver after rapid 24-hour retention time (News Release August 22, 2023).
  - Dore bar Poured from first bulk sample material extracted from Pilar. The bar weighs 1.487 kilograms in total, with assays from local certified laboratory LTM returning 17.5% of gold and 69% of silver (News Release November 30, 2023).

Other Metallurgical Studies included gravity recovery with agitate leach results of five composite samples returned 95%-99% recovery of gold, 73% to 97% recovery of silver and recovery of 99% Au and 73% Ag from drill core composite at 120-meter depth.

El Picacho Project

Millrock Agreement

On June 7, 2021, the Company signed a letter of commitment (the "Millrock Agreement") to purchase El Picacho Project ("El Picacho Project") from Recursos Millrock S. de R.L. de C.V. ("Millrock"). On signing of the letter of commitment, the Company made an initial payment of $94,196 (US$78,000). On September 15, 2021, the Company entered into an assignment agreement (the "Suarez Assignment") with Millrock for an initial five-year option to acquire El Picacho property from the property owners, Suarez Brothers, within the Caborca Orogenic Gold Belt in Sonora, Mexico. El Picacho consists of 12 mining concessions totaling 2,395 hectares.

To acquire 100% interest in El Picacho Project, the Company is required to pay US$1,985,600 and an additional payment of US$60,000 is required to gain surface rights to use the Picacho Ranch. Both payments are to be made in a series of instalments ending on June 11, 2026. Millrock is to retain a 2% NSR with an option for the Company to purchase back 1% NSR for US$1,000,000. Upon full execution of the Option Agreement and completion of all cash payments, an Annual Advance Minimum Royalty ("AAMR") of US$25,000 will be paid to Millrock, doubling each year until the start of production. AAMR payments will be subtracted from royalty payments on commencement of production.

A summary of the commitments on El Picacho option agreement and surface rights is as follows:

	Option payment	Surface rights payment
Closing	US$5,000 *(paid by Millrock)*	US$6,000 *(paid by Millrock)*
Six months after closing	US$Nil	US$6,000 *(paid)*
1st anniversary	US$21,400 *(paid)*	US$6,000 *(paid)*
Six months after 1st anniversary	US$21,400 *(paid)*	US$6,000 *(paid)*
2nd anniversary	US$21,400 *(paid)*	US$6,000 *(paid)*
Six months after 2nd anniversary	US$21,400 *(paid)*	US$6,000 *(paid)*
3rd anniversary	US$ 41,400*(paid)*	US$6,000 *(paid)*
(*extended*)	US$208,600*(accrued)*	
Six months after 3rd anniversary	US$Nil	US$6,000
4th anniversary	US$650,000	US$6,000
Six months after 4th anniversary	US$Nil	US$6,000
5th anniversary	US$1,000,000	US$6,000
TOTAL	**US$1,990,600**	**US$66,000**

During the six months ended February 28, 2025, the Company incurred a total of $38,706 in deferred exploration expenses on the El Picacho Project.

EL PICACHO PROJECT UPDATE

El Picacho Gold-Silver Project is interpreted as an orogenic gold system within the regional Caborca Orogenic Gold Belt known for producing gold mines that include La Herradura and San Francisco. The project is 140 kilometers north of Hermosillo and totals 2,395.33 hectares. Six primary zones of mineralization have been identified across El Picacho 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 the Company in 2022 adding a new target area which was previously identified.

During the year ended August 31, 2023, the Company carried out a maiden drill program targeting the shallow targets defined at the San Ramon Prospect, an area approximately 500-meters by 500-meters in size where two extensive underground workings have returned high-grade gold with silver. San Ramon represents one prospect of 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.

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
- Murcielago Prospect – 450-meter trend, highlighted by 7.2 g/t Au, 36 g/t Ag and 4.4% Pb in Silicified brecciated limestone
- 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.
- 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.

EXPLORATION AND EVALUATION ASSETS - SUMMARY

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

Period ended February 28, 2025	Pilar	El Picacho	Total
Acquisition costs	$	$	$
Balance, August 31, 2024	**3,714,454**	**642,735**	**4,357,189**
Option payments accrued	–	180,527	180,527
Shares issued	260,000	–	260,000
Property taxes accrued	24,867	–	24,867
Balance, February 28, 2025	**3,999,321**	**823,262**	**4,822,583**
Deferred exploration expenditures			
Balance, August 31, 2024	**3,852,762**	**624,807**	**4,477,569**
Geologist fees and assays	494,253	38,706	532,959
Balance, February 28, 2025	4,347,015	663,513	5,010,528
Total E&E assets, February 28, 2025	**8,346,336**	**1,486,776**	**9,833,111**

Year ended August 31, 2024	Pilar	El Picacho	Total
Acquisition costs	$	$	$
Balance, August 31, 2023	**2,640,000**	**196,789**	**2,836,789**
Cash	468,574	106,362	574,936
Option payments accrued	275,880	339,584	615,464
Shares issued	330,000	–	330,000
Balance, August 31, 2024	3,714,454	642,735	4,357,189
Deferred exploration expenditures			
Balance, August 31, 2023	**2,965,862**	**523,494**	**3,489,356**
Geologist fees and assays	886,900	61,884	948,784
Other exploration expenses	–	39,429	39,429
Balance, August 31, 2024	3,852,762	624,807	4,477,569
Total E&E assets, August 31, 2024	**7,567,216**	**1,267,542**	**8,834,758**

SELECTED FINANCIAL INFORMATION

	Six months ended February 28, 2025	Year ended August 31, 2024
	$	$
Net loss and comprehensive loss	(1,442,011)	(1,171,463)
Basic and diluted loss per share	(0.03)	(0.03)
Total assets	12,576,203	10,170,346

RESULTS OF OPERATIONS

For the Three Months ended February 28, 2025 and February 29, 2024

The net loss and comprehensive loss for the three months ended February 28, 2025 and February 29, 2025 was as follows:

	Three Months ended February 28, 2025	Three Months ended February 29, 2024 *As restated*
	$	$
Advertising and promotion	235,824	33,349
Audit and accounting	1,643	27,061
Consulting	312,250	115,500
Legal	6,040	9,112
Management fees	12,000	12,000
Office and miscellaneous	112,920	9,438
Regulatory fees	15,217	16,618
Share-based compensation	500,892	24,609
Travel	16,873	9,947
Total operating expenses	**(1,213,659)**	(257,634)
Other gain (loss)	272,853	(274,398)
Net loss and comprehensive loss for the period	**(940,806)**	**(532,032)**

Other gains and losses for the three months ended February 28, 2025 and February 29, 2024 included the following:

Other gain (loss)	Three Months ended February 28, 2025	Three Months ended February 29, 2024 *As restated*
	$	$
Foreign exchange gain (loss)	78,598	(9,528)
Interest expense	(3,523)	(4,736)
Realized gain (loss) on financial assets	62,775	(311,543)
Unrealized loss on financial assets	204,738	279,067
Unrealized gain (loss) on debenture payable	(69,735)	145,662
Realized loss on debenture payable	–	(373,320)
Other gain (loss)	**272,853**	**(274,398)**

During the three months ended February 28, 2025, the Company recorded a net loss and comprehensive loss of $940,806 (February 29, 2024 – $532,032, as restated). The Company's operating expenses for the three months February 28, 2025, were $1,213,659 (February 29, 2024 – $257,634). The substantial increase in operating expenses was primarily due to a rise in share-based compensation expense, which increased by $476,283 to $500,892 (February 29, 2024 –$24,609). This increase was driven by the grant of 1,650,000 options during the three months ended February 28, 2025, as well as timing differences related to the vesting period of previously granted stock options. Furthermore, advertising and promotion expenses increased by $202,475 to $235,824 (February 29, 2024 – $33,349), consulting fees increased by $196,750 to $312,250 (February 29, 2024 – $115,500), office expenses increased by $103,482 to $112,920 (February 29, 2024 – $9,438) and travel-related expenses increased by $6,926 to $16,873 (February 29, 2024 – $9,947).

These increases were offset by decreases in audit and accounting expenses, which decreased by $25,418 to $1,643 (February 29, 2024 – $27,061), legal fees, which fell by $3,072 to $6,040 (February 29, 2024 – $9,112), and regulatory fees, which decreased by $1,401 to $15,217 (February 29, 2024 – $16,618).

In addition to the regular operating expenses, the Company recorded other gain of $272,853 (February 29, 2024 – $274,398, loss as restated), mostly from unrealized gain on revaluation of financial assets of $204,738 (February 29, 2024 – $279,067), realized gain on settlement of financial assets of $62,772 (February 29, 2024 – $311,543 loss), and foreign exchange gain of $78,598 (February 29, 2024 – $9,528 loss) associated with currency fluctuations.

These gains were offset with losses from interest expense of $3,523 (February 29, 2024 – $4,736) relating to accrued interest on Sorbie notes, unrealized loss on debenture payable of $69,735 (February 29, 2024 – $145,662 gain) associated with revaluation of Sorbie notes, and realized loss on Sorbie notes of $Nil (February 29, 2024 – $373,320 loss) as no Sorbie notes were exercised.

For the Six Months ended February 28, 2025 and February 29,2024

The net loss and comprehensive loss for the six months ended February 28, 2025 and February 29, 2025, was as follows:

	Six Months ended February 28, 2025	**Six Months ended February 29, 2024** *As restated*
	$	**$**
Advertising and promotion	267,439	87,527
Audit and accounting	23,259	29,122
Consulting	421,737	228,000
Legal	7,540	25,933
Management fees	24,000	24,000
Meals and entertainment	–	959
Office and miscellaneous	123,145	23,962
Regulatory fees	29,606	31,985
Share-based compensation	503,790	279,244
Travel	23,845	13,468
Total operating expenses	(1,424,361)	(744,200)
Other loss	(17,650)	(416,118)
Net loss and comprehensive loss for the period	**(1,442,011)**	**(1,160,318)**

Other gains and losses for the six months ended February 28, 2025 and February 29, 2024 included the following:

Other loss	Six Months ended February 28, 2025	Six Months ended February 29, 2024 *As restated*
	$	$
Foreign exchange gain (loss)	124,304	(12,033)
Interest expense	(7,086)	(11,400)
Realized loss on financial assets	125,735	(533,075)
Unrealized gain (loss) on financial assets	(94,982)	221,331
Unrealized gain (loss) on debenture payable	(165,621)	612,629
Realized loss on debenture payable	–	(693,570)
Other loss	**(17,650)**	**(416,118)**

During the six-month period ended February 28, 2025, the Company recorded a net loss and comprehensive loss of $1,442,011 (February 29, 2024 – $1,160,318, as restated). The Company's operating expenses for the six months ended February 28, 2025, were $1,424,361 (February 29, 2024 – $744,200). The substantial increase in operating expenses was primarily due to a rise in share-based compensation expense, which increased by $224,546 to $503,790 (February 29, 2024 –$279,244). This increase was driven by the grant of 1,650,000 options during the six months ended February 28, 2025, as well as timing differences related to the vesting period of previously granted stock options. Furthermore, advertising and promotion expenses increased $179,912 to $267,439 (February 29, 2024 – $87,527), consulting fees increased by $193,737 to $421,737 (February 29, 2024 – $228,000), office expenses increased by $99,183 to $123,145 (February 29, 2024 – $23,962) and travel-related expenses increased by $10,377 to $23,845 (February 29, 2024 – $13,468).

These increases were offset by decreases in legal fees of $18,393 to $7,540 (February 29, 2024 – $25,933), audit and accounting expenses, which fell by $5,863 to $23,259 (February 29, 2024 – $29,122) and regulatory fees, which decreased by $2,379 to $29,606 (February 29, 2024 – $31,985).

In addition to the regular operating expenses, the Company recorded other loss of $17,650 (February 29, 2024 – $416,118, as restated), mostly from unrealized loss on Sorbie notes of $165,621 (February 29, 2024 – $612,629 gain), unrealized loss on revaluation of financial assets of $94,982 (February 29, 2024 – $221,331 gain), interest expense on Sorbie notes of $7,086 (February 29, 2024 – $11,400) and a realized loss from Sorbie notes of $Nil (February 29, 2024 – $693,570).

These losses were offset with realized gains from financial asset settlement of $125,735 (February 29, 2024 – $533,075 loss) and gain from foreign exchange of $124,304 associated with currency fluctuations (February 29, 2024 – $12,033 loss).

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.

Period ended	Net and comprehensive (income) loss	(Income) Loss per share; basic and diluted
	$	$
February 28, 2025	940,806	0.02
November 30, 2024	501,205	0.01
August 31, 2024	(319,363)	(0.01)
May 31, 2024[1]	330,508	0.01
February 29, 2024[1]	532,032	0.01
November 30, 2023[1]	628,286	0.02
August 31, 2023[1]	561,646	0.01
May 31, 2023[1]	460,537	0.01

(1) *The above quarterly results have been restated for adjustments required to correct the errors associated with the classification of warrants issued as part of the Sorbie 1 and Sorbie 2 Transactions, which required a retrospective restatement. The detailed discussion has been provided in Note 15 to the annual consolidated financial statements for the year ended August 31, 2024 and in Note 13 to the condensed interim consolidated financial statements for the three and six months ended February 28, 2025 and February 29, 2024.*

During the last eight quarters, the comprehensive loss ranged from a loss of $940,806 for the quarter ended February 28, 2025, to a gain of $319,363 for the quarter ended August 31, 2024, mostly from a combination of gains on revaluation of fair values on remaining financial assets and convertible debenture. In addition, certain operating expenses, like advertising, share-based compensation, accounting and audit expenses, have had substantial fluctuations. Advertising expenses depend on activities related to the financing activities of the Company. Changes in share-based compensation are due to timing differences in vesting periods and whether the new options are being granted. In general, for this quarter, operating expenses increased due to an increase in share-based compensation expense from the issuance of additional options to directors, officers within the quarter and consulting fees from increased corporate activities on fund sourcing.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on equity financings and trade credit to fund the losses. The Company does not have sufficient funds to satisfy its exploration expenditure plans for the current fiscal year and will be required to raise capital through the equity markets.

The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

	February 28, 2025	August 31, 2024
Working capital deficit	(709,286)	(1,374,684)
Deficit	(9,880,595)	(8,438,584)

At February 28, 2025, the Company had cash of $186,841 (August 31, 2024 – $101,639) and a working capital deficit of $709,286 (August 31, 2024 –$1,374,684). The working capital deficit decreased mainly due to an increase in current assets by $1,182,610 to $2,065,859 (August 31, 2024 –$883,249) driven by an increase in receivables of $370,112 to $430,897 (August 31, 2024 – $60,785), which included $288,000 receivable for shares issued on February 18, 2025, and an increase in financial assets of $540,240 to $1,218,635 (August 31, 2024 – $678,395) due to additional cash flow expected from the new sharing agreement with Sorbie, which was finalized on December 10, 2024. Furthermore, the increase in working capital was also due to increases in prepaids of $187,056 to $229,486 (August 31, 2024 –$42,430) and an increase in cash of $85,202 to $186,841 (August 31, 2024 –$101,639).

Current liabilities increased, but to a lesser degree, by $517,212 to $2,775,145 (August 31, 2024 – $2,257,933).

Cash Flows for the Six Months Ended February 28, 2025 and February 29, 2024

	Six Months ended February 28, 2025	Six Months ended February 29, 2024 *As restated*
	$	$
Net cash used in operating activities	(1,134,404)	(731,224)
Net cash provided by financing activities	1,545,987	1,313,431
Net cash used in investing activities	(333,740)	(555,706)
Change in cash during the period	**77,843**	**26,501**

Cash Flows Used in Operating Activities

During the six months ended February 28, 2025, the Company used $1,134,404 (February 29, 2024 – $731,224) to cover its operating activities. The cash was used to cover the Company's cash operating expenses of $934,449 (February 29, 2024 – $477,275 as restated), which was determined as the Company's net loss of $1,442,011 (February 29, 2024 – $1,160,318, as restated) adjusted for non-cash items of $507,562 (February 29, 2024 – $683,043), to increase its receivables by 304,942 (February 29, 2024 – $160 decrease), and prepaids by $187,056 (February 29, 2024 – $1,299 increase). These uses of cash were in part offset by an increase in amounts due to related parties by $251,471 (February 29, 2024 – $67,838 decrease) and by an increase in accounts payable and accrued liabilities of $40,572 (February 29, 2024 – $184,972 decrease).

Cash Flows Provided by Financing Activities

Net cash provided by financing activities during the six months ended February 28, 2025 was $1,545,987 (February 29, 2024 – $1,313,431). Of this amount, $1,074,898 (February 29, 2024– $614,535) was received from subscriptions to units from non-brokered private placement financings net of share issuance costs, which closed on December 10, 2024 and February 18, 2025. An additional $443,331 (February 29, 2024– $698,896) was received from Sorbie monthly settlements and $27,758 (February 29, 2024– $Nil) was received on exercise of warrants.

Cash Flows Used in Investing Activities

Net cash used in investing activities during the six months ended February 28, 2025, was $333,740 (February 29, 2024 – $555,706) and was associated with deferred exploration expenditures, including the drilling program on the Company's Pilar Project.

Management of Capital

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

The Company does not have sufficient funds to cover anticipated administrative expenses and planned exploration activities for the next 12-month period. Management will continue to actively pursue funding and financing opportunities to secure adequate resources not only for working capital and exploration costs but also to meet obligations under property option agreements, address existing financial liabilities, and respond to any unforeseen liquidity needs.

Sensitivity Analysis on Sorbie Transactions

The following table illustrates the impact of a 10 % increase and a 10% decrease in the Company's share price on the fair value of the financial assets from Sorbie transactions:

	Fair Value at February 28, 2025	**10% Share Price Increase**	**10% Share Price Decrease**
	$	**$**	**$**
Sorbie 3, April 24, 2024	576,853	573,721	573,986
Sorbie 4, December 10, 2024	1,319,015	1,443,397	1,181,256

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 six-month periods ended February 28, 2025 and February 29, 2024 was as follows:

Description	**February 28, 2025 $**	**February 29, 2024 $**
Consulting fees	6,000	6,000
Deferred exploration expenditures	228,353	157,904
Management fees	24,000	24,000
Share-based compensation	213,132	36,630
	471,485	**224,534**

During the six months ended February 28, 2025, the Company incurred $24,000 (February 29, 2024 – 24,000) in management fees and $6,000 (February 29, 2024– $6,000) in deferred exploration expenditures to a company controlled by the CEO. As at February 28, 2025, $10,837 was due from the CEO (August 31, 2024 – $Nil); this amount was included in prepaid expenses (Note 6).

During the six months ended February 28, 2025, the Company incurred $228,353 (February 29, 2024 – $157,904) in deferred exploration expenditures to a company controlled by a director. As at February 28, 2025, $803,986 (August 31, 2024 – $604,294) was owed to the related party.

During the six months ended February 28, 2025, the Company incurred $6,000 (February 29, 2024– $6,000) in consulting fees to the Company's CFO. As at February 28, 2025, $1,050 (August 31, 2024 – $Nil) was owed to the CFO.

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

CHANGES IN ACCOUNTING POLICIES

The accounting policies set out below and in the Company's condensed interim consolidated financial statements have been applied consistently to all periods presented in the consolidated financial statements.

Material Accounting Policies

The condensed interim 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 interim consolidated 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 condensed interim 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 interim consolidated financial statements for the year ended August 31, 2024.

RESTATEMENT

The 2024 comparative figures have been restated for the correction of errors as disclosed in Note 15 of the audited annual consolidated financial statements for the year ended August 31, 2024, and in Note 13 of the condensed interim consolidated financial statements for the six months ended February 28, 2025 and February 29, 2024.

FINANCIAL INSTRUMENTS

Fair Values

The Company's cash, receivables, accounts payable and due to related parties are classified at amortized cost. The fair values of these financial instruments approximate their carrying values because of their current nature. The financial assets and debenture 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, 2025	August 31, 2024
	$	$
Financial assets at amortized cost (i)	617,738	162,424
Financial assets at fair value through profit and loss (ii)	1,895,868	1,130,734
Financial liabilities at amortized cost (iii)	1,803,209	1,482,728
Financial liabilities at fair value through profit and loss (iv)	933,583	775,205

(i) Cash and receivables
(ii) Monthly Settlements resulting from Sorbie Transactions
(iii) Due to related parties and accounts payable
(iv) Convertible debenture payable issued as a result of Sorbie 1 Transaction

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, Sorbie Settlements receivable as a result of Sorbie Transactions, subscription receivable, and, to a smaller extent, GST receivable from the Government of Canada. Management believes that the overall credit risk related to financial assets is low, considering the creditworthiness of the counterparties involved and the nature of the financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. The Sorbie Notes mature on June 28, 2025, however, Sorbie may convert to shares at any time. The warrants payable can only be settled in shares. The Company's other financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial risk arising from fluctuations in foreign exchange rates as the Company, through its wholly owned subsidiary, does own foreign currency denominated financial assets and liabilities.

Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

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 volatility. 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 since Sorbie Monthly Settlements are affected by the movement of the Company's share price.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not have any off-balance sheet arrangements as at February 28, 2025.

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Please refer to Note 3 in the condensed interim consolidated financial statements for the six months ended February 28, 2025 and February 29, 2024, 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 condensed interim consolidated financial statements for the six months ended February 28, 2025 and February 29, 2024.

SHARE ISSUANCES

Shares issued during the six months ended February 28, 2025

On October 18, 2024, the Company issued 38,595 common shares on exercise of finders' warrants at $0.35 for gross proceeds of $13,508.

On October 21, 2024, the Company issued 28,500 common shares on exercise of subscribers' warrants at $0.50 for gross proceeds of $14,250.

On December 10, 2024, the Company issued 4,012,500 units to Sorbie ("Sorbie 4") in exchange for the Sorbie 4 Settlement payments over the 24 months pursuant to the terms and conditions of Sorbie 4 Transaction. Each unit consisted of one common share and one common share purchase warrant, which entitles the holder to acquire one additional common share at an exercise price of $0.75 for a period of 36 months, expiring on December 10, 2027. The units were valued based on the fair value of expected Sorbie 4 Settlements, which was determined to be $1,242,881 using Monte Carlo Simulation. In relation to the financing arrangement, the Company incurred a total of $10,000 in legal fees and $5,641 in financing fees.

On December 10, 2024, the Company closed a non-brokered private placement, issuing 636,083 units for gross proceeds of $305,320 priced at $0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.75 per share, for 36 months expiring on December 10, 2027. A total of $12,722 was allocated to warrant reserves using the residual method.

In relation to the private placement, the Company paid $7,500 in legal fees and $24,696 in finders' fees. In addition, the Company issued 51,450 finders' warrants valued at $10,656. Each finders' warrant entitles the holder to acquire one additional common share at $0.48 per share exercisable within 36 months from the closing date. The finders' warrants were valued using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.46
Exercise price	$0.48
Exercise term	36 months
Risk free rate	2.85%
Volatility	67.02%

On December 27, 2024, the Company issued an additional 500,000 common shares valued at $260,000, representing the first anniversary option payment according to the SV Agreement.

On February 11, 2025, the Company issued 28,658 common shares valued at $14,329 to settle its interest payable on Sorbie Notes.

On February 18, 2025, the Company closed a non-brokered private placement, issuing 1,746,390 units for gross proceeds of $838,267 priced at $0.48 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.75 per share, expiring 36 months from the closing date on February 18, 2028.

In relation to the private placement, the Company paid $9,750 in legal fees and incurred $39,744 in finders' fees. In addition, the Company issued 82,800 finders' warrants valued at $18,010. Each finders' warrant entitles the holder to acquire one additional common share at $0.48 per share, exercisable within 36 months from the closing date on February 18, 2028. As at February 28, 2025, $288,000 in subscription funds remained receivable.

The finders' warrants were valued using Black Scholes Option Pricing Model with the following assumptions:

Share price	$0.48
Exercise price	$0.48
Exercise term	36 months
Risk free rate	2.80%
Volatility	65.48%

On February 18, 2025, the Company issued 431,250 units to various consultants for services rendered valued at $207,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at $0.75 per share expiring 36 months from the closing date.

Subsequent to February 28, 2025, the Company issued a total of 843,750 common shares for gross proceeds of $435,999 on exercise of warrants.

Subsequent to February 28, 2025, the Company extended the expiry date of the 6,626,980 common share purchase warrants previously issued to Sorbie as part of the Sorbie 1 Transaction from June 28, 2025 to June 28, 2026. In addition, 3,200,000 warrants with an initial exercise price of $1.40 were repriced to $0.90 per share. All other terms of the warrants issued to Sorbie under the Sorbie transaction remained the same

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	59,737,745
Stock options	4,887,500
Warrants	22,542,175
	87,167,420

BUSINESS RISKS

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing governmental law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.

- Financial risks include commodity prices, interest rates and the Canada/United States/Mexico exchange rates, all of which are beyond the Company's control.

- Inflation and other economic factors beyond the Company's control may cause an increase in costs and expenses, resulting in the Company being unable to complete its objectives with its currently available funds, if at all, which may have an adverse impact on the Company's operations.

- Regulatory risks include the possible delays in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings, the introduction of ever more complex reporting requirements the cost of which the Company must meet in order to acquire and maintain its exchange listing.

- The Company currently does not have adequate cash for planned exploration expenditures and general and administrative expenses in the next fiscal year and will require financing in the future to continue in business. There can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the interim condensed financial statements.

FURTHER INFORMATION

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.