

**SENDERO RESOURCES CORP.**  
*(An Exploration Stage Company)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED OCTOBER 31, 2023**

**OVERVIEW AND INTRODUCTORY COMMENT**

Sendero Resources Corp. (“Sendero” or the “Company”) is a growth-oriented junior exploration company and it completed its public listing on the TSX Venture Exchange (the “Exchange”) effective October 4, 2023 under the symbol “SEND” (see “Corporate update” section). The Company focuses on exploring for copper and gold deposits in Argentina.

Sendero's principal property is the Peña Negras Property in Argentina.

This MD&A is dated December 29, 2023 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended October 31, 2023 and the Company's audited consolidated financial statements for the year ended July 31, 2023 and the related notes thereto.

**MAJOR QUARTERLY OPERATING MILESTONES**

Corporate update:

On March 3, 2023, the Company entered into a binder letter agreement (the “Agreement”) with 1319732 B.C. Ltd. (“131”). Pursuant to the Agreement, the Company and 131 would complete the reverse-takeover (“RTO”). Concurrently with the completion of the RTO, the resulting issuer would seek to list its common shares for trading on the Exchange. On September 27, 2023, the Company completed its RTO with 131 and began trading on the Exchange on October 4, 2023. As part of the RTO, the Company raised a total of \$5,855,950 by brokered financing and non-brokered financing and issued 29,279,750 units.

Property update:

On October 23, 2023, the Company announced that it received drill permits for the Peña Negras Property, enabling the Company to drill test three priority drill-ready porphyry copper-gold targets: La Pena, Cerro Verde South and Tamberias. The Company would commence drilling in January 2024 with an initial 4,500 metres of diamond drilling.

On December 12, 2023, the Company announced that it started mobilization for the January 2024 drill program where it would focus on three priority drill-ready porphyry copper-gold targets: La Pena, Tamberias and Cerro Verde South.

**QUARTERLY FINANCIAL CONDITION**

Capital Resources

In conjunction with the RTO, the Chief Financial Officer received 1,000,000 common shares and the Chief Executive Officer received 1,670,355 common shares. The Company also granted 5,300,000 stock options to its directors, officers and consultants at an exercise price of \$0.20 for a period of five years expiring on September 27, 2028.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants, finders' warrants, advisors' options and options, along with the planned developments within the Company are sufficient to carry out its activities throughout 2024. The Company would consider future equity financings if such financings are beneficial to the Company. If the market conditions change, the Company will make adjustment to its budgets accordingly.

### Liquidity

As at October 31, 2023, the Company had a working capital of \$3,998,892 (July 31, 2023 – \$2,568,271). With respect to working capital, \$4,288,833 (July 31, 2023 - \$4,827,519) was held in cash and cash equivalents.

The decrease in cash was mainly due to (a) operating cash flows including exploration expenses totaling \$435,931 and (b) \$102,755 share issue costs.

### Operations

#### **For the three months ended October 31, 2023 compared with the three months ended October 31, 2022:**

The Company's exploration expenses amounted to \$263,794 (2022 - \$72,214), an increase of \$192,580 with the Company preparing for its exploration on the Peña Negras property during the current period.

Excluding the foreign exchange gain of \$25,727 (2022 – \$1,302), share-based compensation of \$267,551 (2022 - \$Nil) and one-time RTO listing expense of \$1,200,000 (2022 - \$Nil), the Company's administrative expenses amounted to \$1,038,008 (2022 - \$97,942), an increase of \$940,066. The changes in the administrative expenses is mostly due to the cash bonus accrued and the share bonus paid to the management upon the completion of the RTO (2023 - \$684,071; 2022 - \$Nil). The CEO received 1,670,355 common shares and the CFO received 1,000,000 common shares, valued at \$534,071. The two officers are also entitled to \$75,000 cash bonus each (not paid). In addition, starting in July 2023, the two officers are paid \$15,000 per month each and such amount was reflected in the management fee in 2023.

With the Company becoming a publicly listed entity, the Company also incurred these additional expenses: (a) listing and filing fees of \$68,005 (2022 - \$Nil); (b) marketing expense of \$79,773 (2022 - \$1,500) and (c) travel expense of \$43,900 (2022 - \$Nil).

During the three months ended October 31, 2023, the Company reported a net loss of \$2,712,941 (2022 – \$170,458), an increase of \$2,542,483.

## SIGNIFICANT RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the three months ended October 31, 2023:

	Cash payments and accrued cash bonus payments	Shares issued	Share-based compensation	TOTAL
Hernan Vera <sup>(1)</sup> Director and Chief Executive Officer	\$ 120,000	\$ 334,071	\$ 52,413	\$ 506,484
Michael Wood <sup>(2)</sup> Director and Chief Financial Officer	\$ 120,000	\$ 200,000	\$ 52,413	\$ 372,413
Other directors	\$ -	\$ -	\$ 39,309	\$ 39,309

Related party transactions and balances:

	Services for:	Three months ended		Amounts included in Trade and other payables	
		October 31, 2023	October 31, 2022	As at October 31, 2023	As at July 31, 2023
Hernan Vera <sup>(1)</sup>	Management fee and bonus payment in shares and accrued cash bonus payment	\$ 409,071	\$ 10,148	\$ 77,562	\$ 2,323
Independence Fortaleza, Sociedad Limitada <sup>(1)</sup>	Management fee	45,000	-	15,000	15,000
Michael Wood <sup>(2)</sup>	Bonus payment in shares and accrued cash bonus payment	275,000	-	122,105	-
Athena Jade Limited <sup>(2)</sup>	Management fee	45,000	-	15,000	15,000
Aerospace Industries Pty Ltd <sup>(3)</sup>	Management fee	-	45,000	-	-
<b>Total</b>		<b>\$ 774,071</b>	<b>\$ 55,148</b>	<b>\$ 229,667</b>	<b>\$ 32,323</b>

- <sup>(1)</sup> Hernan Vera received 1,666,667 shares for the sale of a mineral claim in February 2023 (Note 8(b)). Mr. Vera received 1,670,355 shares as a bonus (Note 8(b)) and is entitled for a cash bonus of \$75,000 (not paid) (Note 12) for completing the Transaction. Starting July 2023, Mr. Vera receives \$15,000 per month payment paid to his company Independence Fortaleza, Sociedad Limitada.
- <sup>(2)</sup> Michael Wood received 1,000,000 shares as a bonus (Note 8(b)) and is entitled for a cash bonus of \$75,000 (not paid) (Note 12) for completing the Transaction. Starting July 2023, Mr. Wood receives \$15,000 per month payment paid to his company Athena Jade Limited.
- <sup>(3)</sup> Matt Hudson's cash payments paid to Aerospace Industries Pty Ltd., a private company owned by Mr. Hudson, during fiscal 2023. Mr. Hudson resigned from being the Chief Executive Officer effective December 31, 2022.

## COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

Other than disclosed in this MD&A – Quarterly Highlights as well as the followings, the Company does not have any commitments, expected or unexpected, or uncertainties.

On February 23, 2023, the Company signed two executive management agreements with Hernan Vera (Chief Executive Officer) and Michael Wood (Executive Chairman) where the Company will pay \$75,000 per person as bonuses upon the completion of the RTO.

## RISK FACTORS

In our annual MD&A in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

## DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at October 31, 2023 and the date of this MD&A:

	Issued and outstanding	
	October 31, 2023	December 29, 2023
Common shares outstanding	65,408,438	65,494,171
Options	5,300,000	5,300,000
Warrants	14,639,875	14,639,875
Finder's / broker's warrants	1,596,665	1,510,932
Fully diluted common shares outstanding	86,944,978	86,944,978

## QUALIFIED PERSON

David Royle (FAusIMM (CP)) supervised the preparation of and approved the scientific and technical information pertaining to Peñas Negras Project. David Royle is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

### Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed. Forward-looking

statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.