DURANGO RESOURCES INC.
(the "Company")

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE
YEAR ENDED JULY 31, 2024

1. Date of Report: November 28, 2024

2. Overall Performance

Nature of Business

The Company was incorporated on August 21, 2006 under the British Columbia *Business Corporations Act* and is listed on the TSX Venture Exchange under the symbol "DGO". The Company's business is the exploration of precious and base mineral in Canada. Accumulated operating losses for the Company to date total $10,801,424 (2023 - $10,613,597). At July 31, 2024, the Company is considered an exploration stage company. The head office mailing address of the Company is PO Box 31880, Richmond, BC V7E 0B5.

3. Results of Operations

The Company is in the mineral exploration business and has no revenues. To date, the funding of the Company's exploration activities has been provided by private and public offerings of its shares.

For the three month period ended July 31, 2024
Net income and comprehensive income for the three months ended July 31, 2024, was $11,269 compared to a net loss and comprehensive loss of $81,022 for the comparable period ended July 31, 2023. Fluctuations in expenses are mainly due to the $213,474 (2023 - $nil) flow-through recovery, $74,158 (2023 - $nil) in Part XII.6 tax expense, and $21,030 (2023 - $nil) indemnity on flow-through shares recorded in the quarter ended July 31, 2024.

For the year ended July 31, 2024
Net and comprehensive loss for the year ended July 31, 2024, was $187,827 compared to $288,698 for the comparable year ended July 31, 2023. The decrease in overall net loss during the year was due to the flow-through recovery of $213,474 (2023 - $27,556), which was offset by $34,746 (2023 - $nil) in share-based compensation expense, $74,158 (2023 - $nil) in Part XII.6 tax, $21,030 (2023 - $nil) in indemnity on flow through shares.

During the fiscal year ended July 31, 2024, the Company incurred $451,334 (2023 - $180,234) in exploration and evaluation expenditures and recognized $nil (2023 - $ 55,364) in tax credits. The Company also incurred $8,000 (2023 - $nil) of exploration expenditures on impaired properties which were expensed during the year.

Business consultant expenses incurred during the year ended July 31, 2024, were $120,000 as compared to $121,500 for the year ended July 31, 2023. Investor relations and conference expenses were $6,122 for the year ended July 31, 2024, compared to $14,226 for the same period in 2023. Listing and transfer agent fees in 2024 were $27,312, compared to $45,001 in 2023.

Current assets are $172,089 as at July 31, 2024, compared to $622,200 as at July 31, 2023. Total current liabilities are $602,166 as at July 31, 2024 compared with $468,892 for the prior year. The Company will need to raise additional capital to maintain capacity beyond six months and conduct any further exploration. There can be no assurance as to the availability or terms upon which such financing might be available. These circumstances comprise a material

uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Selected Annual Information

	2024	2023	2022
	$	$	$
Net revenues	-	-	-
Net income (loss)	(187,827)	(288,698)	(2,368,733)
Total comprehensive income (loss)	(187,827)	(288,698)	(2,368,733)
Earnings (loss) per share – basic and diluted	(0.00)	(0.00)	(0.03)
Total current assets	172,089	622,200	257,601
Total current liabilities	602,166	468,892	143,470
Cash dividends	-	-	-

EXPLORATION PROPERTIES

General
The Qualified Person(s) responsible for the technical and scientific information contained in this Management Discussion and Analysis (MD&A) is George Yordanov and Melanie Mackay, P.Geo's, and both are consultants with the Company and are considered "qualified persons" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Mayner's Fortune claims, British Columbia

On July 29, 2015, the Company entered into an agreement for the acquisition of the Mayner's Fortune limestone property situated in northwestern British Columbia. The property is located in the Skeena Mining Division approximately 7.5km southwest of Terrace, BC and 4km west of Lakelse Lake on the Lakelse River. Consideration for the acquisition consisted of the issuance of 1,400,000 common shares to two arm's length vendors (issued). Finder's fees of 125,000 common shares were also issued in relation to this transaction to an arm's length party. In 2021, the Company applied for and was granted permits for drilling, blasting and removal of up to 10,000 tonnes of limestone from the property. During the year ended July 31, 2024, $9,768 (2023 - $2,388) in exploration expenditures were completed on the property.

As at July 31, 2024 and 2023, the Company holds a total of $10,000 in reclamation bonds for the Mayner's Fortune Claims.

Nemaska claims/NMX East, Quebec

During the years ended July 31, 22016 and 2015, the Company staked 353 hectares directly adjoining Nemaska Lithium Inc.'s Whabouchi lithium deposit in northern Quebec. The NMX East property has all season road access via the Route Nord and is located within a few kilometres of Nemaska Lithium Inc.'s proposed Whabouchi mining pit. During the year ended July 31, 2024, $384,144 (2023 - $17,816) in exploration expenditures were completed on the property.

Trove claims, Quebec

The Company owns a 100% interest in the Trove property claims in the Windfall Lake area in Quebec. During the year ended July 31, 2024, $nil (2023 - $8,570) in capitalized exploration expenditures were completed on the property. The Company previously completed an exploration program on the Trove Property which includes mapping, trenching and drilling on previously identified geochemical and geophysical anomalies. As of July 31, 2023, in acordance with IFRS. the property was written down to $nil as management had no immediate plans to perform any work on the project.

During the year ended July 31, 2024, the Company incurred $8,000 (2023 - $nil) in exploration expenses to keep the Trove claims in good standing, which were expensed through profit or loss.

Decouverte claims, Quebec

The Company owns a 100% interest in the Decouverte Property situated in Quebec. During the year ended July 31, 2024, $50,345 (2023 - $138,676) in exploration expenditures were completed on the property.

BC Minerals, British Columbia

In November 2022, the Company acquired land packages totaling over 2,500 hectares in the Babine copper-gold district of west-central British Columbia. The properties border American Eagle Gold's NAK property. During the year ended July 31, 2024, $nil (2023 - $92,500) in acquisition costs were incurred for the property as well as $7,077 (2023 - $2,784) in exploration expenditures.

4. Summary of Quarterly Results

	31-Jul	30-Apr	31-Jan	31-Oct	31-Jul	30-Apr	31-Jan	31-Oct
	Fiscal 2024				Fiscal 2023			
Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net gain (loss)	$ 11,268	$ (94,908)	$ (53,961)	$ (50,226)	$ (81,022)	$ (20,887)	$ (104,802)	$ (81,987)
Gain (loss) per share	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Liquidity and Capital Resources

The ability of the Company to meet its obligations as they come due is mainly dependent on its ability to continue to fund operations through equity and/or debt financings. The Company has a cash balance of $117,760 (2023 - $615,599), GST/QST recoverable of $31,526 (2023 - $6,601), and working capital deficiency of $430,077 (2023 – working capital of $153,308) as at July 31, 2024.

To undertake any additional exploration and maintain corporate capacity it will be necessary for Durango to raise money through share issuances, suitable debt financing and/or other financing arrangements. In the meantime, the Company has reduced corporate activity and expenditures to a minimum. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to do so in the future. If the Company is unable to obtain the

requisite amount of financing, it will be required to continue to defer planned exploration activities and/or and/or sell assets (or and interest in assets) to raise funds, each of which would have a material adverse effect on its business and ability to continue as a going concern. The annual financial statements for the year ended July 31, 2024, do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company is actively looking for sources of funding, including the option and/or selling of properties.

Over the past year, global stock markets have experienced volatility and a significant weakening and geo-political turmoil. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company's business financial condition and results of operations have been negatively affected by these economic issues and other consequences from various regional conflicts and climate change, including in particular regional forest fires. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time. However, continued volatility in financial markets will likely have a significant impact on the Company's financial position.

6. Going Concern

Based on its current plans, budgeted expenditures, and cash requirements, the Company will need to raise additional capital to maintain capacity beyond six months and to conduct any further exploration. There can be no assurance as to the availability or terms upon which such financing might be available. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

7. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed to as at July 31, 2024.

8. Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer.

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

Key management personnel compensation

For the year ended July 31,	2024	2023
Consulting fees with a company controlled by the President of the Company	$ 120,000	$ 120,000
Director's and CFO's accounting fees	40,000	40,000
Director's geological consulting fees	14,500	5,000
Share-based compensation to Officers and Directors	34,429	-
	$ 208,929	$ 165,000

As at July 31, 2024, the unpaid balances to related parties amounted to $301,368 (July 31, 2023 - $108,678) were owed to the CEO, CFO, and Directors of the Company. The amounts due are non-interest bearing, unsecured, and due on demand.

The Company entered into a contract on June 1, 2017, with Steveston Finance, wholly owned by the President (Marcy Kiesman) of the Company. The contract obligates the Company to pay $10,000 per month for management services until terminated. In the event of termination of the agreement without cause the Company must pay severance equal to 6 months of management fees ($60,000). In the event of termination of the agreement due to change in control of the Company, the Company must pay severance of $175,000.

The Company entered into a consulting agreement on December 5, 2018, with Stream Accounting Solutions, wholly owned by the CFO (Aimee Ward) of the Company that includes a change of control clause. In the case of a change of control, the CFO is entitled to an amount equal to twelve times the monthly cash payment for a total of $24,000. As at July 31, 2024, the monthly cash payment under the agreement is $2,000 per month.

9. Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

ii) The determination of the fair value related to share-based payments are subject to estimates. The Company measures the cost of equity-settled transactions with employees by

reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility, forfeiture rates, and dividend yield and making assumptions about them.

iii) The measurement of the provisions for indemnity requires significant judgement in assessing the compliance with relevant flow-through financing tax requirements. Significant estimates are made when measuring the potential impact on shareholders for the shortfall of exploration expenditures claimed.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company's management made the following critical accounting judgments:

i) The Company's ability to continue as a going concern for the foreseeable future involves judgement.

ii) The title and rights to exploration and evaluation assets. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iii) The measurement and recognition of deferred income tax assets and liabilities. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized.

10. Financial Instruments and Other Instruments

Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or

derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash	Amortized cost
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Provision for indemnity	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the profit or loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial assets have not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.
hat is required to be recognized.

Derecognition

The Company derecognizes a financial asset only when the contractual rights to the cash flows for the asset expire, or when it transfers the final asset and substantially all the risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Risk Management

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. The Company is exposed to credit risk on its cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. This risk is minimized by holding cash in large Canadian financial institutions. The Company's amounts receivable relates to GST receivable and is not subject to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditure will not exceed available resources. At July 31, 2024 the Company had cash balance of $117,760 (2023 - $615,599) and current liabilities of $602,166 (2023 - $468,892).

To conduct any exploration in the future and maintain corporate capacity beyond the ensuing six (6) months it will be necessary for Durango to raise money through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that management's efforts to raise additional funds will be successful.

Interest rate risk

The Company may be exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations.

Commodity price risk

The Company's ability to raise capital to develop its mineral properties is subject to risks associated with fluctuations in the market prices of precious metals, graphite, base metals and rare earth elements.

Currency rate risk

The Company's functional currency is the Canadian dollar. There is no significant foreign exchange risk to the Company. The Company does not engage in any form of derivative or hedging instruments.

11. Risks and Uncertainties

The Company is in the mineral exploration business and as such is exposed to many risks and uncertainties that are not uncommon to other companies in the same type of business. Some of the possible risks include the following:

- The ability of the Company to meet its obligations as they come due is dependent on its ability to fund operations through equity and/or debt financings and/or selling or creating a joint venture for some or all of its assets. The Company estimates to have enough cash for 6 months but will have to raise funds beyond that period.

- The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production therein, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. The Company has no assurance that it will be successful in raising additional capital when it is required.

- The industry is capital intensive and is subject to fluctuations in metal and commodity prices, market sentiment, foreign exchange and interest rates.

- Any future equity financings by the Company for raising additional capital may result in substantial dilution to the holdings of existing shareholders.

- The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.

- The operations of the Company require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration activities in the future.

- There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded.

Should one or more of these risks materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on its forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

12. Other MD&A Requirements

Disclosure of Outstanding Share Data

Authorized Capital:
Unlimited common shares without par value

Issued Common Shares:	Number
Balance, July 31, 2024	94,206,872
Balance, November 28, 2024	94,206,872

Commitments:

Options: 7,200,000 outstanding as at July 31, 2024 and 9,050,000 as at November 28, 2024.
Warrants: 5,458,334 outstanding as at July 31, 2024 and 5,458,334 as at November 28, 2024.

As at November 28, 2024:

a) 94,206,872 common shares were issued and outstanding

b) Option balances are:
- 900,000 exercisable at $0.10 expiring February 19, 2025
- 700,000 exercisable at $0.10 expiring June 28, 2025
- 2,050,000 exercisable at $0.125 expiring September 9, 2025
- 200,000 exercisable at $0.10 expiring January 18, 2026
- 2,200,000 exercisable at $0.05 expiring November 1, 2027
- 3,000,000 exercisable at $0.05 expiring October 23, 2028

c) Warrant balances are:
- 490,000 exercisable at $0.18 expiring December 27, 2024
- 4,083,334 exercisable at $0.18 expiring December 28, 2024
- 885,000 exercisable at $0.075 expiring January 26, 2025

13. Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The current Board of Directors is comprised of four individuals, three of whom are neither an officer nor employee of the Company and are unrelated and independent from Management. The audit committee is comprised of three directors, two of whom are independent from management.

The audit committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited financial statements prior to their submission to the Board of Directors for approval. The audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

14. Subsequent Events

Subsequent to the year ended July 31, 2024:

- the Company granted 2,200,000 stock options to directors, officers and consultants of the Company. The stock options were fully vested on grant, have a term of three years and are exercisable into common shares at a price of $0.05 per stock option.

- the Company cancelled an aggregate of 350,000 stock options that were exercisable at prices between $0.10 and $0.125.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" or variations of such words and phrases or the negative connotation thereof, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding exploration results and budgets, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. , Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties relating to the Company's ability to raise capital, failing which it may not continue as a going concern, disputes; fluctuations in commodity prices and foreign currency exchange rates; uncertainties relating to interpretation of drill results and the geology; uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies and other factors such as those described above and discussed under "Risks and Uncertainties". For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are based on information available as at November 28, 2024 and are subject to change after this date. The Company assumes no obligation and has no policy for updating or revising forward-looking information or statements to reflect new events or circumstances, except as may be required under applicable securities laws.