



Management Discussion and Analysis ("MD&A") for the nine-month period ended August 31, 2023

The following discussion and analysis of the operations, results, and financial position of Precipitate Gold Corp. ("the Company") for the nine-month period ended August 31, 2023, should be read in conjunction with the Company's condensed consolidated interim financial statements for the nine month period ended August 31, 2023 and the audited financial statements and related notes for year ended November 30, 2022 which have been prepared in accordance with International Financial Reporting Standards. The effective date of this report is October 26, 2023. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

The Company was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia and is listed on the TSX Venture Exchange ("TSX-V") trading under the symbol PRG. The Company's common shares also trade on the US trading platform OTCQB Venture Marketplace ("OTC") under the symbol PREIF.

The Company is in the business of exploration, development and exploitation of mineral resources and is currently focused on projects in the Dominican Republic, with the primary objective to explore mineral projects to a stage where they can be developed profitably or sold to a third party.

The Company's three Dominican Republic gold exploration properties, Pueblo Grande, Juan de Herrera and Ponton, cover a combined 23,061 hectares. The Pueblo Grande Project adjoins the world class, high sulphidation epithermal Pueblo Viejo gold-silver mine, owned by Barrick (60%) & Newmont Goldcorp (40%). The Juan de Herrera Project is located within the prospective Tireo Gold Trend of western Dominican Republic, directly adjoining GoldQuest Mining Corp on the south and west sides of its Tireo Gold Project. The Ponton Project, located 25 kilometres east of Pueblo Grande, is an early-stage gold epithermal exploration target hosted in similar Los Ranchos Formation volcanic rocks as found at Barrick's Pueblo Viejo.

PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During the nine-month period ended August 31, 2023 and to the date of this report, the Company:

- Announced the completion of the diamond drilling program, which totalled 2,716 metres of drilling in 12 holes, at the Motherlode Gold Project. Highlight core sampling results include drilled intercepts of 12.1 metres ("m") of 1.0 gram per tonne ("g/t") gold (hole ML22-03), including 3.0m of 2.2 g/t Au and 4.5m of 0.94 g/t Au (hole ML22-04), including 3.5m of 1.07 g/t Au. Results support a reinterpretation of the Motherlode Zone's gold mineralization model type of a low sulphide replacement style.
- Announced that Barrick Gold Corporation ("Barrick") has commenced a ground geophysical and trenching program in advance of a planned second phase of drill testing on Precipitate's 100% owned Pueblo Grande Project, as part of an earn-in agreement whereby Barrick has the right to earn a 70% interest in the Pueblo Grande Project.
- Announced that Barrick has finalized drill targeting analysis and is preparing to initiate a second phase of drill testing on the Lithocap Zone, Pueblo Grande Project. As part of its ongoing exploration work program, Barrick is preparing land access routes and drill pads for a diamond drill program expected to total estimated 3,000 metres.
- Announced that it has elected to terminate the two underlying property option agreements granting Precipitate the exclusive right to earn a 100% interest in a combined 6,100 hectares of mineral exploration licences making up a substantial portion of the Motherlode Gold Project located within the Burin Peninsula of southern Newfoundland, Canada.
- Announced that Barrick has commenced a diamond drilling program within the Lithocap Zone of Precipitate's 100% owned Pueblo Grande Project, located immediately adjacent to Barrick's Pueblo Viejo gold mine in the Dominican Republic.

For the complete news releases and for additional information, please refer to the Company's website or to SEDAR (www.sedar.com)

MINERAL PROPERTIES

The Company is conducting exploration activities and evaluating possible new opportunities in Newfoundland, Canada and the Dominican Republic. The Company's mineral property interests are as follows:

a) Pueblo Grande Project, Dominican Republic

During the nine-month period ended August 31, 2023, the Company incurred \$110,407 (2022: \$50,964) of exploration and evaluation expenditures on the Pueblo Grande Project.

The Company owns a 100% interest in the Pueblo Grande Project which surrounds the world-class high sulphidation epithermal Pueblo Viejo gold mine on the west, north and east sides. Project exploration concessions form a single contiguous claim block covering about 7,105 hectares.

On April 13, 2020, the Company announced that it had signed a definitive earn-in agreement (the "Agreement") with Barrick Gold Corporation whereby Barrick has the right to earn a 70% interest in the Company's Pueblo Grande Project by incurring a minimum US\$10.0 million in exploration expenditures and delivering a qualifying pre-feasibility study prior to the sixth anniversary of the Agreement.

In accordance with the terms of the Agreement ("Earn-in Conditions"), to earn a 70% interest in the Project, Barrick must:

- Incur a minimum of US\$10.0 million in qualifying work expenditures prior to the sixth anniversary of the entering into of the Agreement as follows:
 - US\$2.0 million in aggregate before the second anniversary, with a US\$1.0 million guaranteed minimum expenditure if Barrick elects to terminate the Agreement before the second anniversary; (completed)
 - US\$3.5 million in aggregate before the third anniversary;
 - US\$5.0 million in aggregate before the fourth anniversary;
 - US\$7.0 million in aggregate before the fifth anniversary; and
 - US\$10.0 million in aggregate before the sixth anniversary;
- Complete a minimum of 7,500 meters of drilling before the sixth anniversary of the entering into of the Agreement; and
- Deliver a qualifying pre-feasibility study before the sixth anniversary of the entering into of the Agreement

Shortfalls in required work expenditures may be paid by Barrick to Precipitate as cash in lieu to satisfy the work expenditures' requirement. Barrick may at any time accelerate any or all the work expenditures and excess work expenditures in any year shall apply against any future years' obligations.

Upon satisfaction of the Earn-in Conditions and delivery of an exercise notice, Barrick and Precipitate will form a joint venture to be owned 70% by Barrick and 30% by Precipitate. At Precipitate's election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Barrick will be obligated to provide Precipitate's portion of any debt financing or arrange for third party financing of Precipitate's portion of any debt financing required to construct a mine on the Pueblo Grande Project described in the feasibility study in consideration for the transfer by Precipitate to Barrick of a 5% interest in the joint venture. Dilution of the Company's interest in the joint venture below 10% will result in the conversion of Precipitate's interest to a 1.5% NSR royalty on any concessions without pre-existing NSR's as of the date hereof, and a 1.0% NSR royalty on any concessions with pre-existing NSR's as of the date hereof, applicable to all recovered products.

As part of the agreement, the Company closed a non-brokered private placement with Barrick on April 17, 2020 of 12,713,636 common shares at \$0.11 per share for gross proceeds of \$1,398,500.

As operator of the Pueblo Grande Project, Barrick will prepare programs and budgets in respect of the Pueblo Grande Project and provide Precipitate copies of each approved program and budget within 30 days of its approval. In addition, Barrick will prepare and provide to Precipitate, by the 45th day after the end of each calendar quarter, a quarterly report in respect of the preceding quarter that describes all work conducted on the Pueblo Grande Project, including all data and results derived from such work.

In the event Barrick elects to withdraw from the Agreement prior to having earned a 70% interest or fails to fulfill the qualifying work expenditures, including delivery of a qualifying pre-feasibility study before the sixth anniversary, Barrick will forfeit all rights and interests in the Pueblo Grande Project to Precipitate with all concessions in good standing.

Pre-existing advanced stage or mining-related commitments to a third party for certain concessions include (i) a sliding scale NSR royalty ranging from 1%, where gold is under US\$1,000/oz, to 2%, where gold is over US\$1,400/oz and (ii) sum of cash or shares valued at the greater of \$5,000,000 or the value of 5,000,000 common shares based on a 20 day VWAP, in the event a resource of 1,000,000 gold equivalent ounces or greater are delineated at certain grades and in various indicated and inferred categories.

On May 13, 2022, the Company announced an amendment to the Pueblo Grande exploration earn-in agreement, pursuant to which Precipitate agreed to relinquish or reduce certain non-core portions of exploration concessions within the Project area to Barrick for a cash consideration of \$6,476,500 (US\$5,000,000) and the granting to Precipitate of a 3% net smelter return NSR royalty over the subject areas, which total 2,722 hectares. Barrick is required to meet additional obligations as part of the earn-in agreement amendment (see news release dated May 13, 2022).

The Company determined that the book value of Target Areas 1, 2 and 3 to be \$905,929 based on the size of the areas relinquished to Barrick, therefore, a gain of \$5,570,570 was recorded. In relation to the sale to Barrick, the Company estimated taxes payable of \$1,714,832 of which \$1,622,741 remained owing as at August 31, 2023 and is recorded in income taxes payable.

b) Juan de Herrera Project, Dominican Republic

During the nine-month period ended August 31, 2023, the Company incurred \$219,398 (2022: \$4,030) of exploration and evaluation expenditures on the Juan de Herrera Project.

The Company, through 0945044 B.C. Ltd., has 100% ownership of the Juan de Herrera Project ("JDH") exploration concessions, which are subject to a 3% NSR royalty on any base and precious metal commercial production. The Company may purchase 50% of the NSR royalty by paying \$2,000,000.

The Company's JDH Project is located within the highly prospective Tireo Gold Trend in western Dominican Republic, directly adjoining GoldQuest Mining Corp on the south and west sides of its Tireo Gold Project (Romero, VMS-style gold deposit). Covering about 12,706 hectares, the JDH Project is variably road accessible and covers an estimated 40 kilometers of prospective strike length of target Tireo Formation lithologies. The Tireo Formation is an upper Cretaceous aged package of volcanic and sedimentary rocks that bisects central Hispaniola, trending northwesterly through the Dominican-Haitian border.

The Company has completed multiple phases of regional and local scale exploration work on Juan de Herrera, since acquiring the Project in 2012. The Company's early exploration work focused on the Ginger Ridge Zone and with subsequent work programs exploration focus expanded to include several other geochemically and geophysically anomalous areas, with gold-enriched VMS mineralization style affinities. Most of these compelling exploration targets require modest additional work to refine and prioritize drill targets, particularly the Ginger Ridge East, Southeast, Jengibre South, Peak and Melchor areas. Additionally, there are a number of early-stage un-named anomalous zones in the northern part of the project which require follow up exploration.

c) Ponton Project, Dominican Republic

During the nine-month period ended August 31, 2023, the Company incurred \$38,524 (2022: \$41,293) of exploration and evaluation expenditures on the Ponton Project.

The Ponton Project, 100% owned by the Company, is located about 25 kilometres east of the Company's Pueblo Grande gold Project or 45 kilometres north of Santo Domingo, the capital of the Dominican Republic. The Project, consisting of a single exploration concession covering 3,250 hectares, has excellent road access, is bisected by a high power electrical line and importantly is underlain by the similar prospective Cretaceous to lower Tertiary aged Los Ranchos Formation volcanic rocks that host Barrick's Pueblo Viejo high sulphidation epithermal gold-silver mine. The Ponton Project includes three exploration zones: (i) Copey Hill, an epithermal gold target, (ii) Majagual Hill, a copper-gold porphyry target and (iii) a broad area of early stage rock and stream sediment anomalies. The main Copey Hill Zone hosts the region's strongest multi-element geochemical anomaly (gold, silver, arsenic, mercury, antimony) which is indicative of a near surface epithermal gold system. The Company has completed extensive soil and rock sampling surveys, detailed geological mapping, ground magnetic geophysics, and two diamond drill holes (totalling 263 metres), of a planned 10-hole 2,000m program.

d) Motherlode Gold Project, Newfoundland Canada

During the period ended August 31, 2023, the Company announced it had terminated the two underlying property option agreements for the Motherlode Gold Project as laboratory results for the late fall 2022 diamond drill program yielded modestly anomalous gold values. Consequently, the Company recognized a write-off of all associated capitalized costs of \$163,500 during the period ended August 31, 2023

e) Ace Gold Project, Newfoundland Canada

During the year ended November 30, 2022, the Company announced it had terminated the option agreement for the Ace project as laboratory results for project-wide prospecting and sampling exploration program yielded sub to weakly anomalous gold values and prospecting work did not identify any sizeable new gold or alteration/structural zones. Consequently, the Company recognized a write-off of all associated capitalized costs of \$38,700 during the year ended November 30, 2022.

Qualified Person

The technical information regarding the Company's mineral properties contained in this MD&A has been reviewed by Michael Moore (P. Geo.). Mr. Moore is a Qualified Person ("QP") as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

PLAN OF OPERATIONS AND FUNDING

The Company's plan of operations for the next twelve months is as follows:

- Pueblo Grande Project: Barrick Gold Corporation is operator of the Pueblo Grande Project. The Lithocap Zone diamond drill program (estimated 3,000 meters) is now underway, focussing on near surface high sulphidation epithermal Pueblo Viejo style gold mineralization and also a possible concealed copper-gold porphyry style target at depth.
- Juan de Herrera & Ponton Projects: Both the Juan de Herrera and Ponton gold exploration properties are in a period of assessment and reduced exploration attention by the Company. At Juan de Herrera modest scale follow up surface exploration work is planned.
- Evaluation and assessment of other prospective mineral exploration properties in geologically and geopolitically attractive jurisdictions will continue, as opportunities are presented to the Company.
- The Company will continue to monitor and evaluate capital markets for possible equity financing opportunities attainable under favourable terms to fund the Company's on-going operations and exploration activities.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly results for the last eight quarters:

	August 31, 2023	May 31, 2023	Feb 28, 2023	Nov 30, 2022	Aug 31, 2022	May 31, 2022	Feb 28, 2022	Nov 30, 2021
Expenses	\$258,428	\$312,061	\$460,786	\$1,050,540	\$411,551	\$780,122	\$250,132	\$483,670
Loss/ (income) for the period	\$421,978	\$243,986	\$463,786	\$1,416,633	\$411,707	(\$3,623,208)	\$243,503	\$487,624
Weighted average shares outstanding	130,366,808	130,366,808	130,366,808	130,366,808	129,773,330	129,716,808	106,612,704	106,553,606
Loss (earnings) per share	\$0.00	\$0.01	\$0.00	\$0.01	\$0.00	(\$0.03)	\$0.00	\$0.00
Mineral property acquisition costs	-	-	-	-	\$97,500	-	-	\$25,300
Mineral property sale	-	-	-	-	-	(\$250,399)	-	-
Gain on sale of mineral property	-	-	-	-	-	\$6,220,063	-	-
Mineral property exploration costs	\$44,895	\$63,602	\$307,920	\$925,592	\$365,292	\$378,056	\$101,074	\$201,295

The Company's operating losses are due to mineral exploration, share-based compensation and general and administrative expenses, such as audit and accounting fees, marketing, conferences and shareholder relations costs, salaries and wages, and office and administrative expenses incurred during the process of managing the Company's operations and to ensure regulatory compliance, and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation. There was a net income in the nine months ended August 31, 2022 when the Company sold a part of the Pueblo Grande project to Barrick for \$6,476,500 (US\$5,000,000). The net loss in the three months ended November 30, 2021 was significantly higher due to an increase in share-based compensation expense for options that were issued during those quarters. The net loss during the three months ended August 31, 2022 and November 30, 2022 was mainly due to the exploration costs on the Motherlode and Ace projects.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 130,366,808 shares outstanding. The following table summarizes the maximum number of common shares outstanding as at August 31, 2023 and as of the date of this MD&A, if all outstanding options and warrants were converted to shares:

	August 31, 2023	As of the date of this MD&A
Common shares	130,366,808	130,366,808
Warrants	12,095,388	12,095,388
Stock options	10,490,000	10,490,000
	152,952,196	152,952,196

RESULTS OF OPERATIONS

Nine months ended August 31, 2023 ("2023") compared to the nine months ended August 31, 2022 ("2022")

The net loss for the nine-month period ended August 31, 2023 was \$1,129,750 compared to a net income of \$2,967,998 for the nine month period ended August 31, 2022. Major variances are explained as follows:

- Exploration and evaluation costs of \$416,417 were incurred on the Company's properties in 2023 compared to \$844,422 in 2022. The decrease was due to the decreased exploration activities on the Motherlode property in Canada during 2023 as the Company focused on evaluating potential exploration and evaluation asset acquisitions.
- Consulting and directors' fees decreased from \$120,000 in 2022 to \$30,000 in 2023. The Company paid a bonus to certain officers and directors during the comparative period.
- Marketing, conferences, and shareholder relations decreased from \$70,462 in 2022 to \$23,620 in 2023. The decrease is due to the Company's increased focus on exploration activities.
- Property investigation increased to \$113,564 in 2023 from \$6,405 in 2022. The Company is actively engaged in the investigation of exploration and evaluation assets.
- Salaries and wages decreased from \$205,787 in 2022 to \$152,651 in 2023. Salaries and wages include fees paid to the CEO of the Company. The decrease is due to a bonus paid in the prior year.

Three months ended August 31, 2023 ("Q3 2023") compared to the three months ended August 31, 2022 ("Q3 2022")

The net loss for the quarter ended August 31, 2023 was \$421,978 compared to a net loss of \$411,707 for the quarter ended August 31, 2022. Major variances are explained as follows:

- Exploration and evaluation costs of \$44,895 were incurred on the Company's properties during Q3 2023 compared to \$365,292 in Q3 2022. This was due to an active exploration program on the Motherlode and Ace Gold projects during Q3 2022.
- Property investigation increased to \$57,960 in Q3 2023 from \$nil in Q3 2022. The Company is actively engaged in the investigation of exploration and evaluation assets.

LIQUIDITY AND CAPITAL RESOURCES

The Company generates cash through financing and investing activities. During the nine-month period ended August 31, 2023, the Company received \$4,200 from the Government of Newfoundland and Labrador as a reimbursement of staking costs on the Motherlode property. As at August 31, 2023 the Company had cash of \$5,552,512 and working capital of \$3,751,932.

The Company's working capital is being used to fund, among other things, exploration of the Ponton, Juan de Herrera properties in the Dominican Republic, the Motherlode Gold project in Canada, evaluation of potential new projects, and general corporate expenses of the Company.

GOING CONCERN

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At August 31, 2023, the Company had a working capital of \$3,751,932, reported a net loss of \$1,129,750 and accumulated deficit of \$16,748,043. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These consolidated financial statements do not give effect to adjustments.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of directors and senior management including the President, Chief Executive Officer, Vice President of Exploration and Chief Financial Officer. Key management personnel compensation includes:

		Nine month period ended August 31,	
Name of related party	Nature of transactions	2023	2022
Jeffrey Wilson	Salaries and wages	\$ 141,750	\$ 152,500
Michael Moore	Geological consulting	134,250	147,215
Adrian Fleming	Consulting and directors' fees	9,000	20,000
Alistair Waddell	Consulting and directors' fees	9,000	20,000
Lon Shaver	Consulting and directors' fees	12,000	20,000
VC Consulting Corp. ⁽¹⁾	Accounting services	-	16,500
Red Fern Consulting Ltd. ⁽²⁾	Accounting services	45,000	-
		\$ 351,000	\$ 376,125

(1) A private company owned by Vivien Chuang, the Company's former CFO.

(2) A private company of which Stephen Sulis, the Company's CFO, is an employee.

The accounts payable and accrued liabilities of the Company as at August 31, 2023 included amounts due to related parties of \$46,407 (November 30, 2022: \$51,715).

FINANCIAL INSTRUMENTS

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short term maturity. Investment in Sabre Gold Mines Corp. warrants is measured using level 3 of fair value hierarchy.

The Company is exposed to potential loss from various risks including credit risk, liquidity risk, interest rate risk, political risk and foreign currency fluctuation risk. These risks are described in more detail in the Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors: management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfill the Company's obligations under any applicable agreements. Other risks and uncertainties include:

Competitive industry

Mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration projects involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Foreign Countries and Political Risk

The Company's Juan de Herrera property is located in the Dominican Republic where mineral exploration and mining activities may be affected in varying degrees by political instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

The following are risks related to the Company's financial instruments:

(i) **Credit Risk** – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. Cash is held with a major Canadian financial institution in interest bearing accounts and the receivables are from Government entities. Management is of the view that all amounts are fully collectible.

(ii) **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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(iii) **Interest Rate Risk** – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) **Political Risk** – The Company has subsidiaries in the Dominican Republic, Mexico and the United States. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) **Foreign Currency Fluctuation Risk** – The Company has vendors in Canada, the United States, the Dominican Republic and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions.

CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, reserves and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as considered appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. 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", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. 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 included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

ADDITIONAL INFORMATION

For further detail, see the Company's financial statements for the nine-month period ended August 31, 2023 and the year ended November 30, 2022. Additional information about the Company can also be found on www.sedar.com.

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Michael Moore (Vice President, Exploration)
Stephen Sulis (Chief Financial Officer)
Adrian Fleming (Chairman of the Board, and Director)
Lon Shaver (Director)
Alistair Waddell (Director)

Members of the Audit Committee

Lon Shaver (Chair)
Adrian Fleming
Jeffrey Wilson

Members of the Compensation Committee

Adrian Fleming (Chair)
Alistair Waddell
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