



TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	2
USE OF NON-GAAP MEASURES	2
BUSINESS OVERVIEW	3
PROJECT SUMMARIES	4
CONSOLIDATED OPERATING HIGHLIGHTS FOR SIX MONTHS ENDED SEPTEMBER 30, 2023 AND 2022.....	8
QUARTERLY HIGHLIGHTS	10
LIQUIDITY AND CAPITAL RESOURCES	11
COMMITMENTS AND CONTINGENCIES.....	11
OFF BALANCE SHEET ARRANGEMENTS	12
RELATED PARTY TRANSACTIONS.....	12
MANAGEMENT, DIRECTORS, AND CONSULTING AGREEMENTS	12
OUTSTANDING SHARE DATA.....	13
DISCLOSURES.....	13
APPENDIX A	14



The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that affected Xali Gold Corp. ("Xali Gold") and its subsidiaries (collectively, the "Company") during the relevant reporting period and to the date of the report. This MD&A contains a review and analysis of financial results for the six months ended September 30, 2023 and identifies business risks that the Company faces and comments on financial resources required for development of the business.

This MD&A supplements but does not form part of the interim condensed consolidated financial statements of the Company and notes thereto for six months ended September 30, 2023, and consequently should be read in conjunction with the afore-mentioned interim condensed consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Information in this MD&A is current as of November 24, 2023.

All amounts, unless specifically identified as otherwise, both in the Company's interim condensed consolidated financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of gold and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable gold and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the gold and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be considered carefully, and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Usage of these terms may vary from the usage adapted by other



companies and cannot be reconciled to comparable terms in the issuer's consolidated financial statements for the six months ended September 30, 2023.

In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW

Xali Gold Corp. is a Vancouver, Canada based mineral exploration company engaged in the acquisition, exploration and development of mineral rights interests in Mexico and Peru. The Company is in the exploration stage as its properties have not yet reached commercial production.

El Oro, a district scale gold project encompassing a well-known prolific high-grade gold-silver epithermal vein system in Mexico, is Xali Gold's flagship asset. The project covers 20 veins with past production and more than 57 veins in total, from which approximately 6.4 million ounces of gold and 74 million ounces of silver were reported to have been produced from just two of these veins (*Ref. Mexico Geological Service Bulletin No. 37, Mining of the El Oro and Tlapujahua Districts. 1920, T. Flores**). Modern understanding of such systems indicates that several of the El Oro district's veins hold excellent discovery potential.

In addition to the El Oro (Hard Rock-Lode) Property, the Company has the right (since 2014) to process tailings left from pre-1930s milling of ores from the Mexico mine on the San Rafael vein in the El Oro District ("Mexico Mine Tailings").

On March 8, 2016, the Company entered into an agreement with Sun River Gold Corp. ("SRG" or "Sun River"). SRG can acquire 100% interest in the Tailings by earning ownership of Xali Gold's Mexican subsidiary, CCM EL Oro Jales, S.A. de C.V. ("CCM El Oro Jales"), subject to the NPI payments to the agreement CCM EL Oro Jales executed with the Municipality.

In April 2020, Xali Gold launched a growth strategy to acquire gold and silver projects with near surface exploration potential, near-term production potential and previous mining histories in Western Mexico. Xali Gold plans to advance our growing bank of gold and silver assets internally and/or with industry partners.

The initial step in this strategy was the acquisition of the San Dieguito de Arriba ("SDA") Plant in Nayarit, Mexico, suitable for treating high grade gold and silver mineralization, along with certain rights to the El Dorado gold and silver historic mines. An LOI was entered into with Magellan Acquisitions in April 2020 and a Definitive Agreement was signed in September of 2020, which was modified in December 2020.

On December 8, 2020, the Company incorporated a wholly owned subsidiary Minera Xali Oro S.A. de C.V. to hold and operate all of the new assets in Western Mexico.

The Company has been evaluating other properties complementary to the SDA plant as well as partnership opportunities to see the SDA plant in operation and providing cash flow to the Company.

Since December 23, 2020, the Company has engaged technical experts for both permitting and deposit modelling. Three dimensional models have been built for the El Oro and El Dorado mineral deposits to assist in understanding the deposits, identifying higher grade zones and drill targets. Permitting was underway for drilling at El Dorado but has been suspended due to excessive delays and the option on the El Dorado Property is in default.

On May 7, 2023 1,250,000 stock options which were granted on May 7, 2018 with an exercise price of \$0.05 expired.

On October 1, 2023, the Company cancelled 250,000 vested Stock Options at an exercise price of CAD\$0.05.



On November 10, 2023, 1,832,500 unexercised warrants at an exercise price of \$0.12 expired.

On November 10, 2023, 125,000 unexercised stock options at an exercise price of \$0.05 expired.

On November 27, 2023, the Company issued 100,000 common shares with a fair market value of \$2,934.

On November 29, 2023, the Company advised that it has signed an Option Agreement with Barrick Gold Corporation on the Tres Marias Property located in southern Peru.

As per the Agreement, Barrick must pay Xali Gold US\$175,000 over a 5-year period and spend \$500,000 in exploration work to earn 100% of the Tres Marias Property subject to Xali Gold retaining a 1.5% Net Smelter Return Royalty. Barrick retains the right to purchase 1% of the NSR Royalty, for a single one-time payment of US\$750,000, Which would decrease the NSR Royalty from 1.5% to 0.5%.

Tres Marias is located within an emerging epithermal gold, silver and polymetallic belt of southern Peru which includes several new mines and discoveries by Barrick, Minas Buenaventura, Gold Fields, Aruntani and Bear Creek and is considered one of the fastest growing precious metal mining districts in Peru. The Company's history in the area dates as far back as 2002 when the Candente Resources Peru team recognized a superposition of both high and low-sulfidation styles of mineralization, alteration and geochemical anomalies, which manifested in both high-grade vein hosted silver mineralization as well as potential for bulk tonnage high-sulfidation style gold mineralization.

PROJECT SUMMARIES

Mexico

El Oro – Hardrock

The Company's principal asset is the El Oro gold-silver property located in the states of Mexico and Michoacán, Mexico ("El Oro Property"). The Company holds a 100% interest in the El Oro Property, having purchased the remaining 30% from a wholly owned subsidiary of Goldcorp Inc. in January 2017.

Management has been reviewing all previous exploration results on the project and re-focusing targets for future exploration. One key area is the border zone of the historical Esperanza and Mexico Mines where several high-grade gold-silver intersections in several veins and structures were intersected by previous drilling by the Company. Since this area was drilled, a structural study identified north-easterly controls to high grades, which fits the nature of this mineralized zone. A three-dimensional model was developed in 2022 which will assist in targeting future drilling on this border area as well as 31 other recently identified exploration targets.

El Oro Mine Tailings

The Mexico Mine Tailings have had extensive historic and recent assessments including drill testing and metallurgical test work. In addition to the Mexico Mine Tailings, the Company has a right of first refusal to also process three other tailings deposits. All four tailings deposits lie within the town of El Oro and are adjacent to existing road access, power and water services. Studies by the Company have determined that the Mexico Mine Tailings contain an Inferred Resource* of 1,267,400 tonnes grading 2.94 grams per tonne ("g/t") gold, 75.12 g/t silver containing 119,900 ounces of gold and 3,061,200 ounces of silver. *Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate. For more information, see "National Instrument 43-101 Technical Report on the Inferred Mineral Resource Estimate of the Mexico Mine Tailings" prepared by Nadia Caira, P.Geo. and Allan Reeves, P.Geo., dated August 25, 2014, with an effective date of July 8, 2014, available at www.sedarplus.ca.



During the year ended March 31, 2014, the Company signed an agreement with the Municipality of El Oro ("Municipality") that provides the Company with the access and processing rights to tailings deposits in El Oro, Mexico. Upon signing the agreement, \$25,000 was due and paid with monthly contributions of \$3,000 for community projects. The Municipality cancelled the obligation to pay \$3,000 per month in April 2015, when their tourist activities in the San Juan tunnel started interfering with normal usage of the tunnel by the Company. Under the terms of the agreement, the Company will pay an 8% net profits interest ("NPI") royalty to the Municipality on any products produced from the tailings properties. The Company is entitled to retain the first \$1,500,000 of the 8% NPI payable to the Municipality.

On March 8, 2016, the Company entered into an agreement with Sun River Gold Corp. ("SRG") to grant SRG the option to earn a 51% interest in the Company's tailings project through an indirect ownership of the Company's Mexican subsidiary, Minera CCM EL Oro Jales, S.A. de C.V. ("CCM El Oro Jales"). On November 9, 2018, the 2016 agreement was superseded by a definitive agreement with the following terms: SRG was required to make staged payments totaling \$300,000 (paid), over a period of fifteen months; bring the mine tailings properties into commercial production within 36 months of the effective date of the option agreement; and grant to the Company a 10% of NPI royalty on production from the properties. The definitive agreement allowed SRG to reduce the NPI payable to the Company from 10% to 5% by paying an additional \$200,000 (paid) in increments of \$50,000 at the end of each quarter.

During the year ended March 31, 2021, the Company received the final payment of \$105,000 from SRG required to reduce the NPI to 5%. On making all required payments and, if commercial production has been achieved by October 31, 2021 (extended to December 31, 2023), Sun River will indirectly acquire a 100% interest in the subsidiary CCM El Oro Jales.

1. In April 2021, the Company granted an initial extension of the option expiry date from October 31, 2021 to April 30, 2022 for new terms as follows:
 - a. monthly payments of \$2,000 were to be made starting November 2021 and a one time payment of \$5,400. During the year ended March 31, 2023, \$11,400 was received (2022 - \$6,000).
2. In January 2022, a second extension of the option agreement was granted such that the expiry date for commercial production to be achieved was extended from May 1, 2022 to December 31, 2022 under the following terms:
 - a. monthly payments of \$15,000 starting May 1, 2022.
 - b. Once commercial production has been achieved SRG is to make monthly payments of \$50,000 for the first year, and 5% of NPI thereafter.
 - c. In addition, SRG is to make the first \$1,500,000 of the municipality NPI payment during the first three years of operations. This agreement was extended to August 31, 2022 such that payments of \$15,000 would start after that unless otherwise agreed to.

During the period January 1, 2022 to December 30, 2022, the Company received payments of \$49,000.

3. On December 30, 2022, Xali granted SRG a third extension of the Option expiry date to December 31, 2023 under the following terms:
 - a. Continuation of advance NPI payment of \$15,000 per month per item 2 above. During the quarter ended September 30, 2023, the Company received payments of \$30,000 (March 31, 2023 - \$133,600).



- b. Advance NPI payments of
 - i) \$35,000 by January 6, 2023 (pending);
 - ii) \$50,000 by June 30, 2023 (pending);
 - iii) \$75,000 within 20 days of receiving the Financing for construction.

- c. If an additional 6 months is required to get into Operation and the Company is satisfied with permitting status then an additional 6 months extension for commencing operations will be granted if the following payment is made:
 - i) \$75,000 on December 31, 2023.

During the period December 31, 2022, to August 29, 2023 the Company received payments of \$114,600.

As of September 30, 2023 SRG owes the Company \$176,400 in advance NPI payments to keep the option in good standing.

The Tailings Agreement signed in 2019 with the El Oro Municipality, is to be ratified every three years, when the municipality elects a new President and Council Members.

On March 31, 2022, the Company renewed both the Tailings Agreement and the Tourism Agreement with the Municipality. The terms of the Agreements have no substantial changes but do include the obligation to employ persons from El Oro on a preferential basis.

The Tailings Agreement is directly related to a Tourism Agreement, which allows the Municipality to operate tourism activities in part of the San Juan tunnel and the Providencia Shaft which are historic workings controlled by CCM El Oro Jales as part of the El Oro mineral property. The State of Mexico has contributed significant financing of this tourism project which is part of their larger initiative to promote tourism and mining together throughout Mexico.

On May 4, 2023, the Company announced that SRG has received a change in soil use permit which is the main permit required for the El Oro Tailings Project in Mexico. The permit received allows the Tailings to be moved out of the historical deposition site which is within the town of El Oro and to the industrial processing site outside of the town. Ground preparation work can begin on the Tailings Project in El Oro.

Western Mexico

On April 28, 2020, the Company announced the signing of a Memorandum of Understanding ("MOU") with Magellan Acquisitions Corp. which gave Xali Gold the right to earn up to a 100% interest in the SDA Plant and take over a lease agreement on the El Dorado property, both located in Nayarit State, Mexico.

El Dorado Gold-Silver Project

The El Dorado Gold-Silver Project is located in the Pacific Coastal Plain, State of Nayarit. within a district of epithermal vein systems. A number of prospective exploration targets have been defined along the El Dorado Vein structure related to historic mines (reported to have produced high grades), anomalous geochemical sample results and zones of structural complexity.

The principal vein system is the El Dorado epithermal vein trend with a main vein outcropping over 1.5km in length and additional discontinuous outcrops indicate a strike length of 3.5km. This structure hosts multiple mineralized zones including high-grade veins potentially minable underground, and lower-grade bulk tonnage stockwork zones that are observed to extend over tens of metres ('m') in width in both the hanging wall and footwall of the El Dorado vein system. In addition to the vein material there is also high level silicification and argillic alteration in outcrop, potentially indicative of good depth potential to the mineralizing system. (Magellan Gold Corporation, Form 10-K Annual Report US SEC dated Dec 31, 2018, File No. 333-174287).



El Dorado lies 50km south of the SDA Plant, 70km north-northwest of Tepic, the state capital, and 180km southeast of Mazatlán, Sinaloa. The project has excellent road and rail infrastructure. The property comprises a 50-hectare concession and was held under option by Magellan's wholly owned subsidiary Minerales Vane 2 S.A. de C.V. from a Mexican private company, Ingenieros Mineros S.A. de C.V.

On May 20, 2021, the Company signed a new Exploration and Production Agreement ("EPA") with Ingenieros Mineros, S.A. de C.V. ("IMSA") on the El Dorado Gold-Silver Project. The EPA gives Xali Gold the right to explore and produce gold, silver, and other metals for life of mine with the following obligations: (all amounts are in US\$):

- \$30,000 per year, until the commencement of commercial production, maximum of 5 years; (pending some payments).
- A minimum of US\$60,000 per year after 5 years or upon commencement of production;
- During commercial production, a net smelter royalty ("NSR") of:
 - 3.5% until payments reach an aggregate amount of \$350,000; of which \$200,000 is payable in cash and \$150,000 in XGC shares (using a 30 day VWAP (volume weighted average share price))
 - 3.0% to an aggregate of \$600,000
 - 2.5% to an aggregate of \$850,000
 - 1.0% through the Life of Mine/Operations

All annual payments are to be credited towards the NSR payments

As of September 30, 2023, the Option is in default due to the Company not making payments due to permitting issues. Discussions are underway.

Peru

As at March 31, 2023, the Company has maintained in good standing a portion of the Tres Marias and Las Brujas properties. During the year ended March 31, 2021, the Company recorded an impairment loss of \$284,576, as the Company has no immediate plans to pursue the property; however, the Company will maintain the title to the property and will continue to seek opportunities. These properties are early-stage gold and gold-silver exploration projects in Peru.

Equipment - Mill

SDA Plant

The "SDA Plant" is a processing plant located in San Dieguito de Arriba, Nayarit State, Mexico. The plant comprises equipment, tools, supporting infrastructure and other facilities required to process ore and recover precious and base metals in the form of flotation concentrates. The plant also includes a precious metals leach circuit - Merrill Crowe system and associated assets, licences and agreements. The plant lies within the historically productive Sierra Madre Occidental mineralized belt.

The plant was operational from 2007 to April 2017 (by former owner Minerales Vane S.A. de C.V.), processing ore from various operators in the region on a toll basis. Subsequently the plant was operational in February of 2019 for the processing of a bulk sample of approximately 600 tons. Due to challenges in the consistent acceptable recovery rates, that test failed to result in a toll processing contract, and the plant has not operated since.

On September 23, 2020, the Company signed a definitive agreement with Magellan Acquisition Corp. ("Magellan"). The agreement gives the Company the right to earn up to a 100% interest in the SDA Plant by completing the following:

- i) A payment of \$5,000 upon signing (paid);



- ii) 5,000,000 common shares upon the completion of due diligence and the signing of a definitive agreement to earn a 10% interest (issued);
- iii) Common shares with a value of \$100,000 on or before March 23, 2021 to earn a 20% interest (1,428,571 shares issued on July 5, 2021);
- iv) Common shares with a value of \$150,000 on or before September 23, 2021 to earn a 30% interest; (2,467,363 shares issued on December 21, 2021);
- v) Common shares with a value of \$200,000 on or before March 23, 2022 to earn a 50% interest (4,125,758 common shares issued October 28, 2022);
- vi) Common shares with a value of \$400,000 on or before September 23, 2022 to earn a 70% interest; and (extended to September 30, 2023)
- vii) Common shares with a value of \$575,000 on or before March 23, 2023 to earn a 100% interest. (extended to April 30, 2024)

Agreement with Minera Cinco Reales

During the year ended March 31, 2023, the Company signed a Profit-Sharing Agreement on the San Dieguito de Arriba ("SDA") Plant in Nayarit Mexico. The agreement is a Binding Letter of Intent (the Agreement") with Minera Cinco Reales S.A. de C.V. ("MCR") on the San Dieguito de Arriba ("SDA") Plant in Nayarit, Western Mexico.

Beginning in the first full month of production, or no later than the fourth month from the signing of this agreement, Xali Gold will have the right to receive 15% of the net profits from any mineral that is processed at the SDA Plant, or minimum payments as follows:

- \$10,000 in fourth month from signing the Agreement;
- \$20,000 in the fifth month;
- \$30,000 in the sixth month;
- \$40,000 in the seventh to tenth months; and
- \$50,000 from month eleven on.

Before the fourth month, MCR will make advance payments of net profits to Xali Gold of:

- US\$6,500 dated January 30, 2023;
- US\$6,500 dated February 27, 2023; and
- US\$6,500 dated March 22, 2023.

Upon the execution of this Agreement, MCR will act as the only operator of the plant and will have the exclusive option to obtain permits and refurbish the plant and equipment to operational status and to manage and operate the SDA plant for their benefit for an initial period of 14 months. MCR has the right to renew the agreement every 14 months unless Xali Gold has reason to cancel the Agreement due to "non-performance" payments or misuse of the plant.

The Company did not receive any advances as at September 30, 2023 and has formally terminated the agreement.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

Xali Gold Corp.
Management's Discussion and Analysis
For the six months ended September 30, 2023



Operating Highlights	September 30, 2023	September 30, 2022	Change
Mexico			
Amortization	\$ 1,733	\$ 3,917	\$ (2,184)
Project administration	16,278	15,891	387
Mining fees - El Oro	153,822	131,701	22,121
Permits and Fees	-	6,858	(6,858)
Option payments received	(30,000)	(2,000)	(28,000)
Total	\$ 141,833	\$ 156,367	\$ (14,534)

Six Months Ended September 30, 2023 Compared to Six Months Ended September 30, 2022

The following is a comparison of the exploration costs incurred above for the six months ended September 30, 2023, with those incurred in the six months ended September 30, 2022.

Project administration for the six months ended September 30, 2023 were \$16,278 compared to \$15,891 in the prior period, the increase of \$387 is mainly due to an increase in activities.

Mining fees El Oro for the six months ended September 30, 2023 were \$153,822 compared to \$131,701 in the prior period, the increase in the provision for mining fees is primarily related to increased rate of concessions granted by the Government.

Option payments received for the six months ended September 30, 2023 were \$30,000 compared to \$2,000 received in the prior period. The increase is mainly in relation to the monies received from Sun River Gold Corp in relation to the shared cost for the El Oro property.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Financial Performance for the Six Months Ended September 30, 2023 and 2022

The net loss for the six months ended September 30, 2023, was \$200,947 compared to \$591,253 for the period ended September 30, 2022. Representing a decrease in loss of \$390,306. Decrease mainly due to Nil regarding impairment of Victoria project in current period (September 30, 2022 - \$49,878), decrease in exploration expenses of \$16,194, foreign exchange gain of \$164,514, an impairment recovery of \$98,800 and a decrease in General and administrative (G&A) expenses of \$75,968.

	September 30, 2023	September 30, 2022	Change
Net loss	\$ (200,947)	\$ (591,253)	\$ 390,306
Audit and tax advisory	\$ 69,328	\$ 70,073	\$ (745)
Bank charges and interest	\$ 903	\$ 94	\$ 809
Consulting	\$ 3,500	\$ 32,154	\$ (28,654)
Legal	\$ 3,102	\$ 17,998	\$ (14,896)
Management fees, office salaries and benefits	\$ 47,891	\$ 61,246	\$ (13,355)
Office, rent and miscellaneous	\$ 11,303	\$ 29,553	\$ (18,250)
Regulatory and filing fees	\$ 8,881	\$ 12,118	\$ (3,237)
Share-based payments	\$ 5,606	\$ 23,442	\$ (17,836)
Shareholder communications	\$ 25,370	\$ 55,705	\$ (30,335)
Interest and other expense (income)	\$ 774	\$ (49,757)	\$ 50,531

Other variances are as follows:

Xali Gold Corp.
Management's Discussion and Analysis
For the six months ended September 30, 2023



- Consulting fees were \$3,500 for the six months ended September 30, 2023, compared to \$32,154 for the same period in 2022, representing a decrease of \$28,654. Decrease mainly related to decrease in Marketing projects.
- Legal fees were \$3,102 for the six months ended September 30, 2023, compared to \$17,998 for the same period in 2022, representing a decrease of \$14,896. Decrease mainly related to prior period legal cost for startup new subsidiary Minera Xali, S.A. de C.V.
- Management fees, office salaries and benefits were \$47,891 for the six months ended September 30, 2023, compared to \$61,246 for the same period in 2022, representing a decrease of \$13,355. This relates to reversal of a prior year accrual.
- Share-based payments for the six months ended September 30, 2023 were \$5,606 compared to \$23,442 in the six months ended September 30, 2022. Decrease relates to January 18, 2021 and June 9, 2022 vested options \$23,021 share-based payment recorded during September 30, 2022, compared to \$Nil recorded in the current period.
- Shareholder communications, were \$25,370 for the six months ended September 30, 2023, compared to \$55,705 for the period ended September 30, 2022. The increase is due to participating in conventions during the quarter that were cancelled last period due to COVID.
- Interest and other expense (income), were \$774 income for the six months ended September 30, 2023, compared to \$49,757 other income for the period ended September 30, 2022. The decrease is related to a Letter of Intent with a third party and the Sun River option agreement extension on the Tailings Project in prior period.

QUARTERLY HIGHLIGHTS

Financial Condition

The Company ended the period with cash of \$17,193, a decrease of \$19,833 from March 31, 2023.

Consolidated Financial Performance for the Three Months Ended September 30, 2023

	September 30, 2023	September 30, 2022	Change
Net loss	\$ (33,999)	\$ (247,435)	\$ 213,436
Audit and tax advisory	\$ 46,700	\$ 48,691	\$ (1,991)
Bank charges and interest	\$ 600	\$ 62	\$ 538
Consulting	\$ 5,725	\$ 20,403	\$ (14,678)
Legal	\$ 900	\$ 4,980	\$ (4,080)
Management fees, office salaries and benefits	\$ 25,327	\$ 37,687	\$ (12,360)
Office, rent and miscellaneous	\$ 5,897	\$ 17,272	\$ (11,375)
Regulatory and filing fees	\$ 6,508	\$ 7,558	\$ (1,050)
Share-based payments	\$ 2,507	\$ 9,703	\$ (7,196)
Shareholder communications	\$ 12,907	\$ 34,776	\$ (21,869)
Interest and other expense (income)	\$ (4)	\$ (30,261)	\$ 30,257

The net loss for the three months ended September 30, 2023, was \$33,999 compared to \$247,435 for the quarter ended September 30, 2022. Representing a decrease in loss of \$213,436. Decrease mainly due to



Nil regarding impairment of Victoria project in current period (September 30, 2022 - \$49,878), increase in exploration expenses of \$275, foreign exchange gain of \$34,617, an impairment recovery of \$98,800 and a decrease in General and administrative (G&A) expenses of \$43,804.

Other variances are as follows:

- Consulting fees were \$5,725 for the three months ended September 30, 2023, compared to \$20,403 for the same period in 2022, representing a decrease of \$14,678. The decrease is mainly related to a reduction in marketing projects and accrual reversal.
- Legal fees were \$900 for the three months ended September 30, 2023, compared to \$4,980 for the same period in 2022, representing a decrease of \$4,080. This is mainly related to decrease in activities.
- Share-based payments for the quarter ended September 30, 2023 were \$2,507 compared to \$9,703 in the quarter ended September 30, 2022. Decrease related to vested options \$7,196 share-based payment recorded during September 30, 2022, compared to \$Nil recorded in the current period.
- Shareholder communications were \$12,907 for the quarter ended September 30, 2023, compared to \$34,776 for the period ended September 30, 2022. The decrease is due to reduction of services in the current period.
- Interest and other income were \$4 for the quarter ended September 30, 2023, compared to interest and other income of \$30,261 for the period ended September 30, 2022. The decrease is related to a Letter of Intent with a third party and the Sun River option agreement extension on the Tailings Project in prior period.

LIQUIDITY AND CAPITAL RESOURCES

There is a working capital deficiency of \$4,633,183 at September 30, 2023 (March 31, 2023 – deficiency of \$4,383,662), including \$1,159,135 in amounts due to related parties, which primarily consist of \$596,502 payables due to Alta Copper Corp., a company with shared administrative expenses, common directors and management; and \$540,026 owing to directors and officers. In addition, as at September 30 2023, the Company owes Ridley Rocks Inc. regarding a loan balance of \$22,607 (September 30, 2022 - \$Nil).

The Company anticipates that during the next year, a substantial portion of available capital resources will be used to pay accounts payable and accrued liabilities and commitments related to ongoing exploration activities in Mexico and Peru. The Company will need to raise additional capital to further project development in Mexico and Peru as well as receive continued vendor support.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds by entering into a joint venture agreement or through the issuance of securities or resource secured debt. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

COMMITMENTS AND CONTINGENCIES

Company has no material or significant commitments or contingencies other than the management and consulting agreements disclosed under related party transactions.



OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related parties consist of companies owned by executive officers and directors. The following is a list of the related parties that the Company entered into trading transactions with:

- Ridley Rocks Inc. – Management and exploration fees.
- Bullion Exploration Inc. – Geological exploration fees.
- Alta Copper Corp. - shared administrative expenses with a company related by directors and management in common; and
- Lotz CPA Inc. – Financial services, fees thereto.

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the six months ended September 30, 2023 and 2022. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

	Six months ended September 30,			
	2023		2022	
Management fees	\$	47,891	\$	49,800
Share-based payments		5,606		4,648
	\$	53,497	\$	54,448

Share-based payments are the fair value of options expensed to directors and key management personnel during the six months ended September 30, 2023 and 2022.

Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2023 includes \$540,026 (March 31, 2023 - \$492,079) owing to directors and officers for services rendered and \$596,502 (March 31, 2023 - \$595,023) owing to a company with common directors and officers.

During the six months ended September 30, 2023, the Company received loans from a company controlled by the CEO for \$3,777 (March 31, 2023 - \$18,472) and repayment of \$3,416. As at September 30, 2023, the Company owes this company a loan balance of \$22,607 (March 31, 2023 - \$26,023). The loan is non-interest bearing and payable on demand.

MANAGEMENT, DIRECTORS, AND CONSULTING AGREEMENTS

The Company entered into consulting agreements with the CEO, CFO and Technical Officer for the provision of management, director and consulting services as follows:

- \$4,000 per month for president and CEO services. Anytime that is 60 days from the date of change of control, either the Company or the officer may terminate the agreement, in which case the Company or the surviving corporation will pay a fee equal to \$500,000 plus GST. On termination of services by the Company without cause, the Company must pay a termination fee of \$200,000.
- \$4,000 per month for geological consulting and technical officer services. Anytime that is 60 days from the date of change of control, either the Company or the officer may terminate the agreement, in which case the Company or the surviving corporation will pay a fee equal to



\$200,000 plus GST. On termination of services by the Company without cause, the Company must pay a termination fee of CAD\$50,000.

- \$2,375 per month for CFO and financial consulting services, increased to \$2,494 per month during the year ended March 31, 2023. Anytime that is 60 days from the date of change of control, either the Company or the officer may terminate the agreement, in which case the Company or the surviving corporation will pay a fee equal to \$28,500. On termination of services by the Company without cause, the Company must pay a termination fee of \$28,500. The CFO resigned effective October 4, 2023.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following number of common shares and issuable shares outstanding.

Securities	
Common shares	139,489,840
Issuable under options	8,725,000
Issuable under warrants	1,691,667

DISCLOSURES

Information Available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR+ website <http://www.sedarplus.ca/>

Venture Issuer Without Significant Revenue

This MD&A supports information disclosed in the Company’s consolidated financial statements. More information regarding the Company’s mineral right interests can be found under Note 4 of the Company’s consolidated financial statements for the current reporting year.

Internal Controls Over Financial Reporting (“ICFR”)

There were no changes in the Company’s internal control over financial reporting during the period from April 1, 2023 to September 30, 2023, that have materially affected, or are reasonably likely to affect, the Company’s internal control over financial reporting.



APPENDIX A

Summary of quarterly financial results

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Net loss	(33,999)	(166,948)	(755,306)	(182,514)	(247,435)	(343,818)	(601,887)	(127,329)
Earnings (Loss) Per Share Attributable to Shareholders, Basic and Diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)