TABLE OF CONTENTS

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 year and to the date of the report. This MD&A contains a review and analysis of financial results for the year ended March 31, 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 consolidated financial statements of the Company and notes thereto for the year ended March 31, 2023, and consequently should be read in conjunction with the afore-mentioned consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Information in this MD&A is current as of July 31, 2023.

All amounts, unless specifically identified as otherwise, both in the Company's 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 ions, 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 Sun River 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 year ended March 31, 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 comprehensive 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 Mexico, suitable for treating high grade gold and silver mineralization, along with the acquisition of 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 and El Dorado as well as partnership opportunities to see the SDA plant in operation and providing cash flow to the Company. During the year ended March 31, 2023, the Company signed a Profit Sharing Agreement on the SDA Plant in Nayarit Mexico with Minera Cinco Reales S.A. de C.V. ("MCR"). MCR will provide both the investment and expertise to make the SDA Plant fully operational and also provide the initial gold and silver bearing mineralization to process.

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 has also been underway for drilling at El Dorado.

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

BOARD OF DIRECTOR AND MANAGEMENT CHANGES

On October 20, 2022, the Company appointed George Elliot as director of the Company.

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.sedar.com.

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 allows 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 payments of $110,325 of which $5,325 was applied directly against certain general and administrative fees 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, Sun River will indirectly acquire a 100% interest in the subsidiary CCM El Oro Jales.

On March 31, 2022, the Company renewed both the Tailings Agreement and the Tourism Agreement with 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.

Renewing the Tailings Agreement is the final item required for SRG, who have the option to acquire 100% of the Tailings Project from CCM El Oro Jales, to receive permits to operate the Tailings Reprocessing Facility at El Oro, Mexico.

On January 4, 2022, the Company amended the earn-in option agreement with SGR as follows:

1. An initial extension of the option expiry date from October 31, 2021 to April 30, 2022 under the following terms for monthly payments of $2,000 starting November 2021 and a one time payment of $5,400. During the year ended March 31, 2023, $5,400 was received (2022 - $12,000).

2. If commercial production is not achieved by May 1, 2022, the Company will grant a second extension of the option expiry date to December 31, 2022 for monthly payments of $15,000 starting May 1, 2022. Once commercial production has been achieved SRG must make monthly payments of $50,000 for the first year, and 5% of NPI thereafter. In addition, SRG will make the first $1,500,000 of the municipality NPI payment during the first three years of operations. This agreement has been extended to August 31, 2022 such that payments of $15,000 should start after that unless otherwise agreed to.

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. As at March 31, 2023, cumulative monthly payments of $120,000 have been received (2022 - $Nil).
    b) Advance NPI payments of
        i) $35,000 by January 6, 2023 (received $19,000 as at March 31, 2023);
        ii) $50,000 by June 30, 2023;
        iii) $75,000 within 20 days of receiving the Financing for construction.

    c) If any 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.

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 will be credited towards the NSR payments

Cocula

The Cocula Project is located within the Ameca Mining District of Jalisco State which is home to Agnico Eagle's El Barqueño Project and Endeavor Silver's Terronera Project.

On September 4, 2020, Xali Gold Corp. entered a Definitive Agreement ("DA") for profit sharing on the Cocula Gold Project which gave Xali Gold the right to retain 70% of profits that may be derived from mining and processing on the property. During the year ended March 31, 2022, the Company impaired the Cocula Project to $Nil as management had no immediate plans to continue pursuing the Project. On October 10, 2022 the agreement was formally terminated.

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)

As of March 31, 2023, the Company has recorded $691,871 (March 31, 2022 - $465,958) of acquisition costs and $44,090 (March 31, 2022 - $36,263) of Asset Retirement Obligation ("ARO") related to the SDA Plant in equipment in the consolidated statements of financial position.

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 wilI 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 March 31, 2023 and subsequent to year end the Company is in the process of formally terminating the agreement.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2023 AND 2022

Operating Highlights	March 31, 2023	March 31, 2022	Change
Mexico			
Exploration	**1,131**	**9,644**	**(8,513)**
Project administration	**67,989**	**54,262**	**13,727**
Mining fees - El Oro	**831,227**	**376,434**	**454,793**
Permits and Fees	**4,743**	**-**	**4,743**
Option payments received	**(145,000)**	**(12,000)**	**(133,000)**
Total	**$ 760,090**	**$ 428,340**	**$ 331,750**

Year Ended March 31, 2023 Compared to Year Ended March 31, 2022

The following is a comparison of the exploration costs incurred above for the year ended March 31, 2023, with those incurred in the year ended March 31, 2022.

Exploration expense for the year ended March 31, 2023 were $1,131 compared to $9,644 in the prior year, the decrease is mainly due to decrease in activities.

Project administration for the year ended March 31, 2023 were $67,989 compared to $54,262 in the prior year, the increase of $13,727 is mainly due to an increase in activities.

Mining fees El Oro for the year ended March 31, 2023 were $831,227 compared to $376,434 in the prior year, the increase in the provision for mining fees is primarily related to increased rate of concessions granted by the Government.

Permits and fees for the year ended March 31, 2023 were $4,743 compared to $Nil in the prior year. This is related to Victoria project in Newfoundland.

Option payments received for the year ended March 31, 2023 were $145,000 compared to $12,000 received in the prior year. The 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 Year Ended March 31, 2023 and 2022

	March 31, 2023		March 31, 2022		Change	
Net loss	**$**	**(1,529,073)**	$	(1,295,278)	**$**	**(233,795)**
Audit and tax advisory	**$**	**103,975**	$	83,530	**$**	**20,445**
Bank charges and interest	**$**	**154**	$	154	**$**	**-**
Depreciation	**$**	**-**	$	274	**$**	**(274)**
Consulting	**$**	**36,690**	$	-	**$**	**36,690**
Legal	**$**	**57,634**	$	61,635	**$**	**(4,001)**
Management fees, office salaries and benefits	**$**	**73,185**	$	149,217	**$**	**(76,032)**
Office, rent and miscellaneous	**$**	**42,275**	$	26,887	**$**	**15,388**
Regulatory and filing fees	**$**	**22,420**	$	30,330	**$**	**(7,910)**
Share-based payments	**$**	**33,382**	$	81,801	**$**	**(48,419)**
Shareholder communications	**$**	**119,850**	$	108,009	**$**	**11,841**
Interest and other income	**$**	**(32,023)**	$	608	**$**	**(32,631)**

The net loss for the year ended March 31, 2023, was $1,529,073 compared to $1,295,278 for the year ended March 31, 2022. Representing an increase in loss of $233,795. The increase is due to an increase in exploration expenses of $331,750 partially offset with a decrease in other General and administrative (G&A) expenses of $84,903.

Material variances of amounts included in total general and administrative expenses for the year ended March 31, 2023 are as follows:

Other variances are as follows:

- Audit and tax advisory were $103,975 for the year ended March 31, 2023, compared to $83,530 for 2022, representing an increase of $20,445. The increase is due to an increase in audit and tax filing fees.
- Consulting fees were $36,690 for the year ended March 31, 2023, compared to a $Nil for 2022, representing an increase of $36,690. The increase is mainly related to increase in Marketing projects.

- Legal fees were $57,634 for the year ended March 31, 2023, compared to $61,635 for 2022, representing a decrease of $4,001. The decrease is mainly related to the prior period legal cost for startup new subsidiary Minera Xali, S.A. de C.V.
- Management fees, office salaries and benefits were $73,185 for the year ended March 31, 2023, compared to $149,217 for 2022, representing a decrease of $76,032. This is because of lower marketing consulting fees incurred in the current year.
- Share-based payments for the year ended March 31, 2023, were $33,382 compared to $81,801 in the prior year. This is because of the higher quantum of options issued in the prior year.
- Shareholder communications for the year ended March 31, 2023, were $119,850, compared to $108,009 for 2022. The increase is due to higher costs incurred for website hosting relating to shareholder communications incurred in the current year.
- Interest and other income were $32,023 for the year ended March 31, 2023, compared to interest expense of $608 for 2022.

QUARTERLY HIGHLIGHTS

Financial Condition

The Company ended the year with cash of $37,026 as on March 31, 2023, compared to $33,522 as on March 31, 2022**.**

Consolidated Financial Performance for the Three Months Ended March 31, 2023

The net loss for the three months ended March 31, 2023, was $755,306 compared to $601,887 for the quarter ended March 31, 2022 representing an increase in loss of $153,419. The increase is mainly due to an increase in mining fees partially offset General and administrative (G&A) expenses of $29,124 and other expenses of $130,742.

	March 31, 2023		March 31, 2022		Change	
Net loss	$	(755,306)	$	(601,887)	$	(153,419)
Audit and tax advisory	$	27,560	$	18,575	$	8,985
Bank charges and interest	$	31	$	31	$	-
Depreciation	$	-	$	1	$	(1)
Consulting	$	(296)	$	4,051	$	(4,347)
Legal	$	31,933	$	26,050	$	5,883
Management fees, office salaries and benefits	$	(10,603)	$	29,973	$	(40,576)
Office, rent and miscellaneous	$	5,967	$	3,183	$	2,784
Regulatory and filing fees	$	3,485	$	6,502	$	(3,017)
Share-based payments	$	936	$	7,900	$	(6,964)
Shareholder communications	$	45,932	$	85,170	$	(39,238)
Interest and other income	$	47,492	$	125	$	47,367

Other variances are as follows:

- Legal fees was $31,933 for the three months ended March 31, 2023, compared to legal fees of $26,050 for the same period in 2022, representing an increase of $5,883. The increase was mainly related to an increase in activity.
- Management fees, office salaries and benefits recovery were $10,603 for the three months ended March 31, 2023, compared to $29,973 fees for the same period in 2022, representing a decrease of $40,576. This relates to a reversal of the prior year accrual.
- Shareholder communications were $45,932 for the quarter ended March 31, 2023, compared to $85,170 for the period ended March 31, 2022. The decrease is due to higher costs incurred for website hosting in relating to shareholder communications incurred in the prior comparative quarter.
- Interest and other income were $47,492 income for the quarter ended March 31, 2023, compared to interest expense of $125 for the period ended March 31, 2022. This is mainly in relation to the monies received from Sun River Gold Corp in relation to the shared cost for the El Oro property reclassified to exploration.

Cash Flows

Net cash received from operating activities for the year ended March 31, 2023, was $8,573 compared to cash used for operating activities of $265,971 for the year ended March 31, 2022.

Net cash used for investing activities for the year ended March 31, 2023, was $20,669 compared to net cash provided by investing activities of $127,752 for the year ended March 31, 2022.

Net cash provided by financing activities for the year ended March 31, 2023, was $15,600 compared to $394,574 cash for the year ended March 31, 2022.

LIQUIDITY AND CAPITAL RESOURCES

There is a working capital deficiency of $4,383,662 at March 31, 2023 (March 31, 2022 – Deficiency of $2,952,072), including $1,113,126 in amounts due to related parties, which primarily consist of $595,023 payables due to Candente Copper Corp., a company with shared administrative expenses, common directors and management; and $492,079 owing to directors and officers. In addition, as at March 31, 2023, the Company owes Ridley Rocks Inc. a balance of $26,023 (March 31, 2022 - $8,178).

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.
- SW Project Management – Former Vice President, project management and engineering fees.
- Candente 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 year ended March 31, 2023 and 2022. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

		Year ended March 31,		
		2023		2022
Management fees	**$**	**95,262**	$	108,819
Share-based payments		**20,649**		50,250
	$	**115,911**	$	159,069

Share-based payments are the fair value of options expensed to directors and key management personnel during the years ended March 31, 2023 and 2022.

Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2023 includes $492,079 (2022 - $435,404) owing to directors and officers for services rendered and $595,023 (2022 - $622,213) owing to a company with common directors and officers.

During the year the Company received loans from Ridley Rocks Inc. for $18,472 (2022 - $60,743) of which $Nil (2022 - $55,780) was settled by shares issued during the year (Note 7b). As at March 31, 2023, the Company owes Ridley Rocks Inc. for a loan balance of $26,023 (2022 - $8,178). 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.

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	139,389,840
Issuable under options	11,600,000
Issuable under warrants	3,524,167

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.sedar.com/

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, 2022 to March 31, 2023, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

APPENDIX A

Summary of selected annual information for each of the three most recently completed financial years

	March 31, 2023	March 31, 2022	March 31, 2021
Cash	$ 37,026	$ 33,522	$ 32,671
Unproven mineral rights interest	$ 2	$ 87,497	$ 45,983
Total Assets	$ 746,556	$ 631,689	$ 289,904
Share Capital	$ 25,673,260	$ 25,404,687	$ 24,617,507
Net loss	$ (1,529,073)	$ (1,295,278)	$ (1,091,990)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)

Summary of quarterly financial results

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net loss	(755,306)	(182,514)	(247,435)	(343,818)	(601,887)	(127,329)	(165,160)	(400,902)
Earnings (Loss) Per Share Attributable to Shareholders, Basic and Diluted	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)