Xali Gold Corp.
Management's Discussion and Analysis
For the year ended March 31, 2024

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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 year ended March 31, 2024 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, 2024, 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 August 7, 2024.

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 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 year ended March 31, 2024.

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 was given the right to 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 certain NPI payments and the agreement CCM EL Oro Jales executed with the Municipality. The Company formally terminated the agreement with SRG on April 15 2024 after giving more than sufficient notice of default of their obligations under their agreement.

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 planned 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 evaluated 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 project to assist in understanding the deposits, identifying higher grade zones and drill targets.

On November 27, 2023, the Company to bought back a royalty on the Casua property located in southern Peru and issued 100,000 common shares with a fair market value of $2,934 (CAD 4,000).

On November 29, 2023, the Company advised that it had signed an Option Agreement with Barrick Gold Corporation on the Tres Marias Property located in southern Peru. ($100,000 received).

On May 10, 2024, 2,927,000 common shares were issued to settled amounts owing to a former CFO of the Company for services.

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.

A review of all previous exploration results on the project with aim of re-focusing targets for future exploration was recently conducted by Management. One key area identified 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% 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. The Company formally terminated the agreement with SRG on April 15 2024 after giving more than sufficient notice of default of their obligations under their agreement.

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 of: 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 December 31, 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.

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.

KCA

On April 15, 2024 the Company signed a legally binding Letter of Intent to enter a Purchase Agreement (the "LOI Agreement") with Kappes, Cassiday & Associates ("KCA") on the Mexican Mine Tailings Reprocessing Project at El Oro (the "El Oro Tailings Project") in Mexico.

In order to earn 100% interest in the El Oro Tailings Project, subject to royalty payments outlined below, KCA has agreed to:

- Pay the Company US$25,000 upon signing (received);
- Pay the Company an additional US$25,000 three months after signing the LOI Agreement;
- Pay the Company US$100,000 six months after signing the LOI Agreement.

Terms of the Royalty Payments are as follows:
Once production begins, KCA will pay the Company a gross royalty equal to 4% of the sales income ("NSR") received from the gold and silver produced from the El Oro Tailings Project, less any royalties due and payable to others (the Municipality of El Oro), but in no case less than a 3% gross royalty.

KCA has the right at any time to buy a 1% royalty from the Company for US$1,000,000, which would lower the NSR from 4% to 3% of the sales income received from the gold and silver produced from the Project, less any royalties due and payable to others including the Municipality of El Oro, but in no case less than a 2% royalty.

KCA will make minimum royalty payments of US$50,000 every six months commencing six months from signing the LOI agreement, until a total royalty payment of US$1,000,000 has been paid to the Company, but royalty payments on production will continue past that point.

KCA will also be obligated to pay the Municipality of El Oro an 8% Net Profits Interest ("NPI") on production from the Tailings or renegotiate this with the Municipality.

The Company has the right to receive the first US$1.5M from the Municipality's 8% NPI. The Mexico Mine Tailings at El Oro contain an Inferred Resource* of 1,267,400 Tonnes grading 2.94 gold grams per tonne ("g/t"), 75.12 silver g/t containing 119,900 ounces of gold and 3,061,200 ounces of silver.

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. As at March 31, 2024 the Company has earned 50% interest in the SDA Plant.

El Dorado Gold-Silver Project

On May 20, 2021, the Company signed an Exploration and Production Agreement ("EPA") with Ingenieros Mineros, S.A. de C.V. ("IMSA") on the El Dorado Gold-Silver Project. The EPA gave the Company 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 March 31, 2024, the option agreement is in default as the Company stopped making payments due to permitting issues. The Company are currently in discussions with IMSA to rectify the default status.

Peru

As at March 31, 2024, 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.

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%. During the year ended March 31, 2024, the Company received $100,000 in option payments less $1,181 of administrative expenses.

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.

Equipment

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 small mine 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 gave 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 total value of $450,000 on or before March 23, 2022 to earn up to 50% interest (8,019,692 were issued by October 28, 2022) and the Company had earned a 50% interest in the SDA plant

As of September 30, 2023 the Company decided to remain with a 50% interest and chose not to exercise the right to earn further interest.

Agreement with Grupo Minero WIYA ("WIYA")

In December 2023, the Company entered into an agreement with WIYA to operate the San Dieguito de Arriba ("SDA") Plant in Nayarit, Western Mexico. The first payment of $150,000 was received in full on December 14, 2023.

Terms of the agreement are as follow:

- WIYA agrees to pay $150,000 per month for 10 months (Paid $150,000 in December 2023).
- Upon completion of paying a total of US$1.5 Million within 12 months, WIYA will have the right to own the SDA Plant.
- In addition to making monthly payments, WIYA will be obligated to complete all repairs and permitting to get the SDA Plant into operation.
- The profits from the transaction will be shared equally with Magellan Acquisition Corp. ("Magellan"), as the Company and Magellan each own 50% of the SDA plant as per the earn in agreement with Magellan.

On February 1, 2024 the Company announced that WIYA has made the required repairs to get the San Dieguito de Arriba ("SDA") Plant in Nayarit, Western Mexico operational and are conducting bulk sample testing at the SDA Plant. The first payment of US$150,000 was made in mid-December and no other payments have been received since but concentrate sales are increasing and the Company had been advised that weekly payments will commence shortly. In addition, discussions are underway to change the agreement to a joint venture in which case the Company could assist WIYA in sourcing higher grade materials and share profits as well as have better access to local exploration targets.

On April 17, 2024, and modified on July 29, 2024, the Company signed a temporary modification to the agreement with WIYA for a period of three months from the signing of the agreement, with the following additional modifications:

1. Pay US$45,000 to the Company within 15 days from the plant restarting, which will be credited against the final payment due as part of the Rent to Purchase agreement dated December 8, 2023.

2. Pay the Company US$30.00/ton for each ton processed with bi-weekly minimum payments of US$30,000. Processing is expected to be between 2,700 and 3,000 tons per month and monthly adjustments of the overall tonnage processed will also be paid.

3. Maintain a minimum of 1,500 tons of mineral at the plant with a guaranteed value, based on metallurgical tests, to initially operate for at least 15 days with reasonable profits.

The rest of the general terms of the December 8, 2023 agreement between WIYA and the Company not temporarily modified in this 3 month agreement, remain in force.

Agreement with Grupo Rio Verde Resources ("Rio Verde")

On July 16, 2024, the Company signed a legally binding Letter of Intent ("LOI") with Rio Verde Resources ("Rio Verde") on portions of five mining concessions within the El Oro Mining District ("El Oro 5 Concessions") in the State of Mexico and Michoacán de Ocampo, Mexico. Rio Verde has been granted the exclusive right to explore and extract gold, silver and any other economic minerals that may be found above the 2400 metre ("m") level in the historic workings covered by the El Oro 5 Concessions in exchange for payment of a 3% Net Smelter Return ("NSR") to the Company. The Company received $19,000 on July 17, 2024.

The initial agreement has a term of 5 years which may be extended for an additional 5 years providing the Company is receiving benefits totalling $1 Million ("M") per year. The Company retains the exclusive ownership of all mineral bodies discovered or delineated below the 2400 m level.

Rio Verde has advised the Company that their production will initially focus on the exploration target identified by Luismin-Hillsborough in 1993. Luismin-Hillsborough estimated there to be a potential for 762,000 ounces ("ozs") gold ("Au") and 9.8M ozs silver ("Ag") (6.89M tonnes grading 3.44 g/t Au and 44 g/t Ag) in the historic workings after studying 2,600, 2 m interval mine level plans with grades, sections and production documentation as well as 8 new drill holes. The mineralization is understood to have been left behind in in-situ vein, pillars and back-fill as it had grades below historical cut-off of 8 g/t Au.

The LOI shall initially pertain to only the 5 mining concessions of El Carmen, El Oro VII, Dos Estrellas 77 Fracc.1, Dos Estrellas 77 and Dos Estrellas 77 Fracc. II. Rio Verde shall maintain the concessions in good standing during this period, by paying the semi-annual concession fees, by incurring the minimum investments and the corresponding filings with the Mexican Mines Bureau, by making the filings of statistical reports and by paying the Governmental Royalties.

In addition to the 3% NSR payments, Rio Verde has agreed to provide funding to pay concession fees owing, initially on the 5 Concessions they plan to mine. Rio Verde and the Company will collaborate to negotiate a payment plan with the Mexican Tax Authority for mineral rights fees owed over the last 5 years (all fees owing prior to that are no longer due). Funds provided for concession fees will be provided as participation in a Private Placement in the Company under the following terms: A Unit comprising one share and one-half warrant will be priced at CAD$0.05. A full warrant will be exercisable at CAD$0.10 per share for two years.

The Company will also grant Rio Verde the right to participate in future Private Placements, terms of which will be in the context of the market at the time when the funds are provided. Such funds are expected to come from income generated from operations on the five concessions and will be used to assist the Company in paying off the remaining fees due on the rest of the El Oro Property. Rio Verde has also been granted the right to appoint an additional member to the Board of Xali Gold and to the position of Chair of the Board, when Rio Verde holds greater than 20% of the outstanding shares in the Company, provided that person is deemed qualified by the current Board of the Company.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

Operating Highlights	March 31, 2024	March 31, 2023	Change
Mexico			
Exploration	**-**	**1,131**	**(1,131)**
Project administration	**129,927**	**67,989**	**61,938**
Legal	**29,200**		
Mining fees - El Oro	**376,287**	**831,227**	**(454,940)**
Permits and Fees	**-**	**4,743**	**(4,743)**
Option payments received	**(30,000)**	**(145,000)**	**115,000**
Total	**$ 505,414**	**$ 760,090**	**$ (283,876)**

Year Ended March 31, 2024 Compared to Year Ended March 31, 2023

The following is a comparison of the exploration costs incurred above for the year ended March 31, 2024, with those incurred in the year ended March 31, 2023.

Project administration for the year ended March 31, 2024 were $129,927 compared to $67,989 in the prior period, the increase of $6,313 is mainly due to an increase in activities.

Mining fees El Oro for the year ended March 31, 2024 were $376,287 compared to $831,227 in the prior period, the decrease in the provision for mining fees is primarily related to prior year adjustment in rate of concessions granted by the government.

Legal fees for the year ended March 31, 2024 was $29,200 compared to $Nil in the prior year, as the increase was due to legal costs incurred as a result of the buyback of the royalty during the year.

Permits and fees for the year ended March 31, 2024 were $Nil compared to $4,743 in the prior year. This related to the Victoria project in Newfoundland.

Option payments received for the year ended March 31, 2024 were $30,000 compared to $145,000 received in the prior period. The decrease is mainly in relation to termination of agreement with 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, 2024 and 2023

	March 31, 2024		March 31, 2023		Change	
Net loss	$	**(942,786)**	$	(1,529,073)	$	**586,287**
Accounting audit and tax advisory	$	**96,694**	$	103,975	$	**(7,281)**
Bank charges and interest	$	**2,225**	$	154	$	**2,071**
Consulting	$	**-**	$	36,690	$	**(36,690)**
Legal	$	**48,115**	$	57,634	$	**(9,519)**
Management fees, office salaries and benefits	$	**94,388**	$	73,185	$	**21,203**
Office, rent and miscellaneous	$	**88,491**	$	42,275	$	**46,216**
Regulatory and filing fees	$	**28,483**	$	22,420	$	**6,063**
Share-based payments	$	**7,872**	$	33,382	$	**(25,510)**
Shareholder communications	$	**50,869**	$	119,850	$	**(68,981)**
Interest and other expense (income)	$	**886**	$	(32,023)	$	**32,909**

The net loss for the year ended March 31, 2024, was $942,786 compared to $1,529,073 for the year ended March 31, 2023. Representing a decrease in loss of $586,287. The decrease was due to $Nil impairment recorded in the current fiscal year versus impairment of $113,652 on the Victoria project in the prior year. In addition, there were decrease in exploration expenses of $339,501, decrease in general and administrative expenses of $39,519, decrease in foreign exchange loss of $40,973, partially offset by increase in royalty buyback of $84,825 a recovery of impairment of $98,819.

Other variances are as follows:

- Consulting fees were $Nil for the year ended March 31, 2024, compared to $36,690 for the same period in 2023, representing a decrease of $36,690. the decrease is mainly related to less consulting services during the current year.
- Legal fees were $48,115 for the year ended March 31, 2024, compared to $57,634 for the same period in 2023, representing a decrease of $7,396. Prior year legal cost was for startup new subsidiary Minera Xali, S.A. de C.V.
- Management fees, office salaries and benefits were $94,388 for the year ended March 31, 2024, compared to $73,185 for the same period in 2023, representing an increase of $21,203. due to higher fees
- Share-based payments for the year ended March 31, 2024 were $7,872 compared to $33,382 in the year ended March 31, 2023. The costs relate to the fair value recognized for options vested during the year.
- Shareholder communications, were $50,869 for the year ended March 31, 2024, compared to $119,850 for the year ended Mach 31, 2023. The decrease is due to less participations in conventions during the year.
- Interest and other expense were income of $886 for the year ended March 31, 2024, compared to $32,023 other income for the year ended March 31, 2023. Last year income was related to the Sun River option agreement extension on the Tailings Project.

QUARTERLY HIGHLIGHTS

Financial Condition

The Company ended the period with cash of $16,298, a decrease of $20,728 from March 31, 2023**.**

Consolidated Financial Performance for the Three Months Ended March 31, 2024

	March 31, 2024		March 31, 2023		Change	
Net loss	$	(543,303)	$	(755,306)	$	212,003
Audit and tax advisory	$	3,990	$	27,560	$	(23,570)
Bank charges and interest	$	711	$	31	$	680
Consulting	$	-	$	(296)	$	296
Legal	$	31,516	$	31,933	$	(417)
Management fees, office salaries and benefits	$	28,923	$	(10,603)	$	39,526
Office, rent and miscellaneous	$	70,248	$	5,967	$	64,281
Regulatory and filing fees	$	9,132	$	3,485	$	5,647
Share-based payments	$	986	$	936	$	50
Shareholder communications	$	12,709	$	45,932	$	(33,223)
Interest and other expense	$	(286)	$	47,492	$	(47,778)

The net loss for the three months ended March 31, 2024, was $543,303 compared to $755,306 for the three months ended March 31, 2023. Representing a decrease in loss of $212,003. The decrease was due to $Nil impairment recorded in the current fiscal year versus impairment of $51,214 on the Victoria project in the prior year quarter. In addition, there were decrease in exploration expenses of $349,163, an increase in general and administrative expenses of $5,492 and an increase in foreign exchange loss of $172,835.

Other variances are as follows:

- Audit and tax advisory fees were $3,990 for the three months ended March 31, 2024, compared to $27,560 for the same period in 2023, representing a decrease of $23,570. This is mainly related to timing differences with respect to the recording of payments relating to audit and advisory services.
- Management fees, office salaries and benefits were $28,923 for the quarter ended March 31, 2024, compared to recovery of $10,603 for the same period in 2023, representing an increase of $39,526. mainly due to higher fees.
- Shareholder communications were $12,709 for the quarter ended March 31, 2024, compared to $45,932 for the period ended March 31, 2023. The decrease is due to reduction of services in the current period.
- Interest and other income were a recovery of $286 for the quarter ended March 31, 2024, compared to interest and other expense of $47,942 for the period ended March 31, 2023. Last year quarter other income relates to the Sun River option agreement extension on the Tailings Project.

LIQUIDITY AND CAPITAL RESOURCES

There is a working capital deficiency of $5,247,195 at March 31, 2024 (2023 –$4,383,662), including $595,198 in amounts payables due to Alta Copper Corp., a company with shared administrative expenses, $503,147 owing to directors and officers of the Company and $21,564 (2023 - $26,023) owing to Ridley Rocks Inc., and $3,690 owed to a director of the Company.

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 or take on additional partners to further exploration in Mexico and Peru as well as receive continued vendor support.

The Company does not generate cash flows from operations currently 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.
- Lotz CPA Inc. – Financial services, fees thereto.
- Sheri Rempel – Financial services, fees thereto.

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the years ended March 31, 2024 and 2023. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

		2024		2023
Management fees	**$**	**94,388**	$	95,262
Accounting fees to a company controlled by the CFO		**24,105**		-
Share-based payments		**7,872**		20,649
	$	**126,365**	$	115,911

Share-based payments are the fair value of options expensed to directors and key management personnel during the years ended March 31, 2024 and 2023.

Balance owing

As at March 31, 2024, the following Loans from related party and accounts payable and accrued liabilities were outstanding:

	2024	2024	2023	2023
	Loans from related party	Accounts payable and accrued liabilities	Loans from related party	Accounts payable and accrued liabilities
Chief financial officer	$ -	$ 11,070	$ -	$ -
To a company controlled by the CFO	-	3,121	-	-
Chief executive officer	-	65,043	-	274,150
To a company controlled by the CEO	21,564	266,748	26,023	96,112
Director	3,690	-	-	-
Geological consulting and technical officer	-	157,165	-	121,817
	25,254	503,147	26,023	492,079

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:

- Cdn$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.
- Cdn$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 Cdn$50,000.
- New CFO was appointed on October 2023, fees are Cdn$2,500 per month for CFO and financial consulting services.

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	142,416,840
Issuable under options	8,725,000

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 March 31, 2024, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting. The Company's independent auditors are not required to, and have not, provided assurance over the effectiveness of the Company's internal controls over financing reporting.

APPENDIX A

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

	March 31, 2024	March 31, 2023	March 31, 2022
Cash	$ 16,299	$ 37,026	$ 33,522
Unproven mineral rights interest	$ 2	$ 2	$ 87,497
Total Assets	$ 660,905	$ 746,556	$ 631,689
Share Capital	$ 25,682,237	$ 25,673,260	$ 25,404,687
Net loss	$ (942,786)	$ (1,529,073)	$ (1,295,278)
Loss per share	$ (0.01)	$ (0.01)	$ (0.01)

Summary of quarterly financial results

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net loss	(543,303)	(198,536)	(33,999)	(166,948)	(755,306)	(182,514)	(247,435)	(343,818)
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)