Oroco Resource Corp.
Management Discussion and Analysis
For the three months ended August 31, 2023
Dated as of October 30, 2023

This Management Discussion and Analysis has been prepared as of October 30, 2023 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the three months ended August 31, 2023 and the audited consolidated financial statements and related notes thereto for the year ended May 31, 2023 (the "Financial Statements"). Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Oroco Resource Corp. ("the Company") and its operations that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate," "believe," "budget", "estimate," "expect", "intends", "plans", "potential" and similar expressions, as they relate to the Company or its management and operations, are intended to identify forward looking statements.

These forward-looking statements or information relate to, among other things: the Company's future financial and operational performance; the sufficiency of the Company's current working capital, anticipated cash flow or its ability to raise necessary funds; the anticipated amount and timing of work programs; our expectations with respect to future exchange rates; the estimated cost of and availability of funding necessary for sustaining capital; forecast capital and non-operating spending; and the Company's plans and expectations for its property, exploration and community relations operations.

These forward-looking statements and information reflect the Company's current beliefs as well as assumptions made by, and information currently available to the Company and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions include: cost estimates for exploration programs; cost of drilling programs; prices for base and precious metals remaining as estimated; currency exchange rates remaining as estimated; capital estimates; our expectation that work towards the establishment of mineral resource estimates and the assumptions upon which they are based will produce such estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at our operations; no unplanned delays or interruptions in scheduled work; all necessary permits, licenses and regulatory approvals for our operations being received in a timely manner and can be maintained; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such laws. The foregoing list of assumptions is not exhaustive.

Forward-looking statements and information involve known and unknown risk, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements (see "Risks and Uncertainties" in this MD&A), there may be other factors, such as the coronavirus global pandemic, which could cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information.

Forward-looking statements and information contained herein are made as of the date of this MD&A and the Company does not intend, and disclaims any obligation to update or revise forward-looking statements or information, whether as a result of new information, future events or to reflect changes in assumptions or in circumstances or any other events affecting such statements or information, other than as required by applicable law.

QUALIFIED PERSON

Mr. Andrew Ware, P. Geo., a Qualified Person under NI 43-101 and a senior consulting geologist to the Company, has reviewed and approved the technical disclosure in this management discussion and analysis.

THE COMPANY

The Company was incorporated under the British Columbia Business Corporations Act on July 7, 2006. The Company's head office is located at Suite 1201 - 1166 Alberni Street, Vancouver, B.C., V6E 3Z3. The Company and its subsidiaries are engaged in the acquisition, exploration and development of mineral properties in Mexico with a primary focus on the confirmation and expansion of the historical resource of the Santo Tomas porphyry copper project (the "Santo Tomas Project") in Sinaloa State, Mexico.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "OCO", and it also trades on the Frankfurt Stock Exchange Open Market under the trading symbol "OR6" and the US OTC exchange under the trading symbol "ORRCF.PK". The Company's website address is: "www.orocoresourcecorp.com".

The Company's subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Minera Xochipala S.A. de C.V. ("MX")	Mexico	100%	Exploration in Mexico
Xochipala Gold S.A. de C.V. ("XG")	Mexico	86%	Exploration in Mexico
0973496 B.C. Ltd.	Canada	100%	Holding company
Altamura Copper Corp. ("Altamura")	Canada	100%	Holding company
Aureum Holding Corporation	Canada	100%	Holding company

The Company also holds: (1) an inactive, nominal company incorporated in Mexico (Desarrollos Copper, S.A. de C.V.); and (2) a majority interest in an inactive subsidiary incorporated in the United States (Aztec Copper Inc.), and its inactive subsidiary incorporated in Mexico (Prime Aztec Mexicana, S.A. de C.V.).

On March 2, 2020, pursuant to an option agreement dated September 27, 2018 (the "Altamura Option Agreement") the Company acquired 100% ownership of Altamura. Altamura held a majority interest in XG, which itself holds registered title to the seven mineral concessions (the "Core Concessions") which cover the known core of the Santo Tomas Project. For a description of the Altamura transaction, see the Company's Management Information Circular filed on SEDAR on November 22, 2019. In March 2021, XG issued 5 shares to Altamura for conversion of inter- company debt into equity, and in April 2021, the Company acquired the other XG shareholder' rights and interests in 25 shares of XG in consideration for US$1,500,000 (the "XG Share Rights Acquisition"). The Company now holds an 86.1% interest in XG.

MINERAL PROPERTIES

Santo Tomas Project, Sinaloa State, Mexico

The Company is focused on the exploration and development of its Santo Tomas Porphyry Copper Project ("Santo Tomas" or the "Project") in Sinaloa State, Mexico.

On October 17, 2023 the Company announced a Preliminary Economic Assessment ("PEA") and updated Mineral Resource Estimate ("MRE") for the North Zone and South Zone for Santo Tomas. The PEA results support a staged open pit mine and processing plant starting at 60,000 tonnes per day ("t/d") in year 1 of production, expanding to 120,000 tpd in year 2 over a 20.1-year Life of Mine ("LOM"). Production is preceded by two years of construction and pre-stripping. The PEA has been prepared by Ausenco Engineering USA South Inc. ("Ausenco"). The updated MRE and geologic model were prepared by SRK Consulting (US), Inc. of Denver, Colorado and SRK Consulting (Canada), Vancouver, BC ("SRK"). SRK (Canada) was responsible for geotechnical modeling. The mine planning and mine costs components of the PEA were prepared by Mining Plus Canada Consulting Ltd. ("Mining Plus").

Highlights of the Santo Tomas PEA include:

- US$2.33 billion pre-tax NPV (8%) and US$1.24 billion after-tax NPV (8%)
- 23.0% pre-tax IRR; 17.3% after-tax IRR.
- Total LOM payable copper production of 4,749 M lb.
- Pre-tax payback of 4.1 years; after-tax payback of 5.0 years from first concentrate production.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

- Initial capital costs estimated at US$1,339.9 million; sustaining and expansion capital costs estimated at US$1,134.5 million.
- Average annual LOM C1 Cash Cost of US$1.66/lb Cu on by-product basis.
- An ultimate pit design constrained resource of 388 Mt of Indicated and 460 Mt of Inferred material.

Santo Tomas Project PEA Overview

The Santo Tomas property comprises 9,034 ha of mineral concessions encompassing significant porphyry copper mineralization in northern Sinaloa and southwest Chihuahua, Mexico. The Project is located in the Santo Tomas Porphyry District, which extends from Santo Tomas northward to the Jinchuan Group's Bahuerachi Project located approximately 14 km to the north-northeast. The PEA was conducted using data (including 27,382 Cu assays) from 68 diamond drill holes (43,063 m) drilled by the Company and 90 legacy reverse circulation and diamond drill holes (21,075 m, for a total of 64,138 m in 158 drill holes) in the Project's North Zone and South Zone. The data from the seven exploration diamond drill holes in Brasiles Zone and the single geotechnical hole (GT001) drilled by the Company were excluded from consideration in the MRE and PEA. Oroco's entire updated drill hole database (including PEA excluded holes) contains 166 new and legacy drill holes totaling 69,556 m with lithological logging data and 29,992 Cu assays.

The commodity price assumptions for the Discounted Cash Flow ("**DCF**") analysis are presented in Table 1. Key results are presented in Tables 2 & 3.

Table 1: PEA DCF Price Assumptions

Commodity	Unit	Price*
Cu	US $ / lb	3.85
Mo	US $ / lb	13.50
Au	US $ / t.oz	1,700
Ag	US $ / t.oz	22.50

**Cash flow model assumptions only*

Table 2: Mining and Production – Key Results

Key Assumptions	**Unit**	**LOM**
Exchange Rate	MXN / US$	19.76
Fuel Price	MXN / L	20.41 *(US$1.03)*
Production Profile	**Unit**	**LOM**
Total Open Pit Tonnage	Mt	1,831
Total Open Pit Mineralized Material Mined	Mt	848
Open Pit Strip Ratio	Waste: mill feed	1.16
Daily Throughput (Year 1 // Year 2 on)	kt/d	60 // 120
LOM concentrate production)	Years	20.1
Copper in Mill Feed	M lb	5,920
Molybdenum in Mill Feed	M lb	141.7
Gold in Mill Feed	koz Au	747.3
Silver in Mill Feed	koz Ag	54,998
LOM mill feed (Indicated // Inferred)	Mt	388 // 460
Average Cu payable / year – LOM	M lb	236
Average Cu payable / year – First 5 Years (1)	M lb	281
Payable (2) Copper LOM (in concentrate)	M lb	4,749
Payable Molybdenum LOM (in concentrate)	M lb	82.6
Payable Silver LOM (min 30 g/t payable in Cu Concentrate)	koz	26,330
Payable Gold LOM (min 1 g/t payable in Cu Concentrate)	koz	331.9
Operating Costs (US$/lb.)	**Unit**	**LOM**
C1 Cash Costs Copper (By-Product Basis) (3)	US$/lb	1.66
C3 Cash Costs Copper (By-Product Basis) (4)	US$/lb	2.00
Sustaining and Development Capital (6)	US$M	1,134.5

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Table 1: PEA DCF Price Assumptions (cont'd…)

Capital Expenditures (5)	**Unit**	**LOM**
Initial Capital (6)	US$M	1,339.9
Sustaining and Development Capital (6)	US$M	1,134.5
Closure Costs (5 years, year 20 - 24)	US$M	209.2
Estimated Salvage Value	US$M	0

Notes:

(1) First 5 Years at full production, starting year 2.
(2) Payable metals consider mining dilution, concentrator recoveries and Treatment Charges/Refining Charges (TC/RC).
(3) C1 Cash Costs consist of mining costs, processing costs, mine-level G&A and transportation costs net of by-product credits.
(4) C3 Cash Costs includes C1 Cash Costs plus sustaining and expansion capital, royalties, and closure costs.
(5) All capital expenditures are inclusive of contingency provisions to allow for uncertain cost elements, which are predicted to occur but are not included in the cost estimate.
(6) Net of leasing capital deferment and leasing costs.

Table 3: Key Financial Results and Costs

Economics	Unit	LOM
NPV at 8% (pre-tax // post-tax)	US$M	2,328.9 // 1,237.6
IRR (pre-tax // post-tax)	%	23.0 // 17.3
Payback (pre-tax // post-tax)	Years	4.1 // 5.0
Revenue over LOM	US$M	20,553
Initial Capital		
Mining Pre-Stripping (Capitalized Opex)	US$M	183.5
Mining Capital Equipment (1)	US$M	328.9
Total Mining (1)	**US$M**	**512.4**
Processing	**US$M**	**976.1**
Total Initial Capital (1)	**US$M**	**1,488.5**
Total Initial Capital Net of Leasing (2)	**US$M**	**1,339.9**
Sustaining Capital		
Mining Equipment (3)	US$M	203.5
Processing	US$M	72.9
Total Sustaining Capital (3)	**US$M**	**276.4**
Total Sustaining Capital Net of Leasing (2)	**US$M**	**467.5**
Expansion Capital – Processing (year 2)	**US$M**	**667.0**
Operating Costs		
Mining Cost per tonne mined (4)	US$ / t	2.30
Mining Cost per tonne milled (4)	US$ / t	4.77
Processing Cost per tonne milled	US$ / t	4.25
G&A Cost per tonne milled	US$ / t	0.67
Total Operating Cost (3)	**US$ / t**	**9.68**

Notes:

(1) Includes the full mining capital cost without deferral of capital attributable to leasing in the amount of M$191.1 from initial capital to sustaining capital. Excludes leasing costs in the amount of M$42.4 incurred prior to production.
(2) Supplier-sourced leasing terms from October 2023 are used in the DCF model mine fleet cost calculations that include a 5-year lease period with 10.3% interest, 0.5% upfront fee, and no residual payment.
(3) Includes sustaining capital mining equipment without inclusion of costs attributable to the deferral of initial mining equipment in the amount of M$191.1.
(4) Excludes leasing costs.

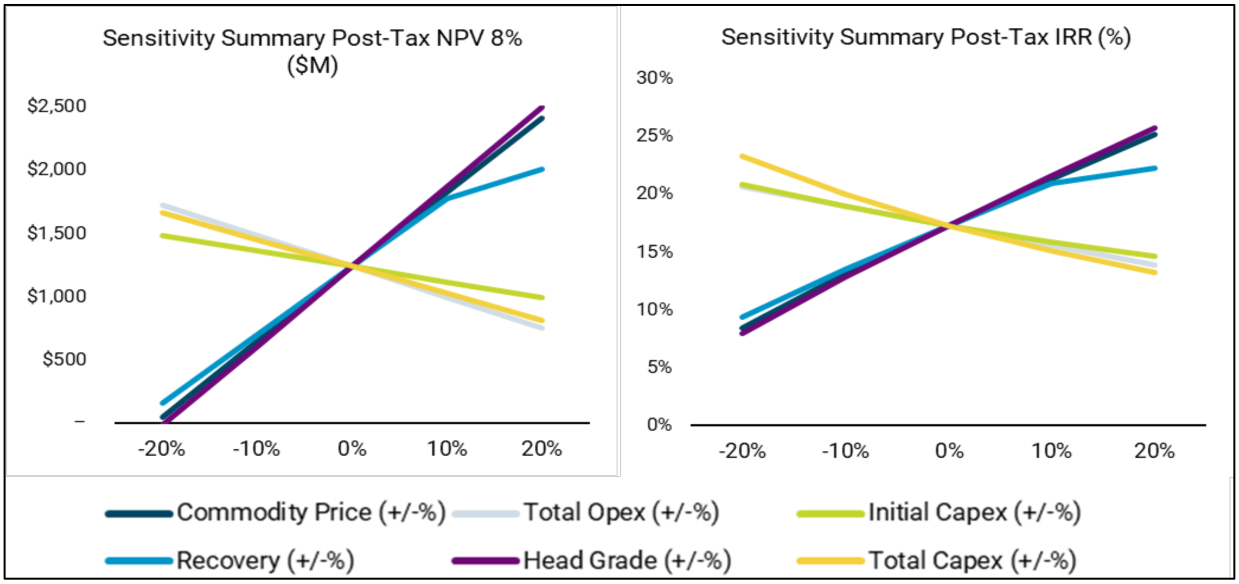
PEA Economic Sensitivities

Project economics and cash flows are most sensitive to changes in the price of copper (Figure 1). Mined grade and recovery sensitivity is high and future studies will seek to optimize these parameters. However, the highest potential for change in economics is anticipated to result from future changes in copper pricing.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Figure 1: Post-Tax NPV and IRR Sensitivity Plots



PEA Mineral Resources

The PEA MRE prepared by SRK Consulting (U.S.), Inc. in accordance with the Canadian Institute of Mining, Metallurgy, and Petroleum ("CIM") Definition Standards (the "CIM Standards") incorporated by reference in National Instrument 43-101 ("NI 43-101"), with an effective date of October 11, 2023. The technical report will be prepared and released by the Company and will be available at www.orocoresourcecorp.com and on SEDAR (www.sedarplus.ca) under the Company's profile, within 45 days of this news release.

The mineral resource estimation process includes updated structural, lithologic, and mineralization models, though the PEA MRE has not materially changed from the previous study, effective April 27, 2023, due to the inclusion of two additional drill holes in the North Zone and updated economic assumptions based on the PEA study. The Company provided SRK with an updated exploration database including drill hole collar and downhole survey data, geological logging, assay, specific gravity, geotechnical classification, and associated information.

The resource estimation methodology involved the following procedures:

- Database compilation and verification,
- Construction of wireframe models for the major structures, lithotypes, and controls on mineralization,
- Definition of resource domains using a combination of lithotypes, structure, and mineralization grade shells,
- Data conditioning (compositing and capping) for statistical and geostatistical analyses,
- Determination of spatial continuity through variography within the estimation domains,
- Block modeling and grade interpolation for all key economic variables (Cu, Mo, Ag, Au, and Sulfur [S]) and secondary variables (arsenic [As], calcium [Ca], potassium [K], lead [Pb], and zinc [Zn]),
- Block model validation,
- Resource classification,
- Assessment of "reasonable prospects for eventual economic extraction" ("RPEEE") using a constraining economic pit shell and selection of an effective cut-off grade ("CoG"), and
- Preparation of the updated mineral resource statement.

SRK undertook the geological modeling and mineral resource estimate using Seequent Leapfrog Geo and Leapfrog Edge, respectively. The procedure involved construction of wireframe models for structural geology controls, key geological and mineralization domains, data conditioning (compositing and capping) for statistical analysis, variography, block modeling and grade interpolation followed by block model validation. Grade was estimated using a combination of ordinary kriging and

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

inverse distance weighting cubed estimates for copper, molybdenum, gold, and silver. Sulfur grades are estimated using inverse distance weighting squared ("**IDW2**") and bulk density is estimated using a combination of simple kriging and IDW2. Grade estimation was based on block dimensions of 50 m x 50 m x 10 m for the PEA model (unchanged from the previous 2023 study). The block size reflects current data spacing across the Project while considering a likely open pit mining method. Classification of mineral resources considers the geological complexity (structure, lithology, alteration, and mineralization), spatial continuity of mineralization, data quality, and spatial distribution of drilling conducted at the Project.

The PEA MRE is supported by 64,138 m of drilling in 158 holes. The drilling data represents a combination of holes completed by Oroco from 2021 to 2023 and historical drill holes but excludes drilling at Brasiles Zone and one geotechnical hole.

The PEA MRE includes the two primary mineralization zones identified at Santo Tomas: North Zone and South Zone. These zones display similar mineralization styles but are physically separated by localized post-mineralization faults and material currently defined as waste due to a lack of drilling. Consistent with the previous study, the MRE is not constrained by the location of the Huites Reservoir. Mineral resources are reported above an effective cut-off grade (CoG) of 0.15% Cu and constrained by an economic pit shell (see Table 4).

Table 4: Mineral Resource Statement for the Santo Tomas Project, effective October 11, 2023

Category	Zone	Tonnes Mt	Average Grade					In-situ Metal				
			CuEq %	Cu %	Mo %	Au g/t	Ag g/t	CuEq M lb	Cu M lb	Mo M lb	Au koz	Ag koz
Indicated	North Zone	561.0	0.37	0.33	0.008	0.027	2.1	4,579	4,077	98.4	487.4	37,762
	Total Indicated	**561.0**	**0.37**	**0.33**	**0.008**	**0.027**	**2.1**	**4,579**	**4,077**	**98.4**	**487.4**	**37,762**
Inferred	North Zone	118.3	0.33	0.30	0.006	0.018	1.7	848	771	14.9	66.8	6,556
	South Zone	430.8	0.35	0.31	0.008	0.022	2.0	3,317	2,958	73.9	309.0	27,902
	Total Inferred	**549.1**	**0.34**	**0.31**	**0.007**	**0.021**	**2.0**	**4,166**	**3,729**	**88.8**	**375.8**	**34,458**

Notes:

(1) Mineral resources are not mineral reserves and do not have demonstrated economic viability.

(2) Table abbreviations include: % = percent, g/t = grams per metric tonne, Mlb = million pounds, Koz = thousand troy ounces.

(3) The mineral resources are reported at an effective cut-off grade (CoG) of 0.15% Cu.

(4) All figures are rounded to reflect the relative accuracy of the estimates. Totals in the above table may not sum or recalculate from related values in the table due to rounding of values in the table, reflecting fewer significant digits than were carried in the original calculations.

(5) The mineral resources exclude identified oxide mineralization due to a lack of confidence in recovery assumptions of oxidized tonnages at this phase of the Project.

(6) Metal assays are capped where appropriate. At the PEA level of the Project, it is the Company's opinion that all the elements included in the copper equivalent calculation have a reasonable potential to be recovered and sold.

(7) All dollar amounts are presented in U.S. dollars.

(8) Bulk density is estimated on a block basis using specific gravity data collected on diamond drill core.

(9) Reasonable prospects of eventual economic extraction (RPEEE) are demonstrated through use of an economic pit shell based on long-term copper price of $4.00/lb, molybdenum price of $13.50/lb, a gold price of $1,700/oz, and a silver price of $22.50/oz. Metal recovery factors used in the determination of CoG and economic pit shell for Cu, Mo, Au, and Ag have been applied based on metallurgical recovery calculations based on average feed grade. A 45-degree slope angle was applied.

(10) The Huites Reservoir boundary was ignored for the purposes of mineral resource determination. This is consistent with the previous study.

(11) The economic CoG was calculated to be 0.11% Cu but for consistency with the previous study, Oroco has elected to use an effective CoG at 0.15% Cu. CoG assumptions include a copper price of $4.00/lb., mining cost of $2.27/t, processing costs of $4.23/t, G&A costs at $0.65/t, mine recovery at 98%, mean Cu recovery at 83.7%, and royalties at 1.5%, have been applied in consideration of the RPEEE.

(12) Equivalent Copper (CuEq) percent is calculated with the formula CuEq% = ((Cu grade * Cu recovery [83.7%] * Cu price) + (Mo grade * Mo recovery [59.1%] * Mo price) + (Au grade * Au recovery [58.6%] * Au price) + (Ag grade * Ag recovery [54.2%] * Ag price)) / (Cu price * Cu recovery [83.7%]). It assumed that the Santo Tomas Project would produce a conventional (flotation) copper concentrate product based on metal recoveries indicated by PEA metallurgical test work and mean Indicated Resource feed grades.

(13) Reported contained individual metals in the table above represent in-situ metal, calculated on a 100% recovery basis, except for CuEq% which applies mean recovery assumptions (see Note 12)..

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Mineralization has been identified outside the current economic pit shell. The PEA highlights the potential to define additional mineral resources on the property. There is identified exploration potential for additional mineralization in the southeastern and southwestern portions of the South Zone based on observations from drilling and surface outcrops in the area.

PEA Mine Design

The PEA Mine Design, prepared by Mining Plus, contemplates open pit development that ensures no incursion upon the Huites Reservoir, maintaining a 100 m berm between the reservoir high water mark and the pit limit thereby remaining outside of CONAGUA's (Mexican water authority) jurisdiction boundary (the "**CONAGUA limit**"). These constraints were selected by the Company. Avoiding the CONAGUA limit and applying a series of pit slope constraints derived from preliminary geotechnical domains defined by SRK from Phase 1 drilling on the Project, a Mineral Resource within the ultimate pit design (by classification and grades) for this PEA has been defined as shown in Table 5.

Table 5: Pit Constrained Resource: Mining-Plus

	Indicated	Inferred
In-pit Resource(1) Mt	387.98	459.70
Copper %	0.340	0.297
Molybdenum %	0.008	0.008
Gold g/t	0.033	0.023
Silver g/t	2.101	1.948

Notes:

(1) The Mill Feed Tonnes and Grade are Mineral Resources, not Mineral Reserves, but form part of the potential economic viability analysis.

(2) All dollar amounts are presented in U.S. dollars (Note 3, below).

(3) The marginal CoG was calculated to be 0.14% CuEq (Cut off NSR = 7 $/t). CoG parameters include a copper price of $3.80/lb., molybdenum price of $12.00/lb., gold price of $1650/oz., silver price of $22.0/oz., processing costs of $6.00/t, G&A costs at $1.00/t, mine recovery at 98%, developed metallurgical recovery formulas, and royalties at 1.5%. CuEq is calculated the formula CuEq% = [Cu grade * Cu recovery * (Cu price – Selling cost Cu) + Mo grade * Mo recovery *(Mo Price - selling cost Mo) + Au grade * Au recovery * (Au Price - selling cost Au) + Ag grade * Ag recovery* (Ag Price - selling cost Ag)] / [(Cu Price - selling cost) * Cu recovery].

(4) Metallurgical recovery formulas were obtained from Ausenco's "Oroco Resource Corp. Santo Tomas Project Metallurgical Testwork Review June 9, 2023" report.

The Mine Design proposes a standard open-pit, truck and shovel operation with 10-meter bench intervals. Haul trucks with a capacity of 194 tonnes will be used for hauling mineralized material to the mineral processing plant, stockpile facilities and the waste rock storage facility ("**WRSF**"). Mining operations will use large-scale mining equipment including 20 cm diameter blast hole drills, 29 m^3 hydraulic shovel, 22 m^3 front end loader, and 194 tonne capacity haul trucks. Supplier-sourced capital costs from October 2023 are used in the mine fleet cost calculations.

The mine is divided into two zones, the higher-grade North Zone, which is the initial focus of mine development, and the lower-grade South Zone, which requires pre-stripping ahead of mine development. The North Zone pit is approximately 1,850 m long (N-S) and 1,000 m wide (E-W) with a depth of 680 m and the South Zone pit is 2,050 m long and 1,080 m wide with a depth of 780 m.

The mining sequence consists of four phases. The first and second phases define the North Pit, and the successive two phases define the South Pit.

The Project has an operational LOM of 22.1 years, which includes two years of pre-stripping. The pit constrained resource contains 388 million tonnes of indicated and 460 million tonnes of inferred resource and 983.6 million tonnes of waste is removed, resulting in a strip ratio of 1.16 over the life of the mine.

Mining operations will be carried out on a 24-hour per day, 365 days per year schedule. Milling will start at 60 kt/d in the first year of production, expanding to 120 kt/d in the second year.

Mill feed tonnages and corresponding resource classification are shown in Figures 2 and 3.

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Figure 2: Preliminary Economic Assessment Mine Plan and Schedule

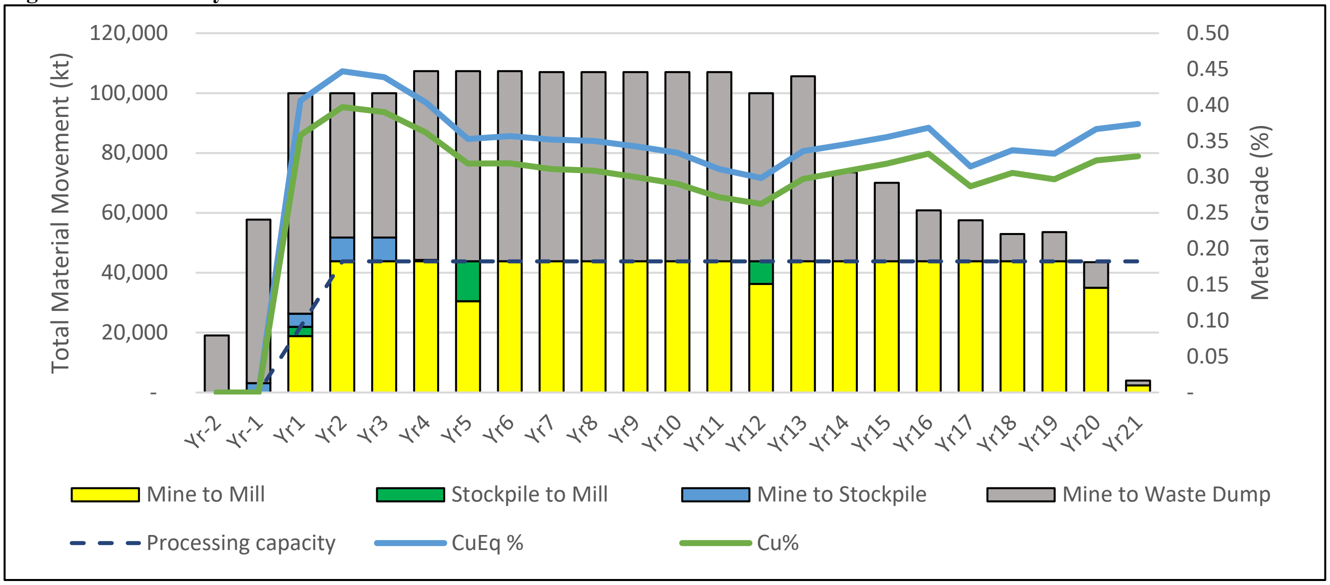
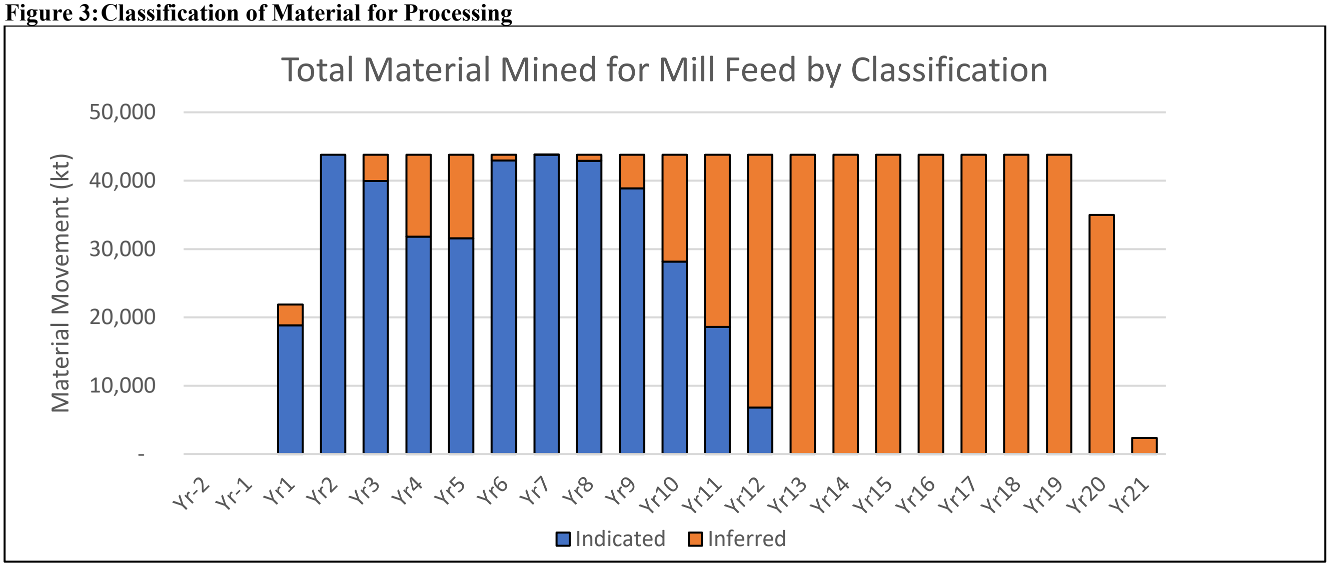


Figure 3: Classification of Material for Processing



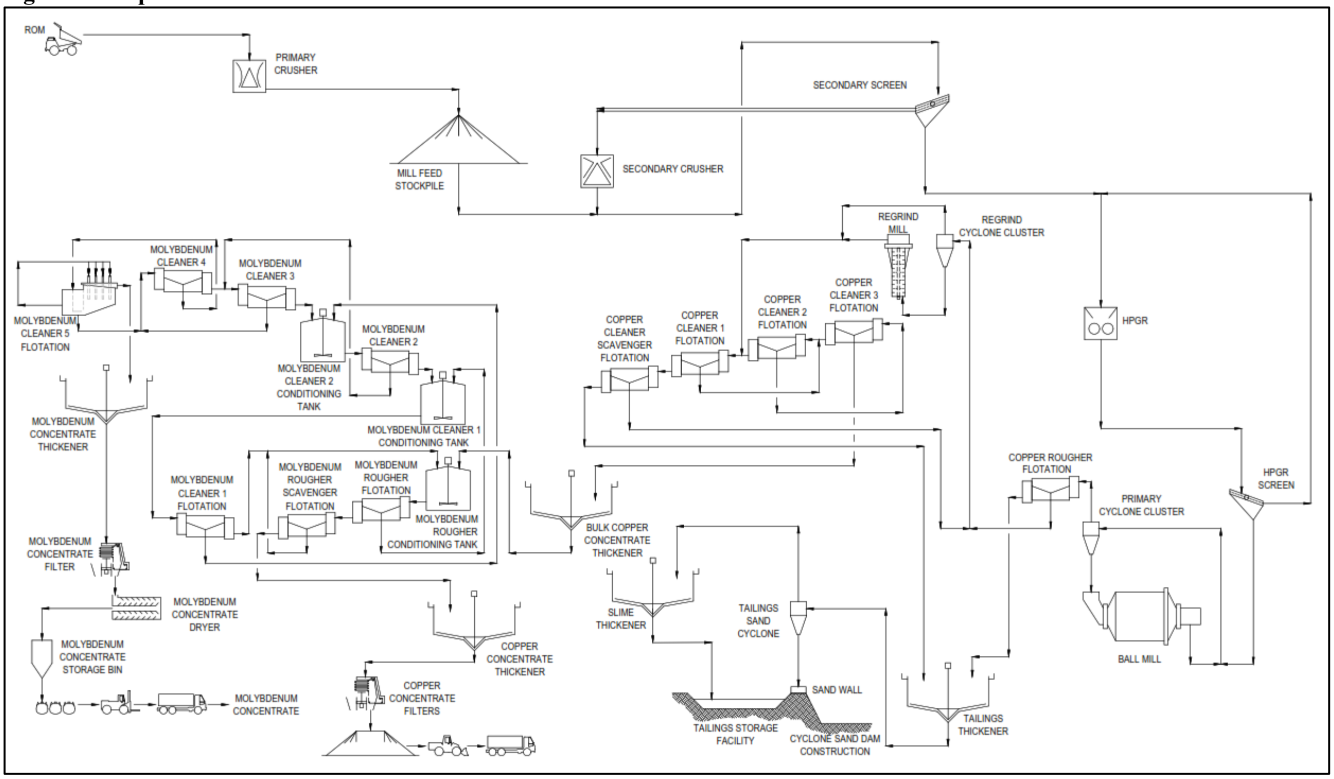
Process Design & Plant Infrastructure

The Q2 2022 metallurgical test work program demonstrated the ability to produce a marketable copper concentrate using a conventional flotation process flowsheet. Levels of molybdenum in bulk concentrates were sufficient to produce a marketable molybdenum concentrate using conventional Cu-Mo separation flotation techniques. For purposes of the PEA, logarithmic regression analysis was performed on the flotation test work results to develop metallurgical process recoveries as a function of head grade. Based on these formulas, Ausenco forecasts the following mean recoveries for copper, molybdenum, silver, and gold at 83.3%, 59.2%, 53.9%, and 53.2%, respectively. Results from comminution test work on nine variability samples returned elevated hardness properties for some of the mineralized materials (e.g. Axb & ball mill work index of 30 and 18.3 kWh/tonne, respectively). Given these measurements and high throughputs, High Pressure Grinding Rolls ("**HPGR**") crushing was considered over conventional SAG milling. Figure 4 illustrates the simplified overall process flowsheet developed for the Project.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Figure 4: Simplified Process Flowsheet



The primary crusher is located at the north-east end of the South Pit (see Figure 5). Coarse crushed material is transported to a stockpile facility to the west of the process plant via an overland conveyor. An alternative to this design would involve the construction of conveyance tunnels and in-pit crushers in both the North and South pits feeding the stockpile. Material from the primary crusher is further reduced in size via secondary crushing and HPGR before feeding into twin ball mills. Ground material at a sizing of 80% passing 150 µm then advances to the flotation circuit to produce a bulk rougher product that is subsequently reground to 23 µm P80 prior to cleaner circuit upgrading. The bulk cleaner concentrate advances to copper-molybdenum separation to recover a molybdenum concentrate. Gold and silver report to the copper concentrate. The tailings are thickened and pumped to the tailings storage facility ("**TSF**"). Copper and molybdenum concentrates are dewatered prior to shipment.

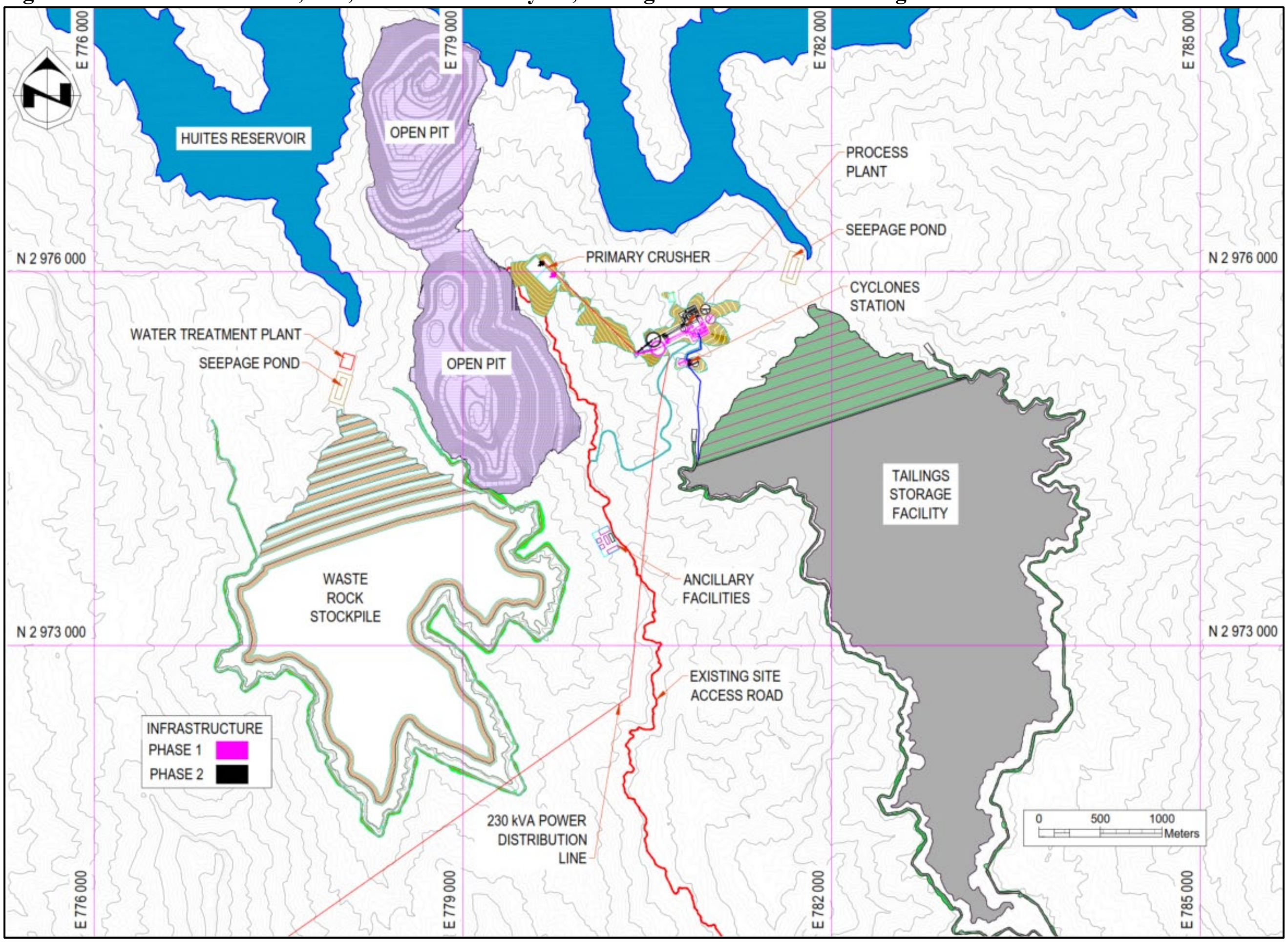
Concentrates are trucked using the sealed containerized method to the Port of Topolobampo situated on the Gulf of California for transport to overseas smelters. The containerized method removes the capital expense of a concentrate storage facility at the port and loss of concentrate to the environment. The proximity of rail infrastructure to the Project could offer an alternative mode of concentrate transport.

Some infrastructure design includes expansion capacity design features (e.g. overland conveyor, powerline and water supply) during the initial phase so as to not interfere with production during the expansion phase.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Figure 5: Mine Infrastructure, Pits, Process Plant Layout, Tailings and Waste Rock Storage Facilities



Tailings and Waste Rock Storage Facilities

Both the waste-rock storage facility ("**WRSF**") and the TSF are designed in accordance with national and international standards and constructed in valleys west and east of the resource, respectively (see Figure 5). The TSF has a rock fill with upstream composite liner system for a starter embankment that transitions to a cycloned sand centerline dam for the LOM with a seepage collection system in the downstream foundation. Ditches and berms have been designed to capture non-contact water above the facility and divert it around to reduce water management in the TSF. The WRSF will be constructed from the bottom up in thick lifts and contact water from the facility will be captured with a water treatment facility at the toe of the facility prior to release. Ditches and berms direct non-contact water above the facility and divert it around.

Power Infrastructure and Water Supply

Electrical supply is either from the Huites hydroelectric plant down-stream from the Project or via built for purpose combined cycle gas turbine plant tentatively located close to the Huites power station and the Texas-Sinaloa natural gas pipeline. Both options represent low carbon footprint power sources for the estimated power requirements at similar costs. A 230-kVA power line trace from Huites Station to the Project has been laid out and costed, as has the main mine access route.

A make-up process water supply source is from wells located within 25 km of the Project and follow a gravel valley well source configuration similar to that employed during mine operations at the El Sauzal Mine site located 45km upstream of the Project and the historic Reforma Mine located 7 km to the north.

Geology and Mineralization

Porphyry Cu (Mo-Au-Ag) mineralization on the Santo Tomas property is closely associated with intrusives linked to the Late Cretaceous to Paleocene (90 to 40 Ma) Laramide orogeny. Santo Tomas and most of the known porphyry copper deposits in

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Mexico lie along a 1,500 km-long, NNW trending belt sub-parallel to the west coast, extending from the southwestern United States through to the state of Guerrero in Mexico.

In the Santo Tomas area, Mesozoic-aged country rocks comprising limestone, minor sandstones, conglomerates, shales, and a thick succession of andesitic volcanics were intruded by a range of Laramide age intrusions related to the Late Cretaceous Sinaloa-Sonora Batholith. Multiple phases are recognized ranging from dioritic to monzonitic in composition.

Mineralization is strongly structurally controlled by the Santo Tomas fault and fracture zone which provided a pathway to quartz monzonite dikes, associated hydrothermal alteration, hydrothermal breccias, and sulfide mineralization. Sulfide minerals are dominated by chalcopyrite, pyrite and molybdenite with minor bornite, covellite, and chalcocite. Sulfides occur as fracture fillings, veinlets, and fine disseminations together with potassium feldspar, quartz, calcite, chlorite, and locally, tourmaline. Chalcopyrite is the main copper mineral with minor copper oxides near surface.

Community and Environment
Oroco maintains an environmental and social plan for the Project which provides a framework for its community outreach efforts focused on education, ongoing employment, indigenous engagement and community mapping. Oroco strives to maintain the support of the community, local municipal leaders and state regulators and governments in Sinaloa and Chihuahua. Oroco maintains its exploration permits and approvals in good standing.

Additional baseline studies and initiatives in key subject areas related to environmental, socio-economic, cultural, and community engagement are planned. These studies and activities will be necessary to advance the Project and provide a strong basis for the preparation of future environmental studies and permitting.

Project Enhancement Opportunities
Several further opportunities to improve the Project have been identified during the PEA Study. These include but are not limited to:

- The application of sulfide leaching on lower grade chalcopyrite resources currently assigned to waste. Preliminary studies have commenced, and results are expected in Q4 2023. CAPEX/OPEX costs for an SX/EW facility are developed but are not considered in this PEA.
- Fully evaluate oxide copper resources that are currently carried as waste in combination with sulfide leaching using available data from surface sampling and drilling.
- Optimize mine plan around larger loading and haulage equipment.
- Optimize mobile mining fleet considering mixed fuel and or electrified options.
- Infill resource drilling in the area between North and South zones: additional resource in that area would improve optimized pit development and reduce mining costs.
- Additional comminution studies and variability testing to better constrain recoveries across the full range of expected mill feed grades based on rock and alteration types.
- Consider relocation of the primary crushing facility closer to the pit(s) via in-pit crushing stations and conveyance via tunnels from both North and South pits to the mill feed stockpile.
- Investigate coarse particle flotation to reduce comminution costs and improve factors of safety on TSF design.
- Drill hydrogeological test wells at the north end of the North Pit to better define pit inflow and pit dewatering costs.
- Drill selected geotechnical holes to optimize pit slope angles and reduce mining of waste.
- Optimize heavy equipment leasing terms.

A geological-geochemical conceptual model will inform the ongoing development and refinement of geochemical and mine rock management plan for the site. The predicted occurrence of large volumes of net neutralizing mine waste materials to be mined in early years will be confirmed, as the buffering characteristics of these waste materials can be effectively utilized as part of the overall waste rock management strategy. Additional geochemical assessment of the acid rock drainage / metal leaching risk for the Project will be implemented to provide additional test work and sampling coverage, and to confirm preliminary study findings.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Cautionary Notes to Investors

PEA

The reader is cautioned that the PEA is preliminary in nature, and that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

Mineral Resource and Reserve Estimates

In accordance with applicable Canadian securities laws, all Mineral Resource estimates of the Company disclosed or referenced in this news release have been prepared in accordance with the disclosure standards of NI 43-101 and have been classified in accordance with the CIM Standards. ***Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability****. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. In particular, the quantity and grade of reported inferred mineral resources are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource. It is uncertain in all cases whether further exploration will result in upgrading the inferred mineral resources to an indicated or measured mineral resource category.*

Qualified Persons

The PEA for the Project summarized in this news release was prepared by Ausenco with input from SRK and Mining Plus, and will be incorporated in a technical report prepared in accordance with NI 43-101 which will be available under the Company's SEDAR profile at www.sedarplus.ca and on the Company's website within 45 days of this news release. The affiliation and areas of responsibility for each of the Qualified Persons involved in preparing the PEA, upon which the technical report will be based, are as follows:

Table 6: Qualified Persons for PEA

Qualified Persons	Qualification	Company (location)	Position / Oversight
James Norine	P.E.	Ausenco Engineering USA South Inc. (Tucson)	Vice President, Southwest USA / PEA
Shaida Miranda	MSc, MAusIMM (CP), Mining Engineer	Mining Plus SAC (Lima)	Senior Mining Consultant / Mine Plan, Mining CAPEX + OPEX
Ron Uken	PhD, PrSciNat	SRK Consulting (Canada), Inc. (Vancouver)	Principal Structural Geologist / Geology
Scott Burkett	RM-SME	SRK Consulting (U.S.), Inc. (Denver)	Principal Consultant / Resource Geology
Andy Thomas	MEng, BE, P.Eng., EGBC	SRK Consulting (Canada), Inc. (Vancouver)	Principal Rock Mechanics Engineer / Geotechnical (Preliminary)
Peter Mehrfert	P. Eng.	Ausenco Engineering Canada Inc. (Vancouver)	Principal Process Engineer / Metallurgy
James Millard	M. Sc, P. Geo.	Ausenco Sustainability Inc. (Victoria)	Director, Strategic Projects / Environmental, Social, Permitting
Scott Elfen	P.E.	Ausenco Engineering Canada Inc. (Vancouver)	Global Lead Geotechnical Services / TSF & WRSF design + geotechnical

Each QP has reviewed and verified the above content which was included in the Company's news release of October 17, 2023.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

The Company incurred $1,406,419 in exploration expenditures on the Santo Tomas Properties during the three months ended August 31, 2023.

Xochipala Property, Guerrero State, Mexico

The Xochipala Property, comprised of the Celia Gene (100 ha) and the contiguous Celia Generosa (93 ha) concessions, is located in the Municipality of Eduardo Neri, Guerrero, Mexico at the southern end of the Guerrero Gold Belt (the "GGB").

The Xochipala Property lies approximately four kilometres southeast of the Los Filos mine, just one kilometre from the town of Xochipala and 30 kilometres by good paved road from the state capital of Chilpancingo. The area is well served by a network of local roads. The district is served with hydroelectric power from the Caracol Dam.

The Company incurred $37,959 in exploration expenditures on the Xochipala Property during the three months ended August 31, 2023 and continues to assess the appropriate next stage of exploration.

Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100-hectare mining concession 100% owned by Minera Xochipala which lies approximately 25 kilometers to the west of the Xochipala Property and approximately 30 kilometers west of Chilpancingo, Guerrero. The Salvador property also hosts skarn mineralization associated with felsic intrusions similar to mineralization in the known ore deposits in the area.

The Company did not conduct exploration on the Salvador Property during the three months ended August 31, 2023.

CERRO PRIETO ROYALTY

Pursuant to the sale of the Company's interest in the Cerro Prieto Property to Goldgroup in fiscal 2013, Goldgroup agreed to pay to the Company a production royalty (the "Production Royalty"). The Production Royalty, payable for each month in which the monthly average of the daily PM London gold fix is in excess of US$1,250 per ounce, is calculated at the rate of 20% of the dollar value of that excess for each ounce of gold produced from the property during that month, to a maximum royalty of US$90 per ounce. This Production Royalty was payable for each ounce of the first 90,000 ounces of gold produced from the Property, which was fulfilled during August 2022.

During the three months ended August 31, 2023, the Company received or accrued $nil (2022 - $285,279) in royalty income.

RESULTS OF OPERATIONS

For the three months ended August 31, 2023, the Company recorded a loss from continuing operations of $768,746 (2022 - $1,632,113) or $0.00 per share (2022 - $0.01). The Company has no income producing assets. The Company reported royalty revenues during the prior period from the Cerro Prieto Property. The Company is considered to be in the acquisition and exploration stage.

The Company is focused on the exploration of mineral concessions which make up the Santo Tomas porphyry copper project in Sinaloa State, Mexico.

For the three months ended August 31, 2023, the Company recorded operating expenses of $768,746 (2022 - $1,921,705), which included consulting fees of $66,129 (2022 - $56,415), management and directors fees of $172,300 (2022 - $167,575), professional fees of $114,730 (2022 - $65,660), and share-based payment of $61,600 (2022 - $1,399,518).

SELECTED QUARTERLY RESULTS

Quarter	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022
Operating loss	$768,746	$740,852	$1,222,112	$1,701,055
Other items	$nil	$(1,927)	$(3,752)	$(25,880)
Net income (loss) for the period	$(768,746)	$(738,925)	$(1,218,360)	$(1,675,175)
Income (loss) per share	$(0.00)	$(0.00)	$(0.01)	$(0.01)
Total assets	$80,927,759	$80,056,786	$78,911,685	$77,094,857
Total liabilities	$2,726,278	$2,906,001	$3,138,246	$3,494,218

Quarter	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021
Operating loss	$1,921,705	$3,092,500	$1,570,912	$2,043,983
Other items	$(289,592)	$(348,355)	$(347,978)	$(197,590)
Loss for the period	$(1,632,113)	$2,744,145	$(1,222,934)	$(1,846,393)
Income (loss) per share	$(0.01)	$(0.01)	$(0.01)	$(0.01)
Total assets	$76,764,925	$77,595,325	$59,514,626	$58,817,498
Total liabilities	$3,136,821	$4,096,943	$2,404,354	$2,443,836

The operating loss for the quarter ended August 31, 2023 remained consistent with the quarter ended May 31,2023. The quarter ended May 31, 2023 decreased as compared to the prior three quarters. November 30, 2022 remained consistent with that of the quarter ended August 31, 2022. All four recent quarters were significantly lower than the quarter ended May 31, 2022 primarily due to a decrease in the amount of share-based payment. A significant number of options were granted in the last quarter of fiscal 2022; accordingly, the amount recorded in share-based payment decreases each subsequent quarter as a result of the vesting terms. The increase in total assets for the quarter ending May 31, 2023 is principally due to an increase in cash resulting from an equity financing completed in March 2023. The Company's operating expenses during the quarter ended May 31, 2022 increased over the prior quarters as a significant number of stock options vested during the quarter, resulting in a charge to share based payment totalling $2,281,160. The Company's operating loss decreased during the quarter ended February 28, 2022 compared with those of the previous three quarters, in part because of a decrease in share-based payment charges of $896,395. Total assets for the current quarter have increased primarily due to additional work performed on the Santo Tomas property, which is consistent with prior quarters. The increase is also a result of cash received from the private placement that was completed in the quarter. Variations in other items for the quarter ended May 31, 2023 and November 30, 2022 are principally due to variations in the Goldgroup Royalty, which was fulfilled during the month of August 2022.

ANALYSIS OF FINANCINGS

The following table sets out prior disclosure by the Company of its intended use of proceeds, other than working capital related costs, from financings, the Company's actual achievements and an explanation of any variation.

Disclosed Use of Proceeds (other than working capital)	**Company Achievements**	**Reasons for Variation**
August 15, 2023 News Release (1) exploration and development activities.	(1) The Company continues its exploration and development activities on the Santo Tomas Project with its current focus on an upcoming Preliminary Economic Assessment	
March 17, 2023 News Release (1) exploration and development activities.	(1) The Company continues its exploration and development activities on the Santo Tomas Project with its current focus on an upcoming Preliminary Economic Assessment	

ANALYSIS OF FINANCINGS (cont'd….)

Disclosed Use of Proceeds (other than working capital)	Company Achievements	Reasons for Variation
March 25, 2022 News Release (1) Continued exploration of the Santo Tomas Project; and (2) Reserve for acquisitions.	**(1)** The Company has completed its 2021-2023 diamond drill exploration program in the North Zone, South Zone and Brasiles Zone, with the focus programs in the North Zone and South to provide a mineral resource estimate for the upcoming Preliminary Economic Assessment.	**(2)** The Company has not made any acquisitions since closing the March 25, 2022 financing.
December 9, 2020 News Release (1) Advance the Santo Tomas Project, including the environmental permits; (2) Expansion of the Company's Definition drill program, which will include both additional infill and step-out drilling; (3) Preliminary engineering studies, and general corporate purposes; and (4) Certain contingent legal costs relating to the acquisition of the core Santo Tomas concessions are to be paid.	(1) The Company is continuing to advance the exploration of the Santo Tomas Project. An exploration permit for Brasiles Zone and a series of approvals for select drill sites in Sinaloa have been obtained, and an application for a combined North Zone and South Zone exploration permit submitted and deemed approved. The Company expanded the drill program to as many as 7 drill rigs operating. With the completion of the 2021-2023 drill programs, the Company has halted drilling while it analyses the results and focuses on an upcoming preliminary economic analysis. (3) The Company has completed a mineral resource estimate and is working on a preliminary economic assessment for the North and South Zones, which incorporates project engineering. (4) Paid in full – of which $400,000 paid since December 9, 2020	

September 15, 2020 News Release (1) To generally advance the Santo Tomas Project, including the acquisition of surface rights and environmental permits; (2) Site preparation for the Phase 1.1 drill program; and (3) Contingent legal and data acquisition costs.	(1) The Company has acquired long term surface rights leases for the Brasilles Zone and South Zone, and is advancing the acquisition of surface rights for the North Zone. An exploration permit for Brasiles Zone, a series of approvals for select drill sites in North Zone and South Zone have been obtained and a combined North Zone and South Zone exploration permit application is deemed approved. (2) The Company has completed site preparations for the Phase 1.1 drill program. (3) The Company has paid all outstanding contingent legal and data acquisition costs, with an aggregate total of US$650,000 paid.	Acquisition of formal surface rights for North Zone has been delayed pending the Company having the financial resources to complete the transaction. In the meantime, the Company is accessing the North Zone with the approval of the land holder. .

ANALYSIS OF FINANCINGS (cont'd….)

Disclosed Use of Proceeds (other than working capital)	Company Achievements	Reasons for Variation
June 30, 2020 News Release (1) Preparation for drill program; (2) acquisition of surface rights and permits; (3) 3D IP survey	(1) The Company commenced its drill program in July, 2020. (2) The Company has acquired long term surface rights leases for the Brasilles Zone and South Zone, and is advancing the acquisition of surface rights for the North Zone. An exploration permit for Brasiles Zone and a series of approvals for select drill sites in Sinaloa have been obtained, and an application for a South Zone exploration permit submitted. (3) The 3D IP is complete	(2) Acquisition of formal surface rights for North Zone has been delayed pending regularization of the owner's legal title, which process has been delayed by the COVID pandemic. In the meantime, the Company is proceeding with its exploration program in the North Zone with the approval of the land holder and approvals from the Mexican environmental agency for select drill pad locations.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2023, the Company had a working capital deficiency of $1,101,293 as compared with working a capital deficiency of $815,559 at the year ended May 31, 2023.

As at August 31, 2023, the Company held marketable securities of $22,405, which included 560,125 shares of Goldgroup (the "Goldgroup Shares") valued at $22,405.

During the three months ended August 31, 2023, the Company issued 2,692,308 common shares, pursuant to a private placement, for gross proceeds of $1,750,000.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

During the three months ended August 31, 2023, the Company entered into transactions with related parties as follows:

(a) paid or accrued management and director's fees totalling $28,250 to a company controlled by Craig Dalziel, Executive Chairman of the Company, for management and other services, and to Mr. Dalziel directly for Mr. Dalziel's services as director of the Company;

(b) paid or accrued management and director's fees totalling $68,300 to a company controlled by Richard Lock, CEO of the Company, for management, and to Mr. Lock directly for Mr. Lock's services as director of the Company,

(c) paid or accrued management and director's fees totalling $43,250 to a company controlled by Ian Graham, a director of the Company and to Mr. Graham directly for Mr. Graham's services as director of the Company,

(d) paid or accrued professional and consulting fees totalling $42,000 to David Rose, Corporate Secretary of the Company, for legal and management consulting services provided to the Company;

(e) paid or accrued consulting and director's fees totalling $19,250 to a company controlled by Steve Vanry, Chief Financial Officer of the Company, and to Mr. Vanry directly, for his services as Chief Financial Officer and director;

(f) paid or accrued director's fees totalling $1,250 to Robert Friesen for Mr. Friesen's services as a director;

(g) paid or accrued director's fees totalling $1,250 to Stephen Leahy for Mr. Leahy's services as a director;

(h) paid or accrued director's fees totalling $3,250 to Ian Rice for Mr. Rice's services as a director;

TRANSACTIONS WITH RELATED PARTIES (cont'd…)

(i) recorded share-based payments of $11,502 to Mr. Graham; and
(j) recorded share-based payments of $40,092 to Mr. Lock.

As at August 31, 2023, $517,629 was owing to officers and directors for directors, management, consulting, legal and accounting fees. These charges were measured by the exchange amount, which is the amount agreed upon by the related parties. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms. The above transactions were incurred in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the transacting parties.

CONTRACTUAL OBLIGATIONS

The Company has no material capital lease agreements and no material long term obligations other than those described above or in the description of mineral properties.

RISKS AND UNCERTAINTIES

The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all of the risks inherent in the mineral exploration and mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Activities of the Company may be impacted by the spread of COVID-19.

The Company's business could be adversely affected by the effects of the recent outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). Since early March 2020, several significant measures have been implemented in Canada, Mexico and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Mexico), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2020. While the impact of COVID- 19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID- 19 on the Company's exploration activities, including the duration and impact on its planned feasibility study, cannot be reasonably estimated at this time.

The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis.

The Company has no history of revenue or earnings from operations. The Company is an exploration stage company and no cash flow or operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. As such, the Company has had negative cash flow since the date of its incorporation and is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company expects to continue to expend substantial financial and other resources on exploration and development of the Santo Tomas Project. These investments may not result in revenue or growth in the business. If the Company cannot eventually earn revenue at a rate that exceeds the costs associated with its business, it will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and its revenue growth rate may decline. There is no assurance that an investor will be successful in achieving a return on an investment in the Common Shares of the Company and the likelihood of success must be considered in light of its early stage of development. If the Company fails to eventually earn revenue, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Company may be unable to raise the capital necessary for it to execute its strategy on favourable terms or at all.

The Company will require additional financing to advance beyond the currently planned exploration programs at the Santo

Tomas in order to develop Santo Tomas and achieve commercial production. Additional funds may not be available when the Company needs them, on terms that are acceptable, or at all. If adequate funds are not available to the Company on a timely basis, it may be unable to proceed with future exploration and development of Santo Tomas or with other exploration, development or acquisition of property interests to carry out its business plan, as desired, which could materially affect the Company's business, results of operations, financial condition and prospects.

The mining industry is very competitive.

The Company competes with other exploration and production companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities, or are further advanced in their development or are significantly larger and have access to greater mineral resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Company is unsuccessful in acquiring additional mineral properties or qualified personnel, it may not be able to grow at the rate it desires, or at all.
The Company's competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than the Company. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business.

As part of the Company's business strategy, it has sought and will continue to seek new mining and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, apart from the mineral resources on Santo Tomas, the Company does not have any properties with mineral resources. The economics of developing copper, gold, silver and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of copper, gold, silver or other minerals produced, the Company may determine that it is impractical to commence or continue exploration and development. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for base and precious metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Mineral resources estimates are based on interpretations and assumptions that may not be accurate.

There are numerous uncertainties inherent in estimating quantities of mineral resources and grades of mineralization, including many factors beyond the Company's control. In making determinations about whether to advance a project to development, mineral resources and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. Mineral resources or other mineralization estimates may not be accurate.

RISKS AND UNCERTAINTIES (cont'd…)

Any material changes in mineral resources estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. Estimates of mineral resources have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for copper, gold, silver and other precious metals may render portions of the Company's resources uneconomic.

Preliminary Economic Assessment (PEA)

The Santo Tomas PEA is an early-stage estimate that does not have sufficient certainty to constitute a pre-feasibility study (PFS) or a feasibility study. The Company cannot give assurance that it will ever be in a position to declare a proven or probable mineral reserves at the Santo Tomas Property. In particular, the PEA for the Santo Tomas Property contains estimated capital costs and operating costs which are based on anticipated tonnage and grades of copper, molybdenum, gold and silver to be mined and processed, the expected recovery rates and other factors, none of which have been completed to date to a PFS or a feasibility study level. Whether the Company completes a feasibility study on these projects, and thereby delineates proven or probable mineral reserves, depends on a number of factors, including:

• the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure);
• copper prices, which are highly cyclical;
• government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and
• environmental protection considerations.

We cannot determine at this time whether any of the estimates will ultimately be correct.

Time and Cost Estimates

Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Company's projects and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

The Company may be involved in disputes related to its contractual interests in certain properties

The Company is a party to agreements pursuant to which it may earn interests in certain properties. Title to such properties may be held in the names of parties other than the Company. Any of such properties may become the subject of an agreement which conflicts with the agreement pursuant to which the Company may earn its interest, in which case the Company may incur expenses in resolving any dispute relating to its interest in such property and such a dispute could result in the delay, indefinite postponement of further exploration and development of properties or the possible loss of such properties.

The Company's future success depends on its relationships with the communities in which it operates.

The Company's relationships with the communities in which the Company operates are critical to ensuring the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGOs**"), some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

The Company may not be able to acquire surface rights to its mineral concessions.

A mineral concession in Mexico does not confer any ownership of surface rights. The majority of the Company's mineral properties are located in remote and relatively uninhabited areas. There are currently no areas of interest within the Company's mineral concessions that are overlain by significant habitation or industrial users, however there are potential overlapping surface usage issues in some areas. Some surface rights are owned by local communities or "Ejidos", and some surface rights are owned by private ranching or residential interests. The Company will be required to negotiate the acquisition of surface rights in those areas where it may wish to develop mining operations. The Company's mineral interests are located on community or private land, and it is necessary to deal with the owners for access and any potential development or exploitation rights. There can be no assurance that the Company will be able to negotiate and acquire surface access rights on terms acceptable to the Company or at all.

Violence and other criminal activities in Mexico could have an adverse effect on the results and the financial condition of the Company.

Certain areas of Mexico have experienced outbreaks of localized violence, thefts, kidnappings and extortion associated with drug cartels and other criminal organizations in various regions. Any increase in the level of violence, or a concentration of violence in areas where the projects and properties of the Company are located, could have an adverse effect on the results and the financial condition of the Company.

The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations.

The Company's operations, exploration and development activities are subject to extensive foreign federal, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its mines or properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well-trained individuals and consultants in jurisdictions in which it does business; however, even with the application of considerable skill, the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

The Company's operations are subject to extensive environmental, health and safety regulations.

The Company's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution.

Environmental laws and regulations are complex and have become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation permits. Although the Company makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge the Company's future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

RISKS AND UNCERTAINTIES (cont'd…)

The Company intends to, and attempts to, fully comply with all applicable environmental regulations. While the health and safety of its people and responsible environmental stewardship are top priorities for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

The Company may not be successful in obtaining and renewing government permits.

In the ordinary course of business, the Company is required to obtain and renew government permits for the operation and expansion of existing operations or for the development, construction and commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and possibly involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits.
that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Changes to Mexican Mining Law.

On April 29, 2023 (effective May 9, 2023), the Mexican Congress approved a decree amending the Mining Law and other national laws regarding mining and water concessions (the "Amendments"). The Amendments focus principally, but not exclusively, on the process of granting of new concessions and their associated rights and obligations.

Principal Amendments affecting the Company's existing concessions are: (1) reduction of the term of renewal to a one-time period of 25 years, with the right to bid for the concession thereafter if the concessionaire matches 90% of the highest bid in a public bidding process; (2) the requirement of government approval for the transfer of mineral concessions; (3) the addition of grounds for cancellation, including: (i) failure to pay mining fees for two consecutive years; (ii) failure to submit verification reports for works for two consecutive years or five non-consecutive years; (iii) failure to commence work within one year; (iv) failure to carry out work for a period of two consecutive years; (v) failure to submit a mine closure plan within the time required; and (vi) lack of a valid water concession; (4) the elimination of mining's preferential nature and the related right to expropriate land when required.

Notwithstanding Management's interpretation that he above noted changes to the Mining Law are of limited impact to the Company, there is no assurance that future changes to the Mining Law may have negative impacts to the Company's planned operations.

Legal challenges to the mining reform legislation have been initiated by several Canadian mining and exploration companies including Oroco, which has initiated amparo legal challenges (each of MX and XG) to the mining reform legislation. The outcome of the Company's legal challenge is unknown and ultimate court rulings may not be rendered in the Company's favour.

The Company's exploration activities are subject to foreign currency exchange fluctuations which could result in foreign exchange losses.

Exploration activities in Canada and Mexico are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issues, which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in United States dollars or Mexican Pesos. The Company may suffer losses due to adverse foreign currency fluctuations.

Loss of key personnel could materially affect the Company's operations and financial condition.

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's future operations and financial condition.

The Company may be subject to potential conflicts of interest with its directors and/or officers.

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict-of- interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

Security breaches of the Company's information systems could adversely affect the Company.

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of our data, systems and networks, any of which could have adverse effects on our reputation, business, results of operations, financial condition and share price. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statement.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

- Share-based payment - The fair value of stock options and compensatory warrants issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options and compensatory warrants.

- The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

- Rehabilitation provisions - The Company's potential for rehabilitation provisions includes estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of

CRITICAL ACCOUNTING ESTIMATES (cont'd…)

the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties.

- Equipment - The carrying amounts of equipment are depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate, using the deprecations methods and rates as indicated below. Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of the remaining deprecation rate. Depreciation commences on the date the asset is available for its use as intended by management.

CHANGES IN ACCOUNTING POLICIES

New accounting policies adopted

The were no standards or amendments to existing standards that have been adopted by the Company since June 1, 2023.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2024 which have not been applied in preparing the condensed interim consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is effective for financial statements beginning on or after January 1, 2024, with early adoption permitted.

New standards, interpretations and amendments to existing standards not yet effective (cont'd…)

The Company is assessing the potential impact of the application of this standard.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity. There has been no significant change in the Company's objectives, policies and processes for managing its capital during the three months ended August 31, 2023.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd…)

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

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

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

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. The Goldgroup shares, recorded in marketable securities, are measured using level 1 of the fair value hierarchy. The BC Co., shares recorded in marketable securities, are measured using level 3 of the fair value hierarchy. Investments classified within level 3 have significant unobservable inputs. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts and receivables. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company. Receivables are due primarily from Goldgroup.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have sufficient cash as at August 31, 2023 to settle its current liabilities as they come due and additional funds are required to continue current operations for the upcoming twelve months.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign currencies. The effect of a 10% change in the foreign exchange rate on the monetary balances held in foreign currencies at August 31, 2023 is approximately $74,000.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Management of Industry Risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

SUBSEQUENT EVENTS

Events subsequent to August 31, 2023 have been disclosed elsewhere in this MD&A.

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure by Venture Issuer without significant revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the Financial Statements to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral properties is disclosed in the annual Financial Statements to which this MD&A relates.

Share Capital

As at October 30, 2023, the Company had 216,130,851 common shares, 7,600,000 incentive stock options, and 16,848,882 share purchase warrants outstanding.

Information Available on SEDAR

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

October 30, 2023

"*Craig Dalziel*"
Executive Chairman