

Oroco Resource Corp.
Management Discussion and Analysis
For the nine months ended February 28, 2025
Dated as of April 29, 2025

This Management Discussion and Analysis has been prepared as of April 29, 2025 and should be read in conjunction with the Company's condensed interim consolidated financial statements and related notes for the nine months ended February 28, 2025 and the audited consolidated financial statements and related notes thereto for the year ended May 31, 2024 (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	95%	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 the Company acquired 100% ownership of Altamura. Altamura held a majority interest (66.6%) in XG, which itself holds registered title to the seven mineral concessions which cover the known core of the Santo Tomas Project (the "Core Concessions"). For a description of the Altamura transaction, see the Company's Management Information Circular filed on SEDAR+ on November 22, 2019. In March, 2020, March 2021 and November 2023, XG issued a total of 375 shares to Altamura for conversion of inter-company debt into equity. In April 2021, the Company acquired the other XG shareholder's rights and interests in 25 shares of XG in consideration for US\$1,500,000. The Company now holds a 95% interest in XG.

CORPORATE DEVELOPMENTS

During February 2025, the Company closed a private placement for aggregate proceeds of \$2,303,556. The Company issued 9,214,223 units at a price of \$0.25 per unit. Each unit is comprised of one common share in the capital of the Company and one transferrable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.40 per share for a period of 24 months from the date of issue. In connection with the placement, the Company paid a total of \$900 for finder's fees and issued 3,600 finder's warrants which entitle the holder to purchase one share at a price of \$0.25 for a period of 24 months from the date of issue.

During June 2024, the Company closed a brokered private placement for aggregate gross proceeds of \$6,323,007. The Company issued 14,051,127 units at a price of \$0.45 per unit. Each unit is comprised of one common share in the capital of the Company and one half of one transferrable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of \$0.65 per share for a period of 24 months from the date of issue. In connection with the placement, the Company paid a total of \$271,636 for finders' fees, issued 606,636 finders' warrants which entitle the holder to purchase one share at a price of \$0.45 for a period of 24 months from the date of issue, and paid an agent \$44,893 and issued 99,763 warrants in advisory fees, which entitle the holder to purchase one share at a price of \$0.45 for a period of 24 months from the date of issue.

On August 20, 2024 the Company announced a revised 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 8 over a 22.6-year Life of Mine ("LOM"). The revised PEA has been prepared by Ausenco Engineering USA South Inc. ("Ausenco"). The updated MRE, geological model, geotechnical modelling, mine planning and mine cost components were prepared by SRK Consulting (US), Inc. of Denver, Colorado and SRK Consulting (Canada), Vancouver, BC ("SRK").

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 August 20, 2024 the Company announced a revised 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 8 over a 22.6-year Life of Mine (“LOM”). The revised PEA has been prepared by Ausenco Engineering USA South Inc. (“Ausenco”). The updated MRE, geological model, geotechnical modelling, mine planning and mine cost components were prepared by SRK Consulting (US), Inc. of Denver, Colorado and SRK Consulting (Canada), Vancouver, BC (“SRK”).

The August 2024 PEA replaces the previous PEA released in October 2023.

Highlights of the Santo Tomas PEA include

- US\$2.64 billion pre-tax NPV (8%) and US\$1.48 billion after-tax NPV (8%)
- 30.3% pre-tax IRR, and a 22.2% after-tax IRR.
- Total LOM payable copper production of 4,774 M lb.
- Pre-tax payback of 2.9 years; after-tax payback of 3.8 years from first concentrate production.
- Initial capital costs estimated at US\$1,103.5 million; sustaining and expansion capital costs estimated at US\$1,734.1 million.
- Average annual LOM C1 Cash Cost of US\$1.54/lb. Cu on by-product basis.
- An ultimate pit design constrained resource of 377 Mt of Indicated and 448 Mt of Inferred material.
- LOM strip ratio is 1.38

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 Economic Analysis Summary, commodity price assumptions and Discounted Cash Flow (DCF) results are shown in Table

MINERAL PROPERTIES (cont'd...)

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

Table 1: Santo Tomas August 2024 PEA Economic Summary

General		Units	LOM Total / Avg.	
Copper Price		US\$/lb	4.00	
Molybdenum Price		US\$/lb	15.00	
Gold Price		US\$/oz	1,900	
Silver Price		US\$/oz	24.00	
Mine Life		Years	22.6	
Total Mill Feed		kt	825,475	
Production		Units	LOM Total / Avg.	
Mill Feed Grade – Cu		%	0.33	
Mill Feed Grade – Mo		%	0.008	
Mill Feed Grade – Au		g/t	0.028	
Mill Feed Grade – Ag		g/t	2.08	
Total Metal Content – Cu		M lb	5,916	
Total Metal Content – Mo		M lb	138.7	
Total Metal Content – Au		koz	753.4	
Total Metal Content – Ag		koz	55,200	
Recovery Rate – Cu		%	83.8%	
Recovery Rate – Mo		%	59.1%	
Recovery Rate – Au		%	56.8%	
Recovery Rate – Ag		%	53.7%	
Total Production – Cu		M lb	4,960	
Total Production – Mo		M lb	82.0	
Total Production – Au		koz	427.9	
Total Production – Ag		koz	29,636	
Annual Production – Cu		M lb/y	219.2	
Average Annual Production – Mo		M lb/y	3.6	
Average Annual Production – Au		koz/y	18.9	
Average Annual Production – Ag		koz/y	1,309.6	
Operating Costs		Units	LOM Total / Avg.	
Mining Cost *		US\$/t mined	2.04	
Mining Cost *		US\$/t milled	4.78	
Mining Leasing Cost		US\$/t milled	0.06	
Processing Cost		US\$/t milled	4.04	
G&A Cost		US\$/t milled	0.65	
Total Operating Costs*		US\$/t milled	9.57	
C1 Cash Costs**		US\$/lb Cu	1.54	
C3 Cash Costs (AISC)**		US\$/lb Cu	2.00	
Capital Costs		Units	LOM Total / Avg.	
Initial Capital****		US\$M	1,103.5	
Expansion Capital		US\$M	687.2	
Sustaining Capital****		US\$M	1,047.0	
Closure Costs		US\$M	209.2	
Financials		Units	Pre-Tax	Post-Tax
NPV _{8%}		US\$M	2,640.5	1,456.6
IRR		%	30.3	21.8
Payback		Years	2.9	3.9

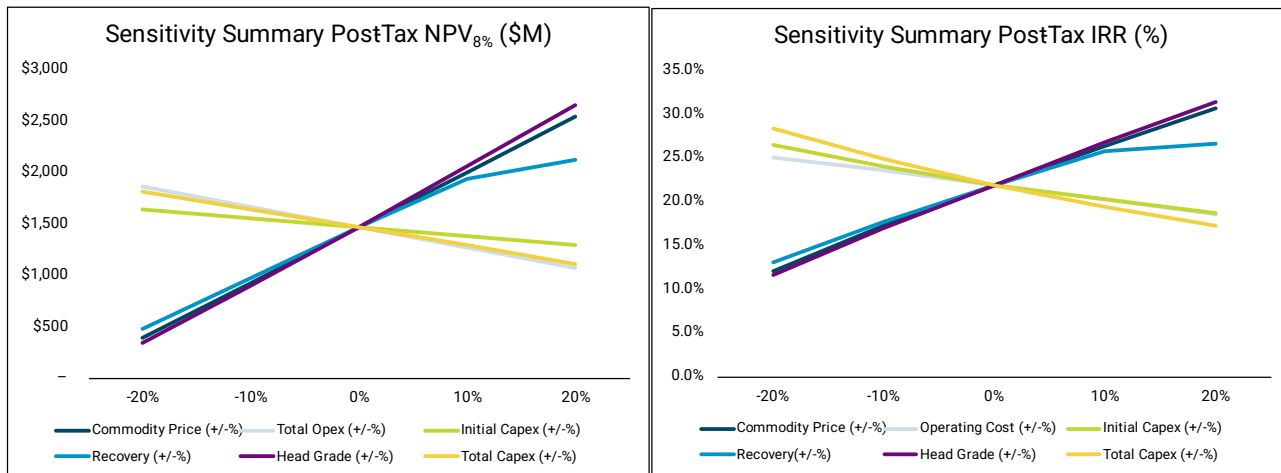
MINERAL PROPERTIES (cont'd...)

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

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 and most likely change in economics results from future changes in copper pricing.

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 mineral resource estimation process includes updated structural, lithologic, and mineralization models, though the PEA MRE has not materially changed from the previous study, effective October 2023

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.

MINERAL PROPERTIES (cont'd...)

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

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 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 2).

Table 2. Mineral Resource Statement for the Santo Tomás Porphyry Copper Project, PEA August 2024.

Category	Zone	Tonnes Mt	Average Grade					In-situ Metal ³				
			CuEq ¹⁰	Cu	Mo	Au	Ag	CuEq ¹⁰	Cu ¹¹	Mo ¹¹	Au ¹¹	Ag ¹¹
			(%)	(%)	(%)	(g/t)	(g/t)	(M lb)	(M lb)	(M lb)	(koz)	(koz)
Indicated	North Zone pit - sulphide	540.6	0.37	0.33	0.008	0.028	2.1	4,465	3,976	95.4	483.4	36,524
	Total Indicated	540.6	0.37	0.33	0.008	0.028	2.1	4,465	3,976	95.4	483.4	36,524
Inferred	North Zone pit - sulphide	90.0	0.34	0.31	0.005	0.021	1.7	679	620	10.2	61.4	4,949
	North Zone pit - oxide	4.4	0.31	0.31	0.002	0.053	1.6	29	29	0.2	7.4	228
	South Zone pit - sulphide	399.2	0.36	0.32	0.008	0.023	2.0	3,132	2,789	71.2	294.4	26,200
	South Zone pit - oxide	36.7	0.27	0.27	0.004	0.020	1.6	218	218	2.8	23.8	1,851
	Total Inferred	530.3	0.35	0.31	0.007	0.023	1.9	4,058	3,657	84.4	387.1	33,229

Notes:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. Abbreviations used in the table above include Mt = million metric tonnes, % = percent, g/t = grams per metric tonne, M lb. = million pound, and Koz = thousand troy ounces.
3. All figures are rounded to reflect the relative accuracy of the estimates. Totals in Table 2 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.
4. Metal assays are capped where appropriate. At this stage of the project, it is the Company’s opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.
5. All dollar amounts are presented in US dollars.
6. Bulk density is estimated on a block basis using specific gravity data collected on diamond drill core.
7. Economic pit constrained resource with reasonable prospects of eventual economic extraction (“RPEEE”) were based on a 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 of 83.7% for copper, 66% for molybdenum, 53% for gold and 53% for silver have been applied. Selling costs are \$0.56/lb. copper, \$1.69/lb. molybdenum, \$191.71/oz gold and \$2.94/oz silver. Slope angles varied by pit sector and range from 40 degrees to 49 degrees.
8. The in-situ economic copper (CoG) was calculated resulting in a 0.15% Cu CoG.
9. CoG assumptions include: a copper price of \$4.00/lb., molybdenum price of \$13.50/lb., gold price of \$1,700/oz, and silver price of \$22.50/oz. Suitable benchmarked technical and economic parameters for open pit mining, including a 98% mining recovery and costs of mining at \$2.40/t, processing at \$4.79/t, G&A at \$0.67/t, with Private Royalties at 1.5% for molybdenum, gold, silver, and copper, have been applied in consideration of the RPEEE. Recoveries are applied as per Note 7.

MINERAL PROPERTIES (cont'd...)

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

10. Equivalent Copper (CuEq) percent is calculated with the formula $CuEq\% = ((Cu\text{ grade} * Cu\text{ recovery [83.7\% sulphide or 75.0\% oxide]} * Cu\text{ price}) + (Mo\text{ grade} * Mo\text{ recovery [59\%]} * Mo\text{ price}) + (Au\text{ grade} * Au\text{ recovery [53\%]} * Au\text{ price}) + (Ag\text{ grade} * Ag\text{ recovery [53\%]} * Ag\text{ price})) / (Cu\text{ price} * Cu\text{ recovery [83.7\% sulphide or 75.0\% oxide]})$. It assumed that the Santo Tomás Project will produce a conventional (flotation) copper concentrate product based on metal recoveries at 83.7% Cu (sulphide) or 75% Cu (oxide), 59% Mo, 53% Au, and 53% Ag based on initial preliminary metallurgical test work.
11. Reported contained individual metals in Table 4 represent in-situ metal, calculated on a 100% recovery basis, except for CuEq% (see Note 10).

PEA Mine Design

The proposed mining method is the well-known open pit truck and shovel operation with 10-meter bench intervals. Haul trucks will be used for hauling mineralized material to the crushing plant and long-term stockpile facilities. Waste rock will be hauled to the waste rock storage facility (WRSF).

Mining operations will use two fleets, with a transition from predominantly small-scale equipment early in the mine life to predominantly large-scale mining equipment later in the mine life. The small-scale equipment fleet will include 200 mm diameter blast hole drills, 16.5 m³ hydraulic shovels, 13 m³ front-end loaders, and 72 t capacity haul trucks. The large-scale equipment fleet will include 250 mm diameter blast hole drills, 34 m³ hydraulic shovels, 21.4 m³ front-end loaders, and 240 t capacity dual fuel haul trucks. For the dual fuel haul trucks, which will have a lower operating cost than trucks that operate on diesel fuel only, it has been assumed that 50% of the consumed fuel will be diesel fuel and 50% will be LNG.

The rationale for deploying a predominantly small-scale equipment fleet in the early years of the project is that the open pits were designed to initially use multiple smaller pit phases to reduce waste stripping and allow faster access to mill feed material. These smaller phases have narrower access roads that require the use of small-scale haul trucks (72 t capacity). Later in the mine life, the pit phases are typically larger and will allow for the use of large-scale haul trucks (240 t capacity). Over the life of the project, including the pre-production waste mining year, it is expected that some 80% of the ex-pit tonnes will be mined with the large-scale equipment fleet.

The Santo Tomas deposit is divided into two pits. The North Zone pit is approximately 1,800 m long (N-S) and 1,000 m wide (E-W) with a pit depth of 650 m and the South Zone pit is 2,150 m long and 1,080 m wide with a pit depth of 660 m.

Other important facilities supporting the Project and the mining process are the mineral process plant, the tailings storage facility (TSF), the crusher pad located close to the pit exit and the north and south Waste Rock Storage Facilities (WRSF).

The mining sequence consists of 20 phases (10 in the North Pit and 10 in the South Pit), which vary in minimum mining width according to the type of equipment to be used. Early years focus on mining the North Pit, while transitioning to larger equipment to be used once the South Pit has opened up to wider benches. The use of smaller mining equipment will be key throughout the mine life to access the starting benches of new phases, as they are required.

The Project has a mine life of 23 years, which includes 1 year of pre-stripping. The mine production plan contains 825.5M tonnes of mineralized sulphide material with an average grade of 0.37% CuEq to be processed at the mill. An additional 73.4M tonnes of mineralized oxide material with an average grade of 0.19% Cu will be hauled to the south WRSF, where there is enough space to segregate it from waste rock and other sulphides. The current mine plan treats oxide material as waste. However, consolidating this material in a specific area of the WRSF will maintain the optionality to process this material in the future. The total amount of waste material (including mineralized oxide) is 1.1B tonnes, resulting in a strip ratio of 1.38 over the life of the mine.

Mining operations will be carried out by the owner on a 24-hour per day, 365 days per year schedule. Total mined tonnes (mineralized material and waste) will start at 27.2M tonnes mined during the pre-stripping year and eventually ramp up to a maximum of 116 Mtpa.

A mineralized material mill feed resource within the ultimate pit design (by classification and grades) for this PEA has been defined and is shown in Table 3. The ultimate pit design constrained mill feed consists of 377 Mt of Indicated and 448 Mt of Inferred material. The South Zone resource is currently all classified as Inferred. Additional future drilling will focus on moving this material into an Indicated classification.

MINERAL PROPERTIES (cont'd...)

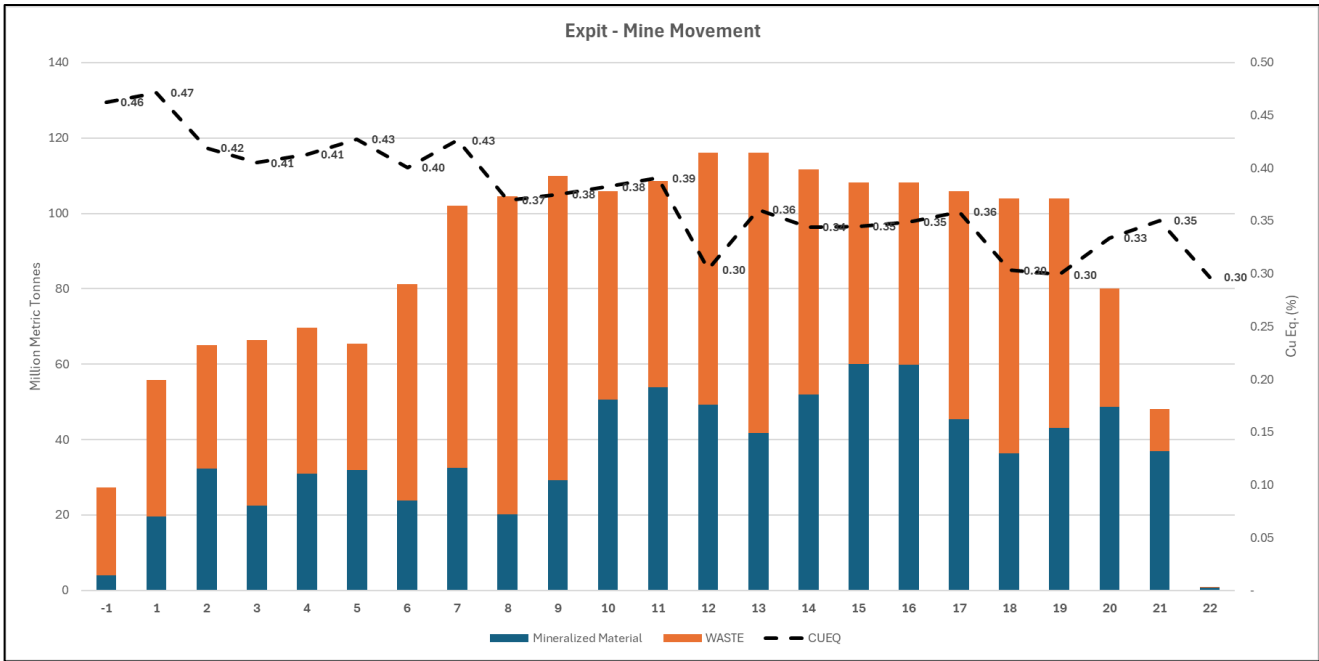
Santo Tomas Project, Sinaloa State, Mexico (cont'd...)

Table 3: Pit Constrained Resource: SRK

Mill Feed						Waste Material	Strip Ratio	Total Material
Tonnes (Mt)	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	CuEq (%)	Tonnes (Mt)	Waste/Mill	Tonnes (Mt)
825.5	0.325	0.008	0.028	2.080	0.365	1,139.4	1.38	1,964.9

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

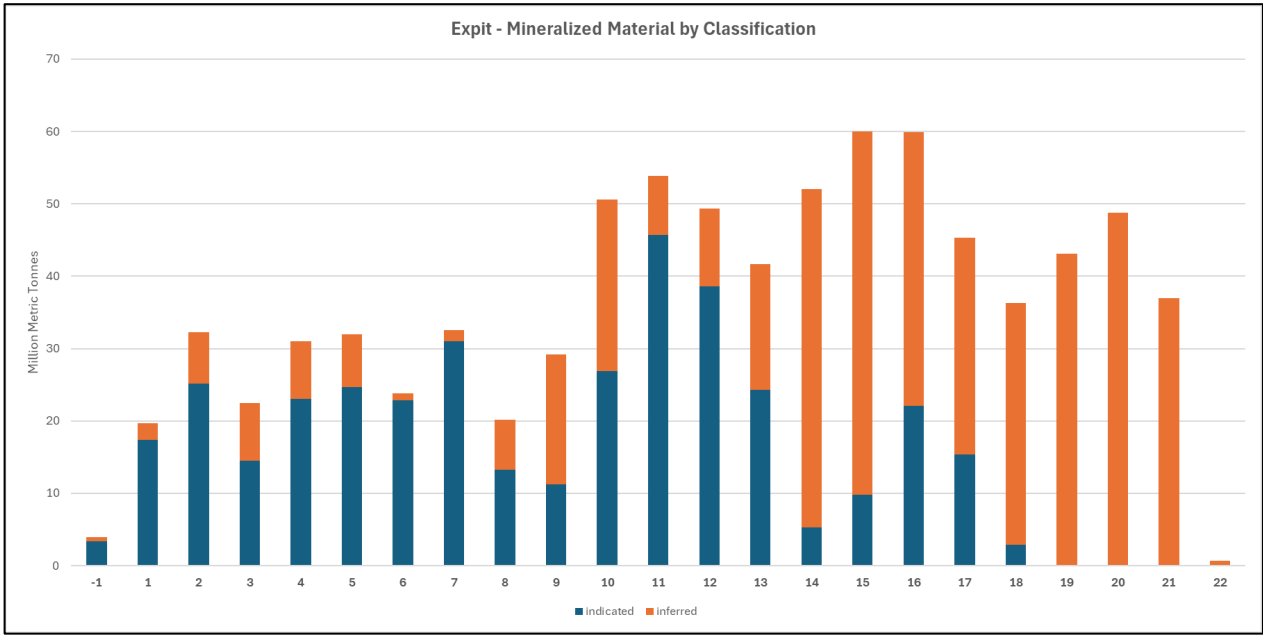
Figure 2: Preliminary Economic Assessment Mine Plan and Schedule



MINERAL PROPERTIES (cont'd...)

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

Figure 3: Classification of Material for Processing



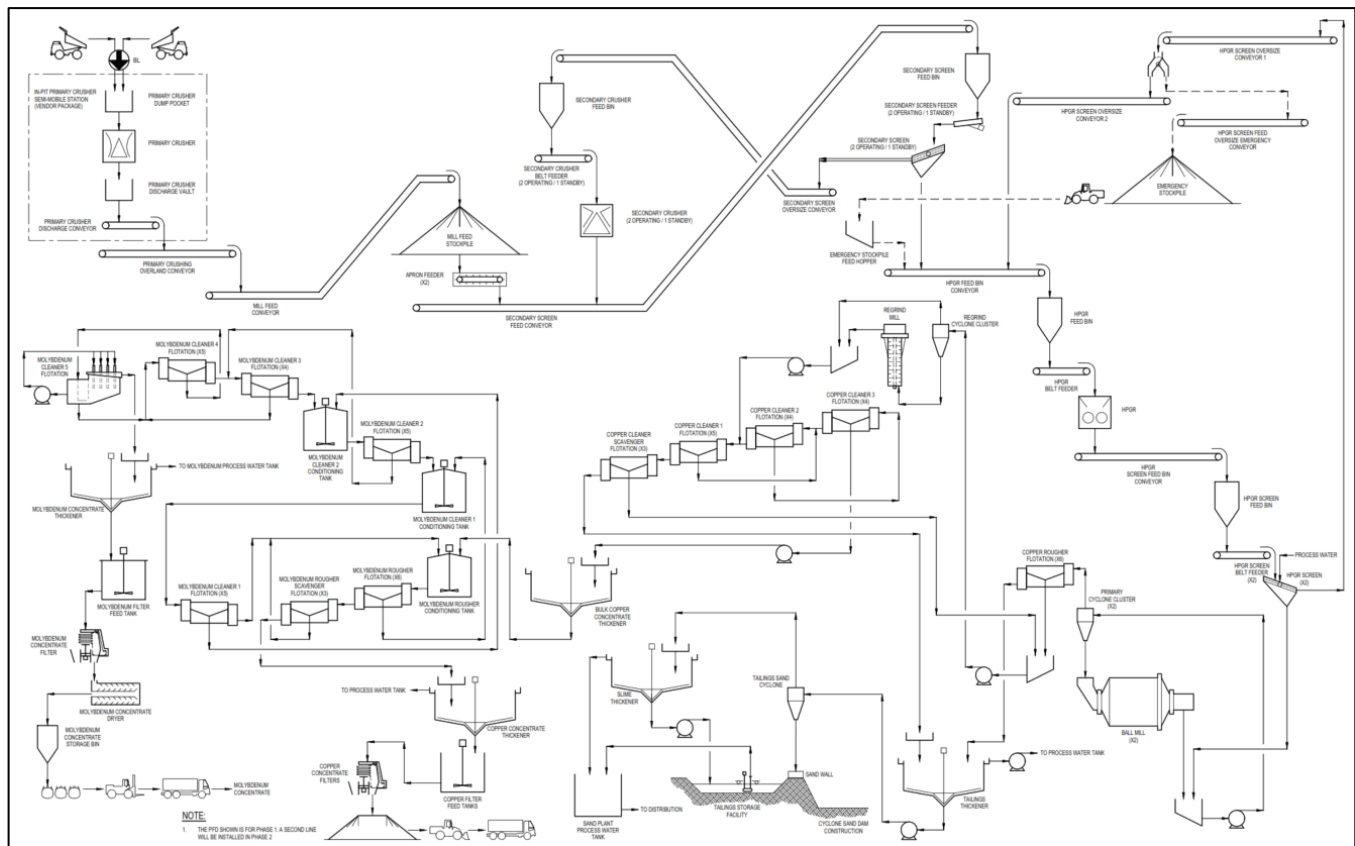
Process Design & Plant Infrastructure

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 83.8%, 59.1%, 56.8%, and 53.7%, respectively. Recoveries are head grade feed dependent are not fixed. Recoveries used in pit constrained mill feed will differ slightly from these results. 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 overall process flowsheet developed for the Project.

MINERAL PROPERTIES (cont'd...)

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

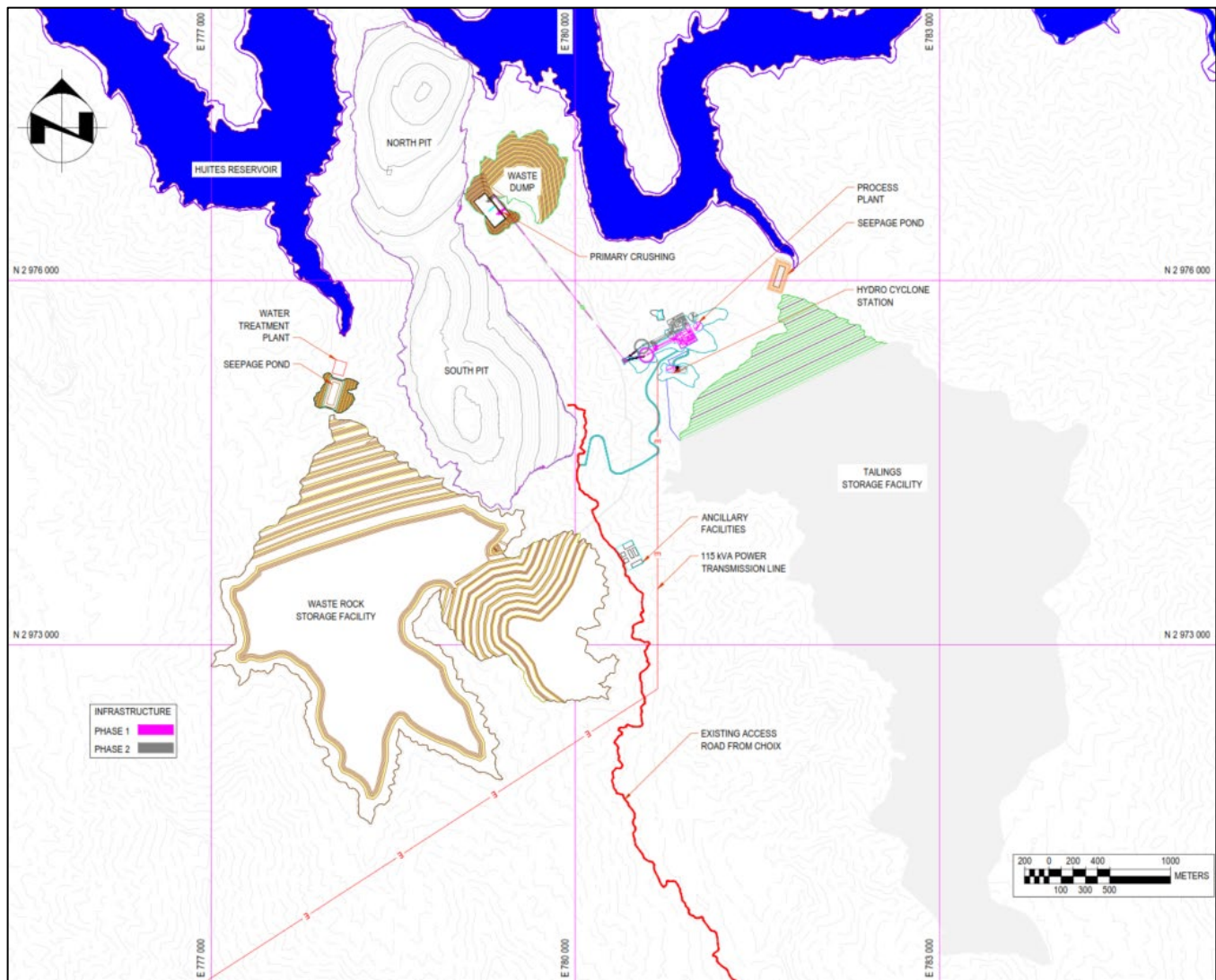
Figure 4: Process Flowsheet



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



For Phase I, the Project includes on-site infrastructure such as earthworks development, crushing and process plant facilities and ancillary buildings such as warehouses and workshops, on-site roads, water management systems, and site electrical power facilities. Off-site infrastructure for Phase I includes a site access road, plant roads, groundwater supply, power supply (power transmission line), two WRSFs, the TSF, and surface water management structures. For Phase II, on-site infrastructure will include earthworks development, a second crushing and processing line along with associated facilities and buildings, water management systems, and site electrical power facilities. No upgrades are contemplated for the off-site infrastructure during Phase II.

Power supply is now contemplating a self-generation approach utilizing natural gas-powered generators located at the Waha – Topolobampo natural gas line to the west of the project.

Access to the Project site is by way of a 160 kilometer (km) paved highway and a two-lane road from the Pacific Ocean Port of Topolobampo, through the city of Los Mochis to the northern town of Choix. Phase I of the Project is envisioned to access the Santo Tomás site via a newly created road that will be a derivation of an existing access road that passes through Cajón de Cancio and Rancho La Soledad. No changes are contemplated for the access road during Phase II of the Project.

MINERAL PROPERTIES (cont'd...)

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

The Project includes all the necessary infrastructure to support the mining and processing operations, all infrastructure buildings will be built as per applicable codes and regulations. Buildings include workshops for mine and maintenance, administrative and operation offices, warehouses for mine and process plant, process plant control room and assay laboratory, and other minor facilities. The permanent accommodation camp will be a modular building with capacity for 160 individual dormitories for Phase I, expanded to accommodate 230 individual dormitories during Phase II. Sewage will be treated via a wastewater treatment plant sized to meet the demand. A pre-engineered building for security and medical facilities is also part of the Project infrastructure. Water management structures will include diversion channels, collection ditches and ponds.

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.

The following details the modifications proposed for the updated infrastructure design for the August 2024 PEA:

The primary crushing facility is now located closer to both pits and is situated immediately southeast of the North Pit boundary with ramp access from both North and South Pits. This new location reduces the hauling distance to the dump pocket by over a kilometer and allows for a shorter haul to dispose of initial waste rock at the smaller (30 MT) of the two WRSFs which will be built up over Phase I of the Project. This WRSF is immediately adjacent to the primary crushing pad. Furthermore, the primary crushing facility has been replaced with an in-pit crushing, semi-mobile station, which comes fully equipped with a feed hopper, gyratory crusher, a discharge hopper, truck ramps, semi-mobile support structure for the gyratory crusher and direct drive, a bridge crane, rock breaker, and discharge conveyor. Mill feed discharged from the primary crusher will be conveyed through a 1.5 km tunnel which daylights close to the mill feed stockpile via a single 1.7 km conveyor that will be sized to accommodate the Phase II throughput at the start of the Project. Space has been allotted for a pad extension and the installation of a second identical primary crushing station at the time of expansion (Phase II).

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 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.

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.

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.

MINERAL PROPERTIES (cont'd...)

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

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:

- Test work evaluating the application of sulfide leaching on lower grade chalcopyrite resources currently assigned to waste was undertaken on low grade material. Laboratory results indicated that the two composites were high acid consumers and it was concluded that the sulfide leach approach was not applicable to the project. While this is a negative result it does suggest that acid generation is likely minimal in the waste rock storage facilities
- 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.
- 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.

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.

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 Management Discussion and Analysis was prepared by Ausenco with input from SRK, and has been incorporated in the technical report prepared in accordance with NI 43-101 which is available under the Company's SEDAR+ profile at www.sedarplus.ca and on the Company's website at www.orocoresourcecorp.com. The affiliation and areas of responsibility for each of the Qualified Persons involved in preparing the PEA, upon which the technical report was based, are as follows:

MINERAL PROPERTIES (cont'd...)**Santo Tomas Project, Sinaloa State, Mexico (cont'd...)**

Qualified Person	Professional Designation	Position	Employer	Independent of Oroco Resource Corporation
James Arthur Norine	P.E.	Vice President, Southwest USA	Ausenco Engineering USA South Inc.	Yes
James Millard	M. Sc., P. Geo.	Director, Strategic Projects	Ausenco Sustainability ULC	Yes
Peter Mehrfert	P. Eng.	Principal Process Engineer	Ausenco Engineering Canada ULC	Yes
Scott C. Elfen	P.E.	Global Lead Geotechnical Services	Ausenco Engineering Canada ULC	Yes
Andy Thomas	M. Eng., P.Eng.	Principal Rock Mechanics Engineer	SRK Consulting (Canada), Inc.	Yes
Fernando Rodrigues	BSc, MBA, MAusIMM, MMSAQP	Practice Leader, Principal Consultant	SRK Consulting (U.S.), Inc.	Yes
Ron Uken	PhD, PrSciNat	Principal Structural Geologist	SRK Consulting (Canada), Inc.	Yes
Scott Burkett	RM-SME B.Sc. Geology	Principal Consultant (Resource Geology)	SRK Consulting (U.S.), Inc.	Yes

The Company incurred \$4,043,387 in exploration expenditures on the Santo Tomas Properties during the nine months ended February 28, 2025.

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 \$71,720 in exploration expenditures on the Xochipala Property during the nine months ended February 28, 2025 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.

MINERAL PROPERTIES (cont'd...)

Salvador Property, Guerrero State, Mexico (cont'd...)

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 nine months ended February 28, 2025.

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.

RESULTS OF OPERATIONS

For the nine months ended February 28, 2025, the Company recorded a loss and comprehensive loss of \$2,380,988 (2024 - \$2,501,757) or \$0.01 per share (2024 - \$0.01). The Company has no income producing assets. 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 nine months ended February 28, 2025, the Company recorded operating expenses of \$2,602,238 (2024 - \$2,487,754), which included consulting fees of \$199,263 (2024 - \$280,138), management and directors fees of \$532,921 (2024 - \$525,409), professional fees of \$360,646 (2024 - \$712,586), and share-based payment of \$840,192 (2024 - \$84,732).

SELECTED QUARTERLY RESULTS

Quarter	February 28, 2025	November 30, 2024	August 31, 2024	May 31, 2024
Operating loss	\$571,580	\$780,080	\$1,250,578	\$876,775
Other items	\$nil	\$nil	\$nil	\$nil
Net income (loss) for the period	\$(571,580)	\$(780,080)	\$(1,250,578)	\$(876,775)
Income (loss) per share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.00)
Total assets	\$89,471,286	\$87,929,533	\$87,934,511	\$84,773,086
Total liabilities	\$2,124,012	\$1,725,090	\$1,181,137	\$3,157,343

Quarter	February 29, 2024	November 30, 2023	August 31, 2023	May 31, 2023
Operating loss	\$1,045,725	\$673,283	\$768,746	\$740,852
Other items	\$nil	\$nil	\$nil	\$(1,927)
Loss for the period	\$(1,045,725)	\$(673,283)	\$(768,746)	\$(738,925)
Income (loss) per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Total assets	\$83,830,034	\$83,373,509	\$80,927,759	\$80,056,786
Total liabilities	\$2,172,030	\$3,149,577	\$2,739,721	\$2,906,001

SELECTED QUARTERLY RESULTS (cont'd...)

Other than total liabilities which now contain new lease liabilities, the quarterly results for the quarter ended February 28, 2025 have remained relatively consistent with the prior four quarters. The decrease in operating loss from August 31, 2024 is mainly attributable to a significantly lower amount of share-based compensation being recorded. Options were granted in the quarter ended May 31, 2024 and, accordingly, had an amount recorded for their value in share-based compensation and the operating loss. The operating loss for the quarter ended May 31, 2023 decreased as compared to the prior three quarters. The increase in total assets for the quarter ending May 31, 2024 is primarily due to expenditures on the Santo Tomas property, which is consistent with prior quarters, and on the preparation of the Company's 2024 PEA and MRE. 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.

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
February 28, 2025 The advancement of the Santo Tomás Project located in Sinaloa State, Mexico, as well as working capital, corporate marketing and other general corporate purposes	The Company continues its activities on the Santo Tomas Project with its current focus on permitting for the project and increasing public awareness of the Company and the Santo Tomas Project.	No significant variation
June 7, 2024 The advancement of the Santo Tomás Project located in Sinaloa State, Mexico, as well as working capital and other general corporate purposes	The Company continues its activities on the Santo Tomas Project with its current focus on preparing for the next stage exploration work as set out in the Company's Updated Preliminary Economic Assessment filed on August 26, 2024.	No significant variation.
February 20, 2024 To continue improving various underlying aspects of the Company's Preliminary Economic Assessment, including those relating to the Santo Tomas mine plan, together with property maintenance and corporate overhead.	On August 20, 2024, the Company announced a revised Preliminary Economic Assessment ("PEA") and updated Mineral Resource Estimate ("MRE") for the North Zone and South Zone for Santo Tomas.	No significant variation.
January 16, 2024 Working capital and corporate overhead.	The Company has used the funds for working capital and corporate overhead	No significant variation.
November 30, 2023 Exploration and development activities.	On August 20, 2024, the Company announced a revised Preliminary Economic Assessment ("PEA") and updated Mineral Resource Estimate ("MRE") for the North Zone and South Zone for Santo Tomas.	No significant variation.
August 15, 2023 News Release Exploration and development activities.	On August 20, 2024, the Company announced a revised Preliminary Economic Assessment ("PEA") and updated Mineral Resource Estimate ("MRE") for the North Zone and South Zone for Santo Tomas.	No significant variation.
March 17, 2023 News Release Exploration and development activities.	On August 20, 2024, the Company announced a revised Preliminary Economic Assessment ("PEA") and updated Mineral Resource Estimate ("MRE") for the North Zone and South Zone for Santo Tomas.	No significant variation.

LIQUIDITY AND CAPITAL RESOURCES

As at February 28, 2025, the Company had a working capital deficiency of \$218,976 as compared with working a capital deficiency of \$1,805,685 at the year ended May 31, 2024.

As at February 28, 2025, the Company held marketable securities of \$240,854, which included 560,125 shares of Goldgroup (the “Goldgroup Shares”) valued at \$240,854.

During the nine months ended February 28, 2025, the Company issued 23,265,350 common shares, pursuant to private placements, for gross proceeds of \$8,064,518, of which \$1,195,738 was received in fiscal 2024 and \$837,500 was received subsequent to period end.

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 nine months ended February 28, 2025, the Company entered into transactions with related parties as follows:

- (a) paid or accrued management and director’s fees totalling \$80,750 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 \$214,921 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 \$132,750 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 \$126,000 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 \$60,750 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 \$7,250 to Robert Friesen for Mr. Friesen’s services as a director;
- (g) paid or accrued director’s fees totalling \$6,750 to Stephen Leahy for Mr. Leahy’s services as a director;
- (h) paid or accrued director’s fees totalling \$7,250 to Ian Rice for Mr. Rice’s services as a director;
- (i) recorded share-based payments of \$39,479 to a company controlled by Mr. Dalziel;
- (j) recorded share-based payments of \$59,218 to Mr. Graham;
- (k) recorded share-based payments of \$69,088 to Mr. Rose;
- (l) recorded share-based payments of \$39,479 to Mr. Vanry;
- (m) recorded share-based payments of \$29,609 to Mr. Friesen;
- (n) recorded share-based payments of \$29,609 to Mr. Leahy;
- (o) recorded share-based payments of \$39,479 to Mr. Rice; and
- (p) recorded share-based payments of \$98,697 to Mr. Lock.

As at February 28, 2025 included in share subscriptions receivable was \$750,000 owing from a company controlled by a director. As at February 28, 2025, \$434,907 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 Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. For a discussion of risks and uncertainties which are the most applicable to the Company, please refer to the Company's audited consolidated financial statements and related notes thereto and the annual MD&A for the year ended May 31, 2024 available electronically on the Company's website at "www.orocoresourcecorp.com" and under the Company's profile at "www.sedarplus.com".

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 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 depreciation 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 following standard was implemented by the Company during the nine months ended February 28, 2025:

Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments). The lease payments also include the exercise price of purchase options, if any, reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The following amendments to existing standards have been adopted by the Company commencing June 1, 2024:

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. The adoption of these amendments did not materially impact the condensed interim consolidated financial statements of the Company.

CHANGES IN ACCOUNTING POLICIES (cont'd...)

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 June 1, 2024 which have not been applied in preparing these 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:

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. The Company is currently assessing the impact of this new accounting standard on its financial statements.

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 nine months ended February 28, 2025.

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:

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.

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

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.

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 as at February 28, 2025 is approximately \$8,000.

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 February 28, 2025 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 April 29, 2025, the Company had 252,479,808 common shares, 12,155,000 incentive stock options, and 32,574,698 share purchase warrants outstanding.

Information Available on SEDAR

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

On behalf of the Board of Directors,

April 29, 2025

"Craig Dalziel"
Executive Chairman