

Eloro Resources Ltd.

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Eloro Resources Ltd. (the "Company") for the 9 months ended December 31, 2022 and should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes.

The MD&A is the responsibility of management and is dated as of March 1, 2023.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

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

Forward-Looking Statements

This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

See page 13 for *Material assumptions and risk factors for forward-looking statements*.

The Company

The Company is a Canadian-based exploration and development company with a silver-tin polymetallic property in Bolivia, a gold-silver property in Peru and base metal properties and royalties in the province of Quebec.

The Company is a reporting issuer in Ontario, Alberta, British Columbia, Manitoba, Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador and its common shares are listed for trading on Tier 2 of the TSX Venture Exchange ("TSXV") under the symbol ELO, on the OTCQX under the symbol ELRRF, and on the Frankfurt Stock Exchange under the symbol WKN 909833.

Overall Performance

Conditional listing on the Toronto Stock Exchange

On February 23, 2023, the Company received conditional approval to list its common shares on the Toronto Stock Exchange ("TSX") under the trading symbol "ELO". The listing is subject to the Company fulfilling certain requirements of the TSX in accordance with the terms of its conditional approval letter dated February 22, 2023. The Company is actively proceeding to satisfy these requirements and upon obtaining final approval.

Bought deal financing

On January 27, 2023, the Company completed a bought deal financing of 3,466,530 units of at a price of \$3.15 per unit for gross proceeds of \$10,919,570. Each unit consisted of one common share and one-half of one warrant, with each of the 1,733,265 whole warrants entitling the holder to purchase one common share for \$4.75 until January 27, 2025. In connection with the financing, the Company paid a cash commission of \$655,174, representing 6% of the gross proceeds of the financing. Two directors subscribed for 46,800 units for gross proceeds of \$147,420.

Letter of intent agreement – Empresa Minera Villegas S.R.L.

On November 9, 2022, the Company, through its Bolivian subsidiary, Minera Tupiza S.R.L. ("Minera Tupiza"), entered into a letter of intent agreement ("LOI Agreement") with Empresa Minera Villegas S.R.L. ("Minera Villegas"), Iska Iska's title holders, whereby Minera Tupiza was granted the right to acquire 100% of the capital quotas held by the owners of Minera Villegas, prior to, or concurrent with the final payment for the Iska Iska option (see Iska Iska section below), due on or before July 6, 2024.

Pursuant to the LOI Agreement, the valuation price for the additional assets of Minera Villegas, distinct from the Iska Iska project, will be delivered to Minera Tupiza before July 6, 2023, whereby Minera Tupiza may accept the valuation or enter into a negotiation period for three months, until October 6, 2023 (the "Negotiation Period"). If during the Negotiation Period, an agreement for the definitive price for the additional assets is not reached, the parties agree to request that a third party

provide an independent valuation. When a definitive price for the additional assets is agreed upon by both parties, a definitive agreement will be executed to formalize their sale, to coincide with the Iska Iska earn-in and transfer of the capital quotas of Minera Villegas to Minera Tupiza.

Option agreement

On November 22, 2022, the Company announced that Minera Tupiza entered into an option agreement (the "Option Agreement") to acquire the Mina Casiterita and Mina Hoyada properties, which collectively cover 14.75 km² southwest and west of Iska Iska, subject to finalizing the granting of the mining rights process. Under the Option Agreement, the capital quotas of the title holder will be transferred to Minera Tupiza in exchange for the issue of 200,000 common shares of the Company.

The transaction is subject to the completion of the terms outlined in the Option Agreement, together with the receipt of all required regulatory approvals in connection with the issuance of common shares of the Company.

The Company has also staked additional claims in the Iska Iska region. Collectively, the land package to be controlled by the Company following the acquisition will total 1,935 quadrants covering 483.75 km². This includes the Tomave, Khuchu Ingenio and Puna properties, located further north towards Potosi.

Appointment of independent advisor

On June 6, 2022, the Company appointed Peter Marrone, a shareholder of the Company, as an independent advisor to provide support and strategic advice to management on matters of project advancement and business development in relation to its Iska Iska project. Mr. Marrone is Executive Chairman of Yamana Gold Inc., which he founded in 2003 and which recently announced that it is to be acquired by Agnico Eagle Mines Limited and Pan American Silver Corp. Mr. Marrone has a long track record of successful mining start-ups and investments with more than 35 years of mining, business and capital markets experience. Mr. Marrone also currently sits on the board of directors, and is one of the founders, of Aris Gold Corporation which holds one of the best portfolios of producing and development stage assets in Colombia. Mr. Marrone has also been the head of investment banking at a major Canadian investment bank and before that practised law in Toronto with a strong focus on corporate law, securities law and international transactions.

Grant of stock options and restricted share units

On May 30, 2022, the Company granted to a consultant 100,000 stock options with an exercise price of \$3.42, entitling the holder to purchase 100,000 common shares until May 30, 2027.

On June 6, 2022, the Company granted to a consultant:

- a. 750,000 stock options with an exercise price of \$3.59, entitling the holder to purchase 750,000 common shares until June 6, 2027; and
- b. 750,000 restricted share units with a redemption date of June 6, 2025 and vest in 3 annual instalments.

On August 3, 2022, the Company granted to consultants 150,000 stock options with an exercise price of \$4.32, entitling the holders to purchase 150,000 common shares until August 3, 2027.

On February 2, 2023, the Company granted 250,000 stock options to consultants at an exercise price of \$3.30, entitling the holders to purchase 250,000 common shares until February 2, 2027, and also granted 300,000 restricted share units to officers. The restricted share units have a redemption date of December 31, 2026 and vest as follows: (a) one-third on the date of filing of a National Instrument 43-101 ("NI 43-101") compliant technical report in connection with the measurement of at least 300 million tonnes of inferred resources at Iska Iska; (b) one-third on the date of filing of a NI 43-101 compliant technical report in connection with the measurement of at least 500 million tonnes of inferred resources at Iska Iska; and (c) one-third on the date of filing of a NI 43-01 compliant technical report in connection with the completion of a positive prefeasibility study for Iska Iska.

Option payment advance

On July 29, 2020, the Company granted a 2% interest in its wholly-owned Bolivian subsidiary, Minera Tupiza to an officer of Minera Tupiza. The Company has an option to increase its interest in Minera Tupiza to 99% by purchasing a 1% interest from the officer for US\$3,000,000. As at December 31, 2022, the Company has made installment payments aggregating US\$500,000 (March 31, 2022, - US\$200,000) on account of the option.

Bought deal financing

On May 19, 2022, the Company completed a bought deal financing of 3,007,710 units of at a price of \$3.25 per unit for gross proceeds of \$9,775,057. Each unit consisted of one common share one-half of one warrant, with each of the 1,503,855 whole warrants entitling the holder to purchase one common share for \$4.75 until May 19, 2024. In connection with the financing, the Company paid a cash commission of \$586,503 (representing 6% of the gross proceeds of the

financing), issued 180,462 compensation warrants (representing 6% of the number of units issued pursuant to the financing) entitling the holder to purchase one common share for \$3.25 until May 19, 2024.

Technical report

The Company filed an updated National Instrument 43-101 (“NI 43-101”) Technical Report on Iska Iska completed by Micon International Limited (“Micon”), dated May 1, 2022, titled “*Technical Report on the Exploration and Diamond Drilling of the Iska Iska Polymetallic Project, Sud Chichas Province, Department of Potosi, Bolivia*” (see page 4).

Iska Iska option payment

On November 19, 2022, the Company made an additional instalment of US\$1,000,000 towards the US\$10,000,000 option payment (“Option Payment”) required to acquire a 99% interest in Iska Iska (see Iska Iska section below). As at December 31, 2022, the Company had made installment payments aggregating US\$4,400,000 (March 31, 2022, - US\$3,000,000).

On September 27, 2022, by mutual agreement, the deadline for making the Option Payment was extended from January 6, 2024 to July 6, 2024.

Status of use of proceeds for March 2021, May 2022 and January 27, 2023 bought deal financings

The status of the use of proceeds outlined in the Company’s March 2021 prospectus is as follows:

	Proposed		Actual	
	Metres	Cost \$	Metres	Cost \$
Drilling				
Santa Barbara	6,000	1,950,000	32,195	9,854,000
Central Breccia	15,000	4,875,000	5,015	1,546,000
Porco (South)	16,000	5,200,000	9,508	2,931,000
Huayra Kasa (see note)	2,000	650,000	–	–
Other targets (see note)	3,000	975,000	860	265,000
Pajchi (see note)	3,000	975,000	–	–
	45,000	14,675,000	47,578	14,596,000
Other				
Infrastructure improvements		754,000		202,000
Geophysics		325,000		360,000
Resource estimate, metallurgical studies, mineralogical studies		468,000		322,000
Other		473,000		476,000
Payment of US\$2,500,000 pursuant to an option to acquire a 99% interest in Iska Iska for US\$10,000,000 (actually paid US\$3,100,000)		3,250,000		3,939,000
		5,270,000		5,299,000
Total		19,895,000		19,895,000

Note: The meterage originally allocated for Huayra Kasa/Other Targets and Pajchi has been reallocated for resource definition at Santa Barbara Breccia Pipe as the mineralized zone has been expanded significantly since the March 2021 Prospectus.

The status of the use of proceeds outlined in the Company's May 2022 prospectus is as follows (as of August 15, 2022):

	Proposed		Actual	
	Metres	Cost \$	Metres	Cost \$
Complete phase I work program under the Technical Report				
Drilling	15,000	4,500,000	12,573	4,659,000
Metallurgical testing		125,000		90,000
Inferred resource estimate		125,000		44,000
Logistical expenses		62,500		24,000
Environmental studies		62,500		2,000
Geophysics		62,500		132,000
Community relations		62,500		49,000
	15,000	5,000,000	12,573	5,000,000
Commence phase II work program under the Technical Report				
		1,490,047		1,404,000
Other				
Expenses of the offering		760,003		760,000
Payment of US\$1,000,000 pursuant to an option to acquire 99% interest in Iska Iska for US\$10,000,000		1,250,000		1,336,000
		8,500,003		8,500,000

The Company completed its planned exploration program at Iska Iska focussed on definition drilling of the Santa Barbara target area as outlined in the May 2022 prospectus on November 27, 2022. The Company is now proceeding to carry out additional drilling of 11,500m to test priority targets for the major potential tin porphyry on Casiterita as well as well as in the Porco area.

The status of the use of proceeds outlined in the Company's January 2023 prospectus is as follows:

	Proposed \$	Actual \$
Continue Phase II work program under Technical Report	6,200,000	284,000
General and office expenses.	2,625,000	152,000
Contingencies	400,200	—
	9,225,200	436,000

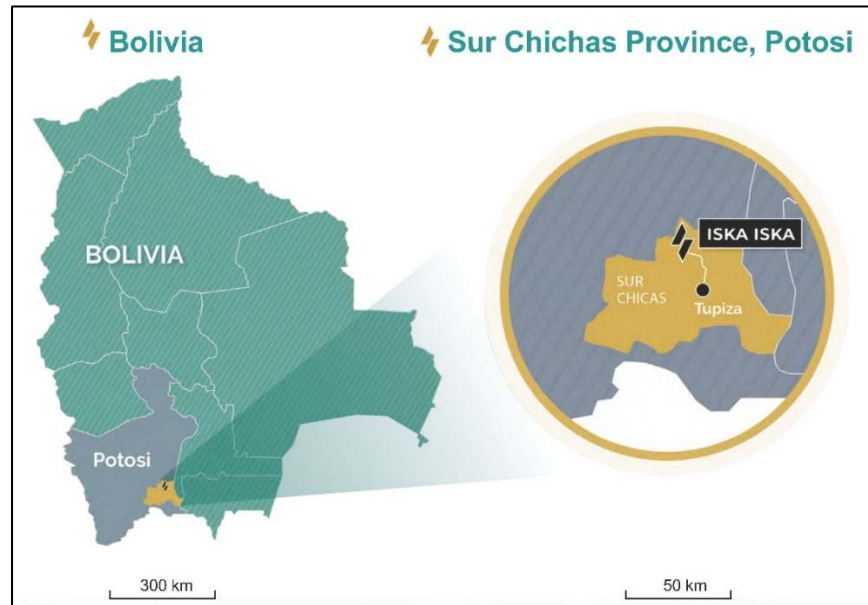
Iska Iska

On January 6, 2020, the Company signed a Definitive Agreement, as amended, whereby its Bolivian subsidiary, Minera Tupiza was granted an option to acquire a 99% interest in Iska Iska, a silver-tin polymetallic property consisting of one mineral concession totaling 900 hectares ("ha") located in southern Bolivia. In order to acquire its interest in Iska Iska, the Company will conduct an exploration and development program ending July 6, 2024 and issue common shares and make an option payment, as follows:

	Common shares		Option payment
	Number	\$	US\$
February 5, 2020 (issued)	250,000	100,000	—
January 6, 2022 (issued)	250,000	250,000	—
July 6, 2024 (extended from January 6, 2024, see page 2, <i>Iska Iska option payment</i>)(US\$4,400,000 paid)	—	—	10,000,000
	500,000	350,000	10,000,000

Iska Iska is located in the Sud Chichas Province of the Department of Potosi, southern Bolivia, approximately 48 kilometres (“km”) north of Tupiza city. The project is road accessible and royalty-free, wholly-controlled by the title holder, Empresa Minera Villegas S.R.L. and can be classified as a major silver-tin polymetallic porphyry-epithermal complex associated with a Miocene possibly collapsed/resurgent caldera, emplaced on Ordovician age rocks with major breccia pipes, dacitic domes and hydrothermal breccias. The caldera is 1.6km by 1.8km in dimension with a vertical extent of at least 1 km. Mineralization age is similar to Cerro Rico de Potosi and other major deposits such as San Vicente, Chorolque, Tasna and Tatasi located in the same geological trend. Geological mapping and diamond drilling suggest that the potential strike length of the entire Iska Iska system may be as much as 4km, the width up to 2km, with a depth extent of 1km or more.

Figure 1: Location Map – Iska Iska Silver-Tin Polymetallic Property, Bolivia



An updated NI 43-101 Technical Report on Iska Iska was completed by Micon, dated May 1, 2022, and is available on the Company’s website and under its filings on SEDAR. Following the completion of the NI 43-101 Technical Report, the next phase in the development is geared towards the preparation of a maiden NI 43-101 compliant mineral resource estimate. To ensure that the highest level of technical and commercial standards is upheld, the Company has retained Micon as Independent Engineer to review, on an on-going basis, all its exploration activities and data collection methods. Micon is also supervising the metallurgical test-work in progress.

The Company began underground diamond drilling from the Huayra Kasa underground workings at Iska Iska on September 13, 2020. On November 18, 2020, the Company announced the discovery of a significant breccia pipe with extensive silver polymetallic mineralization just east of the Huayra Kasa underground workings and a high-grade gold-bismuth zone in the underground workings. On November 24, 2020, the Company announced the discovery of the Santa Barbara Breccia Pipe (“SBBP”) approximately 150m southwest of the Huayra Kasa underground workings.

Subsequently, on January 26, 2021, the Company announced significant results from the first drilling at the SBBP including the discovery hole DHK-15 which returned 129.60 g Ag eq/t over 257.5m (29.53g Ag/t, 0.078g Au/t, 1.45%Zn, 0.59%Pb, 0.080%Cu, 0.056%Sn, 0.0022%In and 0.0064% Bi from 0.0m to 257.5m. Subsequent drilling has confirmed significant values of Ag-Sn polymetallic mineralization in the SBBP and the adjacent Central Breccia Pipe (“CBP”). A substantive mineralized envelope which is open along strike and down-dip extends around both major breccia pipes. Continuous channel sampling of the Santa Barbara Adit located to the east of SBBP returned 442 g Ag eq/t (164.96 g Ag/t, 0.46%Sn, 3.46% Pb and 0.14% Cu) over 166m including 1,092 g Ag eq/t (446 g Ag/t, 9.03% Pb and 1.16% Sn) over 56.19m. The west end of the adit intersects the end of the SBBP.

Since the initial discovery hole on the SBBP, the Company has released a number of significant drill results in the SBBP and the surrounding mineralized envelope, which along with geophysical data has defined a target zone 1,400m, along strike, 500m wide and that extends to a depth of 600m. This zone is open along strike to the northwest and southeast as well as to the southwest. The Company’s nearer term objective is to outline a maiden NI 43-101 compliant mineral resource within this large target area. This work is advancing well with the mineral resource targeted to be completed in Q4 2022. Exploration drilling is also planned on other major targets in the Iska Iska Caldera Complex, including the Porco and Mina 2 areas.

On June 13, 2022, the Company provided an update on its preliminary metallurgical testwork program for Iska Iska. The work program including testwork for development of a preliminary metallurgical flowsheet and preliminary mineralogical characterization, is being carried out by Blue Coast Research Ltd. ("Blue Coast") based in Parksville, BC. The objective is to develop the preliminary flotation flowsheet to maximize lead, zinc and precious metals into saleable concentrates in the Santa Barbara polymetallic deposit and to develop a preliminary flowsheet for tin in both the Santa Barbara and the deeper tin-dominant mineralization.

Blue Coast has world-class metallurgical testing, analytical services, flowsheet development, consulting, and operational support. Their team has been augmented with the addition of Mr. Mike Hallowell, C.Eng., a senior independent mineral processing consultant based in Cornwall, England, who has extensive specialist knowledge in the recovery of tin at mining operations and exploration projects worldwide.

The metallurgical testing is being directed by Richard Gowans, P.Eng., Principal Metallurgist for Micon, who is an independent Qualified Person as defined under NI 43-101.

On July 21, 2022, the Company released the highest grade, longest intersection thus far at Iska Iska, including the highest-grade silver to that date of 44.75 g Ag/t over 349.08m from drill hole DSBU-10.

On September 20, 2022, the Company reported further drill results of 150.47 g Ag eq/t (9.45 g Ag/t, 1.53% Zn, 0.88% Pb and 0.07% Sn) over 441.21m in Hole DSB-30 in the High-Grade Feeder Zone of Santa Barbara Target Area. New downhole geophysical data have significantly extended the strike length of the high-grade zone at Santa Barbara a further 250m along strike to the south-southeast from existing drilling.

The 3D inverse magnetic model which correlates very strongly with the conductive zone suggests that the high-grade zone may extend across the entire caldera for as much as a further 1 km along strike for a total potential strike length of at least 2 km. Drilling in the Porco area intersected significant values over short intervals on the edge of this conductive zone. The definition drill program was modified to sectionally drill this potential extension with the intention of defining a major open pit deposit in the valley of the caldera. As a result, the estimated completion date for the maiden National Instrument 43-101 mineral resource was pushed back to the end of Q1 2023.

On October 5, 2022, additional drill holes were released including 198.00 g Ag eq/t (67.79 g Ag/t, 1.44% Zn and 1.04% Pb) over 134.47m in silver-rich area of high-grade zone in the Santa Barbara Target Area in hole DSB-31 drilled 200m south of the Santa Barbara adit. This intersection included a higher-grade portion grading 566.36 g Ag eq/t (246.26 g Ag/t, 3.72% Zn and 3.88% Pb) over 25.51m. The high-grade silver zone intersected in hole DSB-31 appears to be in the same structural-mineralized corridor as the silver-rich zone in the Santa Barbara adit. As previously reported (see press release dated April 13, 2021), channel sampling along the adit returned 441.98 g Ag eq/t (164.96 g Ag/t, 0.23 g Au/t, 3.46% Pb and 0.46% Sn) over 165.89m.

Multiple intersections including 108.16 g Ag eq/t (11.63 g Ag/t, 1.53% Zn and 0.36% Pb) over 111.26m in the high-grade feeder zone in the Santa Barbara Target Area we reported on October 18, 2022. At that time, there were four drill holes in progress with four additional holes planned that collectively total 6,000m to complete the first-pass definition drill program.

On November 22, 2022, the Company announced that it has entered into an option agreement (the "Agreement") to acquire the Mina Casiterita and Mina Hoyada properties (the "Acquisition") which collectively cover 14.75 km² southwest and west of the Iska Iska Silver-Tin Polymetallic Project ("Iska Iska"). Artisanal mining in the 1960's identified high grade tin veins on the Mina Casiterita property that are hosted in intrusive dacite. Production from 1962 to 1964 is reported by the Departamento Nacional de Geología (National Department of Geology) in Bolivia as 69.85 tonnes grading 50.60% Sn. The Company has also staked additional claims in the Iska Iska region which collectively total 1,935 quadrants covering 483.75 km².

On November 29, 2022, the Company announced additional results. Multiple Intersections including 122.25g Ag eq/t (17.77g Ag/t, 0.30% Zn, 0.33% Pb, 0.10% Cu and 0.16% Sn) over 210.74m in the high-grade zone of Santa Barbara were reported from eight drill holes. Holes DSB-38, DSB-39 and DSB-40 tested an approximately 1,000m (1km) long section in mineralized dacite across the central part of the caldera valley approximately 500m south-southeast of the underground drill bay in the Santa Barbara adit. Highlights included: 269.56g Ag eq/t (52.63g Ag/t, 3.02% Zn and 1.82% Pb) over 58.85m and 101.74g Ag eq/t (10.59g Ag/t, 0.16 g Au/t, 1.23% Zn and 0.28% Pb) over 74.07m and % Pb over 17.24m in DSB-38 and 91.96g Ag eq/t (4.71g Ag/t, 1.37% Zn and 0.15% Pb) over 193.96m with higher-grade portions of 147.94g Ag eq/t (4.56g Ag/t, 2.48% Zn and 0.29% Pb) over 19.86m and 218.05g Ag eq/t (14.33g Ag/t, 0.14 g Au/t, 3.35% Zn and 0.33% Pb) over 14.33m in DSB-40.

On January 31, 2023, the Company reported the highest and most extensive silver grades in the Santa Barbara deposit. Hole DHK-27 intersected 202.43g Ag eq/t (69.80g Ag/t, 1.21% Zn, 0.49% Pb, and 0.12%Sn) over 325.48m including a higher-grade portion of 395.98 g Ag eq/t (182.02g Ag/t, 1.73% Zn, 0.97% Pb, 0.18% Cu and 0.19%Sn) over 109.60m.

Geologically, drilling across the valley of the Iska Iska Caldera indicates that this area is underlain by a coarse-grained porphyritic dacitic intrusion that is well mineralized with Ag, Zn and Pb and is the likely source of the extensive epithermal mineralization in the Santa Barbara and Central Breccia areas. The porphyry, now named the Iska Iska Porphyry, is approximately 800m by 600m and is notable for the absence of tin mineralization despite the abundance of tin in the nearby area. The tin at Iska Iska is likely the product of an earlier higher temperature and deeper tin porphyry, which has been overprinted by the later higher-level porphyry-epithermal Ag-Zn-Pb mineralization related to the Iska Iska Porphyry. Magnetic inverse modelling and limited deep drilling suggest that the major tin porphyry is likely below the Iska Iska Porphyry and to the south and southwest in the Porco and Mina Casiterita areas.

The definition drilling at Santa Barbara has more than doubled the potential volume of the high-grade zone defined by the >90 g Ag eq/t grade shell model to approximately 1,000m along strike, 800m wide and extending to a depth of 1,100m. This zone is open to the south, west and northwest as well as at depth. Eloro is working closely with Micon International to provide all data necessary for estimation of the inaugural mineral resource estimate targeted for the end of Q1 2023.

In addition to the new drill results, the Company also reported on channel sampling results from the Mina 1 and Mina 2 underground workings located approximately 2km south-southeast of the Santa Barbara adit and approximately 800m east of the Porco adit where previously reported channel sampling returned a 103m strike length grading 521 g Ag eq/t (g 117g Ag/t, 1.44 g Au/t, 0.54% Cu and 0.66% Sn) in altered basement sediments (see Eloro's November 17, 2021 press release).

Channel sampling at Mina 1 returned 153.94g Ag eq/t (55.03g Ag/t, 0.11 g Au/t, 0.7% Zn, 0.16% Pb and 0.08 % Sn) over 145.95m of the northwest trending drift including a higher-grade portion of 285.16g Ag eq/t (120.18g Ag/t, 0.25 g Au/t 1.23% Zn, 0.30% Pb and 0.13% Sn) over 56.34m. Results in Mina 2 included 382.79g Ag eq/t (15.67g Ag/t, 1.70 g Au/t, 2.20% Zn and 0.75% Pb) over 68.53m in an east-west trending crosscut in Mina 2. A second shorter crosscut on a secondary subparallel structure approximately 20m to the south returned 475.78g Ag eq/t (69.31g Ag/t, 0.26 g Au/t, 5.62% Zn and 1.92% Pb) over 26.67m in Mina 2.

On February 14, 2023, the Company reported that an extensive IP conductivity anomaly had been outlined on the Mina Casiterita property adjacent to the Iska Iska Silver-Tin Polymetallic Project. Magnetic data strongly suggest that a large intrusive body lies below the Iska Iska Caldera Complex and that it is nearer to surface of the Mina Casiterita property. This intrusive is approximately 5km long by 3 km wide.

Diamond drilling and geophysical surveys are in progress to test for a potential major tin porphyry south of Iska Iska and on the adjacent Casiterita property. The tin porphyry target will be a major focus of exploration in 2023.

In connection with the Company's ongoing Environmental Social Governance ("ESG") initiatives, the following studies have been or are currently being carried out by Minera Tupiza's environmental staff and environmental consultants at Iska Iska:

- Collection of existing environmental documentation on the Porvenir concession, where the Iska Iska project is under exploration, including the review of environmental legal documents.
- Environmental inspection and evaluation of the Porvenir concession.
- Implementation of warning and information signs.
- Preparation of detailed environmental studies required by the Bolivian environmental authority.
- Regular monitoring of soil, noise, air and water in accordance with current environmental regulations, in all the exploration work.
- Control of solid and liquid waste in exploration work.
- Construction of sedimentation and infiltration pits for the final disposal of sludge from the cutting of samples.
- Construction and implementation of sanitation stations.
- Evaluation of all existing underground workings on the property including Huayra Kasa, Santa Barbara, Porco and Mina 2 area.
- Preparation of a baseline environmental study for Iska Iska.

The Company has a very active program led by ESG Manager Ana Moran, Attorney at Law and Dr. Osvaldo Arce, P.Geo. Major ESG initiatives completed or ongoing include: community support for COVID-19 in Tupiza and surrounding communities, the building of sanitation stations in homes in the communities of Almona and La Torre, which are the closest communities to the Iska Iska property, 5km east and 5km southeast, respectively, working with the Women's Association of Almona and La Torre to support training courses in baking and embroidery as well as other social activities, and support for school programs including providing classroom materials, snacks during breaks and support for teachers.

Additional ESG activities completed in 2022 include: i) continued implementation of courses, workshops, classes, materials, and other requirements of social projects focused on women, children, and youth groups in Almona, La Torre and additional surrounding communities, ii) construction of additional sanitation stations in the communities of Almona, La Torre and other surrounding communities, iii) delivery of equipment for community medical centers, iv) improving educational services of the community schools by delivering computer equipment, and v) support for local community strengthening and development, through specialized services in consultation with the communities.

On August 9, 2022, the Company launched its “Virtual Site Tour” of Iska Iska, utilizing the VRIFY Technology Inc. (“VRIFY”) platform. The VRIFY platform assists viewers to better understand the scale and extent of the Company’s discovery at Iska Iska. In particular, the presentation highlights grade shell modelling in Leapfrog of the higher-grade feeder zone at Santa Barbara which has been the focus of recent drilling. As the drilling program progresses, the Company will regularly update VRIFY to illustrate how new drilling results are advancing the project and leading to the inaugural NI 43-101 mineral resource estimate, expected in Q1 2023.

The 3D renderings, satellite imagery and 360° drone footage amalgamated into the VRIFY platform provides the Company with enhanced content for its website and corporate presentation. The VRIFY presentation provides property location, topography, infrastructure, geology and geophysical information. It showcases exploration activities including drilling, 3D models of polymetallic mineralization and upside deposit potential.

Since the start of drilling on the Iska Iska project on September 13, 2020, the Company has, to November 27, 2022, completed 84,495 metres of diamond drilling in 122 holes. In most of 2022, drilling was focused on resource definition in the major Santa Barbara target zone. The breakdown of drilling completed by target area is as follows:

Target Area	Date Commenced	Date Completed	No. of Holes	Total Metres
Huayra Kasa Breccia Pipe	September 13, 2020	November 11, 2020	13	2,895
Santa Barbara Breccia Resource Definition Drilling Zone	November 13, 2021	November 27, 2022	85	63,759
Central Breccia Pipe	March 1, 2021	August 8, 2021	11	7,473
Porco Breccia Pipe	April 16, 2021	May 5, 2022	12	9,508
Pajchi	Not started		–	–
Other	May 6, 2022	May 23, 2022	1	860
			122	84,495

*The 6,000-metre drilling originally budgeted for Santa Barbara and the 45,000m program outlined in the March 31, 2021 prospectus was completed on July 19, 2022. Cost efficiencies allowed an additional 2,578m to be drilled on the original budget that was completed on August 2, 2022. The 15,000m Phase I drill program recommended in the NI 43-101 Technical Report by Micon International dated May 1, 2022 was completed in July 2022. A further 18,236 metres of diamond drilling was done in Phase II to complete the definition drilling on the Santa Barbara deposit on November 27, 2022.

Diamond drilling has outlined an extensive mineralized system at the Iska Iska Santa Barbara deposit that extends some 1,500 metres along strike, is up to 1000m wide and extends to a depth of over 1000m. The Company has retained Micon International (Micon) to complete an inaugural NI 43-101 mineral resource estimate which is targeted to be completed by the end of Q1 2023. Metallurgical testwork required for this mineral resource estimate is being carried out by Blue Coast Research based in British Columbia and a preliminary mining evaluation to define the potential economics for the mineral resource is being completed by Gemin Associates S.A.C. based in Lima, Peru.

Grant of option for a 25% interest in La Victoria

Burgundy Diamond Mines Limited (“BDM”) owns an 18% interest in La Victoria and had an option to increase its interest to 25% (“Option”). In August 2021, BDM decided to maintain its interest at 18% and not to increase its interest to 25%, upon which, the Option expired and a joint venture, with the Company as operator, was formed to continue to explore and develop La Victoria.

If the Company or BDM does not fund its proportionate share of expenditures, its respective interest will be diluted and when its interest is diluted to less than 10%, the party’s interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1% by making a payment of \$3,000,000.

If either the Company or BDM acquires an interest in any property within 5 kilometres of La Victoria, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest.

In the event the Company or BDM proposes to sell any interest in La Victoria to a third party, the other party has a right of first refusal to match the terms and conditions of the proposed sale. In the event that the Company proposes to sell a majority of its interest in La Victoria to a third party, the Company must first consult with BDM about the identity of the third party and the proposed terms of sale and if the Company proceeds with the sale, BDM will be obliged to sell its interest to the third party on a pro rata basis in accordance with the terms of the sale to the third party.

Exploration at La Victoria

La Victoria is a gold-silver property covering 8,933 hectares, consisting of 9 concessions covering 3,533 hectares (Ccori Orcco 1, Roberto N°1, Rufina, Rufina N° 2, San Felipe 1, San Felipe 2, San Markito, Santa Ana 1 and Victoria-APB) and 7 claims covering 5,400 hectares (Romina 01, 02, 03, 04, 05, 06 and 07) in the Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru.

A National Instrument 43-101 Technical Report ("Technical Report") on La Victoria was filed on September 7, 2016, authored by Luc Pigeon, M.Sc., P.Geol. The Technical Report was filed as one of the terms precedent to the acquisition of La Victoria and is available under the Company's profile on SEDAR (www.sedar.com).

As outlined in the Technical Report, four principal mineralized zones are identified at La Victoria: San Markito, Rufina, Victoria and Victoria South. The Rufina and San Markito zones were the most advanced targets and were recommended for drilling whereas the Victoria and Victoria South zones are at an early exploration stage. In general, mineralization occurs within breccias and veins that contain significant gold and silver concentrations and trace element characteristics that are compatible with epithermal deposits especially the low sulphidation type.

La Victoria is located within a prolific epithermal gold deposit belt that extends from Cajamarca to Ancash and includes such gold deposits as Yanacocha, Lagunas Norte and La Arena. The La Arena mine is located 50km northwest of the property.

Work completed to date continues to confirm the presence of a major epithermal system with multiple stages of mineralization in the San Markito-Victoria area in the northern part of the La Victoria property. The intensity of alteration and the wide range of styles of mineralization is very encouraging.

As part of a continuing review of the surface geology of the La Victoria property and environs, a large tract of land bordering the Rufina 2 Concession to the south was seen to host geology similar to what is seen on the Ccori Orcco Concession, and mining rights were available to acquire by staking. This property acquisition makes the Company one of the largest holders of mining rights in the northern Ancash Department section of the North-Central Peru Mineralized Belt.

On June 6, 2018, the Company announced that, together with BDM, they were proceeding with a drilling program to test the Rufina and San Markito target areas. On August 13, 2018, the Company further announced it had completed three diamond drill holes totalling 1,242m testing the Rufina East target area. A complete summary of the drilling results was provided in the August 13, 2018 news release, available under the Company's profile on SEDAR and on its website.

The drilling by the Company at Rufina was the first diamond drilling ever carried out on the property. The first and second phases which comprised twelve drill holes totaling 4,281m (see press releases January 16, 2018 and June 6, 2018), were designed to provide complete sections across up to 500m strike length of the target zone to test the major NW and NE-SW striking mineralized structures identified in the surface geological mapping. All the reconnaissance drill holes intersected extensive zones of mineralization and alteration, including more than sixty anomalous gold intervals distributed in about 40 mineralized structures. Many of these structures correlated with zones mapped on surface. Gold mineralization and alteration at Rufina occurs over 600 m in width, over 700 m in vertical extent and about 600 m along strike.

Further Exploration

Results at Rufina provide indications of a large-scale epithermal gold mineralized system at La Victoria, however further drilling needs to focus on the likely overall major core area which is believed to be San Markito. San Markito is the best target zone identified thus far on the property, where gold and silver mineralization are found in an extensive symmetric alteration zone within both the favourable Chimú Formation sediments and dioritic intrusives. This target will be the focus of further drilling at La Victoria going forward.

Further to the drilling program conducted at La Victoria in the summer of 2018, the Company continued its efforts to obtain required permitting in order to drill the San Markito target. On May 27, 2019, the Company provided an update on the ongoing process to obtain all of the necessary permits, including the local approval of the community of Pallasca, Pallasca District, Ancash Department, Peru, and the entering into of a local land rental contract. A further update was announced on December 19, 2019, whereby it was announced that community elections in Pallasca were completed, and a new President of the community was elected. The Company worked with the new community council in order to obtain the required permitting and a land rental agreement.

On July 24, 2021, an extraordinary community assembly took place, where a majority of community members voted in favour of the Company's land use proposal. Apart from the land rental payment, the Company also agreed to help the community avail itself to government infrastructure funds to enhance the community's agricultural practices and access to water.

With the land rental agreement in place, the Company obtained the required drill permitting from the Peruvian Ministry of Energy and Mines. Geades Consulting S.A.C was retained for this purpose.

Minor geological operations recommenced in September 2021, under the supervision of Chief Geologist (Peru), Marcelo Alvarez, who led the Company's 2017-2018 exploration activities at La Victoria. Mr. Alvarez brings 30 years of exploration experience in South American epithermal, mesothermal and porphyry deposit types. He also has extensive knowledge in the modeling and evaluation of mineral resources. A total of 284.70 m in two holes including one redrilled hole were completed in November 2021 with no further drilling completed since that date.

For additional technical information on the La Victoria Project, the reader is referred to the NI 43-101 Technical Report on the La Victoria Au-Ag Property, Ancash, Peru filed under the Company's profile on SEDAR (www.sedar.com).

Further exploration programs at La Victoria are contingent upon the Company allocating the required working capital to dedicate to this project.

Risks and Uncertainties

Mineral exploration and development

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain exploration permits and mining licenses.

Commodity price risk

The Company is exposed to commodity price risk. A significant decline in precious and base metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

Results of Operations

	3 months ended		9 months ended	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Professional fees	132,833	116,047	297,398	265,849
Consulting fees	127,500	81,000	372,650	243,000
Financing bonus	—	—	150,000	—
Stock-based compensation	411,000	—	3,495,118	—
Investor relations and marketing	464,329	280,082	1,091,211	609,872
General and office	104,765	57,921	361,670	228,701
Travel	63,626	84,189	157,437	95,897
Depreciation	11,088	10,658	33,264	31,976
Accretion of interest	2,903	62	9,148	800
Foreign exchange loss (gain)	146,555	13,802	170,112	(20,861)
Unrealized loss (gain) on marketable securities	(4,600)	8,100	(8,050)	15,850
Impairment of exploration and evaluation	340	5,928	9,828	5,928
Refundable tax credit notices of assessment	—	15,000	(142,806)	45,000
Other income	(114,696)	(41,968)	(125,996)	(70,292)
	1,345,642	630,821	5,870,984	1,451,720
Loss	(1,345,642)	(630,821)	(5,870,984)	(1,451,720)

9 months ended December 31

The Company recorded a loss of \$5,870,984 compared to a loss of \$1,451,720 in the comparative period of the previous year. The increase in the loss reflects the following factors:

- an increase in financing bonus to \$150,000 (2021 - \$nil) related to a financing completed in the current period (see page 2, *Bought deal financing*)

- b) an increase in stock-based compensation to \$3,495,118 (2021 - \$nil) for stock options and restricted share units granted in the current period.
- c) an increase in investor relations to \$1,091,211 (2021 - \$609,872 which reflects efforts to increase public awareness of the Company and Iska Iska.

3 months ended December 31

The Company recorded a loss of \$1,345,642 compared to a loss of \$630,821 in the comparative period of the previous year. The increase in the loss reflects the following factors:

- a) an increase in stock-based compensation to \$411,000 (2021 - \$nil) for stock options and restricted share units granted in the current period.
- b) an increase in investor relations to \$464,329 (2021 - \$280,082) which reflects efforts to increase public awareness of the Company and Iska Iska.

Summary of Quarterly Results

	Q4 2021 \$	Q1 2022 \$	Q2 2022 \$	Q3 2022 \$	Q4 2022 \$	Q1 2023 \$	Q2 2023 \$	Q3 2023 \$
Revenue	—	—	—	—	—	—	—	—
Loss								
- Total	3,596,439 (note 1)	528,049	292,850	630,821	5,654,304 (note 2)	3,307,172 (note 3)	1,218,170 (note 4)	1,345,642 (note 5)
- Per share	0.07	0.01	—	0.01	0.09	0.04	0.01	0.02

Note 1: Loss for Q4 2021 includes stock-based compensation of \$3,041,000.

Note 2: Loss for Q4 2022 includes stock-based compensation of \$4,754,000.

Note 3: Loss for Q1 2023 includes stock-based compensation of \$2,498,000.

Note 4: Loss for Q2 2023 includes stock-based compensation of \$586,118.

Note 5: Loss for Q3 2023 includes stock-based compensation of \$411,000.

Liquidity and Capital Resources

As the Company is in the exploration stage and does not generate revenue, the Company has financed its operations with the proceeds of equity financings. The Company is dependent upon the Company's ability to secure equity financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral resource properties.

Estimated working capital requirements for 2023

Corporate and general	\$ 1,700,000
Accounts payable and accrued liabilities at March 31, 2022	1,025,000
	<u>2,725,000</u>

At December 31, 2022, the Company had cash and cash equivalents of \$27,718,405. On January 27, 2023, the Company completed a bought deal financing for gross proceeds of \$10,919,570 (see page 2, *Bought deal financing*). The Company expects that additional financing will be required to fund its operations and the acquisition, exploration and development of its mineral resource properties. Management is of the opinion that sufficient working capital will be obtained from equity financings and the exercise of warrants to meet the Company's liabilities and commitments as they become due.

At February 28, 2023, there are outstanding stock options and warrants (see *Stock options* and *Warrants* on page 14). Based on closing market price for the Company's common shares of \$3.27 on February 28, 2023, in-the-money stock options and warrants, if exercised, would provide the Company with proceeds of \$939,500.

Transactions with Related Parties

	Consulting fees \$	Financing bonus \$	Total \$
Exploration and evaluation			
Pearson Geological Limited, a company controlled by William Pearson, for his services as Executive Vice President, Exploration	140,000	30,000	170,000
Consulting fees			
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	152,000	75,000	227,000
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	87,500	15,000	102,500
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President, Corporate Secretary	87,500	15,000	102,500
Christopher Holden, for his services as Vice President, Corporate Development	110,000	10,000	120,000

Financial instruments and risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The maximum exposure to credit risk is equal to the balance of cash.

The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with Canadian chartered banks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms.

The Company has no revenues and relies on financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2022 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by \$2,350.

Foreign currency risk

The Company is exposed to foreign currency risk with respect to exploration and development expenditures in US dollars. The Company retains substantially all of its cash with its parent in Canadian dollars until US dollars are required by its foreign subsidiaries.

Expenses are incurred in Canadian dollars and US dollars. The Company is subject to gains and losses due to fluctuations in these currencies.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the Company has no interest-bearing debt.

Capital management

Capital of the Company consists of share capital, warrants, contributed surplus, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements.

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factors
11	Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from equity financings to meet the Company's liabilities and commitments as they become due."	Equity financings will be obtained.	The Company is unable to obtain future financing to meet liabilities and commitments as they become due.
11	Based on closing market price for the Company's common shares of \$3.27 on February 28, 2023, in-the-money stock options and warrants, if exercised, would provide the Company with proceeds of \$939,500.	Exercisable stock options and warrants remain in-the-money and stock option and warrant holders exercise exercisable stock options and warrant holders.	The common share price declines and exercisable stock options and warrants fall out-of-the-money. Stock option and warrant holders do not exercise exercisable stock options and warrant holders.

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the years indicated.

	9 months ended December 31,	
	2022	2021
	\$	\$
General and office expenses		
Premises	4,614	5,802
Office	127,706	66,295
Insurance	38,352	28,727
Health plan	3,451	30,503
Public company costs	187,547	97,374
	361,670	228,701

Exploration and evaluation

	March 31, 2022 \$	Acquisition cost \$	Exploration \$	Impairment \$	December 31, 2022 \$
Property					
La Victoria	6,142,164	–	252,492	–	6,394,656
Iska Iska	20,996,092	1,855,820	14,667,211	–	37,519,123
Other	–	–	9,828	(9,828)	–
	27,138,256	1,855,820	14,929,530	(9,828)	43,913,779

Shares Outstanding as at March 1, 2023**Shares***Authorized:*

An unlimited number of common shares without par value.

An unlimited number of redeemable, voting, non-participating special shares without par value.

Outstanding:

74,445,114 common shares

Warrants

Exercise price	Expiry date	Number of warrants
\$5.25	March 26, 2023	3,335,000
\$3.75	March 26, 2023	397,975
\$4.75	May 19, 2024	1,503,855
\$3.25	May 19, 2024	180,462
\$4.75	January 27, 2025	1,733,265
		7,150,557

Stock options

The shareholders of the Company approved a new Long-term Incentive Plan (the “Plan”) at an annual and special meeting held on September 27, 2022. The Plan received TSX Venture Exchange approval on October 31, 2022. With the implementation of the Plan, all previously issued stock options and restricted share unit awards, which were granted pursuant to the Company’s Stock Option Plan and Restricted Share Unit Plan respectively, will be governed by the Plan. The Plan permits the Board to make awards of stock options, restricted share units, performance share units and deferred share units. The maximum number of common shares for issuance under the Plan for stock options will not exceed 10% of the Company’s then issued and outstanding shares. The maximum number of common shares for issuance under the Plan for all other awards other than stock options will not exceed 10% of the Company’s issued and outstanding shares at the time of shareholder approval of the Plan.

The number of the common shares subject to each stock option grant, exercise price, vesting, expiry date and other terms and conditions are determined by the Board. The exercise price shall in no event be lower than the market price of the common shares on the grant date. Stock options shall be for a fixed term, not exceeding five years and unless otherwise specified, each stock option shall vest as to one third on each of the first through third anniversaries of the grant date.

Authorized:

7,444,511 stock options.

Outstanding:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
\$0.70	June 12, 2023	35,000
\$0.40	February 18, 2025	1,305,000
\$0.60	June 8, 2025	655,000
\$4.45	February 1, 2026	1,030,000
\$4.65	March 3, 2027	1,525,000
\$3.42	May 30, 2027	100,000
\$3.59	June 6, 2027	750,000
\$4.32	August 3, 2027	150,000
\$3.30	February 2, 2027	250,000
		<hr/> 5,800,000

Restricted share units, deferred share units and performance share units

Authorized:

6,987,897 aggregate total for restricted share units, deferred share units and performance share units.

Outstanding Restricted Shares Units:

Redemption date	Number of RSUs outstanding
June 6, 2025	750,000
December 31, 2025	2,350,000
December 31, 2026	300,000
	<hr/> 3,400,000

No deferred shares units or performance share units have been granted.