

Bocana Resources Corp.

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 Bocana Resources Corp. (the "Company") for the 6 months ended March 31, 2024 and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes.

The MD&A is the responsibility of management and is dated as of May 23, 2024.

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.sedarplus.ca and the Company's website at www.bocanaresources.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 9 for *Material assumptions and risk factors for forward-looking statements*.

The Company

The Company is a public company engaged in the acquisition, exploration and development of mineral resources in South America. The Company is the result of an amalgamation filed on December 29, 2022 under the *Business Corporation Act* in Alberta ("Amalgamation"). The Company's registered office is located at 800-333 7th Avenue S.W., Calgary, AB T2P 2Z1.

Proposed Transaction

On March 25, 2024, the Company signed a non-binding letter of intent ("LOI") for the proposed acquisition of all of the outstanding shares of a privately held Bolivian company, Empresa Minera Inti Raymi S.A. ("Inti Raymi"). The sole asset of Inti Raymi are a grouping of concessions known as Kori Pakaska (or "Project"), which includes two former open pit mines, an explored by not yet developed project, dumps and tailings stockpiles and historical processing and mining facilities, located between the mining districts of Oruro and La Joya in the Bolivian Altiplano, located approximately 200 km from the city of La Paz and 45 km from the city of Oruro, Bolivia.

Pursuant to the LOI, the Company may acquire all of the outstanding shares of Inti Raymi. In aggregate, the parties have agreed that a purchase price of up to a total of US\$75,000,000 (subject to adjustments to be described in the Definitive Agreement (defined below), to be paid as follows: (i) a cash down payment of US\$3,000,000 upon the closing of the Transaction; and (ii) the balance of to be financed by Inti Raymi shareholders to be satisfied through the expected monthly cashflow, at terms to be negotiated. The Company and Inti Raymi have undertaken to negotiate the Definitive Agreement by July 23, 2024, or such later date as the parties may mutually agree, and subject to the results of the due diligence investigations to be conducted by the Company.

The transaction contemplated by the LOI is subject to the following conditions:

- a) the entering into of a definitive share purchase agreement;
- b) the approval of the boards of directors of both the Company and Inti Raymi;
- c) the completion of a financing by the Company for gross proceeds of up to \$7,000,000, with the offering structure to be determined in the Definitive Agreement;
- d) the completion of satisfactory due diligence by the Company; and
- e) approval of the TSX Venture Exchange.

The Transaction is not subject to a finder's fee, however, finder's fees may be paid in connection with any capital that is raised in connection with the Transaction. The agreement was negotiated at arm's length. The transaction does not represent a change of business. There will be no change of directors or officers of the Company required by the transaction. The TSX Venture Exchange has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

History and Background of Inti Raymi and the Kori Pakaska Project

In the early 1980's, *Inti Raymi* started an open-pit operation and installed a plant with a treatment capacity of 400 tonnes/day. They installed a pilot plant under the heap leach method and subsequent recovery of noble metals with the Merrill - Crowe process to treat 400 metric tons per day in the San Andrés sector in 1985. By 1986-1987, the San Andres plant increased its capacity to 1,000 tonnes/day, and in September 1987, the treatment reached 2,000 tonnes/day with a production of 44 Kg Au per month. In 1988, Battle Mountain Gold Company joined as a partner and a capacity parallel to San Andrés of 2,000 metric tons per day at the Chuquina plant. In November 1990, the feasibility study for open-pit mining and the new process for the treatment of sulphide minerals were completed.

In 1998–1999, the sulfides of the deposit called Llallagua were investigated with pre-treatment by bio-oxidation. By 1995, the plant's capacity reached an average of 776 tonnes/hour compared with the design of 641 tonnes/hour. In 2001-2003, Newmont Mining Co. merged with Battle Mountain Gold Company, and became the major shareholder. The oxides project for heap leaching began in July 2001, with a treatment capacity of 15,000 tonnes/day. In 2003, the environmental rehabilitation of the tailings dam began, and the Kori Kollo Lake filling and ecological rehabilitation of the sterile material deposit was completed.

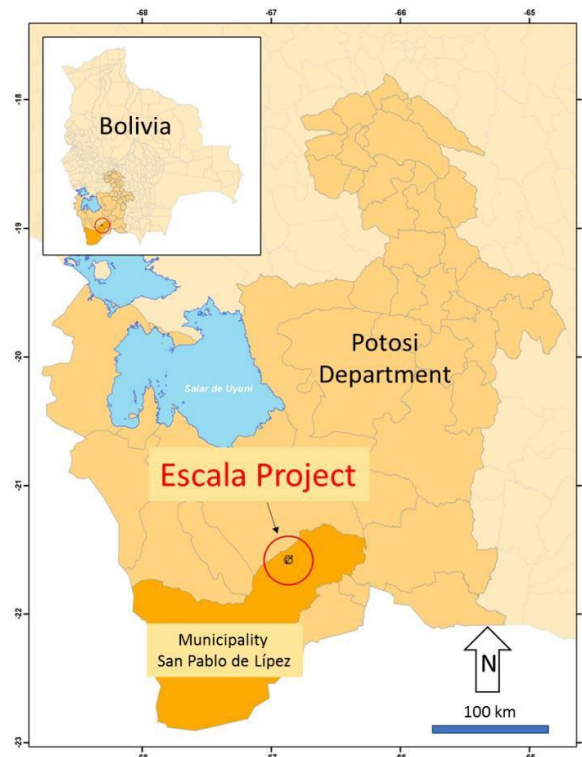
In addition to the Dumps stockpile, historic production records from 1993-2003 indicate the Kori Pakaska, dry stacked, tailing dam facility contains 65,919,472 tonnes of processed, mainly hypogene mineralization. Assay results from the 32 historic drill holes completed on the tailings indicate the tailings dam facility to have an average grade of 0.56 and 7.17 grams/tonne gold and silver respectively.

The Company plans to continue its metallurgical studies of the Project in order to determine the most optimal production operations with the objective of increasing the recovery of gold and silver from the large quantity of tailings and minimizing production costs for optimal staged production.

Escala Project

The Escala project is located in southwestern Bolivia in the northern part of the San Antonio de Lipez mining district. It is situated in the Municipality San Pablo de Lipez, Sud Lipez Province, Potosí Department, Bolivia. The center of the property is within UTM WGS-84, zone 19, at coordinates 721,000E and 7,611,250S respectively (66.865° W, 21.588° S).

The Company maintains a Bolivian holding company, Inversiones Bocana S.A. ("Bocana S.A.") where the Company directly controls 99.94% of the issued shares of Bocana S.A. and with the remaining 0.06% interest owned by two existing employees of the Company. This minimum three shareholder ownership structure is in accordance with Bolivian Commercial Code Section 220. Bocana S.A. is a holding company and Huiracocha International Service SRL ("Huiracocha") is a 100% wholly owned subsidiary of Bocana S.A. and has been granted the multiple concessions in the Escala Project in Bolivia.



The Escala Project consists of the Escala, Escala I, Escala II, and Escala III concessions that cover a total of 4,000 hectares.

| Name | COMIBOL Number | Area (hectares) | Earliest Expiration Date |
|------------|----------------|-----------------|--------------------------|
| Escala | 1694 | 2,000 | 2034 |
| Escala I | 29761 | 1,000 | 2034 |
| Escala II | 29763 | 600 | 2034 |
| Escala III | 29762 | 400 | 2034 |

Each of the four Escala leased concessions are under one "Mining Production Contract" ("MPC") entered into by Huiracocha and authorized and signed by COMIBOL on November 18, 2019, with a term of 15 years, computable from the next business day of its registration in the Mining Registry and is renewable for an additional 15 years thereafter.

Previously the Company reported the completion of an induced polarization (IP) geophysical survey on the Escala Project in south-west Bolivia. The historic IP surveys were limited in areal extent but did indicate the presence of extensive sulphide mineralization associated with an intrusive complex. The Company's IP survey entailed approximately 90-line kilometres and covered all known areas of mineralization to further determine the extent of the sulphide mineralization and spatial relationship of the various known zones to each other.

The Company also completed the following surface geological & geophysical work on the concession area and provided the following developments to the project:

- Detailed geological mapping of the Escala, Escala II and Escala III concessions;
- Established a 100m survey grid for an induced polarization (IP) geophysical survey on the Escala, Escala II and Escala III concessions;
- Existing drill hole collars have been surveyed during the survey for the geophysical grid (spring 2022);
- Collection of Induced polarization (IP) chargeability/resistivity data;
- A detailed topographic map at 2m contour interval has been completed from satellite imagery and orthophotos of the property have been compiled (spring 2022).

A technical report entitled "Technical Report for the Escala Project" dated August 23, 2022, was prepared in accordance with National Instrument NI 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101") by Greg Bronson, P.Geo., President & Senior Geologist of Rae-co Consulting Ltd., and an independent "Qualified Person", (as defined in NI 43-101).

Rae-co Consulting Ltd. was commissioned by the Company to complete a Canadian National Instrument 43-101 (NI 43-101) Technical Report on the Escala project, located in the Potosi Department of the San Lipez Province of Bolivia. The purpose of this report was to provide a technical summary of the Escala project to support regulatory requirements for the public listing of the Company. The following interpretations are made based on the recently completed geophysical survey and detailed geological mapping that was completed in Spring 2022. The interpretations of the geophysical data that have been completed are based on mapped and interpreted from the geophysical contractor.

The geological mapping of the concessions had shown that Miocene intrusives appear to have exploited a pre-existing NW trending structural fabric of the older basement rocks. The induced polarization survey, raw data interpretation and conclusions provided the following observations:

Chargeability Survey Results:

Cerro Galapago area shows a roughly circular induced polarization, chargeability anomaly is approximately 1,600 m by 1,700 m in area. Based on the size and shape of the chargeability anomaly, the Company geologists have interpreted that this area is potentially host to a large, near surface, porphyry system that likely offers a sizeable bulk tonnage drill target.

Cerro Blanco area shows a chargeability anomaly over 1,600 m with a north-westerly trend and with a 100-200 m width. In this area the mineralization may be more structurally controlled by sub vertical structures. The Company geologists see a strong structural influence on mineralization in this area and have interpreted vertical to subvertical structures that were not properly targeted during previous drill programs, which were mainly drilled vertically. This area has the potential to host a higher-grade mineralization.

Further to the south and east, in the historical area of known silver base metal veins, a chargeability anomaly of 1600 m trending north-west with a 400 m width was identified. This subsurface anomaly is coincident with outcrops of base metal veins and indicates very good potential for the continuation of the vein system to depth. The recently completed induced polarization geophysical survey located areas of high chargeability and resistivity anomalies, indicating an area of silicification/quartz veining with high sulphide content that has not been previously drill tested.

Resistivity Survey Results:

Cerro Galapago area shows low resistivity values around a central core surrounded by moderate to high resistivities bordering around the low resistivity central core.

Cerro Blanco area hosts an 800 m trend of moderate to high resistivities coincident with the 1600 m chargeability anomaly described above.

The center of the historical base metal/silver area shows a 1600 m diameter moderate to high resistivity anomaly.

Ground Magnetic Survey Results:

A ground magnetic survey was also conducted as part of the geophysical survey. A large scale magnetic high has a trend through the survey area at approximately 330 degrees in azimuth. With the geophysical data in hand, project mapping has been completed and diamond drill sites were identified for further exploration.

Geological Mapping Results:

The geological mapping that was completed in spring 2022 showed similar lithologies as previously reported on the property. These latest mapping efforts show a radial fracture pattern surrounding the potential Cerro Galapago porphyry system.

Conclusions:

In the Cerro Galapago area, the IP/resistivity geophysical survey suggests the presence of a disseminated sulfide related to porphyry system. This interpretation is corroborated by a large circular chargeability anomaly centered on the Cerro Galapago area, and a coincident low resistivity anomaly surrounded by radial fractures points to a porphyry system. Previous drilling only focused on the central core of the Cerro Galapago area. Only 3 holes were completed all within resistivity low of the central core area. None of the areas with moderate to high resistivity & chargeability have been drill tested.

The Cerro Blanco area displays a linear expression of a moderate to high IP chargeability anomaly. Coincident to the IP chargeability anomaly, there is an overlapping linear manifestation of high resistivity indicating a strong structural influence on mineralization.

There are currently 20 historical drill holes in the Cerro Blanco area. 75% of these drill holes were vertical holes. Considering that the recent geological mapping and geophysical survey shows that the mineralization in the Cerro Blanco area appears to be sub vertical to vertical, the probability of a vertical drill hole encountering mineralization is greatly reduced and may partially explain past drill results in this area.

In the historical silver/base metal vein area, the geophysical survey shows moderate to high chargeability anomalies that are strongly focused along the dominant property scale NW structural trend. This agrees with the surface mapping of vein exposures and supports the author's opinion that the mapped veins extend to depth in the subsurface.

The author of the 43-101 Technical Report for the Escala Project believes that the Escala project is a project of merit and warrants further exploration and the proposed 2-phase work program as outlined below.

Future exploration

As a result of this analysis, the Company intends to complete the work program set out in the Technical Report:

Phase 1

Phase 1 is a US\$650,000 first-year work program consisting of:

- Geophysical field work has been completed. The raw geophysical data has been compiled, mapped and interpreted by the geophysical contractor and subsequently provided to the Company geologist. After further evaluation and identification by the Company geologist, nine optimal drill site targets have been identified and are being located on the property site in preparation for the upcoming proposed diamond drilling program. (~US\$150,000)
- An initial diamond drilling program (~US\$500,000) has been contracted and completed with Leduc Drilling SRL, of La Paz Bolivia, for the first round of drilling. The proposed drilling program commenced at the end of September 2023 with nine proposed drill site locations and a minimum of 2,000m total. Each of the proposed location were to be drilled to a measured length of (+/-) 250m but upon completion the geological team recommended and completed seven holes accounting for the 2,001.8 metres drilled. Field geologists were directed to make special effort to log rock texture as part of the rock lithological descriptions collected during drilling. Rock texture will likely be key in delineating mineralized zones.
- All drill holes were inclined between 45-65 degrees as most mineralized structures identified to date are subvertical.
- The Cerro Galapago area was the primary target – where the Company geologists have interpreted a large porphyry system that likely offers a large bulk tonnage drill target. Five of the nine proposed drill targets are allocated to this effort (1,250 metres) and the first four of the seven drill holes were completed here.
- The Cerro Blanco area is the secondary target – the Company geologists here see a strong structural influence on mineralization and have interpreted subvertical structures that were not properly targeted during previous drill programs. This area has potential to host higher grade mineralization. Two of the nine drill targets have been allocated to Cerro Blanco area (500 metres) and HRC2305 and HRC 2306 were drilled.
- The known historical precious/base metal veins are a tertiary drill target and hole HRC 2307 was drilled in this area. Raw geophysics shows a strong chargeability anomaly drilling target and the two remaining drill targets have been allocation for this area. Each of these proposed nine drill targets could be changed once the actual drilling commences on the property site.

Depending on the success of the initial drilling program, an additional drilling program may be proposed as an immediate follow up to this effort.

If Phase 1 is successful and drill targets are defined a decision would have to be made whether to proceed with Phase 2.

Phase 2

Phase 2 would cost approximately US\$1,500,000 and consist of:

- Drilling prospective targets developed during Phase 1. An initial 6,000-meter core drill program is expected with US\$1,250,000 all in costs, including sampling and assaying; and
- Additional geophysics and property-wide geochemical sampling to identify potential additional areas of altered and mineralized rocks (US\$250,000).

2023 Diamond Drilling Program:

The Company signed a diamond drilling contracted with Leduc Drilling S.R.L., of La Paz, Bolivia, ("LeDuc") in early 2023 for the first phase ("Phase I") of the diamond drilling campaign. The Company representatives visited the site again and identified the initial nine drill hole locations that were proposed. The Company announced in mid-September that it had commenced the 2,000 metre diamond drilling campaign, with Leduc, on the Escala area concession.

On October 31, 2023, the Company announced the inaugural drilling campaign on the Escala area concession, was completed with a total of seven diamond drill holes totaling 2,001.8 metres in depth. The drilling tested both the Cerro Galapagos and Cerro Blancos areas as well as the Laura Zone.

On November 16, 2023, the Company completed the delivery of its select core samples for assay analysis. Of the six cores that were sampled, a total of 1,236.35 metres, or 75.12%, were submitted to ALS Bolivia Ltda for assay analysis.

Holes HRC2301-HRC2304 were completed for a total of 1,314.70 metres on the Cerro Galapagos, testing the large, induced polarization, chargeability anomaly that the geological mapping indicated.

HRC2301 ended at 295.5 metres with 202.60 metres, or 68.5% of it, submitted for analysis.

HRC2302 was drilled to a depth of 253.7 metres with 239.7 metres, or 94.5% of it, was submitted for analysis.

HRC2303 drilled to a total depth of 452.1 metres with 430.1 metres, or 95% of it, being submitted for analysis.

HRC2304 was drilled to a depth of 313.4 metres with 312.75 metres, or 99.8% of it, was submitted for analysis.

The Cerro Blanco area was a secondary target and had two cores drilled in this area. Bocana geologists saw a strong structural influence on mineralization in this area and have interpreted subvertical structures that were not properly targeted during previous drill programs. This area has the potential to host a higher-grade mineralization.

HRC2305 was drilled at a depth of 206.2 metres and submitted 22.65 metres for analysis.

HRC2306 was drilled to a depth of 125 metres and submitted 28.55 metres for analysis.

HRC2307 was drilled to a total depth of 355.9 metres and the Company will submit selected samples for analysis at a later time.

On January 12, 2024, the Company announced the assay results from holes HRC2301 and HRC2302 have been received, compiled, and reviewed. Both holes tested the southern flank of the Cerro Galapagos, induced polarization-chargeability anomaly. The purpose of these holes was to test the porphyry potential of a large dacitic intrusive. Extensive hydrothermal alteration and mineralization in the form of pyrite with trace amounts of arsenopyrite and chalcopyrite were encountered, however no potentially economic base-precious metal concentrations were encountered over significant core lengths.

On January 31, 2024, the Company announced the assay results from holes HRC2303 – HRC2305 that tested both the Cerro Galapagos and Cerro Blancos areas as well the Laura Zone.

The Cerro Galapagos target area hosts a large, multi-phased, felsic intrusive complex with extensive alteration and up to 4 phases of sulphide mineralization observed. Cerro Galapagos contains a large approximately, 2.0 X 2.0-kilometre, circular, induced polarization (IP) chargeability high and moderate to high resistivity anomalies. Diamond drill holes (HRC2303-HRC2304) were completed at Cerro Galapagos where a large, felsic porphyry complex containing multiple phases and extensive argillic and phyllic alteration zones occur.

HRC2303 is located approximately 200 metres north of the central core of the IP chargeability anomaly. The core depth was extended by more than 200 metres due to the extent of and the increasing concentrations of sulfides being observed with depth. Several intrusive phases were encountered, most of which were mineralized again by pyrite and minor arsenopyrite-pyrite phases. Starting at 277.0 metres for 1.8 metres of core length hydrothermal breccia with observed chalcopyrite was noted.

HRC2304 was added to the program after the visual sulfides concentration in HRC2303 and is located 100 metres southwest from the HRC2303 collar location. The hole contains several intrusive phases including intrusive and intrusion breccia and a significant increase in hydrothermal breccias. HRC2304 hosted at least 4 phases of mineralization with base metal mineralization occurring in the apparently youngest, hydrothermal breccias. Again, most of the rock types encountered were mineralized with pyrite and minor arsenopyrite mineralization as disseminations and fracture fillings. Three significant intervals of hydrothermal breccia were noted in Table # 1 and contained visible chalcopyrite, galena and sphalerite mineralization.

The Cerro Blanco target area hosted HRC2305 and HRC2306 holes. HRC2305-HRC2306 were completed for a total of 331.2 metres testing IP, chargeability, and resistivity highs. Both holes encountered approximately 5-10 metres of sediments before encountering a single phase of a quartz eye porphyry. Minor pyrite and chalcopyrite mineralization occurs at the sediment/intrusive contact in both holes and approximately 30 metres of crackle fractured intrusive in hole HRC2306 healed by finer grained pyrite with traces of chalcopyrite. As indicated in Table # 1, Hole HRC2305 encountered high grade copper and associated gold mineralization over a 0.18 metre interval.

Highlights of assay results for holes HRC2303-HRC2305 are as follows in Table # 1:

Table # 1 – Selected Assay Results

| Hole Number | From | To | Core Length* | Gold | Silver | Copper | Lead | Zinc |
|----------------|--------|--------|--------------|-----------|----------------|------------------|------------------|------------------|
| | (m) | (m) | (m) | (g/tonne) | (g/tonne) | (ppm) | (ppm) | (ppm) |
| | | | | | | | | |
| HRC2303 | 277 | 278.8 | 1.8 | 0.89 | 23.3 | 13600 | 75.7 | 188 |
| | | | | | | | | |
| HRC2304 | 208.84 | 210.27 | 1.43 | 3.12 | 78.9 | 8910 | 685 | 1564 |
| | 257.93 | 258.43 | 0.55 | 1.85 | >100 | >10000 | >10000 | >10000 |
| | 279.57 | 282 | 1.47 | 1.97 | >100 | >10000 | >10000 | >10000 |
| | | | | | | | | |
| HRC2305 | 42.82 | 43 | 0.18 | 4.11 | 97.5 | >10000 | 219 | 492 |

*Core length is not true width. True width is unknown.

Conclusions

The 2023 drilling program did locate an extensive, highly altered felsic porphyry system, with the continuity of gold throughout the potential bulk tonnage system remained generally low, under >0.10 g/t gold. However, significant concentrations of silver and gold also occurred in select areas. Several phases of mineralization occurred within the porphyry system, the apparent last phase was hydrothermal breccias with observed chalcopyrite, galena and sphalerite mineralization. The hydrothermal breccias encountered are probably associated with structures and might be in the form of “pipes”.

It was recommended to the Company that additional surveys be completed to determine the orientation and extent of these hydrothermal “pipes”. Additionally, detailed geological mapping within the Cerro Galapagos porphyry system, adding these core results with the historical diamond drilling results, is recommended prior to any additional drill testing, as part of the Phase 1 diamond drilling program recommendations found in the 43-101 Technical Report.

Risks and Uncertainties

Going concern

The Company is in the exploration stage and does not generate revenue. At March 31, 2024, the Company had a working capital deficit of \$89,534 (September 30, 2023 - working capital surplus of \$539,389) and for the 6 months ended March 31, 2024, the Company incurred a net loss of \$640,855 (2023 - \$1,744,020) and a cashflow deficit from operations of \$633,991 (2023 - \$647,023). The working capital deficit, net losses and cashflow deficits limit the Company's ability to fund its operations, the acquisition, exploration and development of mineral properties and the completion of the Transaction. The Company will periodically have to raise funds to continue operations, and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates it will need additional capital to operate for the upcoming year.

As a result, there is material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, illegal artisanal miners, aboriginal claims, and non-compliance with regulatory and environmental requirements.

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 March 31, | | 6 months ended March 31, | |
|----------------------------|---------------------------------|-------------|---------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Expenses | | | | |
| Professional fees | 9,606 | 11,988 | 20,820 | 76,553 |
| Consulting | 51,917 | 51,892 | 103,996 | 69,236 |
| Stock-based compensation | — | 40,000 | — | 40,000 |
| General and administrative | 8,463 | 9,039 | 16,418 | 9,110 |
| Public company costs | 12,049 | 11,645 | 13,531 | 47,515 |
| Investor relations | — | 7,500 | 7,500 | 7,500 |
| Exploration and evaluation | 116,594 | 83,646 | 486,151 | 119,268 |
| Travel | 809 | 3,152 | 809 | 4,080 |
| Listing costs | — | 15,000 | — | 1,381,475 |
| Interest | — | 2,147 | — | 5,037 |
| Foreign exchange loss | 154 | 6,860 | (3,601) | 6,893 |
| Interest income | (1,308) | (88) | (4,769) | (22,648) |
| | 198,284 | 242,781 | 640,855 | 1,744,020 |
| Net loss | (198,284) | (242,781) | (640,855) | (1,744,020) |

6 months ended March 31

The Company recorded a net loss of \$640,855 compared to a net loss of \$1,744,020 in the comparative period of the previous year. The decrease in the loss reflects the following:

- an increase in consulting fees, general and administrative and investor relations incurred subsequent to the Amalgamation.
- an increase in exploration and evaluation to \$386,151 (2023 - \$119,268).
- no listing costs incurred compared to the previous year when the Company incurred listing costs of \$1,381,475 including one-time legal fees, public company costs and listing fees, arising from the Amalgamation.

3 months ended March 31

The Company recorded a net loss of \$198,284 compared to a net loss of \$242,781 in the comparative period of the previous year. The decrease in the loss reflects the following:

- no stock-based compensation compared to \$40,000 in the comparative period of the previous year as no stock options were granted.
- an increase in exploration and evaluation to \$116,594 (2023 - \$83,646).
- a increase in consulting fees, general and administrative and investor relations incurred subsequent to the Amalgamation.

Summary of Quarterly Results

| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2022 | 2022 | 2023 | 2023 | 2023 | 2023 | 2024 | 2024 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | — | — | — | — | — | — | — | — |
| Net loss | | | | | | | | |
| - Total | 60,003 | 97,033 | 1,501,239 | 242,781 | 163,000 | 268,424 | 442,571 | 198,284 |
| - Per share | — | — | 0.03 | — | — | — | — | — |

Net loss for Q1 2023 includes aggregate one-time legal fees, public company costs and listing costs of \$1,467,911 arising from the Amalgamation.

Liquidity and Capital Resources

The Company is in the exploration stage and does not generate revenue. At March 31, 2024, the Company had a working capital deficit of \$89,534 (September 30, 2023 - working capital surplus of \$539,389) and for the 6 months ended March 31, 2024, the Company incurred a net loss of \$640,855 (2023 - \$1,744,020) and a cashflow deficit from operations of \$633,991 (2023 - \$647,023). The working capital deficit, net losses and cashflow deficits limit the Company's ability to fund its operations, the acquisition, exploration and development of its mineral properties and the completion of the Transaction. The Company will periodically have to raise funds to continue operations, and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates it will need additional capital to operate for the upcoming year.

For the year ended September 30, 2024, the Company estimates its corporate and general costs at approximately \$500,000. For the 6 months ended March 31, 2024, the Company incurred corporate and general costs of \$162,000.

Management is of the opinion that sufficient working capital will be obtained from equity financings and the exercise of warrants and stock options to meet the Company's liabilities and commitments as they become due.

Transactions with Related Parties

| | Consulting fees \$ | Outstanding at March 31, 2024 \$ |
|---|-----------------------------------|---|
| Tim Turner and Associates LLC, a company controlled by Timothy J. Turner, for his consulting services as Director and Chief Executive Officer | 81,196 | 135,500 |
| Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his consulting services as Director and Chief Financial Officer | 22,800 | 64,410 |
| Juan Carlos Quiroga for his exploration and evaluation services as manager of Huiracocha | 24,390 | — |

Financial instruments and risk management

Financial instruments

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and accounts payable and accrued liabilities

The fair values of cash and accounts payable and accrued liabilities, due at September 30, 2023 and March 31, 2024 approximated their respective carrying values due to their short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the number of observable inputs used to value the instrument:

- Level 1: quoted prices in active markets for identical assets and liabilities;
- Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data

There are no financial instruments measured at fair value.

Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration 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 these 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. The Company's maximum exposure to credit risk is equal to the Company's cash. The Company limits its exposure to credit risk on its cash by holding deposits with a Canadian chartered bank.

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, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral properties. Accounts payable and accrued liabilities are subject to normal trade terms.

Current liabilities of \$270,850 (September 30, 2023 - \$367,798) have contractual maturities less than 30 days and are subject to normal trade terms.

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.

Foreign exchange risk

Foreign exchange risk is the risk of financial loss to the Company due to a change in foreign exchange rates. The majority of the Company's cash is held in Canadian dollars. Foreign exchange risk arises as the Company makes expenditures denominated in US dollars and has cash of US\$5,737 (September 30, 2023 - US\$11,776) and accounts payable of US\$123,500 (September 30, 2023 - US\$174,236). If the foreign exchange related to the Company's US dollar balances increased or decreased by 10%, with all other variables held constant, the currency translation adjustment would have increased or decreased by \$16,000 (September 30, 2023 - \$21,965).

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations due to the limited number of transactions conducted in US dollars.

Capital management

Capital of the Company consists of share capital, common shares to be issued, 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.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issuance of common shares or advances from related parties. 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 factor |
|-------------|---|-------------------------------------|--|
| 9 | 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. |

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.

General and administrative expenses

| | 6 months ended March 31, | |
|--------------|---------------------------------|--------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Bank charges | 1,562 | 1,028 |
| Insurance | 14,402 | 8,082 |
| Office | 454 | — |
| | 16,418 | 9,110 |

Expensed exploration and evaluation

| | 6 months ended March 31, | |
|-----------------|---------------------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Property | | |
| Escala Project | 486,151 | 119,268 |

Shares Outstanding as at May 23, 2024**Shares***Authorized:*

An unlimited number of common shares.

An unlimited number of preferred shares issuable in series.

Outstanding:

101,227,661 common shares

Warrants*Outstanding:*

| Exercise price | Expiry date | Number of warrants |
|---|--------------------|---------------------------|
| \$0.10 (exercisable into a unit consisting of a common share and warrant) | January 3, 2026 | 132,800 |
| \$0.25 | January 3, 2026 | 4,202,500 |
| \$0.10 (exercisable into a unit consisting of a common share and warrant) | January 3, 2026 | 1,270,400 |
| \$0.25 | January 3, 2026 | 19,467,500 |
| | | 25,073,200 |

Stock options*Authorized:*

The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSXV. The maximum term for stock options is 5 years and stock options granted vest immediately.

Outstanding:

| Exercise price | Expiry date | Number of stock options |
|-----------------------|--------------------|--|
| \$0.10 | March 27, 2028 | 1,600,000 |
| \$0.10 | May 26, 2028 | 700,000 |
| | | <hr/> 2,300,000 |