MADORO METALS CORP.

Management Discussion & Analysis

Form 51-102F1

As at and for the six months ended August 31, 2022

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OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Madoro Metals Corp. (the "Company") and should be read in conjunction with the Company's interim condensed consolidated financial statements for the six months ended August 31, 2022 and audited financial statements for the year ended February 28, 2022; including the notes thereto (the "Financial Statements"), copies of which are filed on the SEDAR website: www.sedar.com.

All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's Financial Statements prepared in accordance with IFRS. Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Accordingly, actual results may differ materially from the expected results.

DESCRIPTION OF THE COMPANY'S BUSINESS

Madoro Metals Corp. (the 'Company'), incorporated in British Columbia on September 24, 1984, is an exploration stage public company primarily listed and trading on the TSX Venture Exchange (trading symbol "MDM"), quoted and trading on the OTC Markets in USA (trading symbol "MSTXF") and also quoted and trading on the German exchanges and quotation systems (under WKN: "A2QQ1X"). The Company is assessing its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves and confirmation of the Company's interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under mineral property agreements and to complete the development of the properties, and upon future profitable production or the sale thereof.

On August 24, 2018, the Company incorporated a subsidiary, Minera Mazateca, S.A. de C.V. ("Minera Mazateca" or "Subsidiary"), under the laws of the United Mexican States.

The Company is listed as a Tier 2 mining exploration issuer. The Company is primarily engaged in the acquisition, exploration and development of mineral properties in the state of Oaxaca, Mexico (via its subsidiary) and in Quebec, Canada. At August 31, 2022, the Company had no revenue producing operations and had an accumulated deficit of $6,955,628 (February 28, 2022 - $6,895,956) since its inception. The Company had working capital of $627,336 (February 28, 2022 - $718,686). On September 26, 2022, the Company closed a non-brokered private placement financing in the gross amount of $926,800 (see also "*Liquidity and Capital Resources*"). On September 26, 2022, the Company closed a non-brokered private placement financing in the amount of $483,500. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. During and after the six months ended August 31, 2022, the COVID-19 pandemic has relatively stabilized in Mexico, access to vaccines has become more widespread, but the impact on the national and local economies remains significant, negative, and widespread. The Company continues to monitor and assess the impact on its business activities. Most communities in the company's project areas have re-opened to outsider access, at least on a limited basis under each community's specific protocols, and we are re-engaging with communities to regain full access for exploration work. However, the full impact remains uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

The Financial Statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were exclusively funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

The head office, and principal address of the Company is Suite 1450, 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. The Company's registered and records address is at the corporate solicitor's office, Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard Street, Vancouver, BC, V6C 0A3.

OVERALL PERFORMANCE

MINERAL INTERESTS

RAMA DE ORO Project, Oaxaca, Mexico

On May 9, 2018, and as amended on August 10, 2020, the Company entered into an option agreement to acquire a 100% interest in the Rama de Oro Project, located in the state of Oaxaca, Mexico.

The Project lies to the northwest of and borders the La Calavera and Cobre Grande Cu-Zn porphyry-skarn projects in east-central Oaxaca. It also lies to the north of the WNW-ESE San José structural zone defined by Gold Resource Corporation. The Project is hosted by caldera-related Tertiary volcanic rocks (e.g. El Aguila model) crosscut by hydrothermal veining inferred to be related to late-stage granitic magmatism locally exposed as dikes and underlying the adjacent 'Nueve Puntos' mountain.

Access to the Project is provided by a two-lane paved highway from Oaxaca City followed by improved dirt roads from Santiago Matatlán to the western side of the project area. Numerous dirt farm roads and paths afford access to majority of the project area. Oaxaca City, Santiago Matatlán, and San Pablo Villa de Mitla are local sources of skilled workers, water, and power for the project.

To date, exploration work at Rama de Oro has consisted of reconnaissance geological mapping and rock-chip sampling. This work has outlined a 4 (four) square-kilometer zone of quartz veining, silicification, and clay alteration of volcanic rocks inside and near the eastern margin of a Miocene caldera. Several rock samples assayed anomalous values of gold, silver, arsenic, mercury, and antimony, suggesting that the present-day surface represents high structural levels of a precious metal system.

To earn the 100% interest, the Company is required to make total cash payments of US$35,000, issue a total of 2,900,000 common shares of the Company, and incur total work expenditures of US$350,000. An additional US$7,500 ($10,116) was paid in consideration of the amendment to the option agreement whereby the due date on the work expenditures was extended to May 9, 2022. As at August 31, 2022, the Company had incurred US$152,470 ($197,077) of work expenditures.

A 2% net smelter return royalty is payable to the optionor, of which the Company will have the right to purchase 1% of the royalty at any time for US$1,650,000.

Work on this project is currently paused pending community agreement for access. The Company continues to engage in negotiations with the community for access and drill permitting.

In February 2022, the Company provided formal written notice to the optionor that it is declaring force majeure, as provided under the agreement, as access to the property has been unavailable to the Company since almost the onset of the agreement. During the year ended February 28, 2022, the management impaired the carrying value of the property to $1. During the six months ended August 31, 2022, the Company incurred $23,075 which has been directly recognized as exploration expenditures in the statement of comprehensive income.

During the period ended August 31, 2022, the Company received written notice from the optionor (i) rejecting the Company's force majeure claim and (ii) purporting to terminate the option agreement on the basis that the Company failed to make the required work expenditures within the option period specified in the agreement. The Company considers itself to be in compliance with the terms of the option agreement, as amended, and intends to vigorously contest this termination notice.

YAUTEPEC Project, Oaxaca, Mexico

On June 1, 2018, and as amended on August 10, 2020, the Company entered into an option agreement to acquire a 100% interest in the Yautepec Project, located in the state of Oaxaca, Mexico.

The Yautepec Project comprises 4,861 hectares of Tertiary volcanic rocks highly prospective for hosting epithermal precious metal mineralization similar to that in the nearby producing Arista and Switchback mines at Gold Resources El Aguila project (20 km to the WNW) and Chesapeake Gold's La Gitana project (8 km to the east-southeast). The Yautepec project lies along a prominent northwest-southeast structural trend defined by small volcanic centers which include numerous identified Au-Ag prospects as identified in regional mapping by the Mexican Geological Survey (Servicio Geológico Mexicano (SGM)), none of which have been systematically explored by modern methods. The mapped altered rocks along this trend are part of a nearly 100-kilometer-long structural volcanic corridor that extends from the San Jose mine (Fortuna Silver) to the northwest, to Chesapeake Gold's Gitana project to the southeast. Outside of areas of active mining, the region has seen little to no systematic exploration, and the Yautepec project is inferred to represent one of the most prospective segments of the trend.

Multiple periods of geologic mapping and rock chip sampling were completed in 2019-2020. This work has identified volcanic caldera-related features which include rhyolite domes, breccias, and volcanic tuffs along a 22-kilometer trend. Evidence for a strongly developed epithermal system with the potential to host precious and base metal deposits in veins is found along at least 8.4 kilometers of this trend as evidenced by the presence of quartz veins and intrusive dike rocks, and fossil carbonate and silica hot springs deposits (travertine and sinter). Geochemical results from 321 rock chip samples reveal modest to strong anomalies in Au, Ag, Cu, Pb, Zn, Mo. As, Ba, Hg, Se, Te, and Tl as reported in news releases dated July 16 and August 22, 2019. No work has been conducted in 2021 in this principal northern portion of the project area owing to ongoing negotiations for a new community agreement for access. A community relations consultant is being used for the purpose of formal negotiations.

Multiple periods of reconnaissance field work were carried out in 2020 and in 2021 in the southern portion of the Yautepec project where the Company has maintained continuous community access. This field work resulted in the discovery of a previously unknown 7-km trend of epithermal alteration and veining along the trace of the southern projection of the Yautepec project supervolcano (caldera). Specific high-potential exploration targets in this area include the *Tecolote*, *Tortuga-Guiluna,* and *Southern Dike-Tepeztate* vein systems, which were discussed in a Company news release dated July 6th 2021. Highlights of this sampling include:

- *12.35 g/t Au and 1,250 g/t Ag* from a 0.10 meter quartz vein grab sample within a 400 by 200 meter stockwork vein complex ('Tecolote' zone), and
- *0.54 g/t Ag, 1630 ppm Cu, and 1.26 wt% Zn* from a 0.10 meter vein within a 1.1 km dike and vein system; samples along this zone ('Southern Dike') contain up to 0.30 g/t Au

The newly discovered epithermal trend lies at, or just below, a paleo-surface (i.e. fossil surface hot springs) level, indicating that potential bonanza grades in precious metals in this area, if present, remains conserved at depth.

The Company has maintained ongoing exploration access in the southern area and will soon be requesting support from the newly seated community leadership for permitting for drill testing.

To earn the 100% interest, the Company is required to make total cash payments of US$5,000 (paid), issue a total of 1,550,000 common shares of the Company (issued), and incur total work expenditures of US$310,000 (incurred). An additional US$2,500 ($3,372) was paid in consideration of the amendment to the option agreement whereby the due date on the work expenditures was extended to December 1, 2021.

During the year ended February 29, 2022, the Company met all its commitments under the agreement and thereby had acquired a 100% interest in the Yautepec Project.

A 2% net smelter return royalty is payable to the optionor, of which the Company will have the right to purchase 1% of the royalty at any time for US$1,650,000.

On June 24, 2022, the Company announced that it has exercised its option to acquire a 100% interest in the Yautepec project.

Cerro Minas

Successful negotiations were reached with Gunpoint Exploration Ltd. ('Gunpoint'), and its subsidiary, Minera CJ Gold S.A. de C.V., to acquire an inlier tenement ('Cerro Minas'; 899 hectares), per an agreement dated September 30, 2019. Under the terms of such Agreement, the Company may earn a 100% interest in Cerro Minas by paying Gunpoint US$100,000 and issuing 800,000 common shares as follows:

i. US$10,000 (paid $13,200) and 100,000 shares (issued) on the effective date of the agreement (October 23, 2019);
ii. US$20,000 (paid $26,602) and 150,000 shares (issued) on the first anniversary of the effective date of the agreement (October 23, 2020);
iii. US$30,000 (paid $37,719 on October 21, 2021) and 250,000 shares (issued on October 21, 2021) on the second anniversary of the effective date of the agreement (October 23, 2021); and
iv. US$40,000 (paid $56,665 on September 29, 2022) and 300,000 shares (issued on September 29, 2022) on the third anniversary of the effective date of the agreement (October 23, 2022).

As of the date of this report, the Company has fulfilled all the obligations as per the agreement and has fully exercised its option to purchase a 100% interest in the Cerro Minas mineral concession

All securities to be issued in connection with the transactions will be subject to a hold period of 4 months and one day from their date of issuance.

Gunpoint shall retain a 1.5% Net Smelter Returns Royalty on the Property, of which the Company may purchase, at any time, 0.5% for US$1,000,000.

The Cerro Minas property contains multiple areas of polymetallic (Au-Ag-Cu-Pb-Zn) skarn mineralization as documented in previous work by Gunpoint Exploration Ltd and visually confirmed by the Company prior to entering into the aforementioned agreement. The Company plans to conduct confirmation field work and drill target identification and permitting in 2023.

The Company has recently re-entered negotiations for access and permission for drill permitting and has engaged a community relations consultant for this purpose.

The Company has initiated a formal petition for titles for several of the Yautepec Project applications in response to the Mexico Mines Department suspension of new titles during the administration of President Lopez Obrador. The Company anticipates a resolution of this petition within the second calendar semester of 2022.

MAGDALENA Project, Oaxaca, Mexico

On June 1, 2018, and as amended on August 10, 2020, the Company entered into an option agreement to acquire a 100% interest in the Magdalena Project, located in the state of Oaxaca, Mexico.

The Magdalena Project comprises a single 480-hectare property in the central portion of the Oaxaca Au-Ag polymetallic epithermal belt in the Sierra Madre del Sur, Mexico, 20 kilometers east-northeast of Gold Resource Corporation's producing Au-Ag-base metal Arista-Switchback Mine, and 22 kilometers south of the Company's Yautepec project. Extensive felsic tuffs mapped by the Mexican Geological Survey (SGM) were interpreted by the late David Jones as a caldera setting similar to that of both the nearby Gold Resource Corporation mine area and the Company's recently acquired Rama de Oro Project. Historical sampling of strongly clay- and silica-altered rocks at Magdalena reported values up to 0.705 g/t Au, 15.2 g/t Ag, 2700 ppm As, 53 ppm Bi, 357 ppm Cu, 12,780 ppm Hg, 38 ppm Mo, 2730 ppm Pb, and 147 ppm Zn. The area of coincident metals anomalies, clay and silica alteration, sulfate (gypsum) deposition, and minor rhyolite diking, lies along a prominent NW-SE structural trend (SGM mapping) adjacent to an inferred caldera margin. The presence of various types of chalcedonic and vuggy silica, elevated pathfinder metals (Hg, As), and extensive sulfate deposition (gypsum) indicates exposures at the highest levels of an anomalous Au-Ag-base metal system with excellent exploration potential.

Two periods of geologic mapping and rock chip geochemical sampling were completed during the second half of 2019, as reported in a Company news release dated December 5, 2019. This work identified characteristics of a significant epithermal system developed within and along the structural boundary of a partially defined Tertiary caldera system. Strong epithermal alteration was mapped along a minimum 1.7 km E-W structural trend that shows sheeted quartz veining and silicification in conjugate NNW to NNE-NE structural sets. The setting is the eastern structural margin of the caldera where it intersects a prominent regional E-W structural trend. Approximately 4,100 square meters of silicified bladed calcite textures were mapped within a larger area of strong and sheeted quartz veining. Geochemical sampling result highlights include two samples above 3.00 g/t gold, 12 samples above 1.00 g/t gold, and 54 samples above 0.20 g/t gold from a quartz veined area of approximately 375 meters E-W by 190 meters N-S. Mound-like silica forms within 250 meters of this area are interpreted as silicified stromatolites related to a fossil hot springs system, this suggesting that the entire vertical extent of the potential 'bonanza' grades , if present, may be conserved at depth.

No field work was conducted during the years 2020 and 2021 owing first to a lack of community permission and later to extended closures owing to COVID-19 restrictions. The community has recently re-opened, and formal negotiations for access are being conducted using a contracted community relations consultant.

To earn the 100% interest, the Company is required to make total cash payments of US$5,000 (paid), issue a total of 1,550,000 common shares of the Company (issued), and incur total work expenditures of US$230,000. An additional US$2,500 ($3,372) was paid in consideration of the amendment to the option agreement whereby the due date on the work expenditures was extended to December 1, 2022. As at August 31, 2022, the Company had incurred US$194,367 ($257,917) of work expenditures.

The Company shall also pay, for and on behalf of Minera Zalamera, all cash payments to be made to the Concession holder for a total amount of $50,000 (paid) over an 18-month period and the granting of a 1% net smelter returns royalty.

A 2% net smelter returns royalty is payable to the optionor, of which the Company will have the right to purchase 1% of the royalty at any time for US$1,650,000.

The Company remains engaged in active ongoing negotiations for access and permission for drill permitting and has engaged a community relations consultant for this purpose.

In February 2022, the Company provided formal written notice to the optionor that it is declaring force majeure, as provided under the agreement, as access to the property has been unavailable to the Company for more than two years. During the year ended February 28, 2022, the management impaired the carrying value of the property to $1. During the six months ended August 31, 2022, the Company incurred $7,412 which has been directly recognized as exploration expenditures in the statement of comprehensive income.

During the period ended August 31, 2022, the Company received written notices from the optionor (i) rejecting the Company's force majeure claim and (ii) purporting to terminate the option agreement on the basis that the Company failed to make the required work expenditures within the option period specified in the agreement. The Company considers itself to be in compliance with the terms of the option agreement, as amended, and intends to vigorously contest this termination notice.

RALLEAU Property, Quévillon, Quebec:

The Ralleau property located within the Abitibi greenstone belt approximately 40 km east of Quévillon, Quebec. Previous mapping and sampling have identified anomalous Cu-Zn Volcanogenic Massive Sulphide (VMS) style mineralization and alteration on the property. Several untested airborne INPUT geophysical anomalies occur within felsic volcanic rocks from which anomalous base metal values have been returned in surface sampling. As of the date of this report, the Ralleau property comprises 59 contiguous mineral claims covering approximately 3,324 hectares.

From 2006 to 2010, the Company has completed the following exploration work in several successive programs:

- 75 km of line cut grid
- ground magnetic and deep EM surveys
- 1,545.7 meters (5 holes) of diamond drilling
- trenching and channel sampling
- 1,457-line km of helicopter-borne VTEM Survey spaced at 75-meter intervals that identified a total of forty-nine anomalies of which eight were classified as Priority One
- Preliminary ground-proofing of VTEM anomalies together with minor mapping and prospecting

On April 5, 2017, the Company entered into an option agreement with DeepRock Minerals Inc. ("optionee") on the Company's wholly owned Ralleau Property. Under the terms of the option agreement and as amended on March 15, 2018 (1st Amending Agreement), on June 30, 2018 (2nd Amending Agreement), on April 20, 2020 (3rd Amending Agreement), and on March 12, 2021 (4th Amending Agreement) the optionee will be deemed to have exercised its option to acquire a 50% interest in the property by making a payment of $75,000 in cash, issuing 1,400,000 common shares to the Company and incurring exploration expenditures of $250,000. With the payment of $50,000 on March 24, 2021, the optionee has met all its obligations and has acquired a 50% interest in the property.

RESULTS OF OPERATIONS

Three months ended August 31, 2022

The Company had a comprehensive loss of $128,628 for the three months ended August 31, 2022, (August 31, 2021 - $95,799). During the three months ended August 31, 2022, the Company had an unrealized loss on marketable securities of $16,475 (August 31, 2021 - $12,974), and a loss on foreign exchange of $729 (August 31, 2021 - $3,307.

The Company's significant operating expenses included the following:

- Exploration expenditures of $28,005 (2021 - $Nil)
- Management fees of $24,000 (2021 - $24,000)
- Accounting and audit fees of $25,169 (2021 - $15,451)
- Legal fees $17,017 ($1,769)
- Consulting fees of $5,992 (2021 - $23,624)

Exploration expenditures of $28,005 (2021 - $Nil) consist of the expenses paid related to Company's exploration activities conducted during the period ended August 31, 2022. Pursuant to the Notices received in relation to Rama de Oro and Magdalena properties, the Company has charged all the expenses incurred on these two properties to the income statement.

Management fees of $24,000 (2021 - $24,000) consist of payments made to the companies controlled by the CEO and CFO as discussed under the heading "Transactions with Related Parties.". No changes were made in the compensation rate of CFO and CEO. Hence, management fees for the three months ended August 31, 2022, and 2021 remain the same.

Accounting and audit fees of $25,169 (2021 - $15,451) consist of expenses relating to the Company's financial recording and reporting activities. The increase mainly pertains to an increase in the audit fees for the period ended August 31, 2022.

Legal fees of $17,017 ($1,769) pertains to expenses paid to a lawyer for legal and corporate affairs. The increase relates to the services rendered in August 2022 for submission and filing of response related to the termination notice received regarding the mineral properties.

Consulting fees of $5,992 (2021 - $23,624) relate to fees paid to consultants for the Company's marketing, business development, financing advisory and corporate secretarial services (see "Transaction with Related Parties"). These expenses cannot be directly attributed to any particular project and have therefore been expensed as general consulting. In response to the COVID-19 impact on market, the management limit the marketing and corporate awareness activities which resulted in the decrease in the consulting fees during the three months ended August 31, 2022.

The net loss during the current period was lower than the corresponding period in the year limited exploration and administration activities during the three months ended August 31, 2022.

Six months ended August 31, 2022

The Company had a comprehensive loss of $194,405 for the six months ended August 31, 2022, (August 31, 2021 - $161,175). During the six months ended August 31, 2022, the Company had an unrealized loss on marketable securities of $34,850 (August 31, 2021 - $5,200), and a gain on foreign exchange of $4,061 (August 31, 2021 - loss of $3,818)

The Company's significant operating expenses included the following:

- Exploration expenditures of $30,488 (2021 - $Nil)
- Management fees of $48,000 (2021 - $48,000)
- Accounting and audit fees of $33,674 (2021 - $27,151)
- Legal fees $17,261 ($2,688)
- Consulting fees of $15,000 (2021 - $43,417)

Exploration expenditures of $30,488 (2021 - $Nil) consist of the expenses paid related to Company's exploration activities conducted. The increased pertains to the fees incurred related to the consulting and staking activities in Rama de Oro and Magdalena properties for the six months ended August 31, 2022.

Management fees of $48,000 (2021 - $48,000) consist of payments made to the companies controlled by the CEO and CFO as discussed under the heading "Transactions with Related Parties.". No changes made in the compensation rate of CFO and CEO. Hence, management fees for the six months ended August 31, 2022, and 2021 remain the same.

Accounting and audit fees of $33,674 (2021 - $27,151) consist of expenses relating to the Company's financial recording and reporting activities. The increase mainly pertains to an increase in the audit fees for the period ended August 31, 2022.

Legal fees of $17,261 ($2,688) pertains to expenses paid to a lawyer for legal and corporate affairs. The increase relates to the services rendered in August 2022 for submission and filing of response related to the termination notice received regarding the mineral properties.

Consulting fees of $15,000 (2021 - $43,417) relate to fees paid to consultants for the Company's marketing, business development, financing advisory and corporate secretarial services (see "Transaction with Related Parties"). These expenses cannot be directly attributed to any particular project and have therefore been expensed as general consulting. In response to the COVID-19 impact on market, the management limit the marketing and corporate awareness activities which resulted in the decrease in the consulting fees during the six months ended August 31, 2022.

The net loss during the current period was lower than the corresponding period in the year limited exploration and administration activities during the six months ended August 31, 2022.

The Company incurred the following exploration expenditures during the six months ended August 31, 2022, and year ended February 28, 2022:

Expenses incurred during the six months ended August 31, 2022					
	Ralleau Project Quebec, Canada	Rama de Oro Project Oaxaca, Mexico	Magdalena Project Oaxaca, Mexico	Yautepec Project Oaxaca, Mexico	Total
Consulting fees	$ -	$ -	$ -	$ 5,637	$ 5,637
Staking fees and claim maintenance	927	23,075	5,709	10,694	39,478
Tools and supplies	-	-	1,703	-	1,703
Rent	-	-	-	5,658	5,658
Total	**$ 927**	**$ 23,075**	**$ 7,412**	**$ 21,989**	**$ 52,477**

Expenses incurred during the year ended February 28, 2022				
	Rama de Oro Project Oaxaca, Mexico	Magdalena Project Oaxaca, Mexico	Yautepec Project Oaxaca, Mexico	Total
Consulting fees	$ 3,646	$ 6,566	$ 119,385	$ 129,597
Staking fees	39,298	8,546	25,049	72,893
Assays and testing	2,871	1,032	15,956	19,859
Tools and supplies	-	1,111	13,425	14,536
Travel	415	-	5,467	5,882
Rent	-	-	2,342	2,342
License and taxes	-	-	94	94
Total	**$ 46,230**	**$ 17,255**	**$ 181,718**	**$ 245,203**

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The Company's operating results from the last eight quarters are summarized as follows:

	Three months ended			
	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021
Net loss	$ (128,628)	$ (65,777)	$ (1,003,282)	$ (153,208)
Loss per share	$ (0.002)	$ (0.001)	$ (0.015)	$ (0.002)

	Three months ended			
	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Net loss	$ (95,799)	$ (65,376)	$ (12,152)	$ (72,808)
Loss per share	$ (0.001)	$ (0.001)	$ (0.001)	$ (0.001)

Over the past eight fiscal quarters, the comprehensive loss of the Company ranged from a high of $1,003,282 in the fourth quarter of the fiscal year 2022 to a low of $12,152 during the fourth quarter of the fiscal year 2021. During the fiscal year ended February 28, 2021, the net loss of the Company showed a declining trend due to limited business being conducted amid COVID-19. With the ease in the restrictions from Mexican authorities, the Company resumed its exploration activities on the Mexican properties which explains the increasing trend in net loss during the fiscal year 2022. Significant loss during the fourth quarter of the fiscal year 2022 reflects the impairment of the Rama de Oro and Magdalena projects in response to the termination letters received from the optionors. As of the date of this report, management is evaluating the best course of action on how to respond to the termination letters. The overall variation in the comprehensive loss is primarily due to the high variations in the gain or loss on foreign exchange and unrealized gain or loss on marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2022, the Company had net working capital of $627,336 (February 28, 2022 – $718,686) including cash and cash equivalents of $534,797 (February 28, 2022 - $559,078).

The Company anticipates increases in share capital activities and consulting fees as the Company increases its activities to meet project exploration obligations. General and administrative expenses, management fees and other expenses are expected to remain the same over the next quarters. Consequent to the recently received termination letters concerning the mineral properties, the Company expects limited property expenditures during the year 2022. The Company has enough funds to support property, compliance and general and administrative expenses for the current fiscal year but may require additional financing to fulfill project expenditure requirements for the next fiscal year.

Share transactions after the six months ended August 31, 2022

On September 29, 2022, pursuant to the option agreement to acquire Cerro Minas, the Company issued 300,000 shares at $0.075 per share for a total value of $22,500.

On September 26, 2022, the Company closed a non-brokered private placement financing in the amount of $483,500. Under the terms of the private placement, the Company has issued 9,670,000 units at a price of $0.05 per unit. Each unit comprises one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each whole warrant will allow the holder to purchase an additional common share of the Company at a price of $0.08 for a period of 24 months.

Share transactions during the six months ended August 31, 2022

There were no share transactions during this period.

Share transactions during the year ended February 28, 2022

On October 21, 2021, pursuant to the option agreement with respect to the Cerro Minas project, the Company issued 250,000 common shares valued at $17,500.

During the year ended February 28, 2022, 6,247,500 of the outstanding warrants were exercised at a price of $0.10 per share and 560,000 of the outstanding warrants were exercised at a price of $0.06 per share. The aggregate value of proceeds received was $658,350.

Cash Flow Activities:

Six months ended August 31, 2022:

Cash balances decreased by $24,281 during the period ended August 31, 2022 and increased by $370,791 during the period ended August 31, 2021.

During the period ended August 31, 2022, cash used in operating activities before changes in working capital was $159,549 as compared to $155,966 during the period ended August 31, 2021. The change in cash flows from operating activities as compared to the prior period was primarily due to decreased field expenses during the current period.

Cash used in investing activities during the period ended August 31, 2022, was $22,916, compared to cash used in investing activities of $142,349 during the period ended August 31, 2021. The amounts consist of exploration and evaluation expenditures incurred on the Company's Yautepec Project and Ralleau Project. The decrease in cash outflows during the current period as compared to the prior period was due to reduced exploration activities on the mineral properties as a result of reduced access restrictions on the mineral sites.

Cash provided by financing activities during the period ended August 31, 2022, was $125,965 compared to the cash provided by financing activities of $658,350 during the period ended August 31, 2021. The cash inflow during the current period is significantly lower due to the fact that there was not much financing activities were made during the period ended August 31, 2022.

Outstanding Share Data

There were 77,896,716 common shares, 4,835,000 share warrants and 444,000 stock options outstanding as of the date of this report.

	Number of shares		Share capital
Balance, February 28, 2021	60,869,216	$	7,623,899
Shares issued for exercise of warrants	6,807,500		658,350
Fair value of share warrants exercised	-		14,882
Shares issued for exploration and evaluation assets	250,000		17,500
Balance, February 28, and August 31, 2022	67,926,716	$	8,314,631

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at August 31, 2022 or as of the date of this report.

TRANSACTIONS WITH RELATED PARTIES

The amounts due to/from related parties are amounts due to the directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in the Financial Statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at August 31, 2022, $15,810 (February 28, 2022 - $17,025) was due to directors and officers of the Company.

	As at			
		August 31, 2022		February 28, 2022
Company controlled by Chief Executive Officer ('CEO')	**$**	**4,200**	$	4,200
Company controlled by Chief Financial Officer ('CFO')		**8,700**		10,200
Company controlled by Corporate secretary		**2,910**		2,625
	$	**15,810**	$	17,025

During the six months ended August 31, 2022, and 2021, the Company entered into the following transactions with related parties:

	Six months ended			
		August 31, 2022		August 31, 2021
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:				
Management fees	**$**	**48,000**	$	48,000
Consulting fees		**15,000**		23,317
Professional fees		**10,872**		9,273
Mineral exploration consulting		**-**		50,173
	$	**73,872**	$	130,763

Management fees consisted of the following:

	Six months ended			
		August 31, 2022		August 31, 2021
Company controlled by CEO – Dusan Berka	**$**	**24,000**	$	24,000
Company controlled by CFO – Zara Kanji		**24,000**		24,000
	$	**48,000**	$	48,000

Consulting fees consisted of the following:

	Six months ended			
		August 31, 2022		August 31, 2021
Company controlled by the corporate secretary – Kelly Pladson	**$**	**15,000**	$	15,000
Company controlled by former director – David Jones		**-**		8,317
	$	**15,000**	$	23,317

Professional fees were paid or accrued to the following:

	Six months ended			
		August 31, 2022		August 31, 2021
Company controlled by CFO	**$**	**10,872**	$	9,273
	$	**10,872**	$	9,273

Mineral exploration consulting fees were paid or accrued to the following:

	Six months ended			
		August 31, 2022		August 31, 2021
Company controlled by former director – David Jones	**$**	**-**	$	50,173
	$	**-**	$	,173

CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting estimates, the readers are directed to Note 3 of the Financial Statements that are available on SEDAR at www.sedar.com.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Financial Statements that are available on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

Limited Operating History

The Company has no history of business or mining operations, revenue generation or production. The Company was incorporated on September 24, 1984 and has yet to generate a profit from its activities. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods is tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, and variations in the grade of minerals explored. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot guarantee that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

No Mineral Reserves or Mineral Resources

The properties in which the Company holds an interest are considered to be early exploration stage properties and no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill holes and facility sites be operated, maintained, abandoned and/or reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of, the properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Conflicts of Interest

Certain directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company shares. The Company does not intend to maintain insurance against environmental risks.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Public Health Crisis

During and after the six months ended August 31, 2022, the COVID-19 pandemic has relatively stabilized in Mexico, access to vaccines has become more widespread, but the impact on the national and local economies remains significant, negative, and widespread. The Company continues to monitor and assess the impact on its business activities. Most communities in the company's project areas have re-opened to outsider access, at least on a limited basis under each community's specific protocols, and we are re-engaging with communities to regain full access for exploration work. However, the full impact remains uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompletion of development or construction activities, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company’s business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

MANAGEMENT’S REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim condensed consolidated financial statements and the audited annual consolidated financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument (“NI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification includes a ‘Note to Reader’ stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

FINANCIAL AND OTHER INSTRUMENTS

Fair values

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value measurements is required. The three levels of fair value hierarchy are as follows:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

c) Level 3 – Inputs for assets or liabilities that are not based on observable market data.

Financial instrument risks

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Instruments		**As at August 31, 2022**		As at February 28, 2022
Cash and cash equivalents	**$**	**534,797**	$	559,078
Amounts receivable		**6,606**		2,425
Marketable securities		**169,975**		204,825
Accounts payables		**(76,741)**		(47,349)
Due to related parties		**(15,810)**		(17,025)
Total	**$**	**618,827**	$	701,954

The Company's cash and cash equivalents, and marketable securities are valued using quoted market prices in active markets for identical assets, and therefore are classified as Level 1.

The fair value of amounts receivable, accounts payable and accrued liabilities and due to related parties approximates their carrying values due to their short term to maturity.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash, cash equivalents and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at August 31, 2022, the Company had a net working capital of $627,336 (February 28, 2022 – $718,686). The payment terms for accounts payable and accrued liabilities from vendors are generally 30 days or due on receipt.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company's marketable securities bear market price risk. The maximum exposure to this risk is equal to the carrying value of the investment.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company has no significant interest rate risk. As of August 31, 2022, the Company had cash and cash equivalents balance of $534,797 (February 28, 2022 - $559,078) of which $11,000 was in a term deposit, earning interest at a rate of 0.05% per annum. The Company had no interest-bearing debt.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to amounts payable and Mexican property expenditures that are denominated in US dollars and Mexican pesos. A 10% fluctuation in the Mexican peso against the Canadian dollar will affect comprehensive loss for the year by approximately $6,251.

OTHER MATTERS

Legal proceedings

The Company is not aware of any legal proceedings.

Contingent liabilities

At the date of report, management was unaware of any outstanding contingent liability relating to the Company's activities.

PROPOSED TRANSACTIONS

The Company had no proposed transactions.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses and exploration expenditures are provided in the Financial Statements of the Company.

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedar.com.