



REYNA SILVER CORP.
(An Exploration Stage Company)

**Management Discussion and Analysis
For the Year Ended December 31, 2023**

Dated: April 26, 2024

410-325 Howe Street
Vancouver, British Columbia, Canada
V6C 1Z7

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Reyna Silver Corp. ("Reyna Silver" or the "Company") and has been prepared based on information known to management as of April 26, 2024.

The MD&A is intended to complement and supplement the Company's consolidated financial statements, but it does not form part of those consolidated financial statements. The MD&A should be read in conjunction with the audited consolidated financial statements and the related notes for the years ended December 31, 2023 and 2022 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included in those financial statements and/or this MD&A are quoted in Canadian dollars unless otherwise specified.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future results. Consequently, certain statements contained in this MD&A constitute expressed or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

Forward looking statements that have been made in this MD&A include:

- Plans for exploration of the Company's exploration and evaluation assets;
- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company's exploration and evaluation assets in Mexico and USA (Nevada);
- References to future commodity prices;
- Budgets or estimates with respect to future activities;
- Estimates of how long the Company expects its working capital to last;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties; and
- Management expectations of future activities and results.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR+ at www.sedarplus.ca and/or on the Company's website at www.reynasilver.com.

SUMMARY AND OUTLOOK

Reyna is a growth-oriented junior exploration and development company. The Company focuses on exploring for high-grade, district-scale silver deposits in Mexico and USA.

The environment for junior resource companies has been challenging for many months and it is anticipated that recovery of the sector may take many more months. We evaluate our projects on a regular basis using criteria that include political environment, relative cost of exploration, seasonality and type of mineral. As a result of our review, we may from time to time add or drop specific Mineral Properties.



On February 13, 2023, the Company completed the first tranche of a non-brokered private placement by issuing 16,666,000 units ("Unit") at a price of \$0.30 per Unit for gross proceeds of \$4,999,800 and on February 23, 2023, the Company completed the second tranche of a brokered private placement by issuing 10,039,720 units at a price of \$0.30 per Unit for gross proceeds of \$3,011,916. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche.

In connection with the private placement, the Company paid a total of \$527,833 cash finder's fee, issued 1,166,620 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 13, 2025, and issued 686,572 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 23, 2025. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche.

On December 14, 2023, the Company issued 125,000 common shares with a fair value of \$28,750 to Golden Gryphon USA Inc. pursuant to the property option agreement.

On February 26, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 13,934,367 units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,672,124, on March 6, 2024, the Company completed the second tranche of a brokered private placement by issuing 20,642,276 units at a price of \$0.12 per Unit for gross proceeds of \$2,477,073, and on March 13, 2024, the Company completed the third tranche of a brokered private placement by issuing 3,756,691 units at a price of \$0.12 per Unit for gross proceeds of \$450,803. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.20 until February 26, 2027 for the first tranche, until March 6, 2027 for the second tranche, and until March 13, 2027 for the third tranche.

In connection with the private placement, the Company paid a total of \$269,464 cash finder's fee, issued 926,336 compensation warrants, each of which is exercisable into one common share at a price of \$0.12 until February 26, 2027, issued 1,080,490 compensation warrants, each of which is exercisable into one common share at a price of \$0.12 until March 6, 2027, and issued 238,712 compensation warrants, each of which is exercisable into one common share at a price of \$0.12 until March 13, 2027.

The Company uses the net proceeds from the private placements and the exercise of options, finder's warrants and warrants, if any, for the exploration of the Company's Guigui and Batopilas projects in Mexico, as well as for Medicine Spring and Gryphon Summit projects in USA, and for general working capital purposes.

For the 2024 fiscal year, the Company continues to monitor its cash very closely and focuses on key objectives to improve shareholder value.

Additional Mineral Property information, including 2023 activity, can be found in Section 3 and more detailed Mineral Property information can be found on the Company's website at www.reynasilver.com.

Management's overall expectations for the Company are positive, due in part to the following factors:

- ❑ The Company focuses its portfolio of properties with potential for high-grade, district-scale silver deposits;
- ❑ The Company's exploration team has an exceptional track record of discoveries; and
- ❑ The Company completed three tranches of a financing in February and March 2024.

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1. Background

Reyna Silver was incorporated in British Columbia, Canada, on August 24, 2017 under the *Business Corporations Act of British Columbia*. The Company changed its name to its current name and began trading on TSX Venture Exchange (the “Exchange”) on June 17, 2019 under the symbol “RSLV”.

Historical information on the formation of the Company can be found on the Company’s website www.reynasilver.com or on SEDAR+ at www.sedarplus.ca.

2. Overview

2(a) Company Mission and Focus

With an exceptional exploration team, the Company focuses its exploration work in a portfolio of properties with potential for high-grade, district-scale silver and silver-gold deposits.

2(b) Qualified Person

Dr. Peter Megaw, Ph.D., C.P.G., is the Company's Qualified Person under NI 43-101, reviewing the technical aspects of exploration projects described herein and is responsible for the design and conduct of the exploration programs and the verification and quality assurance of analytical results. Dr. Megaw is not independent as he and/or companies with which he is affiliated hold Net Smelter Royalties on the Guigui and Batopilas Projects that predate Reyna Silver acquiring them.

2(c) Description of Metal Markets

Silver prices have remained above their long term averages, albeit with high levels of volatility.

2(d) Use of the terms “Mineral Resources” and “Mineral Reserves”

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

3. Mineral Properties

The Company has properties in Mexico, an option to acquire 80% of the Medicine Springs property and an option to acquire 70% of the Gryphon Summit together with Reyna Gold Corp. (“Reyna Gold”) (a company with common directors) in Nevada, USA.

3(a) Mexico

i. Batopilas Property

The Company acquired 100% interest of the Batopilas Property pursuant to the Asset Purchase and Sale Agreement (the “Agreement”) with MAG Silver Corp. (“MAG Silver”) on June 29, 2018. The Batopilas Property, consisting of 10 concessions (1,169.7313 hectares) is located in Chihuahua Mexico.

The Batopilas property is subject to a 4.5% net smelter royalty (“NSR”) payable to the underlying owner with a right of first refusal.

On May 2, 2023, the Company provided an update on its 2023 exploration program at Batopilas and noted that drilling would resume once the final combining of historical data, drill results, geophysical surveys and detailed follow-up work was complete. The preliminary plan was to drill a minimum of 3,000m; logistical preparations were underway and drilling should commence in the coming weeks.

On June 29, 2023, the Company announced that drilling had commenced at Batopilas project.

The 3,000 m drilling program will test targets generated over the past year following recognition of the overlapping gold and silver mineralizing events (see Press Release of April 12, 2022). Systematic, district-scale geological, geochemical, and geophysical surveys revealed multiple coincident anomalies that create high-potential drilling targets. Key targets include Pastrana (particularly the 14k Zone), Escritorio, Banda Este, Animas, and Las Vacas (See Figure 1). Drillholes are designed to also intersect multiple newly identified features lying above the main targets.

The systematic, district-scale reevaluation and exploration program was initiated after:

- Trenching on projections of known structures to the northeast of the historic mining area revealed silver mineralization grading 305 g/t to 42,302 g/t Ag, as well as significant gold mineralization grading as high as 21.4 g/t Au (see Press Release of February 4, 2021). This was the first-time appreciable gold was found in the district.
- Drill hole BA21-30 intercepted 3.2 m (core length) grading 703 g/t Ag and 3.03 g/t Au revealing the NE-trending Cobriza vein (see Press Release of September 8, 2021).
- Hole BA21-34, drilled farther to the northeast along the trend, intersected 0.25 m grading 36.1 g/t Au (see Press Release of April 12, 2022).
- Hole BA21-42A in the Orochi area cut 3.65 m of 8.1 g/t Au at 180 m downhole (see Press Release of April 12, 2022).

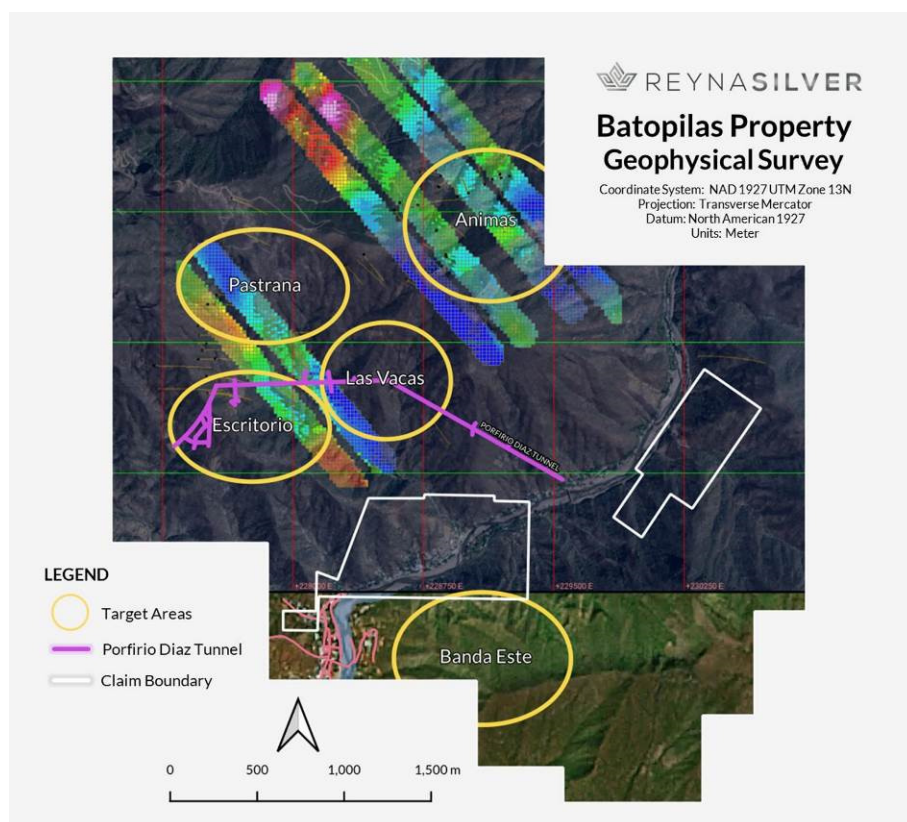


Figure 1: Key target area resulting from the combination of sampling, geophysics, and structural studies include Pastrana, Escritorio, Banda Este, Las Vacas, and Animas.

Sampling Program

Over 2,700 samples were collected through detailed selective sampling along previously underexplored structures and outcrops as well as old mine workings. The first 1,500 samples revealed: additional gold mineralization southeast of the historic district; additional structures carrying a combination of gold and silver mineralization; and recognition of surface expressions of mineralized structures (See Press Release from September 13, 2022).

- Within the 357 highest-grade samples collected, 4.6% returned values between 150 g/t and 2290 g/t Ag; and 3.0% were between 1.0 g/t and 12.85 g/t Au (See Tables below for details of the result highlights).
- In Banda Este, gold mineralization returning values of up to 27 g/t Au were found in the N-S trending “Veta Rojas” zone. This parallels the Teodoro and Orochi zones to the north (where the first significant gold mineralization was found in 2022), which reinforces this exciting target (See Table 2).
- Extension to the N-NE of the historic main Todos los Santos vein. This is an area of high potential, including opportunities to find blind secondary vein splays off the main vein.
- Values up to 2,290 g/t Ag in veins of the Santo Domingo-San Miguel-Nevada group, where 10 important veins were mined historically. Potential lies mainly to the SW through an explored zone about 800 meters long in Reyna Silver claims (See Table 1).
- In the Pastrana area, values of up to 14,000 g/t Ag (hence the 14k Zone name) were reported along major structures trending north towards the Cobriza intersection, where high-grade silver mineralization was found in 2021 (See Press Release from September 13, 2022).
- Reassaying of historic MAG silver holes identified gold mineralization in Holes BA07-18 and BA08-25.

Table 1. Highlights of Silver Results

| Sample | Type of Sample | Feature | Location | Width (m) | Ag (g/t) |
|--------|----------------|---------|----------------------|-----------|-------------|
| 203324 | Channel | Fault | Santo Domingo Mine | 0.15 | 2290 |
| 203327 | Channel | Fault | Santo Domingo Mine | 0.15 | 2080 |
| 203408 | Select | Vein | Ventura 3 Mine | 0.04 | 1450 |
| 203306 | Select | Fault | Santo Domingo Mine | 0.1 | 1000 |
| 182129 | Channel | Vein | Peñasquito Mine | 0.3 | 506 |
| 182118 | Channel | Vein | Peñasquito Mine | 0.45 | 484 |
| 203478 | Channel | Vein | Porfirio Diaz Tunnel | 0.2 | 407 |

Table 2. Highlights of Gold Results

| Sample | Type of Sample | Feature | Location | Width (m) | Au (g/t) |
|--------|----------------|-----------|--------------|------------|-------------|
| 203739 | Channel | Vein | Banda Este | 0.45 | 27.4 |
| 203526 | Rock Chip | Vein | Banda Este | 0.1 | 12.3 |
| 203685 | S no elect | Fracture | Banda Este | 0.35 | 11.7 |
| 203733 | Select | Vein | Banda Este | 1.8 | 8.2 |
| 182051 | Channel | Fault | Banda Este | 0.4 | 4.7 |
| 203428 | Channel | Fractures | Ventura Mine | 0.3 | 4.6 |
| 203697 | Channel | Vein | Banda Este | 0.2 | 4.5 |
| 203694 | Select | Vein | Banda Este | 0.2 | 4.4 |
| 203732 | Select | Vein | Banda Este | 0.9 | 4 |

Table 3. Highlights of Silver & Gold Combination Results

| Sample | Type of Sample | Feature | Location | Width (m) | Au (g/t) | Ag (g/t) |
|--------|----------------|----------|--------------------|-----------|------------|------------|
| 203682 | Select | Fracture | Banda Este | 0.15 | 7.4 | 981 |
| 203319 | Channel | Fault | Santo Domingo Mine | 0.25 | 6.2 | 370 |
| 182012 | Channel | Fracture | Banda Este | 0.3 | 3.1 | 443 |

| | | | | | | |
|--------|-----------|------|----------------------|-----|-----|------------|
| 203465 | Channel | Vein | Porfirio Diaz Tunnel | 1.5 | 2.5 | 334 |
| 203625 | Rock Chip | | Banda Este | | 2.5 | 919 |

Table 4. Highlights of Silver, Lead, and Zinc Results

| Sample | Type of Sample | Feature | Location | Width (m) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) |
|--------|----------------|---------|--------------------|-----------|----------|----------|-------------|------------|
| 182058 | Channel | Vein | Banda Este | 0.2 | 0.7 | 181 | 18.1 | |
| 182139 | Channel | Vein | Peñasquito Mine | 0.35 | 0.6 | 333 | 2.9 | |
| 182143 | Channel | Vein | Cata San Andreas | 0.3 | 0 | 297 | 1.9 | 9.7 |
| 203319 | Channel | Fault | Santo Domingo Mine | 0.25 | 6.2 | 370 | 1 | 1.2 |
| 203367 | Channel | Fault | Mina La Nevada | 1.9 | 0.3 | 370 | 13.4 | 1.1 |

Geophysics program

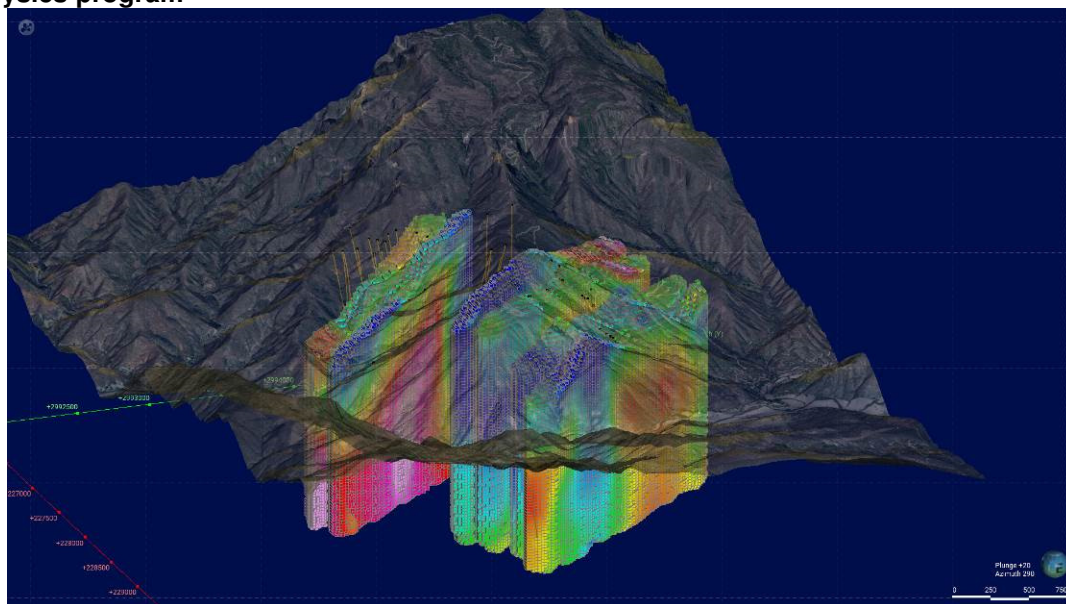


Figure 2. A projection of the 3D geophysics overlaid on the topography of the Batopilas project at an azimuth of 290 and plunging 20 degrees. Notice the abrupt transition on the left side coinciding with the Ronesvalles fault.

Geophysics

A detailed 11.2 kilometer-line Audio Magneto-Tellurics (AMT) geophysical survey was undertaken to outline major structures and features that control vein orientation, dilatant zones and location of mineralization. As hoped, high-angle discontinuities were revealed that appear to coincide with structures that were historically mined for high-grade silver at high elevations during the Colonial era. These results confirm both the extent of dominant features historically associated with significant mineralization in the district as well as supporting geological targets to be tested in the upcoming campaign. Case in point is the Ronesvalles Vein-Fault, one of the largest features in the Batopilas District, and long considered to be one of the main controls on silver mineralization. The geophysics in this area highlights the fault and also shows a number of related untested features (See Figure 2). The new geophysics also highlights an

anomaly parallel to the Cobriza vein where MAG Silver drilled 100 m of anomalous Ag, Pb, and Zn in Hole BA08-21 and over 350 g/t Ag in Hole BA07-19.

Structural Study

A combination of underground and surface studies were conducted by expert ore deposit structural geologists to understand the controls on the geometry of historic ore shoots and the surface expressions of the mineralization- including the newly identified gold-bearing structures. They identified subtle features in the relationship of certain structures with each other that combined with the geophysics and sampling reinforce the current targets.

On September 6, 2023, the Company reported multiple, near-surface, high-grade, native silver-bearing intercepts in three of the initial holes of its 2023 Batopilas Drilling Campaign. Intercepts include Reyna Silver's widest to date (**BA23-58: 9 m of 616 g/t Silver within 30 m of 218 g/t Ag**) and the discovery of a new, blind Native Silver vein reporting **6,440 g/t Silver** across 0.2 metres (BA23-57). The holes were drilled in the historic Silver Zone on the district's west side. Following the end of the rainy season, drilling is expected to resume in both this area and the recently discovered Gold-Silver Zone on the district's east side.

The targets reported here resulted from a year-long systematic geological re-evaluation of the district, including mapping, sampling, structural, and geophysical studies ([See Press Release from June 29, 2023](#)) triggered by Reyna's 2022 discovery of significant gold ([See Press Release from April 12, 2022](#)).

Highlights from the initial 2023 Batopilas Drilling Campaign (See Table 5).

- **Hole BA23-58** cut **9 m of 616 g/t Silver** within an overall structure of **30 m width running 218 g/t Silver**, including 1.4 m of 1,405 g/t Silver (See Table 6).
- **Hole BA23-57** hit a **new Native Silver vein grading 6,440 g/t Silver** across 0.2 metres in a blind structure between the historically important Escritorio and Todos Los Santos veins. There were also multiple additional intercepts on the way to the new vein (See Drill Results Explanation below and Figure 5).
- **Hole BA23-60** cut 0.8 m grading 1,342 g/t Silver 65 m above the Escritorio Vein.

| Hole | from | to | width (m) | Ag (g/t) |
|------------------|-------|-------|--------------|-------------|
| BA23-57 | 64.55 | 64.8 | 0.25 | 1360 |
| BA23-57 | 203.2 | 203.4 | 0.20 | 6440 |
| BA23-58 | 9.0 | 10.5 | 1.50 | 398 |
| BA23-58 | 3.0 | 33.0 | 30.00 | 218 |
| <i>including</i> | 21.0 | 30.0 | 9.00 | 616 |
| <i>including</i> | 23.0 | 24.45 | 1.45 | 1405 |
| <i>including</i> | 28.5 | 30.0 | 1.50 | 936 |
| BA23-60 | 73.2 | 74.0 | 0.80 | 1342 |

Table 5. Highlights from Drillholes BA23-57, BA23-58 and BA23-60. Reported widths are core length as true widths for the reported mineralized intervals have not been determined.

Drill Results Explanation and Highlights

The drilling program consisted of six holes, totaling 1,458 metres, targeting areas of interest determined by the yearlong study (See Map 1, 2).

Hole BA23-58 targeted the San Roberto-Roncesvalles vein/structure more than 350 metres NW of BA23-57 in Escritorio. **Starting just 3 metres below the surface, it cut an overall 30 m (core length) mineralized zone** grading 218 g/t Ag, encompassing multiple high-grade zones (See Table 6). Within these 30 m, starting 9 m down-hole, the drill cut 1.5 m of 398 g/t Ag. Then, at 21 m in depth, **9 m of 616 g/t Ag** was cut, including 1.45 m grading 1,405 g/t Ag. At 28.5 m depth, it cut the final high-grade zone of 1.5 m grading 936 g/t (See Highlight Table 5).

Hole BA23-57 was designed to test the top of the Escritorio vein on the way to a target identified through a combination of geophysical, sampling, and structural studies conducted during the 2022-23 systematic exploration program. At 64.5 m downhole, the drill cut the top of the Escritorio vein, which showed 0.25 m grading 1,360 g/t Silver. Then, at 203.2 m, the **drill cut a new and completely blind, Native Silver vein** grading 6,440 g/t Silver over 0.2 m (See Highlight Table 5 and Figure 5). The technical team is excited by this development because the covered structure lies between the Escritorio and Todos Los Santos veins, two of the most significant veins in the district. Historically, miners would follow narrow silver-rich calcite seams into the famous native silver ore shoots of Batopilas, so follow-up drilling of this new vein is a high-priority exploration goal (See Figures 3 and 4).

Hole BA23-60, also in the Escritorio zone, had a steeper trajectory than BA23-57 and cut the Escritorio Vein at 72.7 m, where it carried **0.8 m of Native Silver grading 1,432 g/t Silver** (see Highlight Table 5). The intercept was 50 m below and 15 m south of the BA23-57 intercept and is believed to lie 66 m from any historic workings (See Map 2).

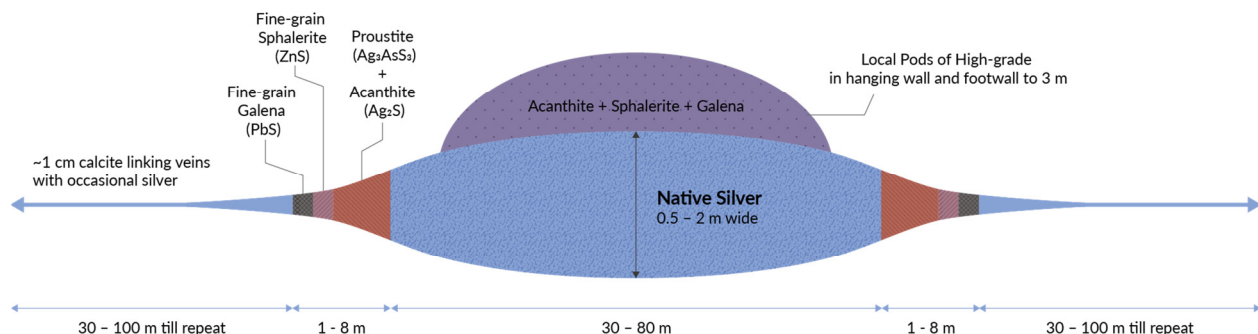


Figure 3. (above):

Schematic Plan View of a Typical Batopilas Ore-Shoot. Native Silver (in blue) occurs sporadically in the narrow calcite veins that link the oreshoots for 30-150 m. Over a distance of 1-8 m, the structure blossoms into steeply-inclined oreshoots, ranging from 0.5 to 2 m wide, 30-80 m on level, and up to 350 m in height. Approaching a shoot, the vein shows a rapid lateral transition from calcite containing fine-grained Galena (lead sulfide, PbS) (in grey), fine-grained Sphalerite (zinc sulfide, ZnS) (in mauve), and finally Proustite (a silver sulfosalt, Ag_3AsS_3) and Acanthite (a silver sulfide, Ag_2S) (in orange) before entering the principal Native Silver ore-zone. As the Native Silver zone is passed, the vein transitions through the sequence in reverse before shrinking back to a narrow calcite seam, which continues 30-150 m to the next oreshoot.

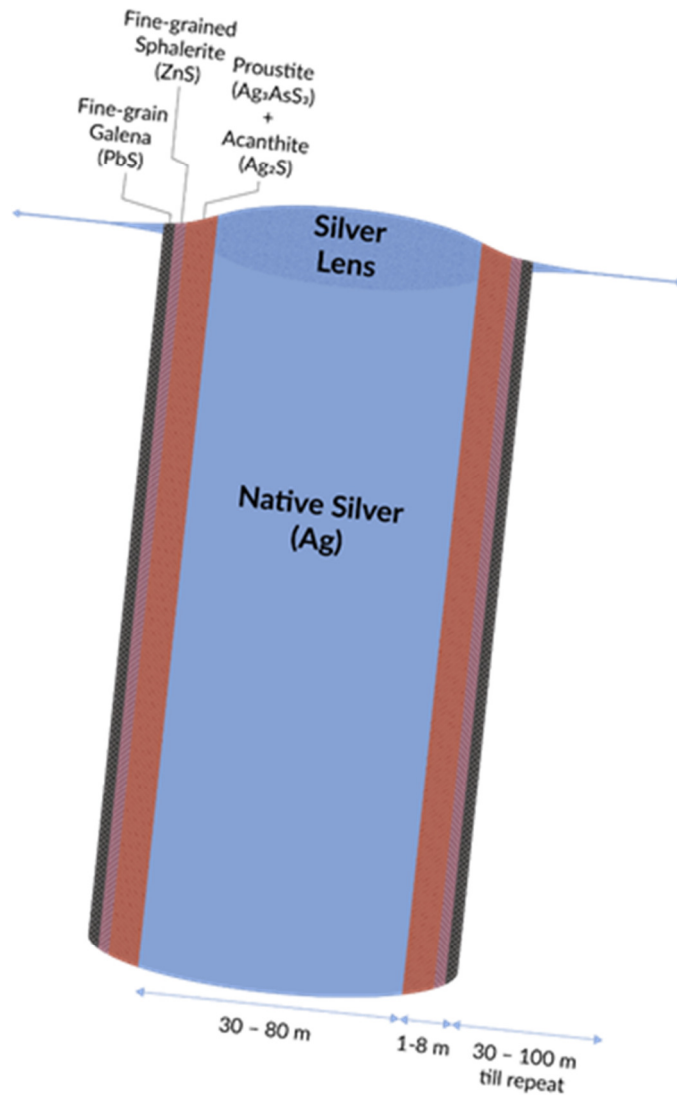
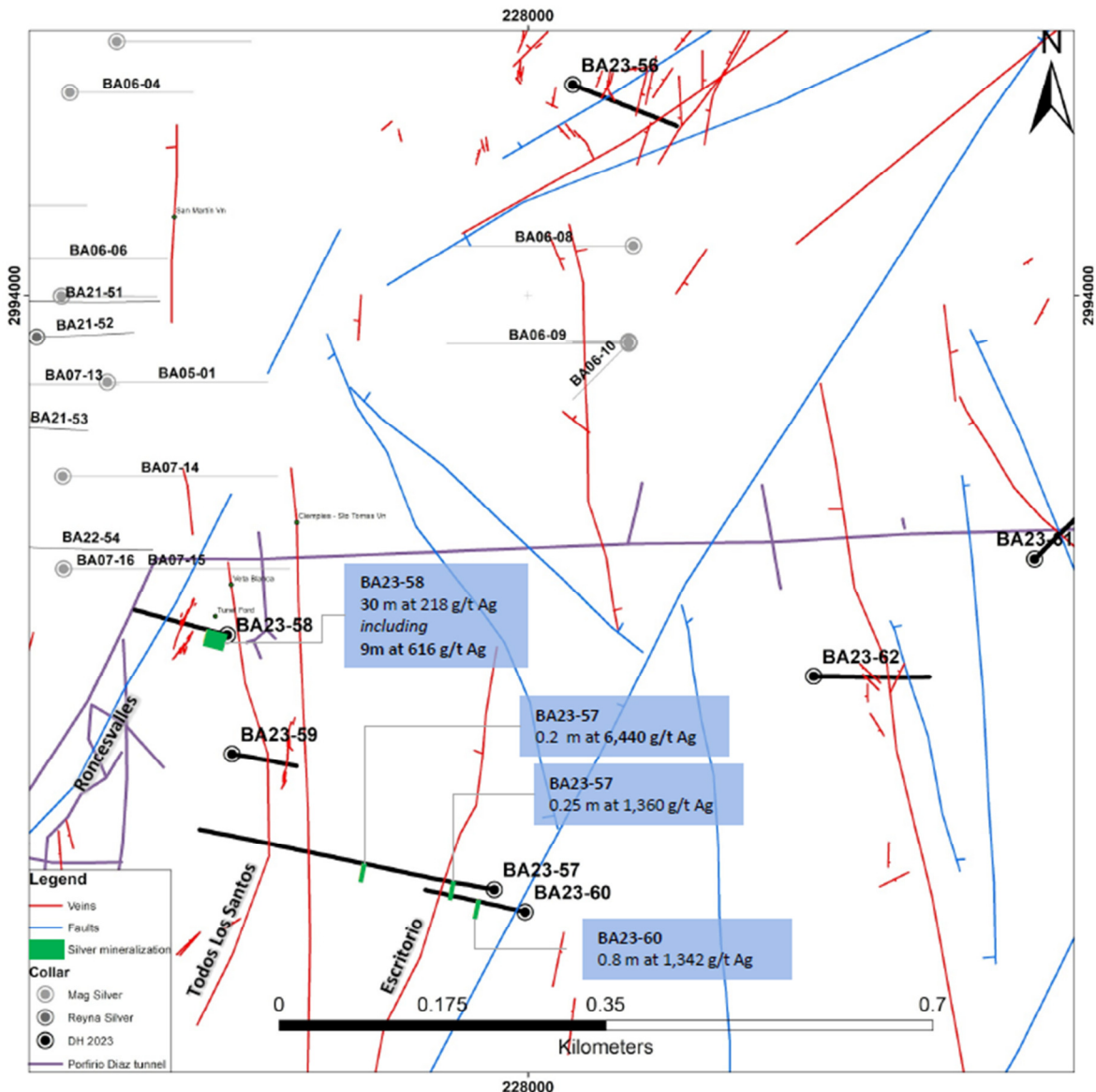


Figure 4.: **Schematic Cross-Section View of the Batopilas Oreshoot.** Native Silver is denoted in blue, fine-grain Galena (PbS) in grey, fine-grain Sphalerite (ZnS) in mauve, the combination of Proustite (Ag_3AsS_3) and Acanthite (Ag_2S) in red. The steeply inclined oreshoots continued down for hundreds of meters in several areas.

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Map 2. Location map for drill holes described here (in bold) plus historical drill holes (in grey). BA23-57 targeted a structure suspected to exist between Escritorio on the east and Todos Los Santos on the west; it cut 0.25 m grading 6,440 g/t Ag in a previously untouched area. BA23-60 tested Escritorio as well. The BA23-58 intercept is between San Roberto-Roncesvalles, 85 metres from the nearest historic stope or adit. BA23-56 was in Pastrana (TD at 190.5 m), BA23-57 was in Escritorio (TD at 450 m), BA23-58 was in Roncesvalles (TD at 140 m), BA23-59 was in Todos Los Santos (TD at 159 m), BA23-60 returned to Escritorio (TD at 159.5 m), BA23-61 was in La Vaca II (TD at 141 m), and BA23-62 was in La Vaca (TD at 222 m).

Future Exploration Plans

These results validate the time the Company spent systematically rethinking the district's geology following the discovery of significant Gold mineralization in this historic Silver district (See [Press Release from April 12, 2022](#)). This process substantially increased understanding of the Batopilas District and resulted in multiple new drill targets. These six holes represent the first stage of drilling on these new targets, and after a break for the rainy season, rigs will be mobilized to the next major planned target area, the Gold-Silver bearing Banda Este zone. This area rose in priority for the exploration team after significant gold and silver mineralization was encountered by a selective sampling program (See [Press](#)

[Release from September 13, 2022](#)). Banda Este has few historical workings, but the Company's work in the district indicates significant potential for it to grow into an important exploration area (See Map 1).

While drilling is underway at Banda Este, the technical team will develop follow-up targets building on the high-silver results reported here. The principal goals will be refining understanding of the structural controls on the Native Silver shoots, identifying vectors to follow the Native Silver intercepts into major oreshoots, and continued investigation of the relationship between the silver and gold mineralization stages that have been recognized.

| Hole | from | to | width (m) | Ag (g/t) |
|---------|-------|-------|-------------|-------------|
| BA23-58 | 3.0 | 4.5 | 1.5 | 43 |
| BA23-58 | 4.5 | 6.0 | 1.5 | 21.4 |
| BA23-58 | 6.0 | 7.5 | 1.5 | 65.4 |
| BA23-58 | 7.5 | 9.0 | 1.5 | 14.7 |
| BA23-58 | 9.0 | 10.5 | 1.5 | 398 |
| BA23-58 | 10.5 | 12.0 | 1.5 | 9.8 |
| BA23-58 | 12.0 | 13.5 | 1.5 | 2.4 |
| BA23-58 | 13.5 | 15.0 | 1.5 | 4.9 |
| BA23-58 | 15.0 | 16.5 | 1.5 | 3 |
| BA23-58 | 16.5 | 18.0 | 1.5 | 2.8 |
| BA23-58 | 18.0 | 19.5 | 1.5 | 58.6 |
| BA23-58 | 19.5 | 21.0 | 1.5 | 18.4 |
| BA23-58 | 21.0 | 23.0 | 2.0 | 317 |
| BA23-58 | 23.0 | 24.45 | 1.45 | 1405 |
| BA23-58 | 24.45 | 25.75 | 1.3 | 192 |
| BA23-58 | 25.75 | 27.0 | 1.25 | 636 |
| BA23-58 | 27.0 | 28.5 | 1.5 | 288 |
| BA23-58 | 28.5 | 30.0 | 1.5 | 936 |
| BA23-58 | 30.0 | 31.5 | 1.5 | 14.6 |
| BA23-58 | 31.5 | 33.0 | 1.5 | 6.8 |

Table 6. Results from BA23-58 of the full 30 metres grading 218 g/t Ag from 3 to 33 metres.



Figure 5. Close up of NQ-sized core (4.8 cm diameter) from Hole BA23-57 with Native Silver vein grading 6,440 g/t Silver over 0.2 metres. Note threads of shiny metallic Native Silver in the upper vein zone and the black acanthite (silver sulphide Ag_2S) filling breccia in the middle of the vein. This is the style of mineralization seen historically in the district approaching major mineralized shoots.

ii. Guigui Property

The Company acquired 100% interest of the Guigui Property pursuant to the Agreement with MAG Silver on June 29, 2018. The Guigui Property, consisting of 7 concessions (4,553.7034 hectares) is located in Chihuahua Mexico. The Guigui property is subject to a 2.5% NSR payable to the underlying owner with a right of first refusal.

The Company entered into two agreements to acquire an 80% interest in the La Chinche Property (which is contiguous to the Guigui Property and together formed part of the Guigui Property).

On July 1, 2020, the Company entered into a mineral property option agreement with United Minerals Pty Limited and Minerales Unidos La Chinche S.A. de C.V. ("United Minerals") to acquire 50% interest in the La Chinche property in exchange for 500,000 common shares and 11,500,000 warrants as follows:

| Date/Period | Shares | Warrants |
|---------------------------------------|------------------|---|
| Upon receipt of the Exchange approval | 250,000 (issued) | 1,000,000 warrants exercisable for a period of 12 months at \$0.74 (issued) |
| January 1, 2021 | None | 3,000,000 warrants exercisable for a period of 12 months at \$0.75 (issued) |
| July 1, 2021 | None | 3,500,000 warrants exercisable for a period of 12 months at \$1.00 (issued) |
| January 1, 2022 | None | 4,000,000 warrants exercisable for a period of 12 months at \$1.25 (issued) |
| July 1, 2022 | 250,000 (issued) | None |

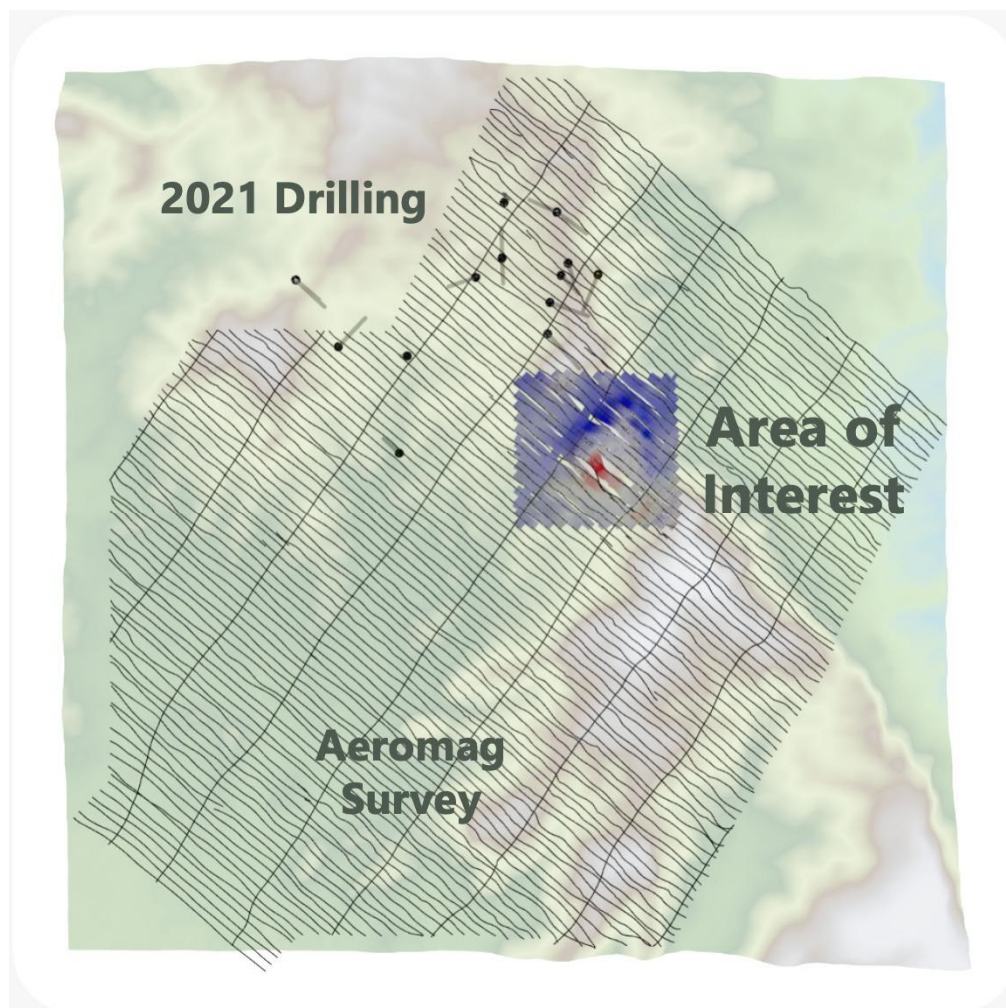
On July 1, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the “Sellers”) to acquire an additional 30% interest in the La Chinche property by incurring the following:

- (i) Making a cash payment of US\$42,000 on signing the agreement (paid);
- (ii) Undertaking a minimum of US\$900,000 in work on the property within 24 months (met);
- (iii) Following the above work program, preparing a NI 43-101 technical report summarizing any mineral resources on the property (the “Report”); and
- (iv) Based on the mineral resources set out in the Report, paying an additional amount to the Sellers, calculated as a minimum of US\$1,000,000 (paid in 2022) (for up to 1,500,000 tonnes of resource based on 12% Zn equivalent cut-off) plus an additional US\$250,000 for every 500,000 tonnes of resource at comparable grade contained within the property over and above 1,500,000 tonnes.

On July 14, 2022, the Company had acquired an 80% interest in the La Chinche property as it completed the final US\$1,000,000 payment to the sellers in July 2022.

On May 2, 2023, the Company summarized that Phases 1 and 2 of drilling at Guigui revealed components of an important CRD system including recognition of a new intrusive unit with multistage skarn mineralization. Following these significant findings, the exploration team used this new information to ground-truth existing data, especially mapping and geophysics. They determined that a more detailed geophysical study was needed, so an NSAMT survey (Natural Source Audio MagnetoTellurics) was recently executed. The team awaits the final interpretations to integrate into the developing drill-target model for Phase 3 Drilling Program this year. In addition, the Company is pleased to be participating in the University of British Columbia’s, MDRU “Carbonate Footprints Research Study”. This project focuses on identifying important exploration vectors in Carbonate-hosted deposits and has already been used to make or enhance discoveries elsewhere. The Reyna team looks forward to collaborating with researchers alongside MAG Silver, Eldorado Gold, Anglo-American, and Rio Tinto.

The Company’s CRD exploration model indicates that the intrusive source and proximal mineralized skarn for the system remain to be found. In late 2023, the Company contracted ExploreTech to apply their proprietary Artificial Intelligence (AI) approach to model existing geophysical data specifically to augment surface-based geological work to locate that intrusive source beneath extensive, but thin, pre-mineral volcanic rock cover. In January 2024, the Company released results from ExploreTech’s Artificial Intelligence (AI) optimization of existing geophysical data from the Guigui Project (See Press Release from January 22, 2024). ExploreTech’s proprietary AI algorithms highlight a strong, multi-layered magnetic anomaly southeast of the 0.5 sq. kilometre sulphide-mineralized skarn footprint identified in 2022 drilling (See Press Release from April 7, 2022). The results reinforce existing geological thinking that the intrusive source for the district lies in that area and greatly enhances the area’s potential (Figure 1). Pads to drill the target are already permitted and accessible.



iii. La Reyna Property

On September 29, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the “Sellers”) whereby the Company had the option to acquire a 100% interest in the La Reyna property.

During the year ended December 31, 2023, the Company terminated the option agreement and wrote off the acquisition costs of \$362,960.

iv. Matilde Property

The Company acquired the Matilde property for \$7,476 by staking in 2018. The Matilde property is located in Sonora Mexico and consists of 1,369 hectares.

v. El Durazno Property

The Company acquired the El Durazno property for \$9,601 by staking in 2019. The El Durazno property is located in Sonora Mexico and consists of 24,630 hectares.

On July 19, 2021, the Company signed an option agreement with Reyna Gold. The Company agreed to grant to Reyna Gold the exclusive option to acquire up to a 51% interest in the El Durazno Property. Pursuant to the agreement:

- Reyna Gold must pay the sum of \$20,000 within 10 days of execution of this agreement (received); and
- Incur at least \$500,000 of Expenditures on the El Durazno property before July 19, 2025.

3(b) USA

i. Medicine Springs Property (Nevada)

On September 24, 2020, the Company entered into a property option agreement with Northern Lights Resources Corp. ("Northern Lights") to acquire an 80% interest in the Medicine Springs Property, located in Elko county, Nevada.

On December 14, 2022, the option agreement was superseded by an Acquisition Agreement whereby Northern Lights agreed to sell to the Company its option to acquire a 100% interest in the Medicine Springs Property. Pursuant to the Acquisition Agreement, the Company agreed to the following terms:

- (i) Assuming all of Northern Lights' obligations under the underlying option agreement with the property owners (the "Optionors");
- (ii) Paying Northern Lights US\$100,000 in cash (paid US\$25,000 in fiscal 2022 and US\$75,000 in fiscal 2023);
- (iii) Issuing 6,000,000 common shares of the Company to Northern Lights (the "Consideration Shares") (issued in fiscal 2022); and
- (iv) Granting to Northern Lights a 1.0% Net Smelter Returns royalty ("NSR") on mining production received by the Company on the Medicine Springs Property (the "NLR Royalty").

The Acquisition Agreement provides the Company at any time the option to buy back one-half of the NLR Royalty by paying Northern Lights \$2,500,000.

The Consideration Shares are subject to contractual resale restrictions over a 24-month period with an initial 6-month lock up and release 25% every 6 months after that.

In connection with the Acquisition Agreement, the Company paid a finder's fee of 300,000 common shares (issued in fiscal 2022) and US\$5,000 in cash (paid in fiscal 2023).

The Optionors and the Company subsequently agreed to amend the underlying option agreement pursuant to amending agreements dated March 30, 2023, September 14, 2023, November 10, 2023 and January 31, 2024. Per the terms of the amended option agreement, in order to exercise the option and acquire a 100% interest in the property, the Company is required to fulfill the following:

- (i) Make a cash payment of US \$150,000 to the Optionors within 3 days of the execution of the amendment dated March 30, 2023 (paid);
- (ii) Make a cash payment of US \$150,000 to the Optionors on or before September 15, 2023 (paid);
- (iii) Pay to the Optionors an amendment fee in the aggregate amount of US \$5,000 (paid);
- (iv) Make a cash payment of US \$150,000 to the Optionors on or before March 1, 2024 (paid);
- (v) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2024;
- (vi) Make a cash payment of US \$225,000 to the Optionors and issue to the Optionors such number of common shares of the Company having a market value equal to US \$300,000 on or before February 1, 2025;
- (vii) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2025;

- (viii) Incur additional expenditures on the development of the property such that the total aggregate expenditures on the property is not less than US \$2,700,000 on or before December 31, 2023 (Incurred);
- (xi) Paying such amount as is required to maintain the mineral claims included in the property in good standing on or before July 15, 2023 (paid).

On January 17, 2023, the Company reported high-grade silver results from the initial-hole, 1850m, Phase 1 reconnaissance drilling program at Medicine Springs. This is the first time Medicine Springs has been drilled under a modern district-scale/ore-systems approach, so the Company spaced their holes widely (1.75km) at the Golden Pipe, Silver Butte, and Silver King Target areas to determine broad system parameters (Figure 1).

- The three deep holes cut **400-750m of high potential carbonate host rocks** (Fig. 3).
- **The first hole (MS22-001)** cut the best mineralization, which reported **2.4m (drilling thickness) grading 1,021 grams/tonne (32.6 oz/T) Silver**.
- Hole MS22-002, drilled **1.75 km** to the southwest in the previously undrilled Silver Butte area, cut 7.4m (drilling thickness) averaging 186 g/t (**5.9 oz/T**) Ag plus 3.7% Pb and 1.0% Zn, including **4.7m of 274 g/t (8.7 oz/T) Ag plus 5.6% Pb and 1.5% Zn** (Table 1).

Table 1. Highlight Table from the initial Phase 1 Drilling.

| Hole | From (m) | To (m) | Length* (m) | Ag (g/t) | Pb (%) | Zn (%) |
|------------------|----------|--------|-------------|--------------|------------|--------|
| MS22-001 | 190.5 | 192.92 | 2.4 | 1,021 | 0.04 | 0.04 |
| MS22-002 | 73.91 | 81.38 | 7.4 | 186 | 3.7 | 1.0 |
| <i>including</i> | 75.29 | 80.01 | 4.7 | 274 | 5.6 | 1.5 |

*Core length in hole, true thickness not yet determinable.

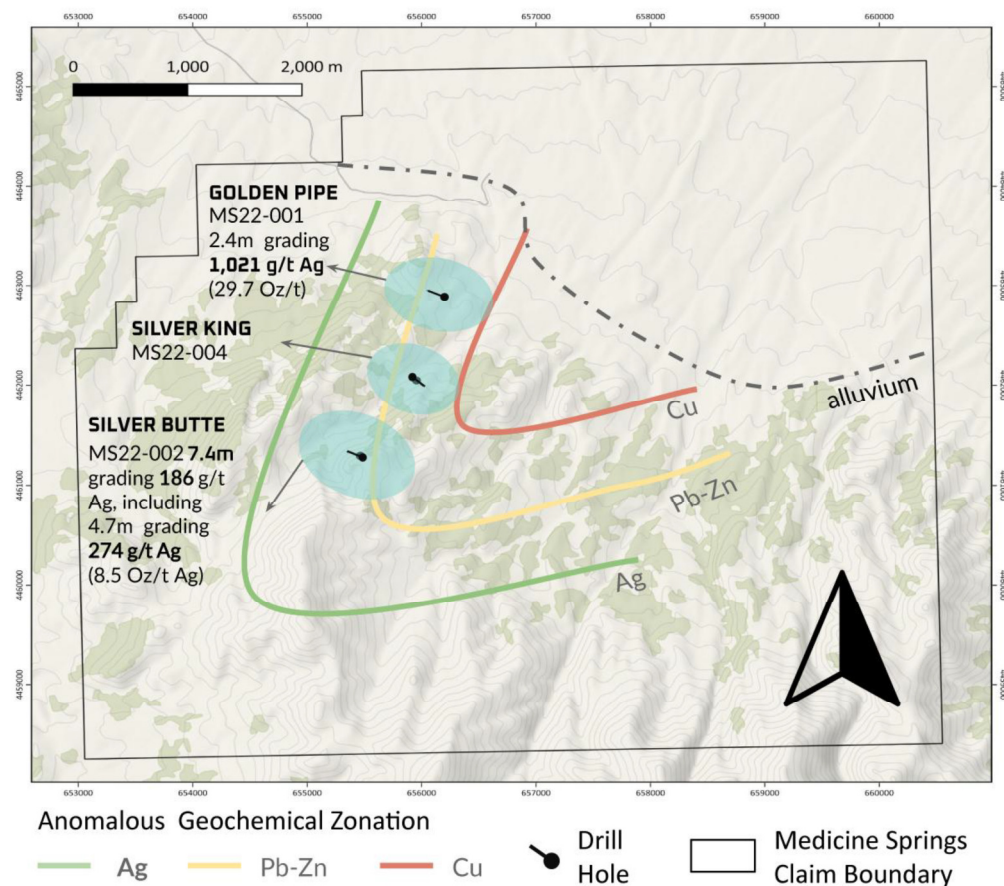


Figure 1. Map of Medicine Springs Project with drill hole location and projections in black. The distance from MS22-001 to MS22-002 is 1.75km, and about 900m to MS22-004. Target areas -Golden Pipe, Silver King, and Silver Butte- are denoted in blue. Anomalous Geochemical Zones identified during the Jasperoid Selective Sampling Survey are in green for Ag, yellow for Pb-Zn, and red for Cu (See [Press Release from January 10, 2022](#)).

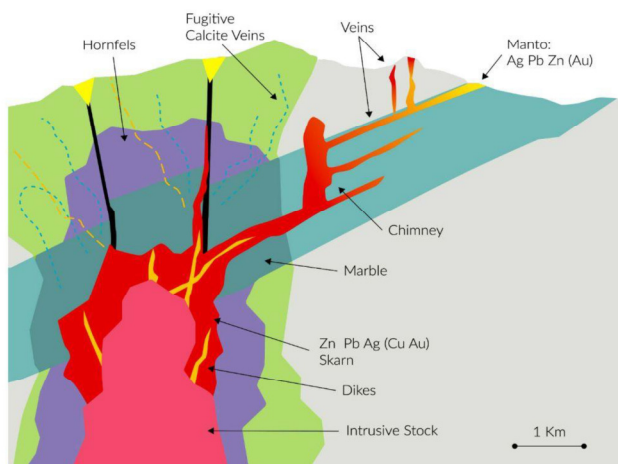
ABOUT MEDICINE SPRINGS

Medicine Springs exhibits many of the key features associated with large, high-grade Carbonate Replacement Deposits (“CRDs”) (See Press Release from January 10, 2022) (See Figure. 2). Phase 1 Drilling program was designed to test certain key features of the project’s overall framework to verify project potential. These included:

- Stratigraphy - determining the thickness of potentially favorable carbonate host rocks (Figure. 3)
- Structure - testing to depth the structures that host the well-zoned, mineralized jasperoids.
- Zoning - determining broad-scale zoning and vectors towards the source of mineralizing fluids.
- Oxidation - identifying the depth of oxidation and transition to sulphides.
- Geophysics - ground-truthing geophysical anomalies with 3D geological data.

Medicine Springs

✓ CRD INITIAL CHECKLIST



Features common to all large known CRD deposits

- ✓ **Location - Main Street CRD/Porphyry belt**
- ✓ **Location- Top of carbonate section (room to grow)**
- ✓ **Ag (+400 g/t), Au, Zn, Pb, Cu, +Mn, As, W...**
- ✓ **Multiple mineralization and alteration stages**
- ✓ **Large scale zoning**
- ✓ **Presence of Felsite dikes**
- ✓ **Presence of Skarn**
- ✓ **Discordant geometry (= not syngenetic)**
- ✓ **Replacement mineralization**
- ✓ **High iron sphalerite**
- ☐ **Pyrite pseudomorphs after pyrrhotite**
- ✓ **Molybdenum mineralization**
- ☐ **Granitic Stock Contact Skarn = Target**

3 | TSXV:RSLV | OTCQX:RSNVF | FRA:4ZC

After Megaw, 1988, 1998, 2020

Megaw, et al., 1996, 1998, 2020

REYNASILVER

Figure 2. The Medicine Springs project exhibits 11 of 13 key features on the “CRD Checklist”. High-iron sphalerite was identified for the first time in drill core from Phase 1 drilling program, bringing the total to 11. These indicate a long-lived, multistage, replacement mineralization system may be present.

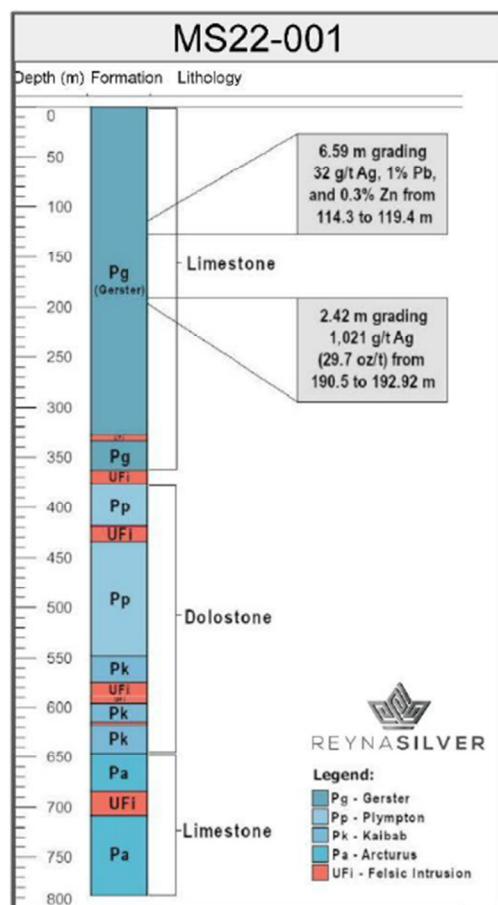


Figure 3. Drill hole section of Hole MS22-001. A thick section of Carbonate rocks, one of the key ingredients of a Carbonate Replacement Deposit, dominated the 787.9m hole. Multiple, felsic intrusions of differing compositions were also identified in the hole, an indication of a multi-phase system and another key feature of CRDs (See Fig. 2).

The rock formations are part of the Permian Park City Group. The Gerster and Arcturus Formations are predominantly limestone. The Plympton and Kaibab Formations are dominated by dolostone.

Table 2. Detailed Major Intercepts

| Hole number | From (m) | To (m) | Length (m) | Ag (g/t) | Pb (%) | Zn (%) |
|------------------|----------|--------|-------------|--------------|------------|------------|
| MS22-001 | 114.30 | 119.46 | 6.59 | 32 | 1.0 | 0.3 |
| <i>including</i> | 114.30 | 115.21 | 0.91 | 52 | 1.0 | 0.1 |
| <i>including</i> | 116.23 | 117.81 | 1.58 | 71 | 1.0 | 0.8 |
| <i>including</i> | 117.96 | 118.57 | 0.61 | 38 | 0.6 | 0.6 |
| MS22-001 | 190.50 | 192.92 | 2.42 | 1,021 | 0 | 0 |
| <i>including</i> | 190.50 | 191.87 | 1.37 | 1,140 | 0 | 0 |
| <i>including</i> | 191.87 | 192.92 | 1.05 | 866 | 0 | 0 |
| MS22-002 | 73.91 | 81.38 | 7.47 | 186 | 3.7 | 1 |
| <i>including</i> | 75.29 | 77.72 | 2.43 | 241 | 5.1 | 1.7 |
| <i>including</i> | 77.72 | 80.01 | 2.29 | 310 | 6.1 | 1.3 |
| MS22-004 | 19.12 | 20.82 | 1.70 | 53 | 1.7 | 0 |
| <i>including</i> | 19.12 | 20.00 | 0.88 | 42 | 1.4 | 0 |
| <i>including</i> | 20.00 | 20.82 | 0.82 | 64 | 2.1 | 0 |

On May 2, 2023, the Company provided an update on its 2023 exploration program at the Medicine Springs project. The results from the reconnaissance drilling in 2022 highlighted that Medicine Springs has the potential for scalable, high-grade mineralization and deserves expanded ongoing exploration.

Considering the positive results from the widely spaced initial drilling, the exploration team determined that an airborne geophysical survey would help map important aspects of the system framework at depth and beneath cover. That survey would be flown soon to aid in refining the drill targets for the minimum 3,000m 2023 drilling program.

On June 9, 2023, the Company announced the filing of 210 new claims (1,730 ha) at the Medicine Springs project. These additional claims bring the project total to 6,561 ha (Figure 4). Medicine Springs' regional setting within a belt of highly-productive Porphyry Copper systems suggests the intrusive driver of the system may also be economically important.

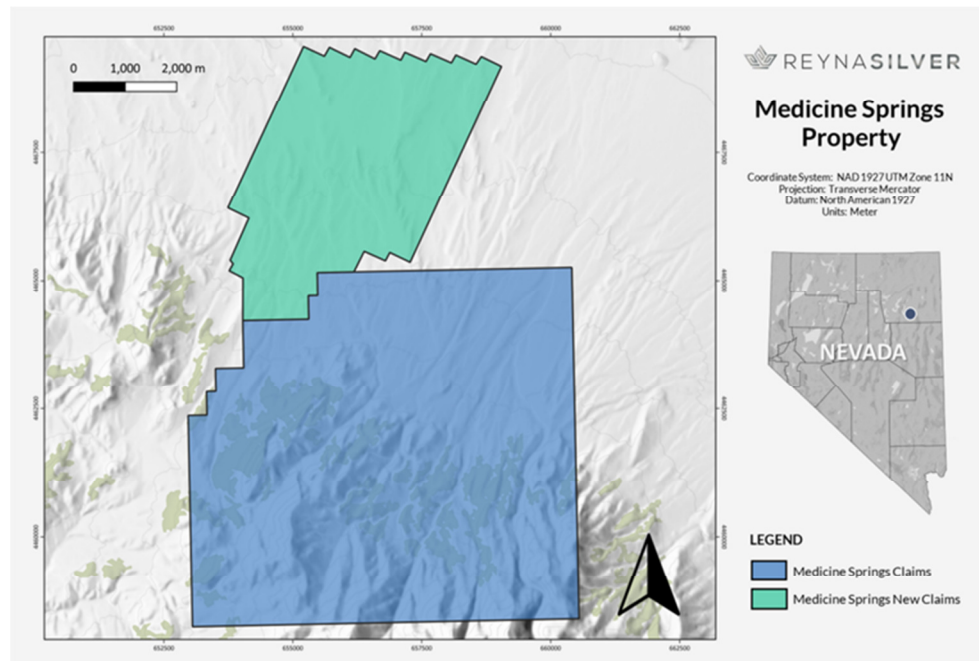


Figure 4. Claim boundary of the Medicine Springs project. The existing 4,831 ha are denoted in blue. The new 1,730.6 ha are denoted by the green outline of the 201 new claims.

On August 8, 2023, the Company announced the start of drilling at its 6,561 ha 100% optionality Medicine Springs Project.

The 2023 drilling program focuses on the structural framework of Medicine Springs, including:

- The relationship between the prominent NE trending jasperoid-hosting structures (See [Press Release of January 10, 2022](#)) and recently recognized N-S trending alteration-controlling structures to identify the dominant mineralization pathways.
- Testing and ground-truthing the recently completed MT geophysical survey in the underexplored zone south of the historic Golden Pipe workings.
- Following near-surface oxidized mineralization to locate primary sulphides.

The initial key areas of interest will be the southern Golden Pipe corridor, Silver King, Silver Butte, Pediment, and North Zone (Figure 5.). Further drill targets may emerge from on-going geophysical interpretation and drill results.

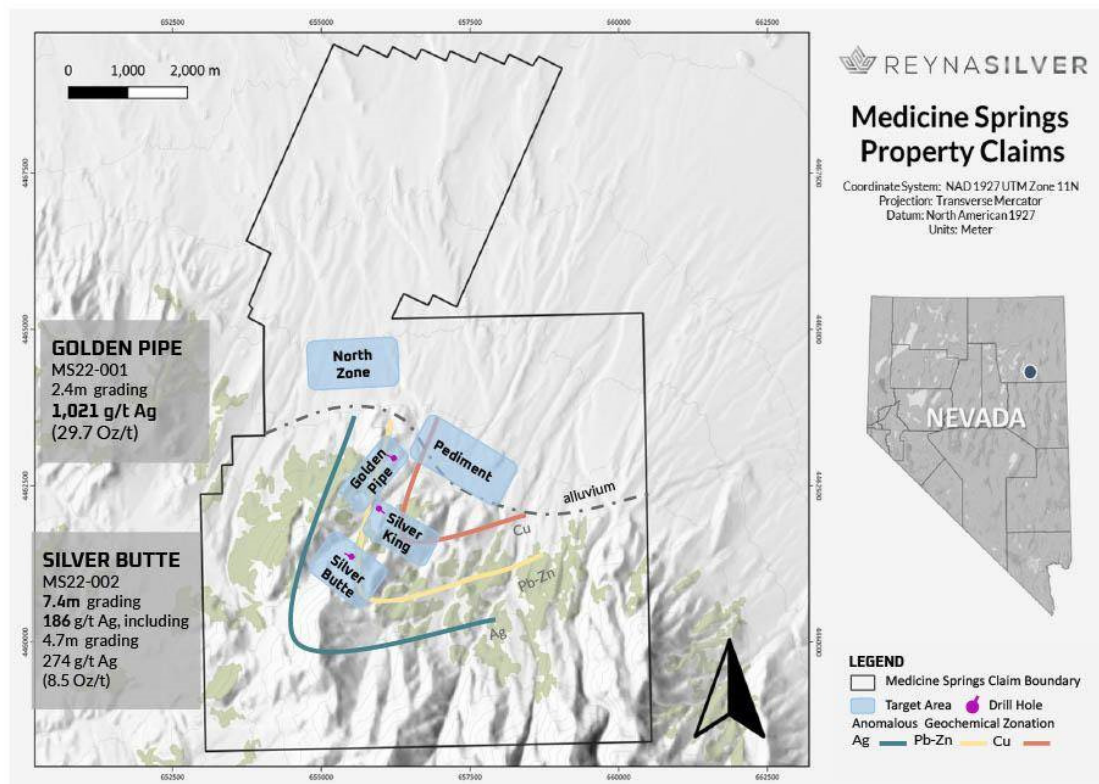


Figure 5. Map of the 6,561 ha project claim package with 2023 target areas in blue (Golden Pipe corridor, Silver King, Silver Butte, Pediment, and North Zone). Purple locates holes from 2022 reconnaissance drilling with highlight results from MS22-001 and MS22-002. The arcs denote general zoning of Ag, Pb-Zn and Cu respectively, from 2021 selective Jasperoid sampling program.

The Company recently ran an aerial Magneto Telluric (MT) survey at Medicine Springs that revealed a conductive anomaly underlying the altered and silicified carbonates that yielded the strongest surface copper geochemical anomaly in the project area (See Press Release of January 22, 2024). This combination of anomalies is interpreted as reflecting a possible intrusive center hidden under alluvial cover just northeast of the reconnaissance drilling area. This target will be included in the next round of drilling on the property.

ii. Gryphon Summit Property (Nevada, USA)

On August 29, 2023, the Company and Reyna Gold entered into a property option agreement (the "Agreement") with Golden Gryphon USA Inc. ("Gryphon"), subject to the completion of due diligence, to jointly earn up to a 70% interest in the Gryphon Summit Property, located in Eureka and Elko counties, Nevada (Figure 1). The Gryphon property comprises 1286 unpatented and 8 patented lode mining claims located in the Diablo Range, which lies in an area of excellent infrastructure between the Carlin and Eureka-Battle Trends of north-central Nevada.

The Company and Reyna Gold have formed an unincorporated joint venture for the purpose of holding the Option (the "Reyna JV"). The Option is subject to the Reyna JV performing the following by April 30, 2027:

- (i) Expend a total of US\$9,500,000 on the property.
- (ii) Make cash payments to Gryphon in the aggregate amount of US\$1,100,000; and

- (iii) Issue a total of 1,200,000 common shares in the capital of the Company and 1,200,000 common shares in the capital of Reyna Gold to Gryphon. Upon completion of the Option, Gryphon and Reyna JV will enter a joint venture to continue exploration and development of the Project.

To complete its full 70% earn-in under the Agreement, Reyna JV must complete the following:

| Date/Period | Cash Payments | The Company Shares | Expenditures |
|---|--------------------|--------------------|---------------|
| On the Effective Date | US\$100,000 (paid) | None | None |
| With 5 business days of the acceptance of the agreement | None | 125,000 | None |
| On or before April 30, 2024 | US\$100,000 | None | US\$500,000 |
| On or before October 31, 2024 | US\$100,000 | None | None |
| On or before April 30, 2025 | US\$150,000 | 125,000 | US\$2,000,000 |
| On or before October 31, 2025 | US\$150,000 | None | None |
| On or before April 30, 2026 | US\$250,000 | 200,000 | US\$3,000,000 |
| On or before October 31, 2026 | US\$250,000 | None | None |
| On or before April 30, 2027 | None | 750,000 | US\$4,000,000 |

Gryphon will be granted a 2% net smelter returns royalty on the Project (subject to a 50% buy down right to a 1% royalty), except that the part of the property comprising the eight patented mining claims will be subject only to a 1% net smelter returns royalty (not subject to further buy-down) (the “NSR Agreement”). The terms of the NSR Agreement will be negotiated on or before April 30, 2025.

The 10,300-hectare Gryphon project covers 8 by 16 kilometres of ground laced by well-developed, variably mineralized structures. The structures show strong evidence of having sequentially controlled multiple mineralizing events, including Carlin-style Gold; Silver, Lead, Zinc, Copper, Gold Carbonate Replacement veins (CRDs); and stratabound Nickel-Zinc mineralization (See Figures 2-3). This style of overlapping mineralizing events is a key element of significant deposits like Ruby Hill, which lies just 70 km along trend southeast of the Gryphon project in the famous Eureka District, now known for its overlapping Carlin-style gold and historic CRD Pb-Zn-Ag deposits (See Figure 1). The presence of Nickel and Zinc at the Gryphon project provides a critical mineral opportunity in one of the best jurisdictions in the world.

Historic exploration at Gryphon Summit was by Majors who focused on the gold and undertook extensive geological, geochemical, and geophysical programs. These resulted in localized shallow drilling programs (See Figure 4), several of which showed strong results that were never followed up. Golden Gryphon Exploration subsequently recognized multiple superimposed silver-lead-zinc-copper and nickel mineralization events combined with a possible porphyry driver. The Company and Reyna Gold plan to deploy the first-ever integrated ore-systems approach here to unravel the individual components of this large, composite district-scale project.

The Project

The project lies in the Basin and Range province of Nevada between the Battle Mountain-Eureka and Carlin trends, along the eastern boundary of the Roberts Mountain Thrust. This area's NS to NNW high-angle horst-graben structures provided excellent pathways for mineralizing fluids generated by a series of metallogenic events. Calcareous lithologies dominate the geologic sequence, including limestone, dolostone and calcareous shale, as well as clastics and quartzite. Particular rock units of interest include the Pogonip Group (the host rock for the Carlin-style mineralization in Eureka), Devil's Gate Limestone (a major host for Eureka CRD mineralization), and the Vinini Formation (a major host for gold mineralization in the Horse Canyon Carlin Gold mine).

LOCATION

Gryphon

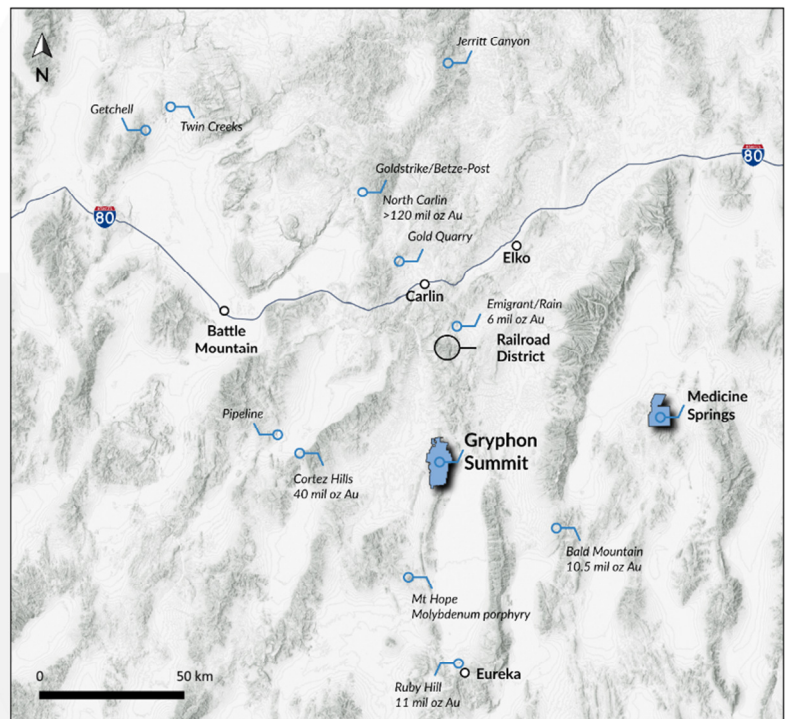
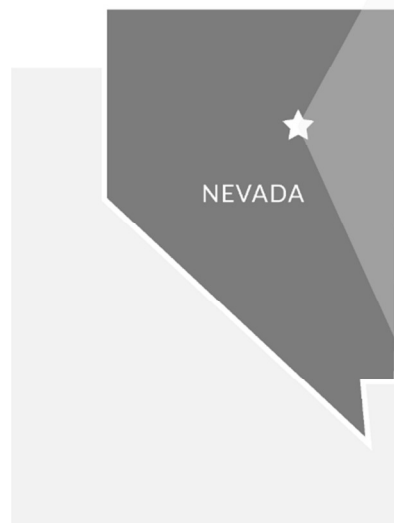


Figure 1. Gryphon Summit is located in Northeastern Nevada, 70 km NW of the Eureka district and 54 km from Carlin. The project is 73 km west of Reyna Silver's Medicine Springs CRD Project.

Gryphon Summit exhibits both the key features indicative of a Carlin-style system and at least 8 out of the 13 key features associated with major CRDs (See Figure 5). Extensive systematic sampling revealed gold grades up to 15-24 g/t Au, silver grades up to 300-2060 g/t Ag, nickel grades up to 0.2-0.4% Ni, and zinc grades up to 3-35% Zn (See Figures 2 and 3). The exceptional zinc grades concentrate along structures associated with stratiform Ni-Zn mineralization and may represent feeders to them (See Figure 3).

Exploration will build on extensive earlier work conducted by Golden Gryphon Exploration (GGE) or their prior optionees, including 133 RC holes (11,620 m with most under 100 m depth. We have complete data for 73 of these holes), 11 core holes (4862 m), and most recently, Agnico Eagle's 12 diamond drill holes (2987 m; 250 m average depth) (See Figure 4). In addition, the Reynas inherit over USD\$2,000,000 of geochemical and geophysical data, including over 3,000 analyzed rock samples with a curated reference sample library, magnetic, gravimetric, 39 km of IP, CSAMT, and 17 km of NSAMT geophysics. The project is crossed by 35 km of well-maintained roads connecting all the key areas and existing permitted drill targets.

These combined elements make Gryphon primed for the Company's disciplined, systematic, ore-systems approach to exploration.

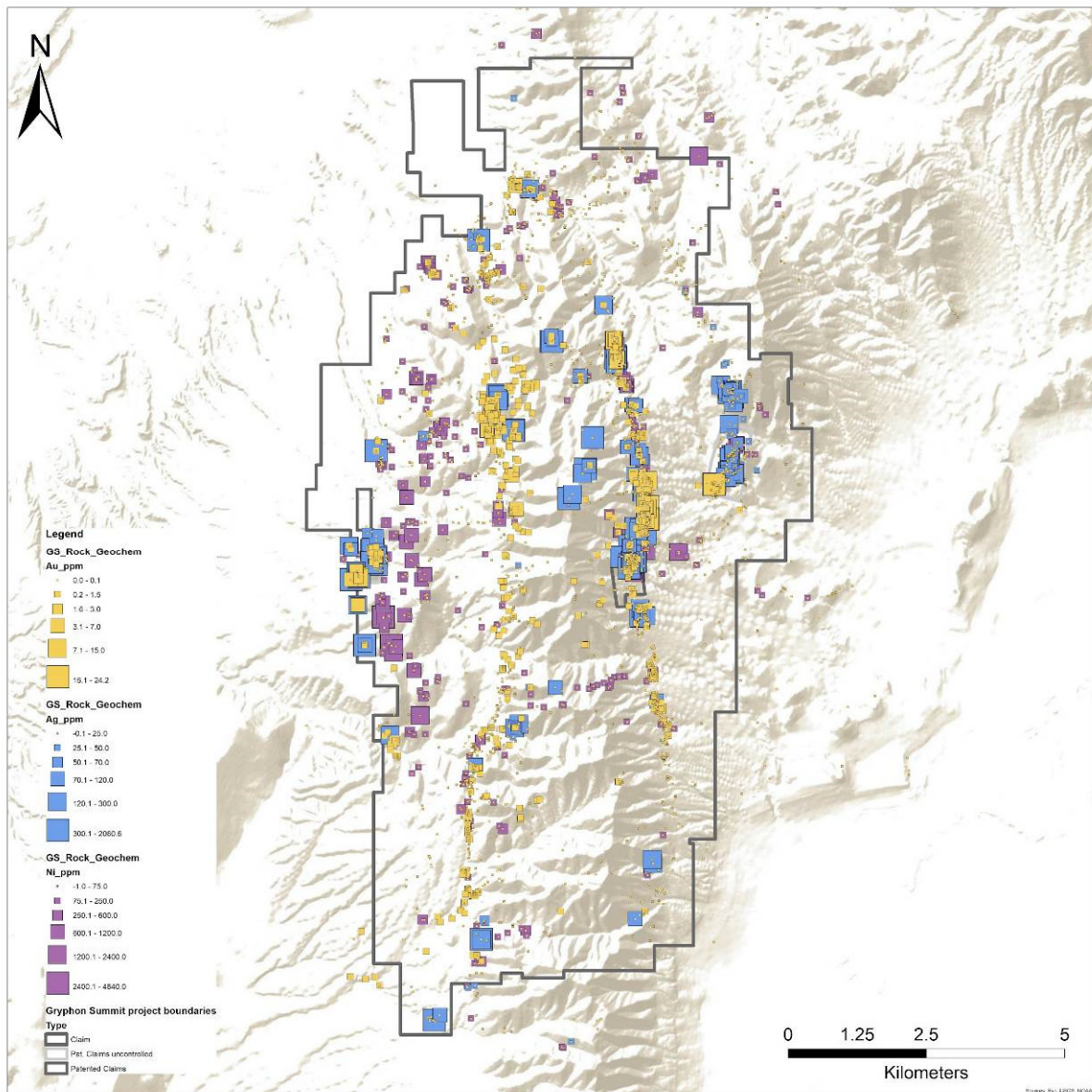


Figure 2: Anomalous geochemical results from outcrop and grab samples. Gold is yellow, Silver is blue, and Nickel is purple. Claim boundary delineated by the grey line. (Data generated/compiled by Golden Gryphon USA).

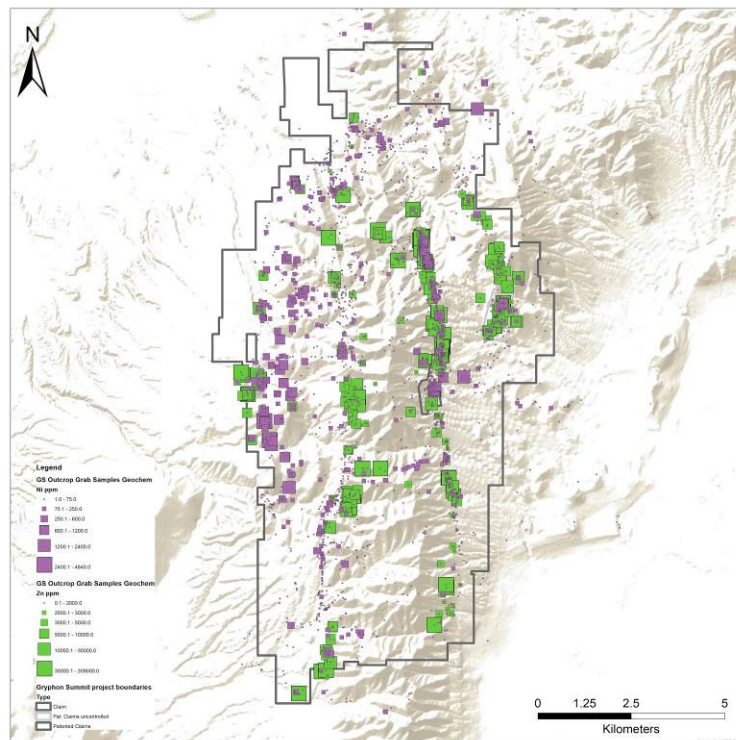


Figure 3. Nickel and Zn mineralization. Nickel is in purple, with grades up to 0.2-0.48%. Zinc is in green with grades up to 3-35%. (Data generated/compiled by Golden Gryphon USA).

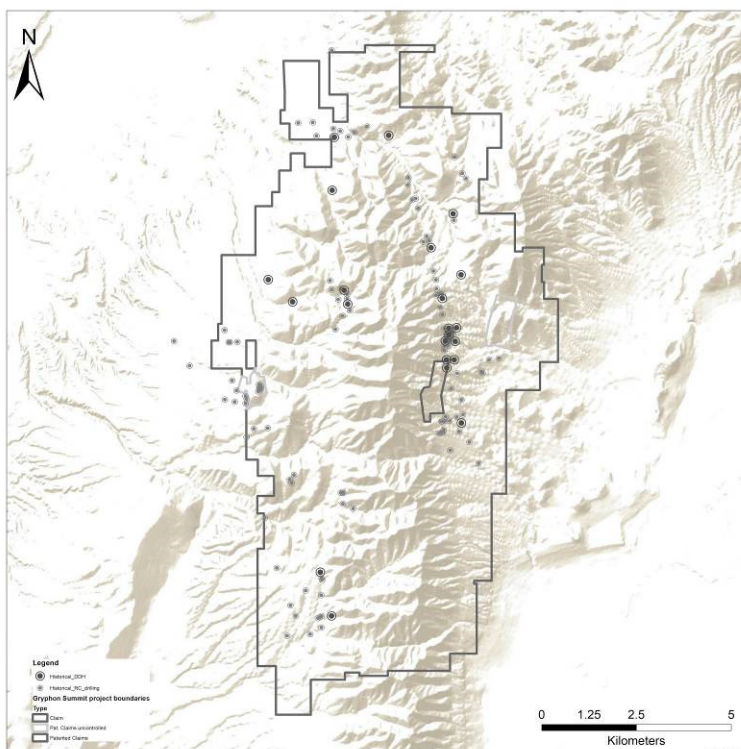


Figure 4. Historic Drilling at Gryphon. The previous drilling consisted of 133 RC holes displayed in grey and 23 Core holes displayed in dark grey. (Data generated/compiled by Golden Gryphon USA)

- ☒ CRD INITIAL CHECKLIST
Features common to all large known CRD deposits
- ☒ Location - Main Street CRD/Porphyry belt
 - ☒ Location- Top of carbonate section (room to grow)
 - ☒ Ag (+400 g/t), Au, Zn, Pb, Cu, +Mn, As, W...
 - ☒ Multiple mineralization and alteration stages
 - ☒ Large scale zoning
 - ☒ Presence of Felsite dikes
 - ☐ Presence of Skarn
 - ☒ Discordant geometry (= not syngenetic)
 - ☐ Replacement mineralization
 - ☐ High iron sphalerite
 - ☐ Pyrite pseudomorphs after pyrrhotite
 - ☒ Molybdenum mineralization
 - ☐ Granitic Stock Contact Skarn = Target

Megaw, et al., 1996, 1998, 2020

Figure 5. The CRD Initial Checklist, with the 13 key features common to all large known CRD deposits. Gryphon exhibits 8 out of 13 to date.

On November 29, 2023, the Company announced that together with Reyna Gold, the two companies are undertaking an independent NI43-101 compliant technical report incorporating over 30 years of technical data from generally shallow-focused gold exploration on the property. The Company is leading the process and the exploration team is already working with the enormous database assembled by the vendors. A joint technical team will be deployed soon for re-logging and strategic re-assay of all historical sampling and drilling. This includes the recent (2021-2022) 12-hole, 3,090 metre drilling program by Agnico Eagle that cut gold over significant widths in 9 out of the 12 holes drilled. Older drilling results will be reported once the NI43-101 report is complete and filed. The project came with valid permits for a number of drill pads in areas with strong prior results that can be readily reoccupied. For more details, please refer to the news release on November 29, 2023.

The Gryphon Summit Gold, Silver and critical metals project came with 39 kilometres of IP, 17 kilometres of CSAMT and NSAMT, gravimetric, hyperspectral, and lidar-like surveys. The Company has contracted ExploreTech, whose AI approach has already been applied to the Guigui Project (See Press Release of January 22, 2024) to apply their AI capability to quickly process these large datasets. This is expected to enable Reyna Silver's technical team to optimize the incorporation of these geophysics datasets into its 2024 drilling program. Targeting will focus on the intrusion-centered porphyry-CRD mineralization, the Carlin-type and the stratabound nickel mineralization that previous work indicates overlap on the property.

| | Mexico | | | | Canada | USA | | | Total |
|--|--------------|--------------|------------|-------------|----------|------------------|----------------|----|---------------|
| | Batopilas | Guigui | La Reyna | Others | Trudeau | Medicine Springs | Gryphon Summit | | |
| Exploration and evaluation assets | | | | | | | | | |
| Acquisition costs | | | | | | | | | |
| As of January 1, 2023 | \$ 597,262 | \$ 8,242,273 | \$ 322,617 | \$ 17,077 | \$ - | \$ 2,383,163 | \$ - | \$ | \$ 11,562,392 |
| Addition during the period | - | - | - | - | - | 419,477 | 96,715 | | 516,192 |
| Write-off of exploration and evaluation assets | - | - | (362,960) | - | - | - | - | | (362,960) |
| Foreign currency translation | - | 180,404 | 40,343 | - | - | (3,338) | - | | 217,409 |
| As of December 31, 2023 | \$ 597,262 | \$ 8,422,677 | \$ - | \$ 17,077 | \$ - | \$ 2,799,302 | \$ 96,715 | \$ | \$ 11,933,033 |
| Mineral exploration expenses for the year ended December 31, 2023 | | | | | | | | | |
| Claim staking | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,140 | \$ - | \$ | \$ 10,140 |
| Mineral taxes | 36,437 | 149,131 | - | - | - | 275,791 | 155,517 | | 616,876 |
| Depreciation | - | - | - | - | - | 9,686 | - | | 9,686 |
| Drilling | 113,463 | 22,524 | - | - | - | 1,499,588 | 34,089 | | 1,669,664 |
| Well drilling | - | - | - | - | - | 487,505 | - | | 487,505 |
| Geochemistry | - | 62,000 | - | - | - | 128,503 | 4,670 | | 195,173 |
| Geology and exploration | 355,529 | 393,680 | - | - | - | 417,727 | 97,186 | | 1,264,122 |
| Geophysics | 318,870 | 7,841 | - | - | - | 479,455 | - | | 806,166 |
| Other property related expenses | 11,481 | 14,625 | - | - | - | 653,292 | 13,059 | | 692,457 |
| Permitting | - | - | - | - | - | 15,002 | 7,589 | | 22,591 |
| Surface access | 68,943 | 57,134 | - | - | - | - | 1,644 | | 127,721 |
| Trenching | - | - | - | - | - | 328,830 | - | | 328,830 |
| | \$ 904,723 | \$ 706,935 | \$ - | \$ - | \$ - | \$ 4,305,519 | \$ 313,754 | \$ | \$ 6,230,931 |
| Cumulative mineral exploration expenses up to December 31, 2023 | | | | | | | | | |
| Consulting and reporting | \$ 19,872 | \$ 297,137 | \$ - | \$ - | \$ 4,500 | \$ - | \$ - | \$ | \$ 321,509 |
| Claim staking | - | - | - | - | - | 56,422 | - | | 56,422 |
| Mineral taxes | 162,264 | 673,420 | 60,637 | - | - | 713,144 | 155,517 | | 1,764,982 |
| Depreciation | - | - | - | - | - | 11,242 | - | | 11,242 |
| Drilling | 961,573 | 1,891,206 | 284 | - | - | 3,436,009 | 34,089 | | 6,323,161 |
| Well drilling | - | - | - | - | - | 487,505 | - | | 487,505 |
| Geochemistry | 29,012 | 97,459 | - | - | - | 154,214 | 4,670 | | 285,355 |
| Geology and exploration | 2,038,391 | 5,029,955 | 95,075 | - | - | 769,719 | 97,186 | | 8,030,326 |
| Geophysics | 463,934 | 234,947 | - | - | - | 503,097 | - | | 1,201,978 |
| Other property related expenses | 224,466 | 824,674 | - | - | - | 938,532 | 13,059 | | 2,000,731 |
| Permitting | - | - | - | - | - | 44,033 | 7,589 | | 51,622 |
| Reclamation | 2,109 | 2,578 | - | - | - | - | - | | 4,687 |
| Surface access | 120,711 | 183,319 | - | - | - | - | 1,644 | | 305,674 |
| Trenching | - | - | - | - | - | 578,600 | - | | 578,600 |
| Reimbursements from optionee | - | - | - | (20,000) | - | - | - | | (20,000) |
| | \$ 4,022,332 | \$ 9,234,695 | \$ 155,996 | \$ (20,000) | \$ 4,500 | \$ 7,692,517 | \$ 313,754 | \$ | \$ 21,403,794 |

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry, metal price fluctuations and operating in foreign countries and currencies.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. 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 for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for silver and other commodities

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future silver or other metal sales. The Company closely monitors silver prices as well as other metal prices to determine the appropriate course of action to be taken by the Company.

Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and other currencies may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while foreign operations are predominately conducted in Mexican pesos and US dollars. Fluctuations in the exchange rates between the Canadian dollar, US dollar and Mexican pesos may impact the Company's financial condition.

Risks Associated with Foreign Operations

The Company's investments in foreign countries such as Mexico and USA carry certain risks associated with different political, business, social and economic environments. The Company is currently evaluating silver and other commodities in Mexico and USA, but will undertake new investments only when it is satisfied that the risks and uncertainties of operating in different cultural, economic and political environments are manageable and reasonable relative to the expected benefits.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance and regulatory characteristics of property rights in certain foreign countries. Access to mineral properties also involves certain inherent risks due to the change in local ranchers and land owners.

Future government, political, legal or regulatory changes in the foreign jurisdictions in which the Company currently operates or plans to operate could affect many aspects of the Company's business, including title to properties and assets, environmental protection requirements, labor relations, taxation, currency convertibility, repatriation of profits or capital, the ability to import necessary materials or services, or the ability to export produced materials.

The exploration of mineral resources in Mexico and USA is subject to a comprehensive review, approval and permitting process that involves various federal, state and local agencies. There can be no assurance given that the required approvals and permits for a mining project, if technically and economically warranted, on the Company's claims can be obtained in a timely or cost-effective manner. The Mexican or US government may enact a law requiring royalties on minerals produced from federal lands, including unpatented claims.

Competition

The Company competes with larger and better-financed companies for exploration personnel, contractors and equipment. Increased exploration activity has increased demand for equipment and services. There can be no assurance that the Company can obtain required equipment and services in a timely or cost-effective manner.

Financing

All of the Company's short- to medium-term operating and exploration cash flow have been derived from external financing. Should changes in equity-market conditions prevent the Company from obtaining additional external financing in the future, the Company will review its exploration-property holdings and programs to prioritize project expenditures based on funding availability.

Global Health Crisis

Any future emergence and spread of viruses such as COVID19 could have an adverse impact on global economic conditions which may adversely impact the Company's operations. The Company continues to monitor the situation and the impact the virus may have on its properties. Should the virus spread, travel bans remain in place or should one of the Company's team members or consultants become infected, the Company's ability to advance its properties may be impacted. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of such virus and efforts to contain the virus.

Climate Change

Climate change is an international concern and as a result poses risk of both climate changes and government policy in which governments are introducing climate change legislation and treaties at all levels of government that could result in increased costs, and therefore, decreased profitability. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations,

reducing the profitability of the Company's operations or the potential economic value of its development projects.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. While the Company has not experienced these events at this point, such events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing, and rehabilitation efforts, could create resource shortages and could damage our properties or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our properties.

Cybersecurity Threats

The Company relies on secure and adequate operations of information technology systems in the conduct of its operations. Access to and security of the information technology systems are critical to the Company's operations and exploration. To the Company's knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. The Company has implemented ongoing policies, controls, and practices to manage and safeguard the Company and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, the Company may not have the resources or technical sophistication to anticipate, prevent, or recover from cyber-attacks and cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Disruptions to information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyber-attacks, natural disasters, and non-compliance by third-party service providers and inadequate levels of cybersecurity expertise and safeguards of third-party information technology service providers, may adversely affect the operations of the Company as well as present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, material adverse effect on its financial performance, compliance with its contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at December 31, 2023, which considered the indicators of impairment in accordance with IAS 36, "Impairment of Assets". Management concluded that no further impairment charges were required because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- exploration results are generally positive; and
- the Company intends to continue its exploration and development plans on its properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

The following selected annual financial information has been derived from the last three audited financial statements of the Company, which have been prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

| | 2023 | 2022 | 2021 |
|---------------------------------------|---------------|---------------|---------------|
| Total revenues | \$ - | \$ - | \$ - |
| Loss before other items | \$ 8,535,279 | \$ 8,592,846 | \$ 11,150,250 |
| Loss for the year | \$ 9,036,884 | \$ 8,569,146 | \$ 11,857,689 |
| Basic and diluted loss per share | \$ 0.06 | \$ 0.08 | \$ 0.12 |
| Total assets | \$ 14,745,714 | \$ 16,048,853 | \$ 16,530,510 |
| Total long-term financial liabilities | \$ - | \$ - | \$ - |
| Cash dividend declared - per share | N/A | N/A | N/A |

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

| | Three months ended | | | |
|-------------------------|--------------------|---------------|--------------------|-------------------|
| | March 31, 2022 | June 30, 2022 | September 30, 2022 | December 31, 2022 |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Loss before other items | \$ 1,628,164 | \$ 1,468,676 | \$ 2,173,926 | \$ 3,322,080 |
| Net loss | \$ 1,628,164 | \$ 1,418,235 | \$ 2,209,239 | \$ 3,313,508 |
| Loss per share | \$ 0.02 | \$ 0.01 | \$ 0.02 | \$ 0.03 |

| | Three months ended | | | |
|-------------------------|--------------------|---------------|--------------------|-------------------|
| | March 31, 2023 | June 30, 2023 | September 30, 2023 | December 31, 2023 |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Loss before other items | \$ 1,237,556 | \$ 1,880,063 | \$ 4,248,588 | \$ 1,169,072 |
| Net loss | \$ 1,275,158 | \$ 2,286,774 | \$ 4,295,710 | \$ 1,179,242 |
| Loss per share | \$ 0.01 | \$ 0.02 | \$ 0.03 | \$ 0.01 |

6(c) Review of Operations and Financial Results

For the three months ended December 31, 2023 compared with the three months ended December 31, 2022:

The Company's exploration expenses amounted to \$654,800 (2022 - \$2,584,149), a decrease of \$1,929,349.

Excluding the foreign exchange loss of \$11,644 (2022 - \$11,699), the Company's administrative expenses amounted to \$502,628 (2022 - \$726,232), a decrease of \$223,604 mainly due to: (a) marketing and shareholders communication of \$73,340 (2022 - \$438,219) where the Company had been promoting awareness of the Company's exploration activities in 2022; while being offset by the increase in (b) consulting fees of \$144,366 (2022 - \$48,310); and (c) transfer agent, listing and filing fees of \$56,988 (2022 - \$25,982).

The other major item for the three months ended December 31, 2023, compared with December 31, 2022, was:

- Gain on sale of marketable securities of \$Nil (2021 - \$50,000).

During the three months ended December 31, 2023, the Company recorded a net loss of \$1,179,242 (loss per share - \$0.01) compared to a loss of \$3,313,508 (loss per share - \$0.03) for the three months ended December 31, 2022.

For the year ended December 31, 2023 compared with the year ended December 31, 2022:

The Company's exploration expenses amounted to \$6,230,931 (2022 - \$5,735,525), an increase of \$495,406.

Excluding the share-based payment of \$44,365 (2022 - \$1,739) and foreign exchange loss of \$34,852 (2022 - \$2,502), the Company's administrative expenses amounted to \$2,225,131 (2022 - \$2,853,080), a decrease of \$627,949 mainly due to: (a) management and director fees of \$495,000 (2022 - \$780,999); (b) marketing and shareholders communication of \$720,564 (2022 - \$1,328,325) where the Company had been promoting awareness of the Company's exploration activities in 2022; while being offset by the increases in (c) consulting fees of \$362,639 (2022 - \$191,792).

The other major items for the year ended December 31, 2023, compared with December 31, 2022, were:

- Gain on sale of marketable securities of \$Nil (2022 - \$50,000);
- Property investigation costs of \$138,645 (2022 - \$26,300); and
- Write-off of exploration and evaluation assets of \$362,960 (2022 - \$Nil).

During the year ended December 31, 2023, the Company recorded a net loss of \$9,036,884 (loss per share - \$0.06) compared to a loss of \$8,569,146 (loss per share - \$0.08) for the year ended December 31, 2022.

6(d) Liquidity and Capital Resources

As at December 31, 2023, the Company had a working capital deficiency of \$407,686 (December 31, 2022 - working capital of \$1,809,623). With respect to working capital, \$96,110 was held in cash and cash equivalents (December 31, 2022 - \$2,024,660). The decrease in cash and cash equivalents was mainly due to (a) operating expenses including exploration expenses totaling \$8,469,863; (b) exploration and evaluation assets expenditures of \$597,794; (c) exploration deposit of \$45,028; while being offset by (d) net proceeds of \$7,184,135 from the issuance of shares.

The Company completed a non-brokered private placement subsequent to December 31, 2023 (see "Summary and Outlook" section).

Management estimates that the current cash position and future cash flows from the exercise of warrants, finder's warrants and options will be sufficient for the Company to carry out its anticipated exploration and operating plans through fiscal 2024.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

6(e) Disclosure of Outstanding Share Data

Common Shares

Authorized: unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

| | Issued and Outstanding | |
|---------------|------------------------|----------------|
| | December 31, 2023 | April 26, 2024 |
| Common shares | 150,236,670 | 188,615,004 |

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the year ended December 31, 2023 are summarized as follows:

| Expiry date | Exercise price | December 31, 2022 | Granted | Exercised | Expired / Cancelled | December 31, 2023 |
|---------------------------------|----------------|-------------------|---------|-----------|---------------------|-------------------|
| March 30, 2024 | * \$ 1.00 | 130,000 | - | - | - | 130,000 |
| October 13, 2025 | \$ 1.13 | 1,600,000 | - | - | - | 1,600,000 |
| January 12, 2026 | \$ 1.03 | 497,400 | - | - | - | 497,400 |
| December 16, 2026 | \$ 0.71 | 1,600,000 | - | - | - | 1,600,000 |
| September 13, 2029 | \$ 0.57 | 187,500 | - | - | - | 187,500 |
| September 8, 2025 | \$ 0.30 | - | 950,000 | - | - | 950,000 |
| Options outstanding | | 4,014,900 | 950,000 | - | - | 4,964,900 |
| Options exercisable | | 4,014,900 | 950,000 | - | - | 4,964,900 |
| Weighted average exercise price | \$ | 0.92 | \$ 0.30 | \$ - | \$ - | \$ 0.80 |

*Subsequent to December 31, 2023, 130,000 options expired unexercised.

The continuity of warrants for the year ended December 31, 2023 is as follows:

| Expiry date | Exercise price | December 31, 2022 | Issued | Exercised | Expired | December 31, 2023 |
|---------------------------------|----------------|-------------------|------------|-----------|-------------|-------------------|
| January 1, 2023 (a) | \$ 1.25 | 4,000,000 | - | - | (4,000,000) | - |
| June 22, 2023 | \$ 1.25 | 3,649,067 | - | - | (3,649,067) | - |
| June 24, 2024 | \$ 0.50 | 6,944,443 | - | - | - | 6,944,443 |
| February 13, 2026 | \$ 0.40 | - | 16,666,000 | - | - | 16,666,000 |
| February 23, 2026 | \$ 0.40 | - | 10,039,720 | - | - | 10,039,720 |
| Warrants outstanding | | 14,593,510 | 26,705,720 | - | (7,649,067) | 33,650,163 |
| Weighted average exercise price | \$ | 0.89 | \$ 0.40 | \$ - | \$ 1.25 | \$ 0.42 |

(a) These warrants were granted pursuant to the mineral property option agreement.

The continuity of finder's warrants for the year ended December 31, 2023 is as follows:

| Expiry date | Exercise price | December 31, 2022 | Issued | Exercised | Expired | December 31, 2023 |
|---------------------------------|----------------|-------------------|-----------|-----------|-----------|-------------------|
| June 22, 2023 (a) | \$ 0.83 | 446,978 | - | - | (446,978) | - |
| June 24, 2024 (b) | \$ 0.36 | 624,999 | - | - | - | 624,999 |
| June 24, 2024 | \$ 0.50 | 284,105 | - | - | - | 284,105 |
| February 13, 2025 (c) | \$ 0.30 | - | 1,166,620 | - | - | 1,166,620 |
| February 23, 2025 (c) | \$ 0.30 | - | 686,572 | - | - | 686,572 |
| Finders warrants outstanding | | 1,356,082 | 1,853,192 | - | (446,978) | 2,762,296 |
| Weighted average exercise price | \$ | 0.54 | \$ 0.30 | \$ - | \$ 0.83 | \$ 0.33 |

- (a) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$1.25 for a period of 2 years.
- (b) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$0.50 for a period of 2 years.
- (c) Each compensation warrant is exercised into one common share and one warrant, where each full warrant is then exercisable into one common share at \$0.40 for a period of 3 years.

The remaining outstanding stock options finder's warrants and warrants, if all exercised, would increase the Company's cash by \$26,856,448. However, if the strike prices of the options, finder's warrants and warrants are greater than the fair market price, this may influence whether options, finder's warrants and warrants that expire in the near future will be exercised.

As at the date of this MD&A, there were 188,615,004 common shares issued and outstanding and 272,561,927 common shares outstanding on a diluted basis.

6(f) Commitment

The Company is committed to issue a total of 1,188,681 common shares to its directors, officers and consultants for consulting and geological consulting services.

On December 16, 2022, the Company entered into a Collaborative Research Agreement with the University of British Columbia pursuant to which the Company is required to make the payments as follows:

- \$31,000 on the Effective date of the agreement (paid);
- \$31,000 on the first anniversary of the Effective date; and
- \$31,000 on the second anniversary of the Effective date.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended December 31, 2023

| | Cash payments ⁽¹⁾ | Shares issued ⁽¹⁾ | Share-based payments ⁽²⁾ | Total |
|--|------------------------------|------------------------------|-------------------------------------|------------|
| Jorge Ramiro Monroy ⁽³⁾ Chief Executive Officer, Director | \$ 300,000 | \$ - | \$ - | \$ 300,000 |
| Michael Wood ⁽⁴⁾ Chief Financial Officer, Director | \$ 120,000 | \$ - | \$ - | \$ 120,000 |
| Peter Jones ⁽⁵⁾ Director | \$ 25,000 | \$ - | \$ - | \$ 25,000 |
| Alex Langer ⁽⁶⁾ Director | \$ 20,000 | \$ - | \$ - | \$ 20,000 |
| Evaristo Trevino ⁽⁷⁾ Director | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| Carmen Amezcuita ⁽⁸⁾ | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| Ariel Navarro - Vice President of Exploration of the Company ⁽⁹⁾ | \$ - | \$ - | \$ 2,335 | \$ 2,335 |
| TOTAL: | \$ 495,000 | \$ - | \$ 2,335 | \$ 497,335 |

- (1) Included in the Management and director fees in the consolidated statements of loss and comprehensive loss.
- (2) Amount represents the Black-Scholes calculation of the stock options granted to the individual during the period and is included in the Share-based compensation in the consolidated statements of loss and comprehensive loss.
- (3) Jorge Ramiro Monroy's cash payments as the Chief Executive Officer were paid through Emerging Markets Capital Limited while the shares were issued to Mr. Monroy himself.
- (4) Michael Wood became the director of the Company effective June 3, 2020 and the Chief Financial Officer effective July 6, 2020. Mr. Wood's cash payments as the Chief Financial Officer were paid through Athena Jade Limited while the shares were issued to Mr. Wood himself.
- (5) Peter Jones became the director of the Company effective June 3, 2020.
- (6) Alex Langer's director fee was paid to his company Andros Capital Corp.
- (7) Evaristo Trevino became the director of the Company effective September 21, 2020.
- (8) Carmen Amezcuita became the director of the Company effective December 30, 2022. Carmen Amezcuita's director fee was paid to her company Amezcuita Management Inc.
- (9) Ariel Navarro became the Vice President of Exploration of the Company effective June 3, 2020.

Related party transactions and balances:

| Amounts in due to related parties: | Services for: | For the | | As at | | As at | |
|--|-----------------------------------|--------------------------|---------------------------|--------------|----------|--------------|------|
| | | years ended December 31 | | December 31, | | December 31, | |
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Emerging Capital Markets ⁽¹⁾ | Management fee and reimbursements | \$431,836 ⁽⁶⁾ | \$ 445,153 ⁽⁷⁾ | \$ 66,954 | \$ 8,835 | | |
| Athena Jade Limited ⁽²⁾ | Management fee | 120,000 | 186,000 | 20,000 | - | | |
| Andros Capital Corp. ⁽³⁾ | Director fee and consulting fee | 20,000 | 20,000 | 5,250 | - | | |
| Peter Jones | Director fee | 25,000 | - | 6,250 | - | | |
| Evaristo Trevino | Director fee | 15,000 | - | 3,750 | - | | |
| Cassiar Gold Corp. ⁽⁴⁾ | Rent | 18,252 | 10,647 | 3,042 | - | | |
| Amezcuita Management Inc. ⁽⁵⁾ | Director fee | 15,000 | - | 6,300 | - | | |
| Total | | \$ 645,088 | \$ 661,800 | \$ 111,546 | \$ 8,835 | | |

- (1) Jorge Ramiro Monroy is the managing director of this private company.
- (2) Michael Wood is the sole director of this private company.
- (3) Alex Langer is the owner of this private company.
- (4) Michael Wood is a director of this private company.
- (5) Carmen Amezcuita is the owner of this private company.
- (6) Included in this amount is \$131,836 related to expense reimbursements.
- (7) Included in this amount is \$30,153 related to expense reimbursements.

6(i) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables (excluding sales tax), trade and other payables and due to related parties that approximate their carrying values.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian and Mexican financial institutions. Management believes that credit risk related to these amounts is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Interest Rate Risk

Interest rate risk is the risk that any investment income or investment value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

Foreign Exchange Risk

The Company's property interests in Mexico and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Mexican pesos as well as between the Canadian dollar and the US dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary assets of approximately 32,077,000 Mexican pesos and net monetary liabilities of 200,000 US dollars. A 1% change in the absolute rate of exchange in Mexican pesos and US dollars would affect its net loss by approximately \$64,000.

Commodity Risk

Commodity risk is the risk on financial performance due to fluctuations in the prices of commodities. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of commodities for which it is exploring. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

6(j) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants, finder's warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration or operations in the near term.

7. Events after the Reporting Period

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent, management considered both the funds from financing activities and the currency in which goods and services are paid. The functional currency of its subsidiaries in Mexico is the Mexican peso and the functional currency of its subsidiary in USA is the US dollar. The Company chooses to report in Canadian dollar as the presentation currency;
- The assessment of indications of impairment of each mineral property and related determination of the net realized value and write-down of those properties where applicable;
- The determination of the value of the common shares issued pursuant to the acquisition of the exploration and evaluation assets; and
- The determination that the Company will continue as a going concern for the next year.

9. Internal Control Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 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 financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating



to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

10. Information on the Officers and Board of Directors

Directors:

Peter Jones, Chairman
Jorge Ramiro Monroy
Michael Wood
Alexander Langer
Evaristo Trevino Berlanga
Carmen Amezcua

Audit Committee members:

Evaristo Trevino Berlanga, Peter Jones and Alexander Langer

Management:

Jorge Ramiro Monroy – Chief Executive Officer
Michael Wood – Chief Financial Officer
Ariel G. Navarro Herrera, MSc. – Vice President of Exploration