<u>SENDERO RESOURCES CORP.</u>

(An Exploration Stage Company)

Management Discussion and Analysis
For the Year Ended July 31, 2023

Dated: March 21, 2024

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Vancouver, British Columbia, Canada
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INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Sendero Resources Corp. ("Sendero" or the "Company") and has been prepared based on information known to management as of March 21, 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 July 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.

Sendero recognizes environmental, social and governance ("ESG") best practices as key components to a responsible mineral exploration and mining sector. The Company's exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Sendero strives to earn its social license wherever it is active, endeavoring to meet regularly with local communities, regulators and other concerned parties before, and during, exploration work to understand issues important to local and Indigenous communities. Sendero's approach is based on transparency, open communication, inclusivity and respect, to better enable social and economic benefit for communities as well as value for investors.

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 Argentina;
- 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 https://senderoresources.com/.

SUMMARY AND OUTLOOK

Sendero's principal business is the acquisition, exploration and development of resource properties for the mining of precious or base metals with a focus in Argentina. The Company's key objective is to advance exploration at the Peña Negras Property with the objective of determining whether the property contains commercially exploitable deposits of precious or base metals.

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 September 27, 2023, the Company completed its reverse-take-over ("RTO") with 1319732 B.C. Ltd. ("131") and began trading on the TSX Venture Exchange (the "Exchange") on October 4, 2023 under the symbol "SEND". As part of the RTO, the Company raised a total of $5,855,950 by brokered financing and non-brokered financing and issued 29,279,750 units. (See "Background" and "Liquidity and Capital Resources" sections).

For the 2023 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 https://senderoresources.com/.

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

- The Company focuses its objective to advance exploration at its property with potential for commercially exploitable deposits of precious or base metals;
- The Company's exploration team has an exceptional track record of discoveries; and
- The Company is well funded.

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1. Background

Sendero's full name is "Sendero Resources Corp." Sendero is a private company that was incorporated on August 4, 2020 under the name "Reyna Gold Corp." under the laws of the Province of British Columbia. Sendero's registered office and principal place of business is located at 1900 – 1040 West Georgia Street, Vancouver, BC, Canada V6E 4H3. Sendero's name was changed from "Reyna Gold Corp." to "1260005 B.C. Ltd." on January 21, 2021 and subsequently to "Sendero Resources Corp." on June 1, 2021.

On March 3, 2023, the Company entered into a binder letter agreement (the "Agreement") with 1319732 B.C. Ltd. ("131"). Pursuant to the Agreement, the Company and 131 would complete the RTO. For accounting purposes, the Company would be treated as the accounting parent, and 131 would be treated as the accounting subsidiary. Concurrently with the completion of the RTO, the resulting issuer would seek to list its common shares for trading on the Exchange. As part of the RTO, the Company completed certain financings (see "Liquidity and Capital Resources" section).

Upon the completion of the RTO, the Company changed its name to "Sendero Holdings Ltd." and legally became a wholly-owned subsidiary of 131, the publicly listed entity where 131 changed its name to "Sendero Resources Corp".

On October 4, 2023 the publicly listed Sendero began trading on the Exchange under the symbol "SEND".

2. Overview

2(a) Company Mission and Focus

Sendero's principal business is the acquisition, exploration and development of resource properties for the mining of precious or base metals with a focus in Argentina. The Company's key objective is to advance exploration at the Peña Negras Property with the objective of determining whether the property contains commercially exploitable deposits of precious or base metals.

2(b) Qualified Person

David Royle (FAusIMM (CP)) supervised the preparation of and approved the scientific and technical information pertaining to Peñas Negras Project. David Royle is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

2(c) Description of Metal Markets

Gold 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's only mineral property is in Argentina.

i. *Peña Negras Property*

The following disclosure regarding the Peñas Negras Property is derived from the Technical Report The Technical Report is incorporated by reference herein and is available under 131's profile on SEDAR+.

The Peñas Negras Property is located in north-western Argentina in the General Lamadrid department, in the province of La Rioja, just north of the San Juan province near the Chilean border. The area presents elevations ranging from 3,900 masl to 4,955 masl. The central geographic coordinates are 28˚19' south latitude and 69˚25' west longitude, or 2,458,457 m East, and 6,868,474 m North (Gauss Krüger - Zone 2, POSGAR 94).

Sendero, through Barton S.A.S. ("Barton") (a wholly-owned subsidiary of Sendero), is the holder of ten mining concessions covering 11,682.54 ha (116.83 km2), all of which properties are plotted on the Provincial Mining Cadastre of the province of La Rioja, according to the Gauss Kruger coordinates and updated to April 2023. The property includes six exploitation concessions (Minas) totalling 5,515.26 ha and four exploration concessions (Cateos) totalling 6,167.28 ha, for a total of 11,682.54 ha.

On October 26, 2021, the Company entered into a share transfer agreement with the owner of Barton pursuant to which the Company acquired 100% of the issued and outstanding share capital of Barton in exchange for the issuance of 12,500,000 Sendero Shares to a director of the Sendero.

The Peña Negras Property is subject to a 1.5% net smelter returns royalty ("NSR") payable to a director of the Company pursuant to the NSR agreement dated March 1, 2023.

On February 25, 2023, the Company issued 1,666,667 shares at a fair value of $0.20 per share ($333,333) to a director of the Company for the acquisition of an additional mineral claim where such claim is subject to a 1.5% NSR.

On October 23, 2023, the Company announced that it received drill permits for its Peñas Negras Property. This is a major development for the Company as it represents the successful conclusion of the Company's permit application process to secure the drill permits which now enables the Company to drill test several high-priority porphyry targets, where similar geology has been discovered to the major deposits on the Vicuna belt. None of the priority targets have previously been drill tested.

Highlights:

- Fully permitted for drilling which will commence in January 2024, with an initial 4,500 metres of diamond drilling;
- Three priority drill-ready porphyry copper-gold targets have been selected for initial drilling, including La Pena, Cerro Verde South and Tamberias;
- Many of the key geological, geochemical and geophysical features seen at other deposits in the Vicuna belt, such as the Filo del Sol and Josemaria deposits, are replicated in these priority drill targets.

On December 12, 2023, the Company announced that it started mobilization for the January 2024 drill program where it would focus on four priority drill-ready porphyry copper-gold targets: La Pena, Tamberias, Cerro Verde South and La Ollita.

La Pena target

La Pena has many typical features of Andean copper-gold porphyry deposits. The mineralized system is exposing at an optimum level of erosion, just above the interpreted high-grade copper-gold zone. Favourable features of the exposed diorite porphyry are intense potassic alteration, stockwork magnetite-quartz veining, and the presence of copper sulphides and oxides. Two initial holes are programmed at La Pena.

Tamberias target

Tamberias comprises an outcropping diorite porphyry with classic porphyry-style quartz-magnetite veining. Pervasive hydrothermal alteration is zoned from a potassic core overprinted chlorite-epidote. The area shows copper/gold/molybdenum geochemistry and peripheral zinc/cadmium/lead in ionic leach and conventional soils coinciding with a magnetic high and a quartz vein stockwork zone. Trenching to the east of the outcropping diorite porphyry has revealed a breccia zone with strongly anomalous gold/copper/silver geochemistry in channel sampling and extensions of the diorite porphyry under the cover with fresh sulphides, mainly pyrite and minor chalcopyrite and chalcocite.

Cerro Verde South target

At Cerro Verde South, there is extensive porphyry-related alteration coincides with major magnetite-quartz stockwork zones. In the same areas highly anomalous copper/gold/molybdenum with peripheral zinc/lead/cadmium halos have been defined by ionic leach, talus fines and conventional soil geochemistry. These favourable features also coincide with magnetic highs.

Two drill holes are initially programmed for the south target within Cerro Verde South, where intense stockwork veining in dacite and diorite porphyries has been observed. This coincides with the zone of geochemical anomalies and strong magnetism. The area known as the green whale has shown significant potential for hosting an economic porphyry system due to the presence of high-density quartz-magnetite veining with associated breccias linked to known copper-gold mineralization in historical drilling. A third drill hole is programmed into the green whale target.

La Ollita

The La Ollita target has been upgraded to high priority following continuing targeting studies and revised ranking. Reassessment of historical Eldorado Gold drilling conducted in the mid-1990s revealed that several deeper holes (250 to 300 metres) intersected quartz diorite porphyry toward the bottom of the holes associated with quartz-magnetite stockwork veining and potassic alteration. Some of the holes ended in highly anomalous copper and gold values, including drill hole PNR 33 returning 10 metres at 0.79 gram per tonne gold and 1,400 parts per million copper from 260 metres. The holes with quartz diorite porphyry coincide with a gradient IP chargeability anomaly measuring approximately 500 metres by 800 metres.

Overlying and extending laterally away from the porphyry centre is an epithermal vein overprint associated with pervasive phyllic alteration (quartz/sericite/pyrite/clay). Many of the near-surface Eldorado Gold drill holes returned highly anomalous gold grades (0.5 gram per tonne to 3.0 grams per tonne) over potentially minable widths.

IP and ground magnetic surveys are currently being completed, along with ionic leach geochemical soil sampling, with the aim of refining the porphyry centre(s) below the known epithermal system and selecting optimum drill targets.

On January 10, 2024, the Company announced that the Company began its diamond drilling for an initial program of 4,500m. Drilling had commenced at La Pena with two planned holes at approximately 500m each. The Company also announced that a recent detailed ground magnetic survey at La Pena confirmed the large magnetic anomaly centred on the known porphyry and highlights a satellite magnetic anomaly to the north. Many of the key geological, geochemical and geophysical features seen at other deposits in the Vicuna belt, such as Filo del Sol and Josemaria deposits, are replicated in Sendero's priority drill targets.

On February 27, 2024, the Company announced that three diamond drill holes had been completed for a total of 1,544m across three priority targets at La Pena, Tamberias and La Ollita with assay results pending.

Drilling Update

Hole PND 001: 575m at La Pena: Intersected an elongated diorite porphyry body with pervasive potassic alteration, characterized by quartz-biotite-magnetite-K-feldspar; with partial overprinting of quartz-sericite and chlorite. Intense porphyry-style stockwork veining was intersected including magnetite veinlets (M-type), A and B-type quartz, and anhydrite/gypsum veins. Hydrothermal and possible phreatomagmatic breccias cut the porphyry intrusive bodies. Widespread disseminated pyrite with traces of chalcopyrite and molybdenite were encountered throughout the hole. Towards the bottom of the hole intrusion-type brecciation occurs at the contact between the intrusive porphyry and the granitic country rock.

Hole PND 002: 519m at Tamberias: The drill hole intersected small multiphase dacite to diorite porphyry intrusives with breccia phases that were emplaced into andesitic to dacitic volcanic country rock. The overall alteration is chlorite-illite-sericite overprinted on early potassic alteration (biotite-magnetite). Fine quartz-magnetite veinlets and stockwork veining of gray quartz are recognized throughout the entire hole, sometimes accompanied by sulphides. Abundant disseminated pyrite, with traces of chalcopyrite and molybdenite, are present throughout the hole.Hole PND 003: 450m at La Ollita: Intersected an advanced argillic lithocap in the upper 150m of the hole associated with intensely silicified polymictic (phreatomagmatic) breccia. The alteration is typical of high-sulphidation epithermal gold-copper mineralization, characterized by quartz-kaolinite-sericite-pyrophyllite, with zones of vuggy silica. Disseminated and fracture-controlled pyrite is the dominant sulphide with minor chalcopyrite and chalcocite. Sulphide filled fracture zones contain chalcopyrite-chalcocite and traces of covellite and enargite together with pyrite, galena, sphalerite and possible Ag-As-Sb sulfosalts. Deeper in the hole, the lithology is predominantly volcanic (andesite and dacite), and alteration gradually shifts towards an assemblage of chlorite-illite-sericite-kaolinite with patchy silica and gray quartz stockwork veining with minor quartz-chalcopyrite veinlets. The lower part of the hole contains abundant disseminated pyrite, with traces of chalcopyrite and chalcocite.

La Ollita - Geophysics

Ground magnetics and induced polarization (IP) surveys recently completed at La Ollita have enhanced our technical understanding of this target. The ground magnetics has produced three discrete magnetic high anomalies spread in an east to west orientation across the prospect for approximately 2km.

The pole-dipole IP lines show a large chargeability anomaly coinciding with the central ground magnetic high. This coincident positive magnetic and IP response together with results of ionic leach geochemistry is the focus of the current drilling at La Ollita.

La Ollita is a mineralized system where the company knows there is significant metal content from historic drill results. In the period 1995 - 1997 over 9,000m of mostly RC drilling was carried out by Eldorado who identified both a dacite and diorite porphyry below a shallower epithermal cap. The highest gold assay returned was 20.583 g/t Au (Hole PNR028 from 130m to 132m), and the highest copper assay returned a value of 0.6027% Cu (Hole PNR036 from 108m to 110m). The historical drilling was mainly shallow drilling with an average depth of 127m and many holes stopped in Au-Cu mineralization.

The association of high-level breccia bodies in PND003 showing clasts of mineralized porphyry plus the clear evidence of classic vuggy residual quartz and silica-clay (advanced argillic alteration) overlying porphyry style mineralization is strong evidence of telescoped alteration and mineralization zoning. Similar features are shared with the contemporaneous porphyry gold copper deposit of the Vicuna District, particularly Filo del Sol and Josemaria.

Next Steps

At La Ollita, drilling is currently underway around 250m deep into PND004. Information on the locations of further drillholes will be provided once initial assay results are received and further geophysical data is fully interpreted from La Pena and Cerro Verde South.

On March 5, 2024, the Company announced that it entered into an arm's-length option agreement dated March 4, 2024, with Energia y Minerales-Sociedad del Estado (EMSE), the Energy and Minerals State Society of La Rioja, to significantly increase the Company's land position in the Vicuna district.

Pursuant to the terms of the option agreement, upon satisfying certain agreed-to financial commitments, Sendero and EMSE would form a joint venture, which would be 80% owned by Sendero, to develop mineral concessions consisting of 9,177 hectares/91.7 square kilometres (joint venture claims) which are directly adjacent to the east of the Company's 100%-owned Penas Negras project.

Pursuant to the terms of the option agreement, the formation of the joint venture is conditional on the following deliverables by Sendero:

a) Sendero to make aggregate cash payments of US$5 million of which US$1 million is payable in 2024, US$1.26 million in 2025, and US$1.37 million in each of 2026 and 2027.

b) Sendero shall have completed work expenditures of US$10 million within four years on the combined land package of Penas Negras project and joint venture claims.

c) EMSE shall be granted a 1% net smelter royalty (NSR) on the Penas Negras project.

Sendero will provide information on the geological information that EMSE has on the joint venture claims, once it has completed a detailed review and outlined initial work plans on the joint venture claims.

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 gold 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 gold or other metal sales. The Company closely monitors gold 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 Argentine pesos and US dollars. Fluctuations in the exchange rates between the Canadian dollar, US dollar and Argentine pesos may impact the Company's financial condition.

Risks Associated with Foreign Operations

The Company's investments in foreign countries such as Argentina carry certain risks associated with different political, business, social and economic environments. The Company is currently evaluating gold and other commodities in Argentina, 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 Argentina 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 Argentina 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.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at July 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 property;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the property;
- the Company recently obtained its drill permit to explore; 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.

	Year ended July 31, 2023		Year ended July 31, 2022		from incorporation on August 4, 2020 to July 31, 2021	
Total revenues	$	-	$	-	$	-
Expenses	$	509,700	$	1,034,361	$	28,559
Loss for the year	$	510,913	$	1,079,342	$	28,980
Basic and diluted loss per share	$	0.02	$	0.05	$	0.07
Total assets	$	7,054,857	$	2,412,711	$	127,400
Total long-term financial liabilities	$	-	$	-	$	-
Cash dividend declared - per share		N/A		N/A		N/A

From incorporation on August 4, 2020 to July 31, 2021, the Company incurred a loss of $28,980 as the Company was newly established and had minimum exploration amounts as well as administrative costs. During the year ended July 31, 2022, the Company entered into a share transfer agreement and acquired 100% of Barton where Barton owns the Penas Negras property and began exploration work on this property. The Company incurred more administrative expenses in order to support the exploration activities.

During the year ended July 31, 2023, the Company slowed down its exploration work at the Penas Negas property and focus on negotiating the RTO which was completed in October 2023. The administrative expenses were to support both the exploration work as well as the negotiation of the RTO.

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							
	October 31, 2022		January 31, 2023		April 30, 2023		July 31, 2023	
Total revenues	$	-	$	-	$	-	$	-
Expenses	$	170,458	$	77,468	$	118,639	$	142,827
Comprehensive loss	$	198,511	$	48,270	$	120,242	$	143,890
Loss per share	$	0.01	$	0.01	$	0.01	$	0.00

	Three months ended							
	October 31, 2021		January 31, 2022		April 30, 2022		July 31, 2022	
Total revenues	$	-	$	-	$	-	$	-
Expenses	$	126,353	$	279,926	$	445,619	$	182,463
Comprehensive loss	$	137,981	$	271,580	$	457,849	$	211,932
Loss per share	$	0.02	$	0.02	$	0.02	$	0.01

The loss for the three months ending October 31, 2021 was due mostly on its exploration work on the Penas Negras property incurred during the period. During the three months ended January 31, 2022, the Company continued to incur exploration costs on the property as well as a bit more administrative costs to support the activity, resulting in an increase.

During the three months April 30, 2022, the Company increased its exploration work on the property along with having more administrative costs to support. However, during the three months ended July 31, 2022, because of the winter season at the Penas Negras property, the exploration work slowed down, resulting in a decrease.

During the three months ended October 31, 2022, the Company's exploration work focused on analyzing the results of the earlier work done while incurring the administrative costs to support such activity.

During the three months ended January 31, 2023, the Company slowed down the exploration work as well as the administrative amounts. However, starting in the three months ended April 30, 2023, the Company began more exploration work on the property given the summer season and it also began negotiating for the RTO, thus incurring more expenses in both three-month periods ending in April 30, 2023 as well as in July 31, 2023.

6(c) Review of Operations and Financial Results

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

The Company's exploration expenses amounted to $44,262 (2022 - $44,948), a slight decrease of $686. During both periods, the Company's exploration activity at the Peña Negras Property was similar.

Excluding the foreign exchange loss of $863 (2022 foreign exchange gain – $6,392), the Company's administrative expenses amounted to $98,010 (2022 - $143,907), a decrease of $45,897 mainly due to: (a) management fee of $35,056 (2022 - $54,623); (b) marketing of $7,931 (2022 - $52,167); (c) legal of $11,492 (2022 - $20,994) as the Company was actively preserving cash in order to complete the RTO.

During the three months ended December 31, 2022, the Company reported a loss of $142,827 (2022 – $182,463), a decrease of $39,636.

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

The Company's exploration expenses amounted to $165,098 (2022 - $672,302), a decrease of $507,204 as a result of the Company was more active in its exploration program at the Peña Negras Property in fiscal 2022.

Excluding the foreign exchange loss of $2,165 (2022 - $2,972), the Company's administrative expenses amounted to $342,437 (2022 - $359,087), a slight decrease of $16,650 mainly due to consulting of $16,520 (2022 - $58,171) while being offset by increases in other expenses in order to prepare for the RTO. The Company was actively preserving its cash in order to complete the RTO.

During the year ended December 31, 2022, the Company reported a loss of $509,392 (2022 – $1,034,361), a decrease of $524,969.

6(d) Liquidity and Capital Resources

As at July 31, 2023, the Company had a working capital of $2,568,271 (July 31, 2022 – $167,428). With respect to working capital, $4,827,519 was held in cash and cash equivalents (July 31, 2022 – $534,345). The increase in cash was mainly due to the proceeds received from the issuance of common shares and the subscription receipts financing totaling $5,114,656, while being offset by $821,482 used in operations, including expenditures on the exploration and evaluation assets.

As part of the RTO, the Company completed a brokered financing on April 27, 2023, issuing 11,014,500 subscription receipts for gross proceeds of $2,202,900. As part of the brokered financing, a total of $154,203 broker's fee and $99,811 other share issue costs were incurred. The net proceeds from this brokered financing of $1,948,886 were held in trust as of April 30, 2023 and were released to the Company upon the completion of the RTO on September 27, 2023. Each subscription receipt, upon the completion of the RTO, was converted into one common share of the resulting issuer and a half warrant. Each full warrant associated with these subscription receipts is exercisable into one common share of the resulting issuer at $0.30 and expires on September 27, 2025.

In conjunction with the brokered financing, the Company issued 125,000 common shares as corporate finance fee and 771,016 broker's warrants whereby each broker's warrant entitles the holder to purchase one common share at an exercise price of $0.20 expiring on September 27, 2025.

On April 27, 2023, the Company also completed the first tranche of a non-brokered financing, issuing 15,047,750 units for total proceeds of $3,009,550, $1,242,660 of which was held by the lawyer and on September 27, 2023 deposited into the Company's bank account. Each unit consists of one common share and a half warrant. Each full warrant is exercisable into one common share of the Company at $0.30 expiring on September 27, 2025. The Company incurred $126,122 cash finder's fees and issued 630,612 finder's warrants whereby each finder's warrant entitles the holder to purchase one common share at an exercise price of $0.20 expiring on September 27, 2025.

On May 12, 2023, the Company completed the second tranche of the financing, issuing 1,225,000 units for total proceeds of $245,000. Each unit consists of one common share and a half warrant. Each full warrant is exercisable into one common share of the Company at $0.30 expiring on September 27, 2025. The Company incurred $11,357 in cash finder's fees and issued 56,787 finder's warrants whereby each finder's warrant entitles the holder to purchase one common share at an exercise price of $0.20 expiring on September 27, 2025.

On July 25, 2023, the Company completed the third tranche of the financing, issuing 1,992,500 units for total proceeds of $398,500. Each unit consists of one common share and a half warrant. Each full warrant is exercisable into one common share of the Company at $0.30 expiring on September 27, 2025. The Company incurred $27,650 in cash finder's fees and issued 138,250 finder's warrants whereby each finder's warrant entitles the holder to purchase one common share at an exercise price of $0.20 expiring on September 27, 2025.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants, finders' warrants, advisors' options and options, along with the planned developments within the Company are sufficient to carry out its activities throughout 2023. The Company would consider future equity financings if such financings are beneficial to the Company. If the market conditions change, the Company will make adjustment to its budgets accordingly.

6(e) Disclosure of Outstanding Share Data

<u>Common Shares</u>

Authorized: unlimited number of common shares without par value.

On February 25, 2023, the Company issued 1,666,667 shares at a value of $333,333 to a director of the Company for the acquisition of a mineral claim.

In April to July 2023, the Company also completed brokered and non-brokered private placements in conjunction with the RTO (see "6(d) Liquidity and Capital Resources" section).

On September 27, 2023, the Company and 131 completed the RTO and began trading on the Exchange under the symbol "SEND" effective October 4, 2023.

The RTO is being accounted for as a capital transaction in which Sendero is being identified as the acquirer of 131 and equity consideration is being measured at fair value. The RTO does not constitute a business combination under IFRS 3 and is therefore accounted for in the financial statements of the resulting issuer as a continuation of the financial statements of Sendero, subject to a deemed issuance of shares and re-capitalization of the resulting issuer's equity. The acquisition of 131 is accounted for as

6,000,000 common shares deemed issued at $0.20 per share to acquire the net identifiable assets of 131. This $1,200,000 equity consideration is allocated to 131's net identifiable assets and liabilities with the residual accounted for as listing expense.

In conjunction with the RTO, the Chief Financial Officer received 1,000,000 common shares and the Chief Executive Officer received 1,670,355 common shares. The resulting issuer also granted 5,300,000 stock options to its directors, officers and consultants at an exercise price of $0.20 for a period of five years expiring on September 27, 2028.

Pursuant to the RTO, 21,622,643 common shares were placed in escrow in accordance with the escrow agreement dated September 27, 2023, where 10% of the escrowed common shares were released on September 27, 2023 and 15% every six months thereafter. Another 6,858,333 common shares were placed under a pooling arrangement, where 20% of these common shares were released on September 27, 2023 and 20% every three months thereafter.

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

Expiry date	Exercise price	July 31, 2022	Issued	Exercised	Expired	July 31, 2023
September 27, 2025	$ 0.30	-	9,132,625	-	-	9,132,625
Warrants outstanding		-	9,132,625	-	-	9,132,625
Weighted average exercise price		$ -	$ 0.30	$ -	$ -	$ 0.30

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

Expiry date	Exercise price	July 31, 2022	Issued	Exercised	Expired	July 31, 2023
September 27, 2025	$ 0.20	-	1,596,665	-	-	1,596,665
Finder's warrants outstanding		-	1,596,665	-	-	1,596,665
Weighted average exercise price		$ -	$ 0.20	$ -	$ -	$ 0.20

	Issued and outstanding July 31, 2023	March 21, 2024
Common shares outstanding	45,723,583	66,400,420
Options	-	5,175,000
Warrants	9,132,625	13,959,875
Finder's / broker's warrants	1,596,665	1,409,683
Subscription receipts [a]	11,014,500	-
Warrants associated with subscription receipts [b]	5,507,250	-
Fully diluted common shares outstanding	72,974,623	86,944,978

6(f) Commitment

None.

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 July 31, 2023

	Cash payments	Shares issued	TOTAL
Hernan Vera [2] Director	$ 42,859	$ 333,333	$ 376,192
Michael Wood [4] Director	$ 15,000	$ -	$ 15,000
Matt Hudson [3] Former Chief Executive Officer	$ 75,000	$ -	$ 75,000

For the year ended July 31, 2022

	Cash payments	Shares issued	TOTAL
Mit Tilkov [(1)] Former Chief Executive Officer, former Director	$ 21,000	$ -	$ 21,000
Hernan Vera [(2)] Director	$ 27,441	$ 50,000	$ 77,441
Matt Hudson [(3)] Chief Executive Officer	$ 90,000	$ -	$ 90,000

Related party transactions and balances:

		Years ended		Amounts included in Trade and other payables	
	Services for:	July 31, 2023	July 31, 2022	As at July 31, 2023	As at July 31, 2022
0851901 BC Ltd [(1)]	Management fee	$ -	$ 21,000	$ -	$ -
Hernan Vera [(2)]	Management fee, geology consulting and property acquisition	361,192	77,441	2,323	-
Aerospace Industries Pty Ltd [(3)]	Management fee	75,000	-	-	-
Kimon Pty Ltd [(3)]	Management fee	-	90,000	-	-
Independence Fortaleza, Sociedad Limitada [(2)]	Management fee	15,000	-	15,000	-
Athena Jade Limited [(4)]	Management fee	15,000	-	15,000	-
Total		$ 466,192	$ 188,441	$ 32,323	$ -

(1) Mit Tilkov’s cash payments as the former Chief Executive Officer were paid through 0851901 B.C. Ltd., a private company owned by Mr. Tiklov.

(2) Hernan Vera received 333,333 shares as consulting fee during fiscal 2022 and 1,666,667 shares for the sale of a mineral claim during fiscal 2023. Starting July 2023, Mr. Vera receives $15,000 per month payment paid to his company Independence Fortaleza, Sociedad Limitada.

(3) Matt Hudson's cash payments paid to Kimon Pty Ltd, a private company owned by Mr. Hudson, during fiscal 2022; and paid to Aerospace Industries Pty Ltd., a private company owned by Mr. Hudson, during fiscal 2023. Mr. Hudson resigned from being the Chief Executive Officer effective December 31, 2022.

(4) Starting July 2023, Michael Wood’s receives $15,000 per month payment paid to his company Athena Jade Limited.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6(i) Financial Instruments

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. The Company's bank account is held with a major bank in Canada and the Company also has cash held in trust with its lawyer and transfer agent. Accordingly, the Company believes it is not exposed to significant credit risk.

b) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company controls liquidity risk by ensuring that it has sufficient cash resources to pay for its financial obligations. As at July 31, 2023, the Company had a cash balance of $4,827,519 to settle current liabilities of $2,278,253, including $2,202,900 subscription receipt financing (Note 8).

d) Currency risk

The Company's property interest in Argentina 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 Argentine pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company does not have net monetary liabilities in Argentine pesos.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial assets measured at fair value.

6(j) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants, finder's and broker's warrants 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 these 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. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these 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:

- 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 subsidiary in Argentina is the Argentine peso. 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; 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:
Michael Wood, Executive Chairman
Hernan Vera
Zachary Goldenberg
Marco Roque
Jimmy Lim

Audit Committee members:
Zachary Goldenberg, Marco Roque, Jimmy Lim

Management:
Hernan Vera – Chief Executive Officer
Michael Wood – Chief Financial Officer