ROCHESTER RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025

This discussion and analysis of financial position and results of operation is prepared as at April 17, 2025 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the nine months ended February 28, 2025 of Rochester Resources Ltd. ("Rochester" or the "Company"). The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the securities markets for junior resource companies may render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedarplus.ca and readers are urged to review these materials.

Company Overview and Going Concern

The Company is a junior natural resource company engaged in the exploration and development of the Mina Real and San Francisco Projects located in Mexico. The Company holds 100% undivided interests in the Mina Real and San Francisco Properties.

As at February 28, 2025, the Company had a working capital deficit of $15,325,646 and non-current liabilities of $22,874,391. The Company has been unable to make all concession payments when due and, as at February 28, 2025, has unpaid government concession payments and related carrying charges totalling $5,507,042 (included in accounts payable and accrued liabilities). The Company is also in the process of resolving a dispute resulting from government audits and, as a result has relied on advances from its Chairman and CEO, as described in "Related Party Disclosures". The Company's ongoing operations are dependent on extracting mineralized material from the Mina Real and San Francisco properties and therefore, on the Company's ability to preserve its interest in the underlying mineral property interests. In the immediate term the Company's ability to continue as a going concern is dependent on the market prices of gold and silver, its ability to continue improving its operations to generate positive operating cash flow on a consistent basis, the continued financial support of its directors, shareholders and creditors and from the sale of additional common shares or other equity or debt instruments. See also "Contingent Liabilities and Commitments".

The Company is a reporting issuer in British Columbia, Alberta and Saskatchewan and trades on the TSX Venture Exchange ("TSXV") under the symbol "RCT", the Frankfurt Stock Exchange Open Market under the trading Symbol "R5IA" and on the Pink OTC Markets under the symbol "RCTFF". The Company's head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

Property Update

The Company holds a 100% interest in Mina Real Mexico SA de CV which holds the Mina Real and San Francisco gold and silver properties located in the state of Nayarit, Mexico, east of the state capital city of Tepic. The Mina Real Property consists of 11 mining concessions and one mineral claim encompassing a total area of 21,367.42 hectares. The San Francisco Property consists of twelve mining concessions encompassing 18,125.05 hectares.

The terrain on the properties is rugged and steep with deeply incised valleys. Elevations range from 800 to 1,600 meters above sea level. The climate is sub-tropical and characterized by a dry and a wet season.

At present there is no Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") or National Instrument ("NI") 43-101 compliant Resources or Reserves for the Mina Real Property or the San Francisco Property.

Since 2007, the Mina Real processing plant has been treating mineralized material from the Estanzuela Unit, with additional material from the San Francisco Unit since 2014. The plant employs a conventional cyanidation process, including crushing, grinding, and chemical treatment. The plant is currently processing 140 tonnes per day of mineralized material. See also "*Plant Area Upgrades"*

The Company has conducted mining operations without defined mineral resources and the production decision was not based on a feasibility study of mineral reserves that has demonstrated technical or economic viability.

Historically, material from these two sources has contained high levels of manganese, which has negatively impacted silver production. Starting in October 2024, the Company has been actively making plant modifications to increase silver production. The Company initially conducted pilot testing during the first quarter of calendar 2024 to test the new production process with favorable results. See also "Operations - Plant Area Upgrades".

Operations

A mining study to establish the technical feasibility and economic viability of the Mina Real Property has not been completed nor does the project host a mineral resource. As a result there is increased uncertainty and risk of economic and technical failure.

Mill operating statistics for the three months ended February 28, 2025 ("Q3"), the three months ended November 30, 2024 ("Q2"), the three months ended August 31, 2024 ("Q1") the nine months (accumulated) ended February 28, 2025 (the "2025 Period) and the nine months (accumulated) ended February 29, 2024 (the "2024 Period") are provided in the table below:

RESULTS	**Q3 (Dec 1/24 - Feb 28/25)**	**Q2 (Sep 1/24 - Nov 30/24)**	**Q1 (Jun 1/24 - Aug 31/24)**	**2025 Period (Jun 1/24 - Feb 28/25)**	**2024 Period (Jun 1/23 - Feb 29/24)**
Tonnes Processed	8,423 tonnes	11,523 tonnes	11,718 tonnes	31,664 Tonnes	36,459 tonnes
Gold Grade	1.77 g/t	1.50 g/t	1.39 g/t	1.53 g/t	2.08 g/t
Silver Grade	266.78 g/t	202.43 g/t	208.62 g/t	221.84 g/t	260.48 g/t
Gold Recovery	94.64 %	95.47 %	98.42 %	96.34 %	95.02 %
Silver Recovery	46.17 %	45.93 %	58.05 %	50.48 %	40.37 %
Gold Produced	454 ounces	530 ounces	514 ounces	1,497 Ounces	2,320.52 ounces
Gold Sold	446.724 ounces	522.04 ounces	506 ounces	1,474.753 Ounces	2,284.03 ounces
Silver Produced	33,182 ounces	34,441 ounces	45,579 ounces	113,201 Ounces	123,248 ounces
Silver Sold	32,186.176 ounces	33,408 ounces	44,211 ounces	109,805.075 Ounces	119,551.15 ounces
Gold Equivalent Produced	827 ounces	937 ounces	1,075 ounces	2,839 Ounces	3,776.81 ounces
Developed Meters	400 meters	331.0 meters	242.4 meters	973 Meters	1035.50 meters
Samples Taken	2,626 samples	3,087 samples	3,153 samples	8,866 Samples	11,605 samples
Diamond Drilling Meters	0 meters	96 meters	756 meters	852 meters	0 meters
Access Road Kilometers	0 kilometers	0 kilometers	0 kilometers	0 kilometers	0 kilometers

Q3 Compared to Q2

Production of gold during Q3 was 14.3% lower than Q2 (454 ounces compared to 530 ounces) and silver production was 3.7% lower than Q2 (33,182 ounces compared to 34,441 ounces) resulting in the gold equivalent produced being 11.7% lower than Q2 (827 ounces compared to 937 ounces). The decreases during Q3 are a result of a 3,100 tonne decrease in tonnes processed during Q3 compared to Q2 (8,423 compared to 11,523) due to reduced availability of equipment and personnel.

The grades and recoveries of both gold and silver fluctuate dependent upon which part the majority of the mineralized material processed is transported from. Material processed from the Cholita and Agua Negra areas have higher amounts of manganese and lower gold grades of gold and silver.

2025 Period Compared to 2024 Period

The gold equivalent produced during the 2025 period was 2,839 ounces as compared to 3,776.8 ounces during the 2024 period a decrease of 937.8 ounces. The decrease is a result of the 4,795 tonne decrease in materials processed combined with lower gold and silver grades during the 2025 period. In August 2024 (2025 period) the processing plant was down for one week due to the lack of electrical power which resulted in the decrease in materials processed coupled with the lack of available equipment and personnel during Q3 reflecting the decrease in tonnes processed.

Drifting

The allocation for drifting amongst areas during each of Q3, Q2, Q1, the 2025 period and the 2024 period is as follows:

	Q3		Q2		Q1		2025 Period		2024 Period	
Area	Meters	%	Meters	%	Meters	%	Meters	%	Meters	%
Tajos Cuates	0	0%	0	0%	0	0%	0	0%	0	0%
Florida NW	0	0%	0	0%	0	0%	0	0%	0	0%
Florida SE Project	0	0%	0	0%	0	0%	0	0%	0	0%
San Francisco Project	400	100%	331	100%	242	100%	973	100%	1,035	100%
TOTAL DRIFTING	**400**	**100%**	**331**	**100%**	**242**	**100%**	**973**	**100%**	**1,035**	**100%**

Distribution of the development during each of Q3, Q2, Q1, the 2025 period and the 2024 period, by activity, is as follows:

	Q3		Q2		Q1		2025 Period		2024 Period	
Type of Drifting	Meters	%	Meters	%	Meters	%	Meters	%	Meters	%
Exploration	192	48%	120	36%	51	21%	363	37%	376	36%
Stope Preparation	190	47%	153	46%	145	60%	488	50%	223	22%
CAPEX Drifting	18	5%	58	18%	46	19%	122	13%	436	42%
TOTAL DRIFTING	**400**	**100%**	**331**	**100%**	**242**	**100%**	**973**	**100%**	**1,035**	**100%**

Exploration and Development Activities

The Company has ongoing exploration and development programs at the Mina Real and San Fransico Properties to identify additional mineralized material to provide mill feed for operations.

Plant Area Upgrades

Historically material from Mina Real and San Francisco properties have contained high levels of manganese, which has negatively impacted silver production. In the first quarter of calendar 2024 the Company identified a process which could improve recoveries of silver and gold. Pilot testing was conducted and this confirmed that recoveries could be increased. In October 2024 the Company began making the necessary plant modifications to increase recoveries and as of March 21, 2025 the new circuit commenced operations. The Company is utilizing a proprietary process to increase recoveries. In addition to improving recoveries of new mineralized material the Company is also looking to reprocess material from its dry staked tailings.

The complete plant modifications are projected to cost approximately US $ 3,000,000. The implementation will occur in stages, with the initial phase costing approximately US $1.450,000 with funding provided by Company Chairman, Eduardo Luna alongside DNN Investments Ltd., a company affiliated with Company CEO, Nick DeMare. The balance of the funding needed to fully complete the plant modifications will come from operations but additional funding may be required from Mr. Luna and DNN.

Funding has been by debt on repayment terms to be finalized and bearing interest at 24%. The interest rate was approved by the independent directors.

The initial results from the new processing system have improved recoveries but, at this time it is too early to make definitive conclusions.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2025			Fiscal 2024				Fiscal 2023
Three Month Period Ending	**Feb 28/25 $**	**Nov 30/24 $**	**Aug 31/24 $**	**May 31/24 $**	**Feb 29/24 $**	**Nov 30/23 $**	**Aug 31/23 $**	**May 31/23 $**
Operations:								
Revenues	3,134,337	3,197,053	3,394,231	3,272,538	2,287,944	3,437,386	3,701,296	3,756,469
Cost of sales	(3,386,215)	(3,658,963)	(3,436,328)	(3,677,868)	(3,034,141)	(3,661,814)	(3,381,830)	(4,270,448)
Depletion and amortization	(123,226)	(125,032)	(119,790)	(117,815)	(133,570)	(134,523)	(134,523)	(163,157)
Provision for site restoration	(29,216)	(28,857)	(30,951)	(33,063)	(32,198)	(31,753)	(31,897)	(38,470)
Income (expenses), excluding impairment	(1,583,793)	(627,667)	1,793,297	(645,902)	(928,202)	(695,714)	(522,217)	(1,235,965)
Impairment of exploration and evaluation assets	(103,378)	(39,847)	(103,030)	(401,355)	(104,612)	(63,262)	(78,801)	(43,632)
Comprehensive income (loss)	(2,091,491)	(1,283,313)	1,497,429	(1,603,465)	(1,944,779)	(1,149,680)	(449,575)	(1,995,203)
Basic and diluted income (loss) per share	(0.04)	(0.03)	0.03	(0.02)	(0.04)	(0.02)	(0.01)	(0.05)
Statement of Financial Position:								
Working capital (deficit)	(13,188,525)	(13,564,803)	(12,441,470)	(14,048,480)	(12,875,142)	(11,287,316)	(10,456,038)	(10,152,769)
Total assets	7,133,626	6,461,088	5,017,945	5,640,393	5,566,821	9,298,224	6,599,270	6,029,194
Total non-current liabilities	(25,011,512)	(22,263,621)	(21,550,810)	(21,500,105)	(21,149,446)	(20,926,064)	(20,739,878)	(20,709,115)

Results of Operations

Three Months Ended February 28, 2025 (“Q3”) Compared to Three Months November 31, 2024 (“Q2”)

During Q3 the Company reported a comprehensive loss of $2,091,491 compared to comprehensive loss of $1,283,313 for Q2, a fluctuation of $808,178. The fluctuation was mainly due to a fluctuation in foreign exchange of $790,970, from a foreign exchange loss of $94,503 in Q2 to a foreign exchange loss of $885,473 in Q3.

Nine Months Ended February 28, 2025 Compared to Nine Months Ended February 29, 2024

During the nine months ended February 28, 2025 (the “2025 period”) the Company recorded comprehensive loss of $1,877,375 compared to comprehensive loss of $3,544,034 for the nine months ended February 29, 2024 (the “2024 period”), a decrease in loss of $1,666,659. The decrease was attributed to a fluctuation in foreign exchange from a loss of $597,707 in the 2024 period to a gain of $1,234,224 in the 2025 period due to the significant fluctuation of the Canadian Dollar to the Mexican Peso. The Company’s net liabilities are predominantly denominated in Mexican Pesos and United States dollars.

Production

During the 2025 period the Company sold 2,776 gold equivalent ounces and realized revenues of $3,503 per gold equivalent ounce as compared to the sale of 2,286 gold equivalent ounces and realized revenues of $4,124 per gold equivalent ounce during the 2024 period.

The Company’s cost of operations per gold equivalent ounce sold during the 2025 period was $3,940 as compared to $4,627 during the 2024 period.

Direct operating cost of sales for the 2025 and 2024 period comprise the following:

	2025 $	2024 $
Mine costs	3,878,773	3,588,847
Mill costs	2,921,240	2,624,525
Service department costs	3,681,493	3,864,413
	10,481,506	10,077,785

General and administrative expenses of $708,845 were reported for the 2025 period compared to $828,968 during the 2024 period, a decrease of $120,123. A summary of expenses are as follows:

	2025 $	2024 $
Accounting and administrative	44,420	46,750
Audit	77,000	74,854
Director and officer compensation	184,175	45,609
Legal	16,859	13,027
Office	132,844	134,243
Professional fees	119	245,407
Regulatory fees	7,718	6,203
Salaries and benefits	228,430	248,086
Shareholder costs	1,085	-
Transfer agent fees	3,622	1,925
Travel	12,573	12,864
	708,845	828,968

Exploration and Evaluation Assets

During the 2025 period the Company incurred $246,255 (2024 - $246,675) additions on exploration and evaluation assets for the Santa Fe property, mainly due to ongoing monthly fees of US $10,000 to the 30% concession owners and annual mineral concession payments. The Company also recorded an offsetting impairment charge of $246,255 (2024 - $246,675) to reflect management's determination to fully impair the Santa Fe property.

Property, Plant and Equipment

	Mineral Properties $	Land $	Buildings $	Mill and Mine Equipment $	Total $
Cost:					
Balance, May 31, 2023	33,934,944	2,692,313	3,566,241	7,774,403	47,967,901
Additions	-	-	-	4,031	4,031
Balance, May 31, 2024	33,934,944	2,692,313	3,566,241	7,778,434	47,971,932
Additions	-	-	-	964,291	964,291
Balance, February 28, 2025	33,934,944	2,692,313	3,566,241	8,742,725	48,936,223
Accumulated depletion and amortization:					
Balance, May 31, 2023	(33,934,944)	(2,692,313)	(3,226,968)	(6,717,301)	(46,571,526)
Depletion and amortization	-	-	(48,377)	(274,223)	(322,600)
Balance, May 31, 2024	(33,934,944)	(2,692,313)	(3,275,345)	(6,991,524)	(46,894,126)
Depletion and amortization	-	-	(36,282)	(214,806)	(251,088)
Balance, February 28, 2025	(33,934,944)	(2,692,313)	(3,311,627)	(7,206,330)	(47,145,214)
Carrying value:					
Balance, May 31, 2024	-	-	290,896	786,910	1,077,806
Balance, February 28, 2025	-	-	254,614	1,536,395	1,791,009

Development and production activities conducted during the 2025 period are described in “Property Update” in this MD&A.

Financings

During the 2025 and 2024 periods the Company did not complete any equity financings.

Financial Condition / Capital Resources

As at February 28, 2025, the Company had a working capital deficit of $15,325,646 and non-current liabilities of $22,874,391. The Company’s ongoing operations are dependent on extracting mineralized material from the Mina Real property and, therefore, on the Company’s ability to preserve its interest in the underlying mineral property interests. In the immediate term, the Company’s ability to continue as a going concern is dependent upon its ability to improve its operations to generate positive operating cash flow from the Mina Real property on a consistent basis, to raise additional capital to fund its ongoing business operations and exploration projects and repay indebtedness as they come due. Additional capital may be sought from existing shareholders and creditors and from the sale of additional common shares or other equity or debt instruments. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the Company’s ability to continue as a going concern will be dependent upon the discovery of economically recoverable reserves and the achievement of profitable operations. The Company is implementing a plant modification project to improve silver recoveries, as described in “Operations - Plant Area Upgrades”. Whether the Company can generate positive cash flow on a consistent basis and, ultimately, achieve profitability is uncertain. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. e Company’s ability to continue as a going concern.

The Company has been involved in an ongoing dispute on the Santa Fe property. As of February 28, 2025 the Company has recorded US $461,000 in current liabilities of estimated amounts payable and amounts in dispute. On April 8, 2025 the Company paid US $270,000 for the historical extraction portion. This payment was funded by additional advances provided by Mr. Luna.

See also “Contingent Liabilities and Commitments”.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of all the Company’s significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the May 31, 2024 audited annual consolidated financial statements.

Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

The Company considers its key management to consist of the Company’s Chairman (Mr. Eduardo Luna) the Chief Executive Officer (“CEO”) (Mr. Nick DeMare) and the Chief Financial Officer (“CFO”) (Mr. Jose Manuel Silva). During the 2025 and 2024 periods the following amounts were incurred:

	2025 $	2024 $
Professional fees - Mr. DeMare	39,360	18,360
Professional fees - Mr. Luna	90,000	-
Professional fees - Mr. Silva	18,815	18,249
	148,175	36,609

As at February 28, 2025 $1,329,558 (May 31, 2024 - $1,191,008) remained unpaid, of which $1,126,660 (May 31, 2024 - $1,108,300) payable to certain officers and directors of the Company agreed to not demand repayment and accordingly, the Company has reclassified these amounts as non-current liabilities.

During the 2025 period the Company also recorded $21,000 (2024 - $nil) for share-based compensation on share options granted to its key management personnel.

(b) *Transactions with Other Related Parties*

(i) During the 2025 and 2024 periods the following amounts were incurred with respect to non-management directors (Mark Cernovitch, Joseph Keane and Michael Magrum) and the Corporate Secretary (Harvey Lim) of the Company:

	2025 $	2024 $
Professional fees - Mr. Cernovitch	9,000	-
Professional fees - Mr. Keane	9,000	-
Professional fees - Mr. Magrum	9,000	-
Professional fees - Mr. Lim	9,000	9,000
	36,000	9,000

As at February 28, 2025 $257,000 (May 31, 2024 - $228,000) remained unpaid.

During the 2025 period the Company also recorded $20,500 (2024 - $nil) for share-based compensation on share options granted to non-executive directors and officer of the Company.

(ii) During the 2025 period the Company incurred a total of $44,420 (2024 - $46,750) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare's services. As at February 28, 2025 $3,500 (May 31, 2024 - $nil) remained unpaid.

During the 2025 period the Company also recorded $8,900 (2024 - $nil) for share-based compensation on share options granted to Chase.

(c) The Company has received ongoing advances which bear interest at a rate of 9% per annum and the parties have agreed to not demand payment. As at February 28, 2025 $903,431 (May 31, 2024 - $877,150) of principal is due to Mr. Luna and $78,254 (May 31, 2024 - $73,913) is due to private corporations controlled or affiliated with Mr. DeMare.

(d) The Company has received ongoing advances which bear interest at a rate of 12% per annum and the parties have agreed to not demand payment. As at February 28, 2025 $3,645,400 (May 31, 2024 - $3,334,062) of principal is due to Mr. Luna and $31,771 (May 31, 2024 - $11,771) is due to a private corporation controlled or affiliated with Mr. DeMare.

(e) Principal amounts under a secured debenture financing (the "Debentures") are subject to a monthly interest charge equivalent to $12.67 multiplied by the greater of: (a) the monthly production of mineralized material from the Company's San Francisco Property, and (b) the average monthly production of mineralized material from the San Francisco Property, provided, however, that the monthly interest has a minimum monthly payment based on 6.4% per annum and a maximum payment based on 20% per annum. As at February 28, 2025 Mr. Luna holds $202,000 (May 31, 2024 - $202,000) of the Debentures and has agreed to not demand payment.

(f) Indebtedness of $3,631,000 is secured by the assets of the Company and interest is calculated at 9% per annum. As at February 28, 2025 $1,296,812 (May 31, 2024 - $1,296,812) of principal and $1,441,307 (May 31, 2024 -$1,353,692) of accrued interest was owed to a private corporation associated with Mr. DeMare. The private corporation has agreed to not demand payment.

(g) The Company has received ongoing advances from its Chairman and a shareholder to provide funding to implement an upgrade to its mill and plant facility. The advances bear interest at a rate of 24% per annum and the parties have agreed to not demand payment. As at February 28, 2025 $1,313,858 of principal is due to Mr. Luna.

(h) See also “Financial Condition / Capital Resources”.

Contingent Liability and Commitments

(a) From time to time the Company becomes involved in various claims and litigation, including various governmental audits, as part of the normal course of operations. The Company continues to work with legal counsel to review and respond to the reassessment and, as at February 28, 2025, has accrued a provision of $750,000 (May 31, 2024 - $750,000). The Company has pledged the Mexican office building with an assessed value of $690,000 and has paid a cash deposit of $210,000 related to the ongoing litigation with the Mexican state of Nayarit’s Secretary of Administration and Finance.

(b) The Company has only made partial government concession payments and accrued carrying charges on its concessions. As at February 28, 2025 $5,507,042 (May 31, 2024 - $5,958,636) of government concession payments remained unpaid and are included in accounts payable and accrued liabilities.

Risks and Uncertainties

The Company advises that it did not base its production decision on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, projects which proceed without a feasibility study have a much higher risk of economic and technical failure.

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company’s activities are conducted in Mexico. Consequently, the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares without par value. As at April 17, 2025, there were 47,144,125 issued and outstanding common shares and share options to acquire 4,714,000 common shares of the Company at an exercise price of $0.05 per common share on or before February 21, 2029.