

The following discussion and analysis of the operations, results, and financial position of Silver Wolf Exploration Ltd. (the “Company” or “Silver Wolf”) should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2021, which are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the notes thereto.

This Management Discussion and Analysis (“MD&A”) is dated November 25, 2022, and discloses specified information up to that date. Silver Wolf is classified as a “venture issuer” for the purposes of National Instrument 51-102.

We recommend that readers consult the “Cautionary Statement” on the last page of this report.

Additional information relating to the Company can be obtained by contacting Peter Latta, the President & Director of the Company, on SEDAR at www.sedar.com, or on the Company’s website at www.silverwolfexploration.com.

Business Overview

Silver Wolf Exploration Ltd. (“the Company”) was incorporated under the laws of the Province of British Columbia. Its principal business comprises the exploration for and development of mineral properties. The Company has an option on the Ana Maria and Laberinto properties in Durango, Mexico. The Company’s head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada.

The Company is in the exploration stage. The common shares of the Company commenced trading on the TSX Venture Exchange on November 29, 2006, under trading symbol GRK. The Company is classified as a Mineral Exploration company. The financial statements, to which this MD&A relates, have been prepared on a going concern basis, which presumes the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Company has accumulated losses of \$5,675,995 since incorporation. The Company’s ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future.

Overall Performance

Ongoing Surface Sampling Program – 1,536 g/t silver and 33% Lead Samples

On August 9, 2022, the Company announced assay results from one hundred and fifty-five (155) grab samples collected during the on-going surface sample program at the Ana Maria Property.

Highlights from Ana Maria Central and Ana Maria South are indicated in the table below. The complete list of the samples are available on our website.

Table 1: Significant Assay Results of Grab Samples: The samples with silver grades higher than 100 ppm are highlighted in blue, and the lead or zinc grades with values greater than 0.4% are highlighted in red

Sample number	Ag ppm	Pb %	Zn %
729	904	20.90	5.64
730	7	0.23	0.87
731	1,143	34.01	7.13
733	468	12.50	4.79
734	84	1.28	5.19
736	61	2.68	3.38
737	188	5.75	6.17
738	1,484	28.50	0.43
740	1,536	33.04	4.73
742	379	13.50	0.03
743	234	8.34	0.10
753	6	0.93	0.43
757	162	0.05	0.10
758	69	10.40	3.45
759	50	4.23	3.87
761	6	1.17	0.04
762	1	0.74	0.04
763	37	4.43	0.08
764	411	10.20	0.30
766	24	0.92	0.01
768	138	5.83	0.85
770	1	0.29	0.87
771	49	2.80	0.18
773	367	9.32	7.16
775	20	0.96	0.16
776	12	0.71	0.09
777	24	0.89	0.59
780	11	0.47	2.35
783	725	17.40	4.75
784	689	14.00	6.32
785	533	9.58	11.60
786	18	0.57	0.13
787	585	12.20	5.66
788	31	0.88	0.23
789	85	3.52	0.90
790	22	0.74	6.40
794	682	10.50	3.49
797	22	0.87	1.12
798	799	25.90	19.40
799	678	9.80	7.36
800	59	2.98	10.70

Sample number	Ag ppm	Pb %	Zn %
902	113	3.43	17.20
903	190	8.03	17.90
905	300	8.29	0.37
906	1	0.13	2.06
908	305	13.80	11.60
909	214	9.25	12.40
911	115	1.45	23.30
913	214	6.03	29.40
916	22	1.39	1.60
917	73	2.73	2.21
919	25	0.84	4.18
920	26	1.28	0.99
922	141	5.71	5.84
924	456	7.85	1.67
926	486	6.24	2.19
928	286	6.57	3.24
930	420	7.34	18.40
935	26	1.52	0.01
936	1104	16.70	0.26
937	21	1.68	0.02
939	617	18.20	0.50
940	16	0.90	0.02
941	103	3.85	0.71
942	24	1.30	0.40
946	374	3.34	7.27
956	32	1.16	11.40
964	294	8.15	37.22
965	5	0.15	0.52
969	8	4.34	0.08
970	47	1.60	2.38
973	30	2.18	0.53
975	22	0.48	14.00
983	73	3.05	0.42
984	1	0.16	0.53
987	375	14.20	0.52
989	1	0.84	0.06
991	28	1.08	0.60
992	21	0.88	0.70
993	118	13.10	0.20
999	3	0.63	0.03
1103	1	0.19	0.54

Sampling and Assay Methods

Grab samples are selective in nature, and do not necessarily reflect the general geology of the Ana Maria property. Sampling and analyses of rock samples is subject to SWLF QA/QC protocols. Control samples are routinely used including standards, blank and field duplicate samples. Samples were submitted to the SGS Laboratory facility in Durango, Mexico. Multi-element analyses are completed using 4-acid digest methods (ICP14B). Any zinc, lead, copper or manganese samples exceeding 10,000 ppm (1%) are assayed using over limit methods (ICP90Q). Gold is analyzed by lead fusion fire assay with atomic absorption spectrometry (FAA313) and gravimetric finish above over limit. For silver above over limit, a lead fusion fire assay with gravimetric finish is used (FAG313).

Ongoing Surface Sampling Program – 1,306 g/t silver, 20% Lead and 7% Zinc Samples

On April 5, 2022, the Company announced assay results from eighty-eight (88) grab samples collected during the on-going surface sample program at the Ana Maria Property.

Highlights from Ana Maria Central are indicated in the table below. The complete list of the samples are available on our website.

Table 1: Significant highlights from Ana Maria Central

Sample Number	Coordinate X (WGS84)	Coordinate Y (WGS84)	Ag g/t	Cu %	Pb %	Zn %
651	635685	2828715	246	0.03	4.52	1.73
656	635694	2828695	74	0.09	2.33	0.66
659	635686	2828684	105	0.03	3.31	1.51
660	635713	2828683	578	0.03	11.90	0.30
661	635765	2828644	442	0.04	11.40	1.50
662	635783	2828641	163	0.04	6.17	0.47
663	635778	2828653	168	0.01	4.13	0.22
664	635801	2828665	22	0.01	1.04	7.63
665	635808	2828674	60	0.01	5.07	11.20
666	635558	2829216	64	2.05	0.04	0.01
669	635561	2829209	27	2.21	0.02	0.03
670	635515	2829370	18	0.42	0.43	0.02
672	635507	2829370	12	1.76	0.24	0.05
679	635773	2827822	28	0.02	0.55	2.48
682	635714	2828683	1,227	0.06	25.70	0.56
684	635698	2828722	309	0.03	2.26	4.83
685	635648	2828773	1,306	0.09	20.40	7.36
686	635646	2828771	57	0.01	1.53	0.49
688	635644	2828775	130	0.02	1.41	3.78
693	635705	2828691	263	0.07	15.40	11.00
695	635725	2828681	792	0.04	16.90	0.64
697	635639	2828659	70	0.00	2.86	0.04
698	635615	2828691	56	0.01	1.79	0.12
699	635608	2828696	253	0.02	6.46	0.64

Sampling and Assay Methods

Grab samples are selective in nature, and do not necessarily reflect the general geology of the Ana Maria property. Samples were submitted to the SGS Laboratory facility in Durango, Mexico. Gold is assayed by fire assay with an AA finish. Multi-element analyses are completed using SGS ICP14B methods. Any copper, manganese or iron samples exceeding 10,000 ppm (1%) are assayed using SGS ICP90Q methods.

Ongoing Surface Sampling Program – 37 g/t gold and 7.6% Zinc Samples

On January 18, 2022, the Company announced assay results from one hundred and fourteen (114) grab samples collected during the on-going surface sample program at the Ana Maria Property.

Highlights from Ana Maria Central and Ana Maria South are indicated in the tables below. The complete list of the samples are available on our website.

Table 1: Significant highlights from Ana Maria Central

Sample Number	Coordinate-X (WGS84)	Coordinate-Y (WGS84)	Width Meters	Au g/t	Ag g/t	Cu %	Pb %	Zn %
544	633847	2839587	0.4	2.48	8	0.06	0.02	5.25
545	633847	2839588	0.3	3.29	1	0.02	0.01	3.18
546	633848	2839587	0.7	36.98	1	0.02	0.01	7.57
547	633848	2839586	0.9	5.83	1	0.01	0.01	6.33
548	633849	2839586	0.4	7.66	1	0.03	0.01	5.35
549	633848	2839589	0.3	0.88	11	0.05	0.07	2.37
552	633850	2839589	0.4	0.41	1	0.01	0.02	2.53
553	633851	2839589	0.5	2.06	8	0.05	0.05	4.50
554	633851	2839590	0.3	0.22	6	0.04	0.02	9.65
555	633851	2839588	0.8	0.83	6	0.07	0.04	3.80
562	633855	2839593	0.6	1.10	12	0.02	0.07	2.18
568	633856	2839588	0.6	2.24	9	0.05	0.06	11.9

Reported widths are not true widths and cannot be determined due to style and orientation of mineralization

Table 2: Significant Grab Sample highlights from Ana Maria South

Sample Number	Coordinate-X (WGS84)	Coordinate-Y (WGS84)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
600	635978	2828199	0.00	74	0.01	3.37	0.00
601	635959	2828204	0.00	120	0.02	11.60	0.00
602	635959	2828204	0.00	169	0.02	11.50	0.00
606	636053	2828185	0.00	150	0.02	5.96	0.00
626	636341	2828240	0.00	54	0.01	1.88	12.30
627	636342	2828239	0.00	56	0.01	1.61	21.30
628	636336	2828246	0.00	53	0.01	1.92	7.80
632	636350	2828205	0.00	40	0.02	1.17	16.60
644	636433	2828203	0.00	199	0.02	20.10	1.71
829	635910	2828234	0.00	247	0.02	7.33	0.00
830	635901	2828224	0.00	339	0.06	9.99	7.94
831	635920	2828244	0.01	319	0.03	8.33	5.76

Sampling and Assay Methods

Grab samples are selective in nature, and do not necessarily reflect the general geology of the Ana Maria property. Samples were submitted to the SGS Laboratory facility in Durango, Mexico. Gold is assayed by fire assay with an AA finish. Multi-element analyses are completed using SGS ICP14B methods. Any copper, manganese or iron samples exceeding 10,000 ppm (1%) are assayed using SGS ICP90Q methods.

Ana Maria Property

The Ana Maria property is located 21 kilometres (km) northwest of the City of Gómez Palacio and the adjacent City of Torreón, and 1 km north of the town of Dinimita, in the municipality of Gómez Palacio, Durango, Mexico. The claims are located in the Minitas mining district in the Guadalupe Victoria mining region. The property consists of 9 mining concessions encompassing 2,549 hectares (ha).

Minimal documentation exists regarding the history and production at Ana Maria; however, historical reporting states that La Lucha was exploited for Iron (Fe) and Manganese (Mn). Production terminated in 1943 and it was estimated to have produced 12,000 tons of material and reserves of approximately 25,000 tons.

The historical estimates of production and reserves as stated above are for historical reference only and do not use the categories set out in NI 43-101. The estimates are deemed relevant from the perspective that mineralization is present on the property which may indicate the existence of other related mineral assemblages. The QP has not validated nor verified these historical estimates nor any underlying data as information and data is not available. The QP has not done sufficient work to classify the estimates and the issuer is not treating the historical estimate as current. The source of the information is the Mexican Government website and USGS (United States Geological Survey) website.

These projects are located in the North West-South East (NW-SE) striking fold-thrust belt of the Sierra Madre Oriental within a west trending prong known as the Sierras Transversales or the Monterrey-Torreón transverse system. It divides the Mesa Central, an elevated plateau to the South, from the eastern Mexican Basin and Range to the North.

The region hosts a number of carbonate replacement deposits (CRD's) within Cretaceous limestones and dolomites. Mineralization is associated with large stocks, dykes or sills of granitoids ranging from diorites to quartz monzonites and rhyolites and inferred to be lower crustal in origin. Mineralization is present as skarns or massive sulphides and occurred during Mid-Tertiary volcanism when the aforementioned intrusions were emplaced (Megaw et al., 1988 and references therein). The deposits typically produce silver, lead, zinc and copper although some districts, such as Ojuela (~10 kilometres from Ana Maria and La Zorra), are enriched in gold relative to typical CRD's.

EI Laberinto Property

The EI Laberinto Property is located in the "Sierra de la Silla" northwest of the town of Francisco I. Madero in the municipality of Panuco de Coronado. It is approximately 60 kilometers northeast of the city of Durango City, México. The property consists of mining concession encompassing 91.7 ha.

EI Laberinto is situated within the Tepehuano terrane, as are Ana Maria, La Recompensa, and the EI Soldado projects, but in close proximity to the contact with the Tahue terrane, W of the Sierra Madre Oriental. The carbonates that host the CRD projects are absent; no Mesozoic rocks survived erosional processes in the region. Instead of the thrust belts of the Sierra Madre Oriental, the region is controlled by a series of North West-South East (NW-SE) to North North West-South South East (NNW-SSE) striking faults that create a horst-and-graben topography.

The main mineralized material at El Laberinto are comprised of iron, lead and zinc sulphides with minor silver sulphosalts. Gold and silver are present with minor lead and copper and to a lesser extent zinc. Values of gold and silver are localized in oxidized portions of the system suggesting that supergene enrichment may be an important component of the deposit. Mineralization is found in quartz veins, veinlet zones and, to a lesser degree, dissemination around veins and veinlets.

In the mid-1990's, the El Laberinto historical exploration performed by "Compañía Minera Mexicana de Avino S.A. de C.V." was focused on the objective of evaluating the potential of the main vein.

The historic work consisted of mapping and geological surface sampling, diamond drilling (3 Holes totaling 753.73 metres), mine development of the Jabalí Tunnel, with a strike length of 300 metres over the main structure and 80 metres in a cross-cut.

The historical exploration work as stated above are for historical reference only. The QP has not validated nor verified the data as the information is not currently available. The source of the information is an internal report from the previous operator, Endeavor Silver Corporation.

From September 2012 through to July 2013, work was carried out as part of the agreement between Avino Gold & Silver Mines (Avino) and Endeavour Silver Corp. (EDR) to test the potential of mineralization in the El Laberinto Claim.

This historical work included a mapping and systematic sampling campaign, collecting a total of 208 samples on surface with values of up to 8 grams per tonne ("g/t") gold & 421 g/t silver with the anomalous values mostly coming from the Laberinto Structure.

The drilling completed at that time was focused on the South part of the Laberinto Structure which was thought to have had the best potential of mineralization with large volumes and low grades. A total of 5 Holes were completed with 1,367 meters drilled and 2,800 samples were collected in both alteration zones and structures focused particularly in the host rock.

The historic exploration activities as listed above were performed by previous operators. The QP has not validated nor verified the information nor any underlying data however the information is considered reasonable and reliable.

Qualified Person

Mr. Garth Kirkham P.Geo, Independent Consultant for Silver Wolf Exploration Ltd, is a Qualified Person ("QP") as defined by National Instrument 43-101 ("NI 43-101"), and has approved the scientific and technical disclosure on the Ana Maria and the Laberinto Properties, and prepared or supervised its preparation. In addition, Dr. Honza Catchpole P. Geo., is a "qualified person" as defined by National Instrument 43-101 and has approved the scientific and technical disclosure in certain news releases.

Review of Operations

Three months ended September 30, 2022 compared with the three months ended September 30, 2021.

	2022	2021	Note
General and Administrative Expenses			
Administrative salaries and benefits	\$ 9,887	\$ 38,763	1
Automobile	274	549	
Consulting and management fees	7,500	19,400	
Depreciation	1,136	2,690	
Foreign exchange (gain) loss	(69,230)	7,076	2
Interest and bank charges	1,477	568	
Listing and filing fees	7,956	10,438	
Office and miscellaneous	16,221	25,464	
Professional fees	28,437	20,710	
Share-based compensation	62,100	4,500	3
Shareholder information	51,115	9,605	4
Transfer agent fees	6,972	3,836	
Operating Loss	(123,845)	(143,599)	5
Other Comprehensive Income (Loss)			
Items that will not subsequently be re-classified to net income:			
Unrealized gain (loss) on investments	(4,875)	(33,250)	
Currency translation differences	(2,152)	(649)	
Total Comprehensive Loss	(130,872)	(177,498)	
Basic and Diluted Loss per Share	\$(0.00)	\$(0.00)	5
Weighted Average Number of Shares Outstanding	32,263,500	29,653,549	

- Administrative benefits and salaries for the three months ended September 30, 2022, were \$9,887 compared to \$38,763 for the three months ended September 30, 2021. The decrease is primarily due to lower corporate activity and administrative costs associated with exploration expenditures on the Ana Maria and Laberinto properties in the current period.
- Foreign exchange gains or losses result from transactions in currencies other than the Canadian dollar functional currency. During the three months ended September 30, 2022 the Canadian dollar depreciated in relation to the United States dollar and Mexican peso, resulting in a foreign exchange gain.
- Share-based payments increased as a result of the vesting of 690,000 stock options granted during the three months ended September 30, 2022, compared to Nil stock options granted during the same period in 2021.
- Shareholder information expenses for the three months ended September 30, 2022, were \$51,115 compared to \$9,605 during the same quarter last year. The increase is mainly due to increased investor relations and promotional activities at the corporate level.

5. As a result of the transactions in the period, the Company recorded a loss of \$123,845 for the three months ended September 30, 2022, compared to a loss of \$143,599 for the three months ended September 30, 2021. The loss is a direct result of the items noted above and resulted in a basic and diluted loss per share of \$0.00 for both periods.

Nine months ended September 30, 2022 compared with the nine months ended September 30, 2021.

	2022	2021	Note
General and Administrative Expenses			
Administrative salaries and benefits	\$ 53,954	\$ 99,617	1
Automobile	1,006	1,967	
Consulting and management fees	25,202	32,100	
Depreciation	6,169	8,070	
Foreign exchange (gain) loss	(53,476)	(2,863)	2
Interest and bank charges	6,429	1,730	
Listing and filing fees	31,488	59,315	3
Office and miscellaneous	50,668	57,711	
Professional fees	28,642	38,982	
Share based compensation	304,500	164,700	4
Shareholder information	73,783	13,308	5
Transfer agent fees	12,221	9,619	
Operating Loss	(540,586)	(484,256)	7
Other Comprehensive Income (Loss)			
Items that will not subsequently be re-classified to net income or loss:			
Unrealized gain (loss) on investments	20,325	(37,050)	
Reclassification of accumulated loss on investment sold	357,265	-	6
Currency translation differences	706	(608)	
Total Comprehensive Loss	(162,290)	(521,914)	
Basic and Diluted Loss per Share	\$(0.02)	\$(0.02)	7
Weighted Average Number of Shares Outstanding	32,729,762	28,098,909	

- Administrative benefits and salaries for the nine months ended September 30, 2022, were \$53,954 compared to \$99,617 for the nine months ended September 30, 2021. The decrease is primarily due to lower corporate activity and administrative costs associated with exploration expenditures on the Ana Maria and Laberinto properties in the current period..
- Foreign exchange gains or losses result from transactions in currencies other than the Canadian dollar functional currency. During the nine months ended September 30, 2022 the Canadian dollar remained fairly constant in relation to the US dollar and Mexican peso, except for in the third quarter where the Canadian dollar depreciated, resulting in a foreign exchange gain.
- Listing and filing fees for the nine months ended September 30, 2022, were \$31,488 compared to \$59,315 for the nine months ended September 30, 2021. The decreased is primarily due to higher expenses incurred last previous year for corporate filings as a result of the Option Agreement and

associated filings in 2021, as well as the Company had additional one-time expenses with the upgrade listing in the US market to the OTCQB which were incurred in Q3 2021.

4. Share-based payments are a result of the vesting of 2,520,000 stock options granted during the nine months ended September 30, 2022, compared to 1,000,000 stock options vesting during the same period in 2021.
5. Share holder information for the nine months ended September 30, 2022, were \$73,783 compared to \$13,308 during the same period last year. The increase is mainly due to increased investor relations and promotional activities at the corporate level.
6. During the period ended September 30, 2022, the Company sold a portion of its investment in Garibaldi Resources Inc. ("GGI"). 134,000 shares of GGI were sold for a realized loss of \$357,265, which was reclassified from other comprehensive income to accumulated deficit, resulting in a gain to other comprehensive income. There was no comparable transaction in 2021.
7. As a result of the transactions in the period, the Company recorded a loss of \$540,586, or \$0.02 per share, for the nine months ended September 30, 2022, compared to a loss of \$484,256, or \$0.02 per share, for the nine months ended September 30, 2021. The increased loss is a direct result of the items noted above.

Summary of Quarterly Results

Quarter ended	2022	2022	2022	2021	2021	2021	2021	2020
	Sep. 30 Q3	Jun. 30 Q2	Mar. 31 Q1	Dec. 31 Q4	Sep. 30 Q3	Jun. 30 Q2	Mar. 31 Q1	Dec. 31 Q4
Total Revenue	-	-	-	-	-	-	-	-
Net loss	(123,845)	(94,782)	(321,959)	(439,390)	(143,598)	(75,229)	(265,428)	(67,405)
Other comprehensive income (loss)	(7,027)	24,020	(304,537)	1,029	(33,899)	978	(4,737)	(38,991)
Basic and diluted loss per Share	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)
Total Assets	1,773,938	1,793,972	1,310,079	1,351,775	1,353,378	1,566,910	1,578,897	483,130

Net loss for Q3 2022 was fairly consistent with previous quarters. Fluctuations from period to period were a result of Company granted stock options for key personnel in January and August 2022 and January 2021, and in Q4 2021, the Company recognized an impairment loss for the Silver Stream Claims due to management's decision to focus its efforts and resources on the Ana Maria and Laberinto properties. For remaining other expenses, such as in salaries, corporate and office expenses, fluctuations were a result of the timing of works on projects and the ongoing surface exploration program mentioned previously.

The overall movements in other comprehensive loss in each quarter is a direct result of movements in the share price of the Company's investment in Garibaldi Resources Inc., which is recorded through other comprehensive income or loss, as well as smaller movements in foreign exchange revaluation between difference currencies.

Liquidity and Capital Resources

Historically, the Company has raised funds through equity financing to fund its operations. At September 30, 2022, the Company had a cash balance of \$314,613, working capital of \$149,628, and accumulated losses of \$5,675,995 since incorporation. The Company's ability to meet its obligations and maintain its operations is contingent upon additional financing or profitable operations in the future. However, there can be no assurance that the Company will be able to obtain additional financing or achieve profitability or positive cash flow. If the Company is unable to generate positive cash flow or obtain adequate financing, the Company will need to further decrease its operations and exploration activities.

During the nine months ended September 30, 2022, the Company closed a non-brokered private placement (the “Private Placement”) financing for 4,014,734 units of the Company (“Units”) at a purchase price of \$0.15 per unit for aggregate gross proceeds of up to \$602,160.

Each Unit will be comprised of one (1) common share of the Company and one non-transferable common share purchase warrant “Warrant”. Each Warrant will entitle the holder to purchase one additional common share of the Company at an exercise price of \$0.25 at any time up to 18 months following the date of issuance

Management will continue to review other financing options to raise capital in 2022-2023 to meet its future obligations and operating expenses. Mineral exploration and development is capital extensive, and in order to maintain the terms of the recently announced Option Agreement, the Company may be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

The Company is in the exploration stage. The investment in and expenditures on the mineral properties comprise substantially all of the Company’s assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company’s ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Related Party Transactions

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Consulting fees, wages and benefits	\$ 2,063	\$ 16,878	\$ 15,865	\$ 41,691
Share-based payments	-	-	146,900	108,000
	\$ 2,063	\$ 16,878	\$ 162,765	\$ 149,691

(b) Amounts due to related parties

In the normal course of operations, the Company transacts with companies related to its directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at September 30, 2022, and December 31, 2021 the following amounts were due to related parties:

	September 30, 2022	December 31, 2021
Oniva International Services Corp.	\$ 167,096	\$ 78,859
Avino Silver and Gold Mines Ltd.	78,501	-
	<u>\$ 245,597</u>	<u>\$ 78,859</u>

(c) Related party transactions

During the nine months ended September 30, 2022, \$81,985 (2021 - \$165,830) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid \$2,050 of administrative fees during the nine months ended September 30, 2022 (2021 - \$4,449) to Oniva.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party

Critical Judgments and Estimates

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses for the periods reported. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period they become known.

Financial Instruments

The fair values of the Company's cash, loan from a related party, trade and other payables, and amounts due to related party approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's available for sale investments and promissory notes payable are detailed in the unaudited condensed consolidated interim financial statements.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions. Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At September 30, 2022, the Company had cash in the amount of \$314,613 (December 31, 2021 - \$364,784) in order to meet short-term business requirements. At September 30, 2022, the Company had current liabilities of \$320,139 (December 31, 2021 – \$277,245). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at September 30, 2022, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Trade and other payable	\$ 66,968	\$ 66,968	\$ -	\$ -
Finance lease obligations	21,507	7,574	13,933	-
Due to related parties	245,597	245,597	-	-
Total	\$ 334,072	\$ 320,139	\$ 13,933	\$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in Mexican pesos and US dollars:

	September 30, 2022		December 31, 2021	
	MXN	USD	MXN	USD
Cash and cash equivalents	\$ 102,149	\$ 20,830	\$ 53,645	\$ 50,220
Amounts receivable	1,562,840	-	723,635	-
Accounts payable and accrued liabilities	(1,823,865)	-	(875,942)	-
Net exposure	(158,876)	20,830	(98,661)	50,220
Canadian dollar equivalent	\$ 14,678	\$ 28,551	\$ (6,018)	\$(70,036)

Based on the net Canadian dollar denominated asset and liability exposures as at September 30, 2022, a 10% fluctuation in the Canadian/Mexican and Canadian/US exchange rates would impact the Company's earnings for the nine months ended September 30, 2022 by approximately \$3,002 (year ended December 31, 2021 - \$6,428). The Company has not entered into any foreign currency contracts to mitigate this risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

(d) Classification of Financial Instruments

IFRS 7 '*Financial Instruments: Disclosures*' 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 following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at September 30, 2022:

	Level 1	Level 2	Level 3
Cash	\$ 314,613	\$ -	\$ -
Investments	22,424	-	-
	\$ 337,037	\$ -	\$ -

Risks associated with Public Health Crises, including COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics, pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers, including smelter and refining service providers, and the demand for the Company's production.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of the Company's control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date of this MD&A, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time. In particular, the region in which we operate may not have sufficient public infrastructure to adequately respond or efficiently and quickly recover from such event, which could have a materially adverse effect on the Company's operations. The Company's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

Risks

Mineral exploration and development involve a high degree of risk and few properties are ultimately developed into producing mines. There is no assurance that the Company's future exploration and development activities will result in any discoveries of commercial bodies of ore. Whether an ore body will be commercially viable depends on a number of factors including the particular attributes of the deposit such as size, grade and proximity to infrastructure, as well as mineral prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in a mineral deposit being unprofitable.

Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

As at November 25, 2022, the following common shares, warrants and stock options were outstanding:

	Number of shares	Exercise price	Remaining life (years)
Share capital	35,263,500	-	-
Warrants	4,389,734	\$0.25 - \$0.35	0.57 – 1.06
Stock options	3,345,000	\$0.15 - \$0.20	3.13 – 4.71
Total	42,998,234		

The following are details of outstanding warrants as at September 30, 2022, and November 25, 2022:

Expiry Date	Exercise Price Per Share	Number of Underlying Shares (September 30, 2022)	Number of Underlying Shares (November 25, 2022)
June 20, 2023	\$0.35	375,000	375,000
December 16, 2023	\$0.25	4,014,734	4,014,734
Total:		4,389,734	4,389,734

The following are details of outstanding stock options as at September 30, 2022, and November 25, 2022:

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (September 30, 2022)	Number of Shares Remaining Subject to Options (November 25, 2022)
January 8, 2026	\$0.20	845,000	845,000
March 30, 2027	\$0.20	1,810,000	1,810,000
August 8, 2027	\$0.15	690,000	690,000
Total:		3,345,000	3,345,000

Disclosure Controls and Procedures

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for evaluating the effectiveness of the Company's disclosure controls and procedures and have concluded, based on our evaluation, that they are effective as at September 30, 2022, to ensure that information required to be disclosed in reports filed or submitted under Canadian securities legislation is recorded, processed, summarized, and reported within the time period specified in those rules and regulations.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position, and plans for the future based on facts and circumstances as of November 25, 2022. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.