TARACHI GOLD CORP.
CSE:TRG

MANAGEMENT DISCUSSION ANALYSIS

FOR THE SIX MONTHS ENDED

JANUARY 31, 2024

BASIS OF DISCUSSION & ANALYSIS AND DATE

This Management Discussion and Analysis ("MD&A") of the financial position and results of Tarachi Gold Corp. (the "Company" or "Tarachi") has been prepared by management as of March 28, 2024. This MD&A should be read in conjunction with the Company's consolidated financial statements for the six months ended January 31, 2024. The MD&A was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors before its release. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Forward-Looking Statement disclaimer included with this MD&A.

The consolidated financial statements and audited consolidated financial statements and MD&A are presented in Canadian dollars, unless otherwise indicated, and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The statements and any summary of results presented in the MD&A were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Please consult the consolidated financial statements for the six months ended January 31, 2024, and audited financial statements for the six months ended January 31, 2024, for more complete financial information.

All 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, including the technical reports filed with respect to the Company's mineral properties.

Date

This MD&A has been prepared based on information available to the Company as of March 28, 2024.

OVERALL PERFORMANCE

NATURE OF BUSINESS

Tarachi Gold Corp. was incorporated as Kal Minerals Corp. under the Business Corporations Act (British Columbia) on February 19, 2016. On April 6, 2020, the Company changed its name to Tarachi Gold Corp. The shares of the Company are trading on the Canadian Securities Exchange under the symbol "TRG," on the OTCQB under the symbol "TRGGF," and on the Frankfurt Stock Exchange under the symbol "4RZ". The Company's principal business activity is the exploration of mineral properties. The Company is actively assessing new project opportunities throughout the Americas.

The Company's head office and principal address are Suite 1723, 595 Burrard Street, Vancouver, BC V7X 1J1.

The Company has no substantial revenue and supports its operations through the sale of equity or assets such as mineral properties. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves. See the section related to "Risk Factors" in this statement.

OVERALL PERFORMANCE (Continued)

DISPOSAL OF THE MAGISTRAL PROJECT AND DISCONTINUED OPERATIONS

On January 26, 2023, the Company signed a binding letter of agreement (the "Letter Agreement") with Compañía Minera de Atocha S.A. de C.V. ("Atocha"), a private Mexican Mining company with producing mines in the states of Durango and Zacatecas, for the sale of the Company's Magistral Project in Durango, Mexico. Upon closing the transaction proposed in the Letter Agreement (the "Transaction"), the Company will transfer 100% ownership of TGMEX Silver S.A. de C.V. ("TGMEX"), which owns all the Company's assets related to the Magistral Project, to Atocha. In exchange, Atocha will make cash payments of approximately $7.5 million (US$5,700,000). The transaction closed on May 3, 2023.

	$
Cash	4,124,065
Less: Manto's payable	(621,565)
Consideration receivable net	993,092
Fair value of consideration received	**4,495,592**

At closing, Atocha acquired all the issued and outstanding shares of TGMEX in exchange for a cash payment of $4,124,065 (US$3,050,000).

The Company have agreed to settle all outstanding obligations owing to Manto Resources S.A. de C.V. ("Manto") about the Company's original acquisition of the Magistral Project from Manto in 2021. In exchange for the elimination of Manto's 15% net profit interest royalty on the Magistral Tailings, US$2,000,000 in production bonus payments, and any other obligations owed to Manto or rights for Manto to participate in the Magistral Project, the Company will pay Manto 15% of all payments received from Atocha as those payments are received. The total payable to Manto is approximately $1.125 million (US$855,000) and of which $621,565 (US$457,500) has been paid to Manto at closing.

<u>Contingent receivable</u>
The following consideration is contingent upon the occurrence of the following events:

1. US$500,000 in the escrow account will be released to Tarachi when Atocha concludes negotiations with the Ejido Magistral, or after 12 months, whichever occurs first. The amount is fair valued at $693,481 less $104,022 of Manto's obligation net to contingent receivable. On January 15, 2024, the Company received $671,800 (US$500,000) less $101,085 (US$75,000) paid out to Manto, the difference of $18,744 has been recognized as a loss on consideration receivable.
2. US$500,000 will be paid to Tarachi by November 19, 2023, less US$102,617 contingency costs that arise after closing but not identified during due diligence. The amount is fair valued at $551,204 less $82,681 of Manto's obligation net to contingent receivable. On November 21, 2023, the Company received $544,335 (US$397,383) less $79,820 (US$59,607) paid out to Manto, the difference of $4,008 has been recognized as a loss on consideration receivable.
3. US$500,000 when 50% of the tailings located on the Magistral Project (the "Magistral Tailings") have been mined, sold, and/or processed or after the first complete calendar year of operation at the Magistral Project, whichever occurs first. Since the Company does not have control of Atocha's operations, this payment is not fair valued and is excluded from the contingent receivable.
4. US$500,000 when 100% of the Magistral Tailings have been mined, sold and/or processed or after the second complete calendar year of operation at the Magistral Project, whichever occurs first. Since the Company does not have control of Atocha's operations, this payment is not fair valued and is excluded from the contingent receivable.
5. The amount of value-added tax ("IVA") currently owing to TGMEX as that tax benefit is realized by Atocha during operations and product sales from the Magistral Project or other Atocha-controlled assets if Atocha merges TGMEX with Atocha or another entity they control, estimated to total US$650,000. The Company anticipates the IVA tax benefit will be realized by Atocha and paid to the Company within the first year of commercial operations at the Magistral Project. Since the Company does not have control of Atocha's operations, this payment is not fair valued and excluded from the contingent receivable.

OVERALL PERFORMANCE (Continued)

DISPOSAL OF THE MAGISTRAL PROJECT AND DISCONTINUED OPERATIONS (continued)

The consideration receivable has been fair valued using the Bank of Canada Prime Rate at 7.20% discount rate.

Valuation technique	Significant unobservable inputs
Discounted cash flows consider the present value of the net cash flows expected to be generated from the payments. The expected net cash flows are discounted using a risk-adjusted discount rate.	Prime rate 7.20%

Note 5 of the condensed interim consolidated financial statements for the six months ended January 31, 2024, contains details of the sale.

The Company has a business plan that includes identifying, acquiring exploration projects, and conducting exploration on the projects. Acquisitions and dispositions are an essential and ongoing part of this plan.

RESULTS OF OPERATION

MAGISTRAL

Tarachi stopped conducting development work on the Magistral Project after it signed a binding Letter Agreement for the sale of Magistral to Compañía Minera de Atocha S.A. de C.V. announced in a Company press release dated January 26, 2023. Upon closing the transaction proposed in the Letter Agreement, the Company will transfer 100% ownership of TGMEX Silver S.A. de C.V., which owns all the Company's assets related to the Magistral Project, to Atocha. In exchange, Atocha will make cash payments of approximately $7.5 million (US$5,700,000). The transaction closed on May 3, 2023. Note 5 of the condensed interim consolidated financial statements for the six months ended January 31, 2024, contains details of the sale.

TARACHI PROPERTIES

On March 27, 2020, the Company entered into an option agreement to acquire a 100% interest in the Tarachi Project in Eastern Sonora, Mexico. The Company can earn 100% in the project by paying staged cash payments of US$5 million and issuing 10 million common shares of the Company over four years. The project is located approximately 220 kilometres east-southeast of the city of Hermosillo in the state of Sonora, Mexico.

On April 21, 2022, the Company amended the option agreement terms for certain mineral concessions in Sonora, Mexico with Minerals de Tarachi ("Minerales") resulting in a significant reduction in future cash obligations. Total future cash obligations relating to the option agreement were reduced by US$1,300,000. In exchange for the reduction in future payments, certain undesirable concessions were dropped from the option agreement, leaving Tarachi with exposure to only the concessions that management believes harbor the greatest potential for resource discovery.

After the amendment to the agreement, the size of the Tarachi Project, including both the option agreement with Minerales as well as Exploradora Cobre de Bacanora totals 2,623ha.

The Company gave the notice to terminate the Tarachi property on June 28, 2023.

TARACHI PROPERTIES (continued)

Juliana and Las Moritas

On September 3, 2020 ("Effective Date"), the Company entered into an option agreement to acquire a 100% interest, subject to a 3% NSR, in the group of mining concessions known as the Juliana, Juliana No.1, Juliana No.2 and Las Moritas Mining Concessions. The 4 concessions cover a total surface area of 1,148.42 hectares and are in the Sierra Madre Gold Belt of Eastern Sonora, Mexico. The Company can earn 100% in the project by paying staged cash payments of US$2 million and issuing 4 million common shares of the Company over five and a half years.

On September 8, 2021, 1,000,000 shares were issued according to the option agreement to acquire the Juliana and Las Moritas property.

On December 5, 2021, the Company re-negotiated and revised the payment schedule, resulting in certain delays in the US$2 million cash payments.

The Company gave the notice to terminate both Juliana and Tarachi properties on June 28, 2023. The exploration and evaluation asset has been written off and an impairment loss of $6,714,328 have been recognized in other expenses on the Statement of Loss and Comprehensive Loss. The Company is actively looking for suitable exploration projects.

STOCK OPTIONS AND WARRANTS

There are no stocks or warrants granted or exercised during the six months ended January 31, 2024.

TECHNICAL DISCLOSURE

All technical disclosure covering the Company's mineral properties was prepared under the supervision of Lorne Warmer, P.Geo. for the Company and a "Qualified Person" within the meaning of NI 43-101.

FINANCIAL RESULTS

For the six months ended January 31, 2024 (“2024”) and 2023 (“2023”), the Company reported net and comprehensive income of $7,326 and net and comprehensive loss of $7,469,063 respectively. The significant loss in 2023 is due to impairment loss on the write-off of both Magistral and Tarachi’s exploration and evaluation assets.

	For the six months ended		
	January 31, 2024	**January 31, 2023**	**Variance**
Consulting fees	$ 21,566	$ 114,486	$ (92,920)
General and administrative	44,872	97,534	(52,662)
Insurance	7,976	26,168	(18,192)
Management fees	25,471	74,400	(48,929)
Professional fees	10,634	73,610	(62,976)
Shareholder information and investor relations	8,228	136,444	(128,216)
Transfer agent and filing fees	24,322	12,849	11,473
Total operating expenses	**$ (143,069)**	**$ (535,491)**	**$ 392,422**
Foreign exchange gain / (loss)	-	(213,355)	213,355
Interest income	74,134	930	73,204
Consideration receivable revaluation gain	42,138	-	42,138
Impairment loss on write-off exploration and evaluation assets	-	(6,461,335)	6,461,335
Total other expenses	**$ (26,797)**	**$ (7,209,251)**	**$ 7,182,454**

The operating expenses for 2024 are $143,069 compared to $535,491 in 2023. Some of the key items of the decrease are:

- Consulting fees saw a reduction of $92,920, management fees decreased by $48,929, general and administrative costs decreased by $52,662, insurance expenses dropped by $18,192, and shareholder and investor relations expenses declined by $128,216. This reduction was driven by the Company scaling back corporate activities following the Atocha transaction while exploring new project opportunities.
- Professional fees decreased by $62,976 primarily due to the timing of audit fee billings and the reduction of audit costs due to lower levels of transactions and activities.
- There is no foreign exchange loss in 2024 compared to 2023 because the Company does not have any operation in Mexico.
- During the six months ended January 31, 2024, the Company recorded a $42,138 gain on the revaluation of consideration receivable from the sale of Magistral.
- Interest income increased by $73,204 due to the large cash balance from the sale of Magistral in short-term investments.
- There is no impairment loss on write-off of exploration and evaluation assets in 2024 as the Magistral project has been sold, and the Tarachi properties have been terminated and returned in fiscal year 2023.

FINANCIAL RESULTS (continued)

For the three months ended January 31, 2024 ("2024") and 2023 ("2023"), the Company reported net and comprehensive losses of $125,890 and $7,534,360 respectively. The significant loss in 2023 is due to impairment loss on the write-off of both Magistral and Tarachi's exploration and evaluation assets.

	For the three months ended					
		January 31, 2024		**January 31, 2023**		**Variance**
Consulting fees	$	10,906	$	57,988	$	(47,082)
General and administrative		16,611		49,282		(32,671)
Insurance		3,864		12,610		(8,746)
Management fees		12,884		37,227		(24,343)
Professional fees		7,600		70,211		(62,611)
Shareholder information and investor relations		2,107		67,225		(65,118)
Transfer agent and filing fees		15,321		7,344		7,977
Total operating expenses	**$**	**(69,293)**	**$**	**(301,887)**	**$**	**(232,594)**
Foreign exchange gain / (loss)		-		(1,013,128)		1,013,128
Interest income		55,880		114		55,766
Consideration receivable revaluation gain / (loss)		(22,752)		190,932		(213,684)
Impairment loss on write-off exploration and evaluation assets		-		(6,461,335)		6,461,335
Total other expenses	**$**	**(36,165)**	**$**	**(7,585,304)**	**$**	**7,549,139**

The operating expenses for 2023 are $69,293 compared to $301,887 in 2023. Some of the key items of the decrease are:

- Consulting fees decreased by $47,082, management fees decreased by $24,343, general and administrative decreased by $32,671, insurance decreased by $8,746, and shareholder and investor relations expenses decreased by $65,118, as the Company reduced corporate activities after the transaction with Atocha and looked for a new project.
- There is no foreign exchange loss in 2024 compared to 2023 because the Company does not have any operation in Mexico.
- Professional fees decreased by $62,611 due to the timing of audit fee billings and the reduction of audit costs due to lower levels of transactions and activities.
- During the six months ended January 31, 2024, the Company recorded a $22,752 loss on the revaluation of consideration receivable from the sale of Magistral.
- Interest income increased by $55,766 due to the large cash balance from the sale of Magistral in short-term investments.
- There is no impairment loss on the write-off of exploration and evaluation assets in 2024 as the Magistral project has been sold, and the Tarachi properties have been terminated and returned in fiscal year 2023.

SUMMARY OF QUARTERLY RESULTS

Selected quarterly information for each of the eight most recently completed financial periods is set out below. All results were compiled using IFRS.

	Q2 January 31, 2024	Q1 October 31, 2023	Q3 July 31, 2023	Q3 April 30, 2023	Q2 January 31, 2023	Q1 October 31, 2022	Q4 July 31, 2022	Q3 April 30, 2022
Net income/(loss)	(36,165)	9,368	(3,414,057)	(7,274,840)	(7,534,360)	447,161	40,469	(1,856,865)
Loss per common share	0.00	0.00	(0.03)	(0.06)	(0.06)	0.00	0.00	(0.02)

The variances in net income and net loss during the last two quarters of the fiscal year 2022 can be attributed to fair value gains from the issuance of shares and the revaluation of contingent consideration.

In the first quarter of the fiscal year 2023, the net income was primarily driven by a foreign exchange gain resulting from the revaluation of exploration and evaluation assets to the quarter-end exchange rate. From the second to the fourth quarter of the fiscal year 2023, the significant loss was caused by the loss on the sale of the Magistral project and the impairment loss from the Juliana and Tarachi properties write-off.

In the first quarter of fiscal year 2024, the income is from interest income and the gain on the revaluation of contingent receivable offsetting operating expenses. The loss in the second quarter of fiscal year 2024 is from normal operating costs and the loss on revaluation of contingent receivables.

LIQUIDITY

The Company reported a working capital of $3,411,389 as of January 31, 2024, compared to a working capital of $3,404,063 as of July 31, 2023. Working capital increases due to the higher interest rates and large short-term investment balance contribute to the increased balance of interest receivable.

During the six months that ended January 31, 2024, $874,213 was generated from operating activities (January 31, 2023 – used $553,594) and investing activities used $908,205 (January 31, 2023: $529,554). There are no financing activities in either the six months ended January 31, 2024, and 2023.

The Company has no long-term debt or commitments.

As the Company has limited or no revenues, its ability to fund operations is dependent upon its ability to secure financing through the sale of equity or assets. The value of any mineral property is dependent upon the existence of economically recoverable mineral reserves, the possibility of discovering such reserves, or proceeds from the disposition of such properties. See Section "Risk Factors," below.

CAPITAL RESOURCES

The Company had 119,251,810 issued and outstanding common shares as of January 31, 2024 (July 31, 2023 – 119,251,810).

No shares were issued during the six months ended January 31, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

As a policy, the Company does not enter off-balance sheet arrangements with special-purpose entities in the normal course of business, nor does it have any unconsolidated affiliates.

PROPOSED TRANSACTIONS

There are no other material transactions contemplated at this time.

TRANSACTIONS WITH RELATED PARTIES

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the exchange amount, being the amount established and agreed upon by the related parties.

The Company's key management personnel consist of directors and executives and companies owned, directly or indirectly, by key management personnel of the Company.

Name	Nature of Transactions
Lorne Warner, Director	Consulting
Michael Konnert, Chairman, Director*	Consulting
Cameron Tymstra, CEO	Management fee
Thy Truong, CFO	Consulting
Mahesh Liyanage, previous CFO	Consulting
Inventa Capital Corp. (a company in which the Chairman has a controlling interest) *	Rent and general and administrative expenses

* Mr. Michael Konnert left the board on September 8, 2023.

As of January 31, 2024, the Company has amounts due to related parties totaling $77 (July 31, 2023 - $nil).

During the six months ended January 31, 2024, the Company has granted Nil (2023 - nil) stock options in total to officers and directors of the Company.

In the six months ended January 31, 2023, the Company paid $90,000 to a company with common directors and officers for rent expenses and administration expenses. With the officer's departure, the rent and administration payment to their company no longer qualifies as a related party transaction and thus is not included in the related party balances.

The Company's key management compensation and related party transactions for the years ended January 31, 2024, and 2023 are as follows:

	For the three months ended		For the six months ended	
	January 31, 2024	January 31, 2023	January 31, 2024	January 31, 2023
	$	$	$	$
Consulting fee	10,200	31,500	20,400	57,000
Management fee	11,250	36,250	22,500	72,500
Rent and administration services	-	45,000	-	90,000
Total	**21,450**	**112,750**	**42,900**	**219,500**

These related party transactions were incurred in the normal course of operations and are measured at the exchange amount, being the amount established and agreed upon by the related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no fixed term of repayment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company’s condensed consolidated interim financial statements requires management to make certain estimates that affect the amounts reported in the condensed consolidated interim financial statements. The accounting estimates considered to be significant include the recognition of deferred income tax assets and share-based compensation.

Deferred income tax assets

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such a determination is made.

Fair value calculation of share-based payments

The fair value of share-based payments about the warrants and options granted is calculated using a Black Scholes option pricing model. There are several estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used, and the future price volatility of the underlying security which can vary from actual future events. The factors applied in the calculation are management’s best estimates based on industry averages and future forecasts.

The fair value of the Company’s common shares issued or to be issued about asset acquisition is calculated based on the quoted market price of the Company’s common shares on the acquisition date. For those shares to be issued in a certain period after the acquisition date with security-specific trading restrictions applied, a discount has been estimated and is applied for such lack of marketability

Contingent receivable

The application of the Company’s accounting policy for contingent consideration requires judgment in determining and measuring the fair value. This requires management to make certain estimates and assumptions about future events or circumstances, including but not limited to assumptions relating to assessing probabilities of the contingent consideration and timing of the contingent payment. Estimates and assumptions made may change if the latest information becomes available.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of New Accounting Standards

The new standards, or amendments to standards and interpretations that were adopted by the Company, effective August 1, 2023, are as follows:

Disclosure of Accounting Policies (Amendments to IAS 1)

The IASB has issued amendments to IAS 1 Presentation of Financial Statements which require entities to disclose their “material” accounting policy information rather than their “significant” accounting policies. The amendments explain that accounting policy information is material if omitting, misstating; or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on, the basis of, those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

This amendment is effective for annual periods beginning on or after August 1, 2023. The adoption of this amendment did not have a material impact on the Company’s condensed consolidated interim financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction.

This amendment is effective for annual periods beginning on or after August 1, 2023. The adoption of this amendment did not have a material impact on the Company’s condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk, and foreign currency risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

The Company's cash is primarily held with high-credit quality financial institutions in Canada, management believes credit risk is low given the good credit ratings of the banks.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

As at January 31, 2024, the Company had cash of $194,434 (July 31, 2023 - $194,303) and short-term investments of $3,148,295 (July 31, 2023 - $2,240,090), and accounts payable and accrued liabilities of $6,481 (July 31, 2023 - $57,828) with contractual maturities of less than one year. Management assessed the liquidity risk as low.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar, United States dollar, and Mexican Peso will affect the Company's operations and financial results. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. The foreign currency risk is assessed to be high as the Company held its short-term investments in a GIC denominated in United States dollars as of January 31, 2024. A 1% change in the foreign exchange rate of CAD to USD would increase/decrease the net and comprehensive loss for the six months ended January 31, 2024, by approximately $34,000 (six months ended January 31, 2023: $1,000).

Price risk

This risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS (Continued)

Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits while maximizing returns. The Company is not exposed to significant market risk.

OTHER REQUIREMENTS

Risks Factors and Uncertainties

Sensitivity Analysis

The Company measures the effect on total assets or total receipts of foreseen changes in interest rates and foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. Based on current market conditions, the Company has determined that a 1% change in interest rates or a 10% change in foreign exchange rates would be immaterial. Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

Overview

The Company is subject to many risks that may affect future operations over which the Company has little control. These risks include, but are not limited to, intense competition in the resource industry, market conditions and the Company's ability to access new sources of capital, mineral property title, results from property exploration and development activities, and currency fluctuations. The Company has a history of recurring losses and there is no expectation that this situation will change in the near future.

Competition

Other exploration companies, including those with greater financial resources than the Company, could adopt or may have adopted the same business strategies and thereby compete directly with the Company, or may seek to acquire and develop mineral claims in areas targeted by the Company. While the risk of direct competition may be mitigated by the Company's experience and technical capabilities, there can be no assurance that competition will not increase or that the Company will be able to compete successfully.

Access to Capital

The exploration and subsequent development of mineral properties is capital intensive. Should it not be possible to raise additional equity funds when required, the Company may not be able to continue to fund its operations which would have a material adverse effect on the Company's potential profitability and ability to continue as a going concern. At present, the Company has cash resources to look for suitable projects. The timing of additional equity funding will depend on market conditions as well as exploration requirements.

In recent years, the securities markets in Canada have experienced an elevated level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. These conditions may persist for an indeterminate period.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Foreign Operations and Political Risk

The Company's mineral properties are in Canada and Mexico. In foreign jurisdictions, mineral exploration and mining activities may be affected in varying degrees by political or economic instability, expropriation of property, and changes in government regulations such as tax laws, business laws, environmental laws, and mining laws. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may materially adversely affect its business, or if significant enough, may make it impossible to continue to operate in certain countries. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation, and exploration health and safety. These risks are not unique to foreign jurisdictions and apply equally to the property interest in Canada.

Mineral Property Tenure and Permits

The Company has completed a review of its mineral property titles and believes that all requirements have been met to ensure continued access and tenure for these titles. However, ongoing requirements are complex and constantly changing so there is no assurance that these titles will remain valid. The operations of the Company will require consent, approvals, licenses, and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to conduct exploration, development, and production operations at its projects.

Although the Company acquired the rights to some or all the resources in the ground subject to the tenures that it acquired, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time-consuming. It is necessary, as a practical matter, to negotiate surface access.

There can be no guarantee that, despite having the right at law to access the surface and continue exploration activities, the Company will be able to negotiate a satisfactory agreement with existing landowners for such access, and therefore it may be unable to conduct exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdictions.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore, additional funds, reclamation bonds, or other forms of financial assurance may be required over the tenure of any mineral project of the Company to cover potential risks. These additional costs may have a material adverse effect on the Company's business, financial condition, and results of operations.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Environmental Restrictions

The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities, and endangered species, and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means stricter standards, and enforcement, fines, and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers, and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Title Matters

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of Indigenous peoples. The Company has investigated title to all its mineral properties and, to the best of its knowledge, title to all its properties for which titles have been issued are in good standing.

Exploration and Mining Risks

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization mined may differ from that indicated by drilling results and such differences could be material. Short-term factors, such as the need for the orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production-scale operations. Material changes in geological resources, grades, stripping ratios, or recovery rates may affect the economic viability of projects.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Speculative Nature of Mineral Exploration and Development

The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience, and knowledge may not adequately mitigate. While the discovery of an ore body may result in substantial rewards, a few properties which are explored are developed into producing mines. There is no assurance that commercial quantities of ore will be discovered on any of the Company's properties. Even if commercial quantities of ore are discovered, there is no assurance that the mineral property will be brought into production. Whether a mineral deposit will be commercially viable depends on several factors, including the attributes of the deposit, such as its size, grade, metallurgy, and proximity to infrastructure; commodity prices, which have fluctuated widely in recent years; and government regulations, including those relating to taxes, royalties, land tenure, land use, aboriginal rights, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, and the Company's business may be adversely affected by its inability to advance projects to commercial production.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's evaluation of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and operating activities.

Commodity Prices

The prices of gold, silver, copper, lead, zinc, moly, and other minerals have fluctuated widely in recent years and are affected by several factors beyond the Company's control, including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, consumption patterns, and speculative activities and increased production due to improved exploration and production methods. Fluctuations in commodity prices will influence the willingness of investors to fund mining and exploration companies and the willingness of companies to participate in joint ventures with the Company, and the level of their financial commitment. The supply of commodities is affected by several factors, including political events, economic conditions, and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties which the Company has, or has the right to acquire, may be mined at a profit.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to several factors, such as the results of ongoing exploration activities (positive or negative), changes in mineralisation encountered, and revisions to exploration programs, if any, in response to the foregoing. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Conflicts of Interest

Certain directors and officers of the Company also serve as directors, officers, and advisors of other companies involved in natural resource exploration and development. To the extent that such companies may participate in ventures with the Company, such directors and officers may have conflicts of interest in negotiating and concluding the terms of such ventures. Such other companies may also compete with the Company for the acquisition of mineral property rights. If any such conflict of interest arises, the Company's policy is that such director or officer will disclose the conflict to the board of directors and, if the conflict involves a director, such a director will abstain from voting on the matter. In accordance with the Business Corporations Act (BC), the directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors including its ability to attract and retain additional key personnel in exploration, marketing, joint venture operations, and finance. This will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance that the Company will be successful in finding and retaining the necessary employees, personnel, and/or consultants to be able to successfully conduct such activities. This is especially true as the competition for qualified geological, technical personnel and consultants can be particularly intense.

Government Regulation

The Company operates in an industry that is governed by numerous regulations, including but not limited to, environmental regulations as well as occupational health and safety regulations. Most of the Company's mineral properties are subject to government reporting regulations. The Company believes that it is in full compliance with all regulations and requirements related to mineral property interest claims. However, it is possible that regulations or tenure requirements could be changed by the respective governments resulting in additional costs or barriers to the development of the properties. This would adversely affect the value of properties and the Company's ability to hold onto them without incurring significant additional costs. It is also possible that the Company could be in violation of, or non-compliant with, regulations of which it is not aware.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Inflation

Rising inflation could result in increased costs for labor, drilling equipment, and materials, which in turn could lead to higher exploration expenses and potentially hinder the Company's ability to continue its exploration activities. On the other hand, inflation may also drive-up commodity prices, which could create opportunities for the Company to raise capital. To mitigate the impact of inflation on its financial performance, the Company will keep a close eye on inflation trends and make necessary adjustments to its exploration plans and budgets.

Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures. Due to its inherent limitations, internal control over financial reporting and disclosure may not prevent or detect all misstatements. Further, the effectiveness of internal control is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may change. There were no changes in our internal controls over financial reporting during the three-month period that ended January 31, 2024, that have materially affected, or are likely to materially affect, our internal controls over financial reporting.

Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, management will continue to monitor and evaluate the design and effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The condensed consolidated interim financial statements present the significant components of general and administrative expenditures. Significant components of mineral property expenditures are included in Section Results of Operations.

Outstanding Share Data

As of the date of this MD&A, the Company had 119,251,810 issued and outstanding common shares. In addition, the Company has 7,830,000 options outstanding that are expiring through March 23, 2027, and no warrants outstanding. Details of issued share capital are included in Note 7 of the consolidated financial statements for the six months ended January 31, 2024.

OTHER INFORMATION

All technical reports on material properties, press releases, and material change reports are filed on the Company's System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca, or on the Company's website: https://tarachigold.com/.

FORWARD-LOOKING STATEMENTS

This document includes certain forward-looking statements concerning the future performance of the Company's business, its operations, its financial performance, and its condition, as well as management's objectives, strategies, beliefs, and intentions. Forward-looking statements are frequently identified by such words as "may," "will," "plan," "expect," "anticipate," "estimate," "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management. All forward-looking information is inherently uncertain and subject to a variety of assumptions, risks, and uncertainties. Factors that may cause actual results to vary from forward-looking statements include, but are not limited to, the Company's ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks, and reliance on key personnel, as described in more detail in this document under "Risk Factors and Uncertainties". Statements relating to estimates of reserves and resources are also forward-looking statements as they involve risks and assumptions (including, but not limited to, assumptions with respect to future commodity prices and production economics) that the reserves and resources described exist in the quantities and grades estimated and are capable of being economically extracted. Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon.