TARACHI GOLD CORP.

CSE:TRG

MANAGEMENT DISCUSSION ANALYSIS

FOR THE NINE MONTHS ENDED

APRIL 30, 2022

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 June 29, 2022. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended April 30, 2022, and audited consolidated financial statements for the year ended July 31, 2021. The MD&A was prepared to conform to National Instrument 51-102F1 and was approved by the Board of Directors prior to 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 condensed interim 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 condensed interim consolidated financial statements for the nine months ended April 30, 2022, and audited financial statements for the years ended July 31, 2021, 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.sedar.com 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 June 29, 2022.

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 7, 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 (the "FRA") under the symbol "4RZ". The Company's principal business activity is the exploration of mineral properties. The Company currently conducts its operations in Mexico.

The head office and principal address of the Company is located at Suite 700, 1090 West Georgia Street, Vancouver, B.C. V6E 3V7.

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 section related to "Risk Factors" in this statement.

PROJECT ACQUISITION

On February 8, 2021, the Company signed a purchase agreement (the "APA Agreement") with Manto Resources S.A. de C.V. ("Manto") to acquire Magistral del Oro mill and tailings project ("Magistral") located in the State of Durango, Mexico. The acquisition was closed on March 17, 2021 (the "Closing Date").

Pursuant to the APA Agreement, 100% interest in Magistral project was acquired and the consideration is composed of the following:

- 4,000,000 common shares issued respectively upon execution and 60 days after the Closing Date of the APA Agreement; (issued at the fair value of $2,560,000)
- US$1,179,500 upon execution of the APA Agreement; (paid)
- Certain obligations have been assumed by the Company
    - US$1,245,230 has been paid and 2,594,728 common shares with fair value of $670,868 have been issued during the year ended July 31, 2021;
    - US$314,940 (C$392,478) has been paid in cash and US$333,333 (C$383,243) of the Company's common shares has been issued at 15% discount to the 10-day volume weighted average trading price (2,038,528 shares at $0.188) on November 10, 2021;
    - 4,000,000 common shares issued respectively on 180 days (issued on Jan 28, 2022, fair value at $580,000), and 365 days after the Closing Date (issued on March 17, 2022, fair value at $660,000). These shares were recorded as shares to be issued with fair value of $2,400,000 as at the Closing date and revaluated to $1,840,000 at July 31, 2021. The gain of $560,000 has been recorded in the fair value change of shares to be issued at year-end July 31, 2021, and reversed in the quarter ended April 30, 2022.
- Contingent considerations to be paid upon achieving certain milestones:
    - 15% net profits royalty on the earnings before interest and taxes ("EBIT");
    - US$500,000 respectively on 180 days and 365 days after commercial production which was defined as the EBIT exceeds $100,000 in a calendar month; and
    - US$1,000,000 upon revenue equaling or exceeding US$15,000,000.

On January 21, 2022, the Company completed the Preliminary Economic Assessment ("PEA") to assess whether the Company can bring the project into commercial production. For the nine months ended April 30, 2022, a probability weighted expected value calculation was utilized to value the contingent consideration. The calculation was based on the management's best estimate on the assumptions used in EBIT projection. The probability weightings assigned were based on the likelihood of occurrence of different scenarios. The Company revalued the estimated royalty and recalculated the contingent considerations based on the available results from the PEA.

The pre-tax discount rate applied to EBIT projection is 12.4%, which represent the current market assessment of the risk specific to the Company, taking into consideration of the time value. A 1% decrease/increase in the discount rate would increase/decrease the contingent consideration balance as at April 30, 2022, by approximately $116,000.

As at the Closing Date, the contingent considerations were fair valued at $6,575,097. The provision has been revaluated to $5,776,722 on April 30, 2022, the gain of $793,392 has been recorded in the contingent consideration revaluation gain.

In addition, the Company has issued a finder's fee of 1,000,000 common shares with fair value of $270,000 related to the Magistral acquisition.

On March 23, 2022, the Company signed a new land lease, water rights and tailings purchase agreements with the local Magistral Ejido community. These new agreements will allow the Company to continue with Magistral's development in 2022 with the goal of producing gold at Magistral in 2023.

OVERALL PERFORMANCE (Continued)

FINANCING

On October 28, 2021, the Company completed a private placement (the "Private Placement") whereby the Company issued a total of 4,396,667 common shares at a price of $0.15 per share for gross proceeds of $659,500. The Company paid cash finder's fees equal to $9,000 and issued 60,000 broker warrants of the Company, exercisable at any time on or before October 28, 2022, at an exercise price of $0.35. The fair value of the finders' warrants is $4,902.

On March 11, 2022, the Company closed the non-brokered private placement financing for 23,227,005 units at a price of C$0.18 per Unit for gross proceeds of $4,180,861. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of C$0.30 for a period of 24 months. The Company paid cash finder's fees equal to C$81,796 and issued 454,422 broker warrants of the Company at the same terms as the warrants described above. The fair value of the finders' warrants is $55,757p.

EXPLORATION PROJECTS

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 located 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$2.1 million and issuing 4 million common shares of the Company over a period of four year.

Based on the channel sampling results of 6.34 grams/tonne gold over 62.55 metres at the historic La Dura mine announced on August 19, 2020, the company optioned these four concessions due to their close proximity immediately to the north and on trend with the felsic volcanic pile hosting the La Dura gold mineralization.

Geologically, mineralization is generally associated with high sulphidation epithermal mineralization contained within felsic volcanic piles typically of rhyodacitic composition. Higher grade gold concentrations are typically associated within silicified zones containing vuggy silica and breccias hosting hematite and specularite. Native gold has been observed along late-stage fracture coatings associated with barite.

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

In the nine months ending April 30, 2022, the Company has not undertaken any field activities related to its exploration projects in 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 $1,300,000 USD. 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.

OVERALL PERFORMANCE (Continued)

STOCK OPTIONS AND WARRANTS

On January 25, 2022, The Company has granted 1,500,000 options to directors, officers, and consultants under the Company's stock option plan. The options have an exercise price of $0.16 and will vest immediately. They are exercisable for a period of five years from the date of the grant.

On March 24, 2022, the Company has granted 200,000 options to the new Vice President of Operations under the Company's stock option plan. The options have an exercise price of $0.165 and will vest immediately. They are exercisable for a period of five years from the date of the grant.

On August 11, 2021, 100,000 stock options were exercised for total proceeds of $7,500.

RESULTS OF OPERATION

MAGISTRAL

Since acquiring the Magistral Project, Tarachi engaged Ausenco Engineering ("Ausenco") to conduct a preliminary economic assessment of the project and provide an NI 43-101 compliant resource estimate for the tailings' material that Tarachi has access to. Tarachi plans to process the tailings material through the Magistral mill to produce gold and other recoverable metals beginning in 2023. The preliminary economic assessment ("PEA") was completed in December 2021.

An auger drill rig was mobilized to Magistral at the end of March 2021 to conduct sampling work as part of the preliminary economic assessment. A total of 37 auger holes were completed in the tailings basin. Drilled samples will be used for metallurgical test work and analyzed for metal content at a lab in Canada.

The existing permits for the Magistral project are currently being audited by consultants in Mexico to determine their current status and what requirements need to be met to ensure that the project is in compliance and fully permitted before the mill is commissioned in 2023.

Engineers were sent to Magistral on March 18, 2021, to review the existing equipment in the mill and to provide an opinion of the mill's current status and capabilities. After a review of the electrical equipment at Magistral, a team of electricians was sent to site in 2021 to upgrade and replace various electrical installations to ensure all electrical equipment met local safety regulations. This upgrade was done in anticipation of the mill being inspected in early 2022 as part of the process to apply for the mill to get connected to the local power grid.

Metallurgical work overseen by Ausenco in the second half of 2021 demonstrated approximately 80% of the gold contained in the tailings material at Magistral could be recovered via cyanide leaching without the need for regrinding (see press release dated November 2, 2021). These metallurgy results were incorporated into the PEA.

Results from the PEA were released on December 13, 2021 (see press release of same date) with the final report filed on SEDAR on January 21, 2022. The PEA outlined a potential mining scenario of 1,000 tonnes per day feed rate of tailings into the Magistral mill to produce an average of 16,000oz of gold per year with a copper concentrate by-product. The PEA envisioned the addition of a SART (sulphidation, acidification, recycling, and thickening) circuit to manage the presence of cyanide-soluble copper contained in the tailings feed material. The new SART circuit would produce a high-grade copper concentrate by-product and the existing Merril Crowe equipment would produce gold precipitate that would be smelted on site to produce saleable gold dore. The scenario presented in the PEA, using a gold price of $1,600/oz, demonstrated robust economics with an after-tax internal rate of return of 85%, after-tax pay back period of 1 year and all-in sustaining costs of production of $705/oz of gold after accounting for expected silver and copper by-product credits.

RESULTS OF OPERATION (Continued)

MAGISTRAL (continued)

Final metallurgical test work needed to support engineering and design of the modifications and additions to the existing Magistral mill is expected to be complete by the end of June 2022. Upon successful final met testing and financing of the capital required to develop Magistral, Tarachi plans to use the remainder of 2022 and first quarter of 2023 to complete the recommended additions to the mill, upgrades to the tailing storage facility and updating of existing operating permits.

As part of the PEA, an updated NI 43-101 compliant mineral resource estimate was provided. That resource estimate contained 1.26 million tonnes of tailings with an average grade of 1.93g/t Au and 0.17% Cu with 85% of those resources contained in the Measured category. Tarachi is currently seeking out other local tailings material that could potentially provide additional feed to the Magistral mill and extend the life of the operation. There is no guarantee that Tarachi will be successful in securing additional material.

ADDITION TO MANAGEMENT

On March 24, 2022, the Company announced that Todd Roth would be joining the Company as Vice President of Operations and overseeing the development of the Magistral project.

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 a period of four year. The project is located approximately 220 kilometres east-southeast of the city of Hermosillo in the state of Sonora, Mexico.

The project area is located in the Sierra Madre gold belt of the eastern Sonora, Mexico in an established gold and silver producing region and in close proximity to Alamos Gold Inc's Mulatos Mine and Agnico Eagle's La India mine. To date, this belt has produced resources and reverses of over 80 million ounces of gold and 4.5 billion ounces of silver. Mineralization is generally associated with high sulphidation epithermal mineralization contained within felsic volcanic piles typically of rhyodacitic composition. Higher grade gold concentrations are typically associated within silicified zones containing vuggy silica and breccias hosting hematite and specularite or replacement sulphides, mainly pyrite.

In late June 2020, the company commenced field studies on the project's concessions focusing on detailed geological and structurally mapping and sampling. Part of the program consisted of detailed underground channel sampling in the historic La Dura mine on the Jabali Concession. On August 19, 2020, the company announced 6.34 grams/tonne gold over 62.55 metres was obtained from the La Dura channel sampling program. Mapping indicated mineralization to be contained in brecciated, east-west trending, steep south dipping quartz veins.

On November 12, 2020, Tarachi mobilized a man-portable diamond drill to commence drill testing known high-grade gold bearing structures on the San Javier concession with nine propose holes for a total of 864 metres. The HQ diamond drilling program will focus along a northwest-trending shear structure where holes SJA-14-002/004 encountered high-grade gold values 34.5 g/t gold /5.0m and 24.3 g/tonne gold over 3.0 metres respectively. These holes are approximately 100 metres apart with no other drilling completed between or down-dip.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (continued)

On November 24, 2020, the company released initial assay results from underground diamond drill holes JAB-20-03/04/05 completed at the historic La Dura mine on the company's Jabali concession.

The underground La Dura drill program is testing the down-dip and potential plunge orientation to the area of initial interest identified by Tarachi geologists in the summer of 2020.

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
JAB-20-03	1.80	7.00	5.20	2.30
JAB-20-04	-	14.50	14.50	5.49
including	-	7.00	7.00	9.67
	110.00	118.00	8.00	0.31
JAB-20-05	-	20.10	20.10	4.54
including	-	10.00	10.00	7.48

On December 3, 2020, the company released additional assay results from underground diamond drill hole JAB-20-06, completed at the historic La Dura mine on the company's Jabali concession. The underground La Dura drill program will continue testing the down dip and potential plunge orientation to the area of known gold-bearing structures and potential new zones. Currently, the company has two diamond drill rigs turning: one at the La Dura historic mine and the other at the San Javier shear zone. At San Javier four drill holes have been completed with the discovery of replacement-style massive sulphides encountered over several metres in one of these holes.

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
JAB-20-06	2.25	10.25	8.00	3.95
	22.25	43.00	20.75	5.05
	27.65	33.75	6.10	14.50
New zone L1	51.50	56.00	4.50	0.84
New zone L2	74.00	82.50	8.50	2.22

* Assay results are in core length; true width is unknown.

On February 16, 2021, the company resulted assay results from drilling at San Javier and discovered the gold mineralization is more favourable along steeper structures as was found in holes SJA-20-005/006, which returned values of 11.9 grams per tonne gold over 2.0 metres and 5.39 g/t Au over 5.6 m, respectively. In both intercepts, the gold mineralization is situated along open brittle structures containing over 20 per cent sulphides, mainly pyrite with minor quartz veining/veinlets. In both drill holes, a large breccia pipe feature occurred immediately east of these intercepts consisting of angular breccia fragments cemented with 20 to 30 per cent, fine- to coarse-grained anhedral to euhedral pyrite.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (continued)

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
SJA-20-001	36.00	39.00	3.00	1.58
SJA-20-002	16.00	17.00	1.00	1.80
	23.00	24.00	1.00	6.08
SJA-20-003	39.60	54.00	14.40	0.21
SJA-20-004	34.00	43.00	9.00	0.61
	56.00	60.00	4.00	0.86
	126.40	129.00	2.60	1.52
SJA-20-005	62.50	64.50	2.00	11.90
including	62.50	63.50	1.00	21.10
	105.30	117.30	12.00	5.39
SJA-20-006	101.00	106.60	5.60	5.39
including	101.00	102.00	1.00	15.70
SJA-20-007	88.00	105.00	17.00	0.62
SJA-20-008				NSV
SJA-20-009				NSV

* Assay results are in core length; true width is unknown at this time.

Also released on February 16, 2021, Hole JAB-20-007 from the Jabali concession at the historic La Dura mine underground drilling program, was completed on an azimuth of 150 degrees, dipping minus 15 degrees for a distance of 159.95 m. The purpose of the drill hole was to test the potential southern plunge to the gold zone. High-grade gold mineralization was not encountered; however, extensive quartz brecciation and alteration occurred throughout most of the drill hole. Drilling will now focus on determining the limits to the eastern plunge of the gold zone. The associated table outlines the gold assay results from drill hole JAB-20-07.

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
JAB-20-07	-	10.60	10.60	1.90
	16.70	22.80	6.10	0.76
	29.90	44.15	14.25	0.60

* Assay results are in core length; true width is unknown.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (continued)

On April 27, 2021, the company announced it has completed three underground HQ diamond drill holes (JAB-21-08-10) for a total of 383.3 metres within the historic underground La Dura mine. The purpose of these holes is to test the eastern and southern extent of gold mineralization associated with fractured and highly silicified and quartz vein to microvein-bearing, dacitic to rhyodacitic volcanics indicated in a figure available on-line. A total of 253 samples were selected and submitted in March for analysis. Assay results are still pending and are expected in the coming weeks. Upon completion of the underground drilling program, the company immediately initiated a proposed five-hole, 660-metre surface reverse circulation program to test south of the La Dura mine along the La Dura-Zaragoza trend. This trend between known gold occurrences and artisanal workings has not been previously drill tested. Of particular interest is where the northeast-trending Baby Doll gold occurrence is interpreted to intercept the La Dura-Zaragoza trend. To date, 487 of the proposed 660-metre program has been completed and 244 samples have been submitted for analysis, with assays still pending.

On May 6, 2021, the company released additional assay results from underground diamond drill holes JAB-20-08, JAB-21-09 and JAB-21-10 completed at the historic La Dura mine on the company's Jabali concession. The underground La Dura drill program tested the downdip and potential plunge orientation to the area of known gold-bearing structures. The associated table highlights areas with significant gold concentrations contained in the three underground drill holes, and a table on the company's website provides the drill hole orientations.

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
JAB-21-008	-	3.00	3.00	2.24
	71.15	82.85	11.70	2.48
JAB-21-009	-	63.40	63.40	6.91
including	5.70	15.00	9.30	17.42
and	18.80	32.70	13.90	17.37
including	21.70	27.30	5.60	33.66
JAB-21-010	-	42.00	42.00	1.79
including	23.60	27.00	3.40	8.00
	90.60	94.50	3.90	0.73

* Assay results are in core length; true width is unknown at this time.

Based on the drilling and mapping done to date, the Tarachi geology team believes the gold is hosted in a 10-to-20-metre-thick panel of heavily silicified rhyodacite striking roughly north-south, dipping to the east at an approximate angle of 30 degrees and plunging to the south at 25 degrees. Higher-grade gold mineralization is suspected to be concentrated within this panel in vertical zones or shoots running east-west. Hole JAB-21-09, which was drilled to the southeast, shows evidence of this with its multiple higher-grade subintervals including more than an ounce per tonne of gold over 5.6 m.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (Continued)

The results from drill hole JAB-21-09 are very similar in both grade and length to the past year's channel sample across the north-south face of the underground workings, which returned 6.34 grams per tonne gold over 62.55 m and also contained many subintervals of one to six m with grades between 7.4 and 55.2 g/t Au (see press release dated August 20, 2020). Combined, the channel sampling and two rounds of drilling demonstrate a strike length of over 100 m of high-grade mineralization that remains open along strike to the south and downdip to the east. The potential to find continuation of the mineralized zones to the west, on the other side of a fault found in the underground workings, is undetermined at this time. To the north, the unit appears to come to surface not far from the La Dura underground workings due to the unit's plunge.

Hole JAB-21-10, drilled to the east, appears to have remained within the mineralized panel for a considerable length but likely did not intersect as many of the higher-grade east-west-trending zones.

Hole JAB-21-08, drilled to the south at a dip of 30 degrees, may have exited out the bottom of the main mineralized panel early on. The 11.7 m intersection of 2.48 g/t starting from 71.15 m down the hole may represent the hole re-entering the main panel or possibly an additional mineralized structure that is parallel to and below the main panel. Deeper intercepts were also encountered in holes JAB-21-10, JAB-20-04 and JAB-20-06 (see press releases dated November 24, 2020, and December 3, 2020). Drill hole JAB-20-06, drilled from the same pad at an azimuth of 150 degrees and dip of 30 degrees, intercepted 2.22 g/t Au over 8.5 m starting from 74 m downhole.

The reverse circulation surface drilling program is expected to provide greater clarity as to the true thickness of the panel as well as if there are additional parallel structures at depth or if the deeper intercepts are still part of the main mineralized panel.

The target panel has been found to be very poor in sulphide mineralization with only minor veinlets containing sulphides found in some holes. In the gold-rich intersections, iron averages less than 1 per cent, sulphur less than 0.1 per cent, copper less than 20 parts per million and lead about 60 ppm. Silver values typically range between one and five g/t.

On June 10, 2021, the company announced additional assay results from surface reverse circulation drill holes JAB-21-11C, and JAB-21-12 to JAB-21-15 completed at the historic La Dura mine on the Company’s Jabali concession. The drill program tested the down-dip and potential southern plunge in areas of known gold bearing structures. Table #1 highlights areas with significant gold concentrations contained in the four surface drill holes.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (Continued)

Table #1

Diamond drill hole composites

Hole ID	From (m)	To (m)	Core length (m)	Gold (g/t)
JAB-21-11C	28.50	31.50	3.00	0.63
JAB-21-12	15.00	24.00	9.00	0.22
	88.50	91.50	3.00	0.37
	132.00	135.00	3.00	2.35
JAB-21-13	52.50	54.00	1.50	1.56
JAB-21-14	9.00	21.00	12.00	7.26
Including	15.00	21.00	6.00	12.20
	73.50	76.50	3.00	1.68
JAB-21-15	109.50	121.50	12.00	0.23

* Assay results are in core length; true width is unknown at this time.

Reverse circulation holes JAB-21-11C and JAB-21-12 tested the inferred intersection of the Baby Doll Zone to the Main trend. It appears that brittle structural displacements of the stratigraphy in this area are not fully understood and need to be further analysed. JAB-21-13/15 tested the potential eastern extent of mineralization with limited success. JAB-21-14 confirmed both the trend and anticipated gold concentrations. The program indicated the western bounding structure may be playing an important role in the development of this deposit. Tarachi geologists are now compiling these results with historical drilling to determine the next phase of reverse circulation drilling at La Dura.

On June 16, 2021, diamond drilling commenced on Tarachi Gold Corp.'s San Javier concession targeting the La Colorada gold-bearing breccia pipe discovered by Tarachi in the November and December 2020 drilling program. The purpose of the phase 2 diamond drilling program is to follow up on the positive results from 2020 by drill testing the breccia pipe down-dip from the past year's high-grade intercepts. The 2020 Tarachi drilling discovered significant gold concentrations in holes SJA-20-005/006, which returned values of 11.9 grams per tonne gold over 2.0 metres and 5.39 g/t Au over 5.6 m, respectively. On July 13, 2021, the company completed its phase 2 drilling program consisting of five diamond drill holes SJA-21-010 to SJA-21-014 totaling 1,577.50 metres on the San Javier concession in Sonora, Mexico. Significant drill intercepts are displayed in the associated table and include 0.454 g/t Au over 52 m in hole SJA-21-014.

RESULTS OF OPERATION (Continued)

TARACHI PROPERTIES (Continued)

SIGNIFICANT INTERCEPTS FROM PHASE 2 DRILLING AT SAN JAVIER

Drill hole	From (m)	To (m)	Interval (m)	Gold (g/t)
SJA-21-010	173.25	173.8	0.55	1.655
	180.5	183	2.5	0.508
	198	223	25.0	0.278
SJA-21-011	89	105	16.0	0.287
	125	142	17.0	0.218
SJA-21-012	265	292.5	27.5	0.251
SJA-21-013	297	298	1.0	1.5
	323	332.5	9.5	0.715
incl.	328	332.5	4.5	1.316
SJA-21-014	98	150	52.0	0.454
incl.	98	110	12.0	1.01
incl.	99.5	101	1.5	4.11
and	141	150	9.0	0.694

On September 14, 2021, cyanide leach results from Jabali concession drill samples were released, Table1. The objective of the metallurgical test program was to conduct a baseline investigation to determine the samples' amenability to leaching by cyanidation. The scope of this test program consisted of sample preparation and bottle roll cyanide leaching by the Bureau Veritas Commodities Canada Ltd.'s BV Minerals metallurgical division.

Table 1 - Summary of Bottle Roll Test Results

Test No	Sample ID	P80	NaCN	Meas. Head		Calc. Head		Recovery		Residue		Consumption (kg/t)	
		µm	g/L	Au (g/t)	Ag (g/t)	Au (g/t)	Ag (g/t)	Au (%)	Ag (%)	Au (g/t)	Ag (g/t)	NaCN	Ca(OH) 2
C1	T-1910	70	1.0	7.85	1	6.09	1	97.6	60.6	0.149	<1	1.53	0.32
C2	T-1911	73	1.0	16.5	1	13.5	1	97.8	38.9	0.291	<1	2.19	0.56
C3	T-0348 & T- 0349	72	1.0	2.31	6	2.35	9	88.8	45.9	0.262	5	1.47	0.54
Average		**71**	**1.0**	**8.88**	**3**	**7.32**	**4**	**94.8**	**48.5**	**0.234**	**5**	**1.73**	**0.47**

Samples T-1910 and T-1911 were taken from drill hole JAB-21-014 while samples T-0348 and T-0349 were taken from drill hole JAB-20-006 and combined to make up test sample C3. The three leach test samples were chosen to reflect a range of gold grades encountered during the company's drilling campaigns around the La Dura mine on the Jabali concession.

The test samples responded very well to leaching by cyanide. Gold extraction from baseline cyanide leaching at 40 weight per cent solids in one gram per litre (g/L) of sodium cyanide (NaCN) solution for 48 hours varied from 88.4 per cent in sample C3 to 97.8 per cent in sample C2 and averaged 94.8 per cent. Cyanide (as NaCN) consumption averaged 1.73 kilograms per tonne (kg/t).

In general, less than 0.5 kg/t of hydrated lime was required to maintain a slurry pH above 10.5 during leaching. Gold leached rapidly in the first 24 hours, with an average gold recovery of over 90 per cent. In general, maximum leaching results were attained with a residence time of approximately 30 hours.

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 nine months ended April 30, 2022 ("2022") and 2021 ("2021"), the Company reported net and comprehensive loss of $1,158,521 and $3,521,084 respectively.

	Nine months ended April 30,		
	2022	**2021**	**Variance**
	$	$	$
Consulting fees	207,428	635,589	(428,161)
General and administrative	214,060	850,429	(636,369)
Insurance	43,500	43,750	(250)
Management fees	113,670	64,943	48,727
Professional fees	58,396	55,924	2,472
Project investigation	47,116	82,656	(35,540)
Shareholder information and investor relations	408,095	129,169	278,926
Stock-based compensation	203,492	1,649,945	(1,446,453)
Transfer agent and filing fees	37,176	34,392	2,784
Total	1,332,933	3,546,797	(2,213,864)

Excluding stock-based compensation and revaluation gain which are non-cash items, the operating expenses for 2022 are $1,129,441 compared to $1,896,852 in 2021. Some of the key items of the decrease are consulting fees ($207,428 in 2022 compared to $635,589, a decrease of $428,161) and general and administrative ($214,060 in 2022 compared to $850,429, a decrease of $636,369) as most of the consultants and administrators have been brought in-house and the Company concentrated on exploration work on the projects and continue with Magistral's development in 2022 with the goal of producing gold at Magistral in Q2 of 2023. The Company incurred fees of $113,670 in management fees paid to the appointed CEO during the nine months ended April 30, 2022.

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.

	Q3 April 30, 2022	Q2 January 31, 2022	Q1 October 31, 2021	Q4 July 31, 2021	Q3 April 30, 2021	Q2 January 31, 2021	Q1 October 31, 2020	Q4 July 31, 2020
Revenues	-	-	-	-		-	-	-
Net income/(loss)	(1,856,865)	(34,248)	732,592	250,330	(883,838)	(986,679)	(1,650,567)	(1,063,753)
Loss per common share	(0.02)	(0.00)	0.01	0.05	(0.01)	(0.03)	(0.03)	(0.04)

The fluctuations in net income and net loss in the last four quarters ended April 30, 2022, January 31, 2022, October 31, 2021, and July 31, 2021, are due to the fair value gain of shares issued and the revaluation of contingent consideration. Increase in loss during the previous four quarters ending April 30, 2021, January 31, 2021, October 31, 2020, and July 31, 2020, was due to issuance of stock options and increased activity levels of the Company.

LIQUIDITY

The Company reported working capital of $3,323,394 as of April 30, 2022, compared to working deficit of $640,683 as of July 31, 2021. Working capital increased due to the recoverability of goods and services tax and Mexican value added tax, and revaluation of future shares to be issued as shares are issued in relation to the Magistral asset purchase agreement.

During the nine month ended April 30, 2022, $4,012,358 was used in operating activities compared to $3,850,335 for the nine months ended April 30, 2021. While investing activities used $1,132,151 (April 30, 2021: $3,444,691), financing activities generated $4,705,138 in cash (April 30, 2021: $7,755,790).

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, or the possibility of discovering such reserves, or proceeds from the disposition of such properties. See Section “Risk Factors”, below.

CAPITAL RESOURCES

The Company had 118,251,810 issued and outstanding common shares as of April 30, 2022 (July 31, 2021 – 76,989,610).

The proceeds from private placements (described under overall performance) will be used for exploration and general working capital purposes.

Shares issued during the nine months period ended April 30, 2022

On August 11, 2021, 100,000 stock options were exercised for total proceeds of $7,500.

On September 8, 2021, 1,000,000 of shares have been issued pursuant to the option agreement to acquire the Juliana and Las Moritas property.

On October 28, 2021, the Company completed a private placement (the "Private Placement") whereby the Company issued a total of 4,396,667 common shares at a price of $0.15 per share for gross proceeds of $659,500. The Company paid cash finder's fees equal to $9,000 and issued 60,000 broker warrants of the Company, exercisable at any time on or before October 28, 2022, at an exercise price of $0.35. The fair value of the finders’ warrants is $4,902.

On November 10, 2021, 2,038,528 shares have been issued at $0.188 under the APA Agreement for the Magistral mill and tailings project as the $383,243 (US$333,333) of the Company’s common shares at 15% discount to the 10-day volume weighted average trading price.

On January 28, 2022, 4,000,000 shares have been issued at $0.145 under the APA Agreement for the Magistral mill and tailings project as part of the shares to be issued on 180 days after the Closing Date.

On March 17, 2022, 4,000,000 shares have been issued at $0.165 under the APA Agreement for the Magistral mill and tailings project as part of the shares to be issued on 365 days after the Closing Date (See Note 4(b)).

On April 29, 2022, 2,500,000 shares have been issued at $0.13 under Tarachi amended option agreement (See Note 4(a)(ii)).

CAPITAL RESOURCES (Continued)

On March 11, 2022, the Company completed a private placement (the "Private Placement") whereby the Company issued a total of 23,227,005 units at a price of $0.18 per share for gross proceeds of $4,180,861. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of C$0.30 at any time on or before March 11, 2024.

The Company paid cash finder's fees equal to $81,796, $51,828 of related costs and issued 454,422 broker warrants of the Company, exercisable at any time on or before March 11, 2024, at an exercise price of $0.30. The fair value of the finders' warrants is $55,757.

OFF-BALANCE SHEET ARRANGEMENTS

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

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, VP Exploration, Director	Consulting
Michael Konnert, Chairman, Director	Consulting
Mahesh Liyanage, CFO	Consulting
Inventa Capital Corp.	Rent and general and administrative expenses

As at April 30, 2022, the Company has prepaid to a related party for rent and administration services totaling $29,269 (July 31, 2021: $Nil).

The Company has granted 1,700,000 (2021: 3,305,000) stock options in total to officers and directors of the Company.

The Company's key management compensation and related party transactions for the nine months ended April 30, 2022, and 2021 is as follows:

	For the three month ended		For the nine month ended	
	April 30, 2022	April 30, 2021	April 30, 2022	April 30, 2021
	$	$	$	$
Consulting fee	55,500	85,500	166,500	169,000
Management fee	37,189	-	112,508	-
Rent and administration services	45,000	45,000	135,000	135,000
Stock based compensation	25,505	252,348	109,759	1,377,639
Total	**163,194**	**382,848**	**523,767**	**1,681,639**

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.

PROPOSED TRANSACTIONS

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make certain estimates that affect the amounts reported in the consolidated 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 an additional liability could result from audits by taxing authorities. Where the final 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 determination is made.

Fair value calculation of share-based payments

The fair value of share-based payments in relation to the warrants and options granted is calculated using a Black Scholes option pricing model. There are a number of 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 average and future forecasts.

Contingent consideration

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 new information becomes available

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There has been no change in accounting policies for the period ended April 30, 2022.

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 April 30, 2022, the Company had cash of $1,028,278 (July 31, 2021 - $1,467,649) and accounts payable and accrued liabilities of $20,877 (July 31, 2020 - $983,157) with contractual maturities of less than one year. The Company does have sufficient cash to meet its current liabilities but can continue to raise funds through private placements; therefore, management assessed the liquidity risk is 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 the 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. A 10% decrease/increase in foreign exchange rate of USD to Peso would increase/decrease the net and comprehensive loss for the nine months ended April 30, 2022, by approximately $109,000.

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.

OTHER REQUIREMENTS

Risks Factors and Uncertainties

Sensitivity Analysis

The Company measures the effect on total assets or total receipts of reasonably 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. On the basis of 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 foreseeable 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 fund planned exploration for the next twelve months. 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 a high 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 of time.

Foreign Operations and Political Risk

The Company's mineral properties are located 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.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

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 consents, 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 carry out exploration, development, and production operations at its projects.

Although the Company acquired the rights to some or all of 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 carry-on 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 carry out 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.

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, few properties which are explored are ultimately 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 a number of factors, including the particular 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.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Commodity Prices

The prices of gold, silver, copper, lead, zinc, moly, and other minerals have fluctuated widely in recent years and are affected by a number of 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 various 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 in which the Company has, or has the right to acquire, an interest may be mined at a profit.

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. In the event that 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 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 in order to be able to successfully carry out 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 which 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 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 it is not aware of.

OTHER REQUIREMENTS (continued)

Risks Factors and Uncertainties (continued)

Effects of COVID-19

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, the rapid spread of COVID-19 may have an adverse effect on the Company's financial position. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions, physical distancing, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact as of the date of approval of these condensed interim consolidated financial statements, continuation of the prevailing conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The significant components of general and administrative expenditures are presented in the consolidated financial statements. 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 118,251,810 issued and outstanding common shares. In addition, the Company has 7,905,000 options outstanding that are expiring through March 23, 2027, and 37,239,402 warrants outstanding that are expiring through March 11, 2024. Details of issued share capital are included in Note 7 of the condensed interim consolidated financial statements for the nine months ended April 30, 2022.

OTHER INFORMATION

All technical reports on material properties, press releases and material change reports are filed on SEDAR at www.sedar.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 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.