Date: November 28, 2024

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of the operations of Western Metallica Resources Corp. (individually or collectively with its subsidiaries, as applicable, "**Western Metallica**" or the "**Company**"), to enable a reader to assess material changes in the financial condition and results of operations as at and for the three and nine months ended September 30, 2024 and 2023. The MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended September 30, 2024, and 2023. All amounts included in the MD&A are expressed in Canadian dollars, unless otherwise specified.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board. Please refer to Note 3 of the annual audited consolidated financial statements as at and for the years ended December 31, 2023 and 2022 for disclosure of the Company's significant accounting policies.

Additional information about the Company may be found on SEDAR+ at www.sedarplus.ca.

The scientific and technical contents of this MD&A have been reviewed and approved by Mr. Giovanni Funaioli, Eur.Geol, Vice President Exploration of Western Metallica and a Qualified Person under National Instrument 43-101 ("**NI 43-101**"). Mr. Funaioli is an executive officer of the Company and is therefore not considered to be independent under National Instrument 43-101.

The Board of Directors of the Company has reviewed this MD&A and the audited consolidated financial statements for the three and nine months ended September 30, 2024 and 2023, and the Company's Board of Directors approved these documents prior to their release.

Overview and Strategy

Western Metallica is a publicly traded Canadian exploration and development company listed on the TSX Venture Exchange ("TSXV"). The Company is engaged in the acquisition, exploration, exploitation and development of mineral properties with a focus on exploring in Peru and Spain. Exploration and exploitation is conducted through the Company's wholly owned Peruvian subsidiary Green Rock SAC and Spanish subsidiary, Western Metallica S.L.

Summary of Properties and Projects

Mineral Exploration Properties

Peru

On August 10, 2023, the Company acquired 100% of the issued and outstanding shares of Consolidated Copper Corp. ("Consolidated Copper") in exchange for an aggregate consideration of (i) 20,000,000 common shares of the Company (the "Common Shares") and (ii) 5,000,000 common share purchase warrants of the Company (the "Warrant"), with each Warrant entitling the holder to acquire one additional Common Share at an exercise price of $0.10 until the earlier of: (i) the date that is one (1) year from the date of issuance, and (ii) within twenty (20) days of the Company providing such holder with written notice accelerating the Warrant expiry date, provided that that the daily volume weighted average price (or closing bid price on days when there are no trades) of the Common Shares on the TSX Venture Exchange (the "Exchange") is at least $0.15 for a minimum of twenty (20) consecutive trading days prior to such written notice from the Company being provided.

(in Canadian dollars, unless otherwise noted)

a) Caña Brava Project

The Company acquired the option to obtain 100% of the Caña Brava Project by making option payments totalling US$2,430,000 by June 2028. The option agreement was modified on August 21, 2024 to retain greater flexibility in extending the term and payment schedule. Upon completion of the option payments, the Company will own 100% of the Caña Brava Project and the original option holder will retain a 1.5% NSR of which 0.75% (half) of the NSR may be purchased by the Company for US$1,500,000 at any time. The schedule of options payments are as follows:

	Amount US$	**Amount CAD$**
Initial Payment	70,000	92,010
December 2023	30,000	40,250
June 2024	130,000	177,970
June 2025	150,000	202,485
June 2026	150,000	202,485
June 2027	400,000	539,960
June 2028	1,500,000	2,024,850
Total	**2,430,000**	**3,280,010**
Paid	(230,000)	(310,230)
Amount remaining	**2,200,000**	**2,969,780**

Caña Brava is a highly prospective 5,700-hectare copper-molybdenum project, located in the La Libertad Department of northern coastal Peru, only 35 kilometers inland from the Peruvian coast. The Project is located at an elevation of 1,500 metres in the western Cordillera of the Peruvian Andes. The Project contains at least three partially eroded porphyry centers and there is potential at Caña Brava for a cluster of medium-sized porphyry copper-molybdenum systems of above average grade. At the westernmost (El Sausal) porphyry center, concentrically arranged propylitic, phyllic and potassic alteration have been mapped over an area of at least 800 metres x 600 metres, with visible copper and molybdenum mineralization associated with stockwork-style quartz veining present in the topographically lowest parts. The existence of a well-developed supergene enrichment profile at El Sausal is encouraging and suggests possible enrichment of copper grades near surface. Apart from first pass mapping work, the project has never been explored by systematic modern exploration and no drilling has ever been executed to test the porphyry centres. The proximity to the coast and potential port is a positive factor for future development and economic considerations.

On January 22, 2024, the Company reported the discovery of Luz Maria, one of two prospects within the Cana Brava Project, where recent geochemical and drone-borne magnetometry surveys have confirmed a ~2.7 km by ~1.5 km potassic and phyllic alteration, typical of Andean Cu-Mo porphyry systems, associated to magnetic anomalies and consistent copper grades up to 700 ppm Cu (0.07% Cu) and 600 ppm Mo (0.06% Mo). The discovery at Luz Maria, coupled with the confirmation of the size and grades of the Caña Brava 1 prospect, is a major development for the Company. Further target definition work and initial scout drilling is currently being planned by the Company's technical team to test this new discovery.

The Company acquired unmanned aerial vehicle (UAV) magnetic survey covering approximately 58 km^2 (Figure 1). The UAV magnetic survey has identified two zones of high susceptibility, likely intrusive stocks, with zones of demagnetization around the intrusives. The geophysical results at Luz Maria, consistent with field mapping, confirm the potential for a large porphyry Cu-Mo cluster under the sedimentary and colluvial cover, providing valuable targets for further exploration. The Company is now planning a follow-up IP/Resistivity survey to further define the porphyry centres and drill targets. The current field programs will allow the Company to extend mapping and sampling outside the main creeks, where all outcrops of mineralized intrusive have been found to date, with the intent of confirming the presence of significant and continuous Cu-Mo porphyry mineralization at a higher level of geological confidence and across a more prominent alteration footprint. The Company believes that the integration of this large dataset will provide a solid picture about the potential of both prospects, supporting the next phase of scout drilling.

Luz Maria, located on the South-Eastern sector of the Caña Brava Project, is a well-preserved porphyry target with multiple mineralized intrusion events and an estimated ~2.7 km by ~1.5 km potassic and phyllic alteration footprint, comparable to other porphyry deposits in Peru such as Southern Copper's Michiquillay Cu-Au-Mo deposit. To date, the Company's geologists collected 126 rock chip and 124 diamond-sawn channel samples with variable lengths between 1 and 1.5 meters of continuous samples. The diamond-sawn channel sampling campaign, carried on to date, displayed consistent anomalous grades up to 0.06% Cu and 0.03% Mo from multi-phase intrusions, confirming at least three intrusion phases that host both Cu and Mo-sulphide mineralization and locally associated to a weak biotite-replacement.

The possible lateral extensions of these intrusions are covered by both sedimentary units and Quaternary colluvium.

The current field programs, as follow up on the anomalies obtained from the recently acquired induced polarization ("IP") surveys, allowed for the extension of mineralized intrusive outcrops by approximately 200 metres toward the West confirming the potential for a large Cu-Mo porphyry cluster under the sedimentary and colluvial cover. The acquisition of the IP pole-dipole data, allowed to define a main >30 mV/V chargeability anomaly, coinciding with one of the magnetic anomalies previously interpreted as a possible intrusive as well as with the Cu and Mo soil anomalies obtained through the execution of recognition in-situ pXRF analyses. Soil, chargeability, and magnetic anomalies are still open towards the West providing further prospective targets for the next phase of scout drilling.

On July 15, 2024, the Company received the permit to drill from 19 platforms, along with approval of its Environmental Evaluation ("FTA") for Luz Maria from the Peruvian Ministry of Energy and Mines, which enables the Company to commence its drilling program at Luz Maria. The Company's inaugural drill program in Peru intended with an initial 2,100 metre diamond drill program started in November 2024.

The Caña Brava 1 prospect, located on the Northwestern sector of the project, is a well-preserved ~1 km by ~1 km sized porphyry target characterized by a distinctive leached zone with goethite and hematite box works. The Company collected 35 rock chip samples at Caña Brava 1 and confirmed grades up to 0.4% Cu from the sedimentary rocks, and average 0.05% Cu from the intrusive rocks. The Company is advancing drilling target generation at Caña Brava 1. Both environmental and social base lines, required to support the FTA process, are also being completed for this sector. The diamond-sawn channel sampling campaign previously announced had confirmed grades up to 0.3% Cu and average 500 ppm Cu from intrusive rocks. The Company is now conducting an insitu regolith geochemistry with portable XRF equipment aimed at following up the mag anomalies interpreted to be the expression of intrusive plugs related to mineralization. The results obtained so far are very encouraging with copper and molybdenum anomalies centered on the mag anomalies and still open in all direction (see Figure 2 & 3).

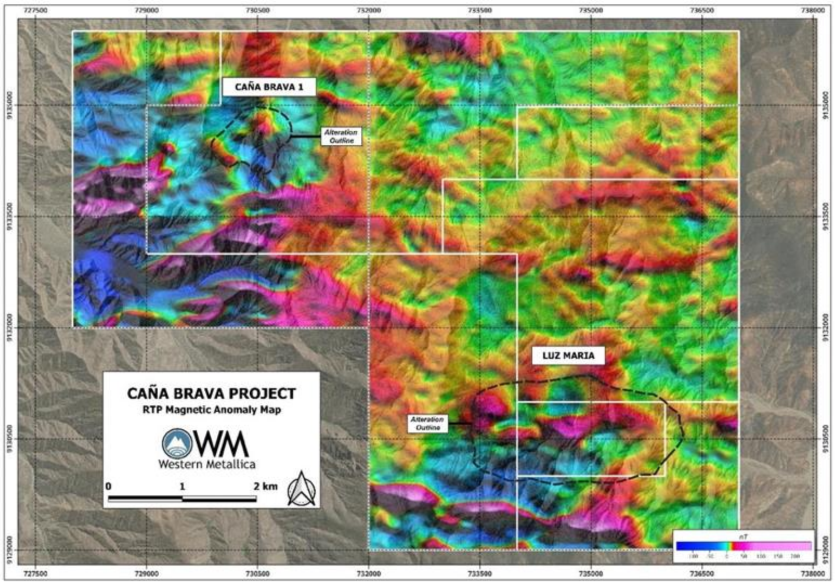
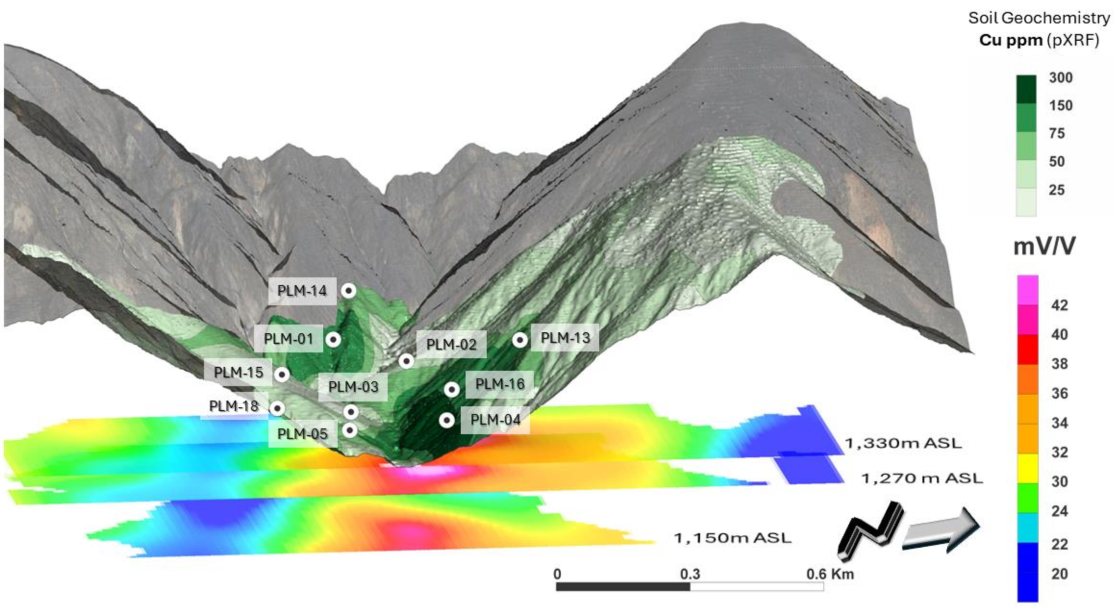


Figure 1 - Caña Brava Project: drone-borne RTP magnetic anomaly map showing the alteration footprints over Caña Brava 1 and Luz Maria.



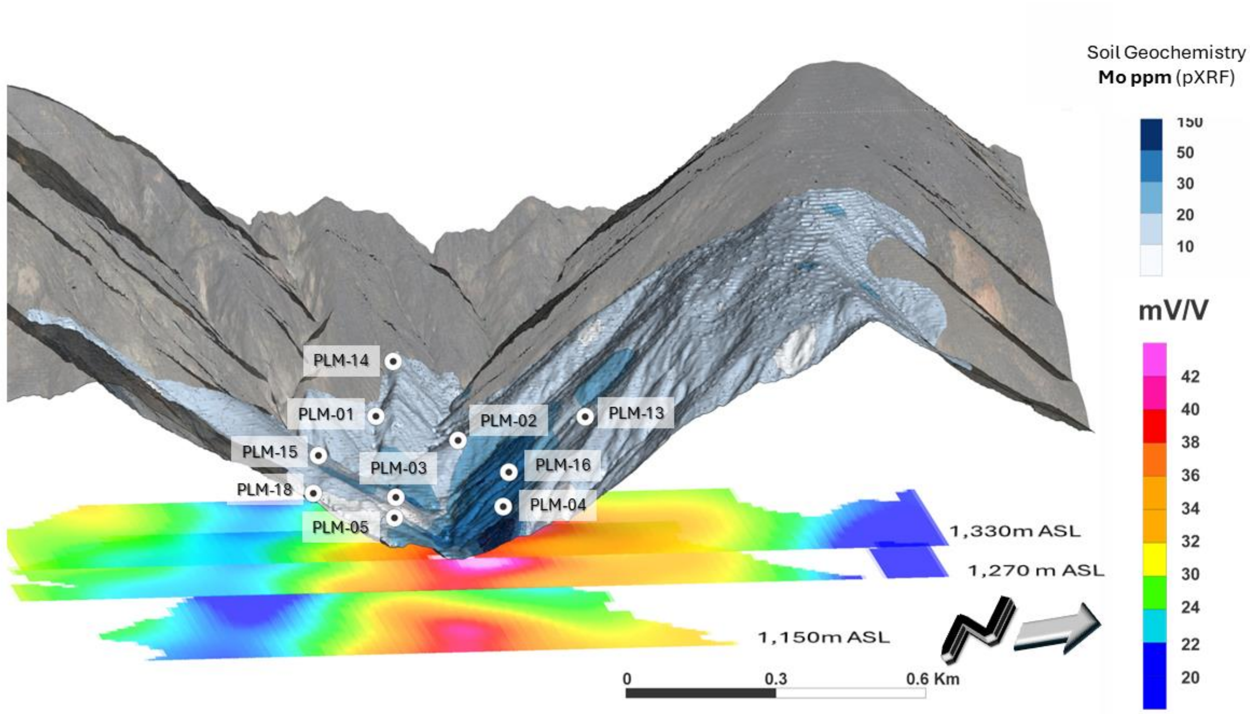


Figure 2 – Luz Maria Prospect – Diagrams showing the extent of the >30mV/v chargeability anomalies (3 model slices at 1,330m,1,270m, and 1,150m ASL) and the soil (pXRF) Cu (top image) and Mo (bottom image) anomalies. The locations of the recently approved platform are also shown.

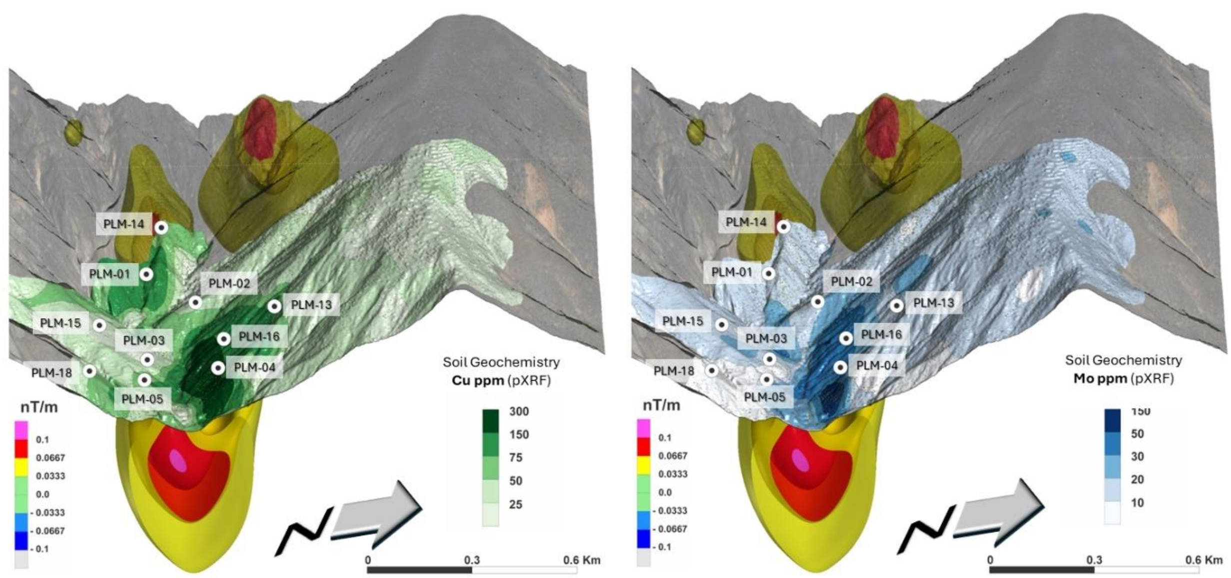


Figure 3 – Luz Maria Prospect – Diagram showing the extent of the magnetic anomalies and the soil (pXRF) Cu (left) and Mo (right) anomalies. Note the magnetic anomalies open toward West (top in the figure) and the locations of the recently approved platform are also shown.

b) Turmalina Project

On August 21, 2024, the Company announced that it has decided to drop its interests in the Turmalina Project. Green Rock Copper S.A.C. and the Turmalina properties holders have confirmed in writing that no amounts are owed by the Company and/or its subsidiary in relation to the Turmalina Project, and that the Company and its subsidiary are released from any and all obligations or liabilities in relation to the Turmalina Project.

Spain

The Company holds certain property interests for gold exploration in the Principality of Asturias in Spain and for polymetallic exploration in the Autonomous Community of Andalucia in Spain.

a) Penedela Property

During 2019, the Company entered into an option agreement with Asminarq SL ("Asminarq"), to earn up to 100% of the rights to the Penedela Property. Asminarq is the company that owned the mining rights. The property is located in the west of Asturias, Spain, in the council area of Ibias, and was granted by the Asturian Mines (Minas de Asturias) Authority to cover the exploration for gold, silver, lead and zinc.

On February 14, 2022, Western Metallica entered into a purchase agreement (the "Purchase Agreement") with Asminarq, superseding the above-mentioned agreement whereby Western Metallica will acquire 100% of Asminarq pursuant to the following terms:

- Payment from Western Metallica to the Asminarq shareholders in the amount of €105,000 ($147,420) upon signature of the Purchase Agreement, including €5,000 to extend the agreement (€13,000 ($19,330) paid in 2021 and €92,000 ($128,090) paid on March 4, 2022);
- The issuance of 2,000,000 post-share split Western Metallica common shares to Asminarq owners (1,271,242 pre-share split Western Metallica common shares, issued on April 13, 2022);
- If Western Metallica completes a NI43-101-compliant resource of one million ounces of gold in a defined target area, Western Metallica will pay Asminarq shareholders €500,000, plus an additional €0.50 per additional ounce, over and above the one million ounces of gold, up to two million ounces of gold; and
- Asminarq shareholders will retain a 2% NSR (Net Smelter Return), of which 1% (half) of the NSR may be purchased by Western Metallica for €400,000.

The company launched its 2,000-metre diamond drilling program on May 25, 2022 that was completed in Q4 2022. From 2020 to 2022, the Penedela Project underwent a cumulative total of 2,236 metres drilled across 12 holes to a maximum depth of 335.6 metres, with the Penedela zone drilled approximately 130 metres vertical from surface and a total of ~500 metres on-strike. The program was generally aimed at testing the control on mineralization by the NS structure, with the exception of IB029 located on the southern edge of the project, that was drilled with a 350 azimuth. The current model for Penedela is constituted by two different parallel mineralized bodies: one hanging wall skarnoid, continuous, and lower grade body, and another footwall one represented by a zone of quartzgalena-arsenopyrite veining.

Refer to the news releases dated August 8, 2022 on www.sedarplus.ca for the assay results for the diamond drill holes completed.

(in Canadian dollars, unless otherwise noted)

Drilling Summary Results:

DDH	Easting	Northing	Elevation	Azimuth	Dip	Depth (m)	FROM	TO	Width (m)	Cu %	Au (g/t)	Ag (g/t)
IB024	668590	4768719	710	0	-90	291	90.9	91.5	0.7	0.2	0.3	189
							110	110.8	0.8	0.1	0.4	1
							110.8	111.3	0.5	0.1	0.5	0.1
IB025	668360	4768148	428	160	-50	168	77.3	77.8	0.5	0	17.4	7
							89.5	90.3	0.8	0	0.6	3
							129	130	1	0	0.5	1
IB026	668325	4768576	579		-50	181	101.5	102.5	1	0	2.1	1

The four main targets initially defined for the 2022 drilling program, underwent a cumulative 1,411 metres of drilling.

1. The Penedela Structure is mainly represented by a breccia vein mineralization occurring at the sheared contact between the Luarca shales and the Los Cabos quartzite was object of the 2022 drilling program. Hole IB030 was drilled aimed at twinning a historical hole in order to better define the two mineralized domains being currently wireframed. The hole confirmed a wider mineralized zone expanding inside the quartzite far from the contact with the slates.

2. The conceptual saddle Reef and N-S Fault target was tested without any significant results. Drill holes IB024 and IB028 targeted the possible control by the anticline hinge. Hole IB028 was drilled to a total depth of 197.1 metres, aimed to potentially intersect the hinge of the regional San Martin anticline approaching the eastern limb of the fold, as this sector of the Penedela property remained untested and the most recent field work have indicated a folding style characterized by a 'short wavelength' chevron structure similar to other similar systems worldwide.

3. The Cerro-East Target, where structural mapping, roman vestiges and geochemical assay results supported an untested target as a zone of potential interest which historically returned 1 meter at 2 g/t Au (Drill Hole IB12 by Rio Narcea Gold Mines Ltd., 1995), was tested without neither significant assay results nor geological evidence. Here also a prominent >200ppb Au, N10°-striking soil anomaly, obtained in 2020, was targeted as interpreted to be possibly controlled by a N-S structure parallel to the main Penedela corridor but a careful review of the program tend to consider this rather as an effect of anthropic contamination.

4. IB029, drilled on the southern sector of the property, was also drilled to test at the same time the possible presence of saddle-reef-type mineralization as extension of the San Martin anticline hinge and the possible control on the mineralization by EW trending veins observed and sampled at the old mining site. The results returned values of 0.75 metres at 5.53 g/t Au, 0.45 metres at 0.37 g/t Au and 0.55 metres at 0.50 g/t Au, within a wide interval between 71.2 and 87.4 metres, from EW-trending veining. However, the gold grades resulted more erratic than the NS-trending veining characterizing the Penedela zone. A sulphide-matrix hydrothermal breccia intercepted at 222.35 metres returned 3.30 metres at 0.36 g/t Au, 0.2% Cu as well as quartz-arsenopyrite-pyrite veining, located at the breccia footwall, returned 0.95 metres at 5.21 g/t Au from 231.5 metres. Hole IB029 reached a total depth of 335.6 metres proving the presence of a skarnoid-type alteration, also marked by 20-30 metres wide pyrrhotite-in envelop, resulted from the metasomatism of felspathic sandstone layers interbedded within the Los Cabos quartzite.

Management continues to view Penedela as a project of importance, notably due to it being surrounded by significant Roman workings, in the robustly mineralized Navelgas Gold Belt, and structurally comparable to other historical models. Gold occurrences in the Asturias region are indicated across three belts, the Navelgas, Oscos and Rio Narcea, and occurring in high-grade epithermal veins, skarns and as intrusive related gold deposits.

b) Berta Property

On September 16, 2019, the Berta Property prospecting license was requested from the Directorate general of Mining with the licensing fees being paid on September 19, 2019. The Company is waiting for the prospecting license to be submitted for public consultation which is expected to lead to the granting of the prospecting license. The property is located in the west of Asturias, Spain, in the council area of Ibias. No exploration expenditures have been incurred to date on the Berta property.

c) Sierra Alta Property

The Sierra Alta Project is in the "Navelgas Gold Belt" in Asturias, Spain. Emerita applied for the permit on November 18, 2013 and received notice that the property had been granted on July 8, 2015. The concession was valid for a three-year term and was renewable for equal and successive periods of three years. An application for the permit to be extended was submitted and an extension was granted whereby the permit expires on March 2025 and can be renewed.

On May 4, 2020, the Company entered into an option agreement (the "Option Agreement") with Emerita Resources Corp. ("Emerita"), pursuant to which Western Metallica held an option to acquire 55% of the Sierra Alta Gold Project (the "Sierra Alta Project").

On June 30, 2022, Western Metallica entered into an amendment (the "Extension") to the Option Agreement with Emerita, superseding the above-mentioned agreement whereby Western Metallica held an option to acquire 55% of the Sierra Alta Project pursuant to the following terms:

1. Issue 786,632 common shares of the Company to Emerita (issued on September 30, 2022);
2. Spend at least $500,000 in mineral exploration expenditures on the Sierra Alta Project prior to December 31, 2022 (all expenditures incurred prior to December 31, 2022); and
3. Entered into a binding joint venture agreement between the Company and Emerita.

On December 21, 2022, the Company acquired 55% of the Sierra Alta Property by fulfilling the terms of the Option Agreement.

The acquisition of the interest is a non-arm's length transaction as the CEO of the Company acts as the CFO of Emerita and a director of the Company is a director of Emerita.

Geological mapping, rock sampling and drill targeting where done aimed at launching a first 1,000 metre, five-hole diamond drill program at the La Freita prospect, site of previous Rio Narcea drilling, where land access was granted on January 23, 2023.

d) Valledor Property

The Valledor Property is located in the west of Asturias, Spain, in the municipality of Allande. On September 30, 2019, the prospecting license was applied by the Company and was admitted. The public consultation process was completed in 2020 and the final approval of the prospecting license was granted on November 21, 2023. No exploration expenditures have been incurred to date on the Valledor property.

e) El Cid Property

The El Cid Property (1,917.7Ha) is located in Castilla y Leon, Leon Province, Spain. On June 2, 2023, the Company applied for the prospecting license and was admitted. The property is located on a regional trend where occurrences of Pb-Zn-Cu are reported and known for the occurrence of documented roman workings on primary gold mineralization. No exploration expenditures have been incurred to date on the property.

f) Trajano Property

The Trajano Property (987.9Ha) is located in Castilla y Leon, Leon Province, Spain. On June 2, 2023, the Company applied for the prospecting license was admitted. This property covers the ancient mining workings located 3Km North from Val de San Lorenzo, Leon. The main mine workings are probably from the Roman age including small workings possibly from the 19th century. The most prominent mine working features of the area is represented by a small 150x50m open pit, elongated 160, probably following a main mineralized body as 160 trending quartz-arsenopyrite vein with visible gold have been historically reported. Other minor workings, and some exploration galleries, are also present on the sector. The host rock is represented by slates and siltstones belonging to the Upper Cambrian Los Cabos Series Formation. No exploration expenditures have been incurred to date on the property.

g) Cortes Property

The Cortes Property (84.7 Ha) is located in Castilla y Leon, Leon Province, Spain. On June 2, 2023, the Company applied for the prospecting license and was admitted. This small property covers a vein field located halfway between the towns of Lucillo and Villalibre de Somoza (León). This area has a lack of free ground in the surrounded areas but this holding offers the possibility for future possible negotiations with the adjacent property holders. The area, known as Lucillo y Villalibre, is considered to have been exploited during the Roman period. The mine workings presents a considerable extension represented by widely dispersed shallow trenches / pits. Several small trenches / pits, elongated in the supposed direction of the veins occur over the area. These shallow pits are partially filled, are not more than 2-3 m deep and maximum of 30 m wide and are aligned along the vein trend for about 150 meters on strike for a total field extension esteemed to be about 200 m. The main vein, hosted by the Upper Cambrian rocks of Serie de Los Cabos Formation, crops out following a main 110-120 trend, subvertical for about 25 m on strike. The only sample of a quartz-arsenopyrite vein taken by Western Metallica returned 0.81 g/t Au. No exploration expenditures have been incurred to date on the property.

h) Don Juan Property

The Don Juan Property (3,247.7 Ha) is located in Castilla y Leon, Leon Province, Spain. On June 2, 2023, the Company applied for the prospecting license and was admitted. The area has produced gold mining activity mine workings essentially from 4 main mineralized bodies as well as Roman activities from colluvium and alluvium in the Rioseco and the foot of Arroyo Las Labradas areas. The main bodies occur as quartz-arsenopyrite-pyrite veins locally containing visible gold and hosted by the Upper Cambrian – Lower Ordovician Los Cabos Series Formation. Cabanias is a 1,200 meters long structure is still accessible through two exploitation galleries for, respectively 270m (upper gallery) and 80m long (lower gallery). Two samples have been collected by Western Metallica, during a first recognition visit, returned 1.5 g/t and 9.4 g/t Au with anomalous Cu content of 0.1%. The Pimpiadoira structure is parallel to Cabanias with similar width and mineral assemblage. The Contacto structure is 900 meters long, 1-4 meters wide vein with sporadic presence of stibnite, running at the contact between the Medium Ordovician black slate and the Lower Ordovician quartzites belonging to the Los Cabos series Formation. The Labradas quartz vein developed for about 700 meters with variable width up to 1 meter and crosscutting the Cabanias - Pimpiadoira system with the local generation of breccias. The Labradas structure was mined for iron since the presence of gossan, until the end of the 19th century, through the execution of a 47m long gallery. No exploration expenditures have been incurred to date on the property.

i) Viriato Property

The Viriato Property (84.7 Ha) is located in Castilla y Leon, Leon Province, Spain. On June 2, 2023, the Company applied for the prospecting license and was admitted. The property is characterized by the occurrence of Roman-age workings located approximately 2km east from the Luyego de Somoza and 2km SW from lagunas de Somoza. The main mine working is represented by 300 meters long by 20 meters wide, EW trending trench. The only sample collected by Western Metallica during a first recognition run, constituted by quartz-arsenopyrite vein floats, returned 8.7 g/t Au. No exploration expenditures have been incurred to date on the property.

j) Nueva Celti Property

Nueva Celti, the Company's 100%-owned copper project is located in the Ossa Morena geological province of Andalucia, Spain in a region where copper mineralization has been recognized since ancient times. The project spans 1,250 hectare with historic coper mineralization and production grades reported over 5% copper. The Company is in the process of securing an additional 5,000 hectares to the East with the application of the Retortillo investigation permit. Nueva Celti was the location of historic production of copper and other metals until 1918, with an underground mine that was developed across two shafts to ~130 metres depth, along one vein, which was then optioned out by Asturiana de Zinc SA, when then carried out an encouraging drill exploration campaign. The Company reviewed and compiled historical data including the review of 19-diamond drillholes executed by Asturiana and conducted geophysical tests across the structure to generate immediate drill targets, including the acquisition of typical recognition, low-cost, self-potential data acquisition across the "historical" IP anomalies which effectively detects the target structures, in combination with simple lithological and structural context that in Western Metallica environments provides robust information.

Western Metallica launched a diamond drilling program aimed at validating the grades and confirming the geology interpreted compiling the historical information from the 'Asturiana de Zinc', Glencore, drilling program.

The Company finalized a first phase drill program which included four drill holes for a cumulative ~1,500 metres of drilling completed half of the planned two-phase, ~3,000-metre drill program aimed at investigating mineralized zones at depth below mine levels, as well as the northern and southern extensions. Results of first phase of drilling include 7.40 metres at 0.6% Cu in NCDDH003, 1.65 metres at 1.7% Cu and 5.95 metres at 0.7% Cu in NCDDH004, Moreover, these results prove the on-strike continuity of the mineralization for ~300 metres, thus far, and intersected multiple intervals of significant copper mineralization in massive sulphides. Results of all four holes are meaningful as they equally indicate intersections of copper sulfide mineralization, over multiple intervals, predicting a broader high-grade copper mineralized trend and substantiating the vast historic data which positions Nueva Celti as a highly prolific copper project.

The results from the first two holes, NCDD001 and NCDD002, have confirmed the presence of the mineralized zones reported by the 'Asturian de Zinc', now part of Glencore, drilling program, and predict a high-grade copper mineralized trend (refer to Table 1). Per previously reported results from the Company's April 17th, 2023 press release, NCDD002 intercepted a wide, ~40-metre-thick zone of disseminated and semimassive (>50%) assemblage of pyrite, chalcopyrite and magnetite. This highly prospective zone is hosted by the biotite-schists unit, ~100 metres below the deepest historical mine level, as well as confirming the presence of another ~8-metre-wide zone of disseminated and semi-massive sulfide, not indicated by previous historic exploitation.

(in Canadian dollars, unless otherwise noted)

The control on the early-Cambrian mineralization is typical of the Cu-Zn-Pb occurrences on the Northern Central Belt (NCB) of the Ossa Morena geological province, with copper-sulfides mainly coinciding with layers of muscovite and biotite-schists, locally fragmental (meta-volcaniclastics) within an amphibolite unit (meta-volcanics).

Table 1: Significant results from drill hole NCDD001 to NCDD004

Hole	From m	To m	Width (m)	Cu %	Zn %	Pb %	Ag g/t	Au g/t
NCDD001	149.97	151.53	1.56	1.9	0.9	0.1	23.0	0.5
	165.55	170.42	4.87	1.8	1.1	0.2	18.2	0.6
	191.95	196.5	4.55	2.6	-	-	10.6	0.5
	228.65	235.03	6.38	1.1	0.3	-	7.3	0.3
	280.10	289.70	9.60	0.9	0.2	-	6.7	0.3
	417.75	420.10	2.35	0.8	0.5	0.2	12.1	0.4
NCDD002	198.35	212.00	13.65	0.4	-	-	3.2	-
	219.75	245.80	26.05	1.5	1.8	0.4	27.6	0.7
	290.65	299.00	8.35	1.0	1.2	0.2	17.1	0.6
NCDD003	186.70	194.10	7.40	0.6	0.2	-	5.7	0.2
NCDD004	180.65	182.3	1.65	1.7	5.1	1.7	30.8	0.5
	265.2	269.95	4.75	0.4	-	-	1.2	-
	295.5	301.45	5.95	0.7	1.1	-	7.2	0.6
	307.30	312.05	4.75	0.4	0.1	-	3.1	0.2

The Company has also conducted a program of ground acquisition of gravimetric (293 measurement stations) and magnetometry (27 linear Km) geophysical data aimed at investigating the possible extension of the mineralization toward north following the reasonable hypothesis that the main mineralized structure could have lowered by 100-150 meters a northern block by the action of the Peñaflor normal faulting systems the previous drilling done by Asturiana de Zinc, as well as the historical mining plan, seem to suggest. The program was also designed to investigate the possible repetition of similar structures to the East of the property.

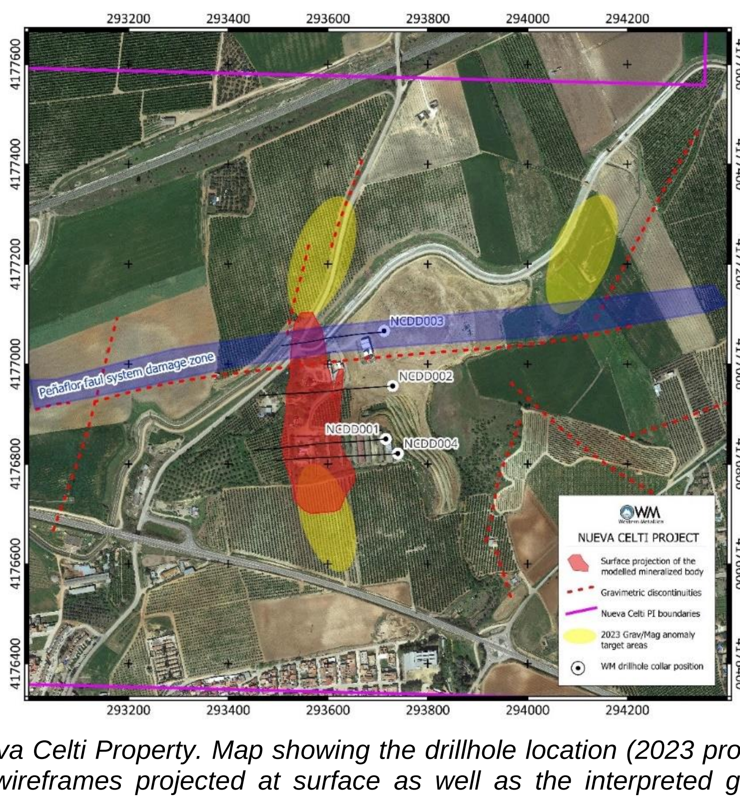


Figure 4 – Nueva Celti Property. Map showing the drillhole location (2023 program) and current mineralization wireframes projected at surface as well as the interpreted gravimetry/magnetic targets on respect to the Penaflor fault damage zone.

Liquidity and Capital Resources

As at September 30, 2024, the Company had working capital of $296,931 (December 31, 2023 - $2,230,160), which included a cash and cash equivalents balance of $402,587 (December 31, 2023 - $2,280,406), amounts receivable of $62,875 (December 31, 2023 - $199,597), prepaid expenses and advances of $89,784 (December 31, 2023 - $46,857) offset by accounts payable and accrued liabilities of $258,315 (December 31, 2023 - $296,700).

On August 10, 2023, the Company acquired 100% of the issued and outstanding shares of Consolidated Copper Corp. in exchange for 20,000,000 common shares and 5,000,000 warrants that may be exercised at a price of $0.10 per warrant for one common share of the Company until August 10, 2024.

On August 30, 2023, the Company granted at total of 1,950,000 stock options to employees, officers and directors of the Company pursuant to its stock option plan. The options vest immediately and may be exercised at a price of $0.06 per option until August 30, 2028.

On August 30, 2023, the Company granted a total of 100,000 stock options to a consultant of the Company pursuant to its stock option plan. The options vest in equal tranches every three months over a period of twelve months and may be exercised at a price of $0.06 per option until August 30, 2028.

On February 9, 2024, the Company granted a total of 200,000 stock options to consultants of the Company pursuant to its stock option plan. The options vest immediately and may be exercised at a price of $0.06 per option until February 9, 2029.

During the nine months ended September 30, 2024, $12,258 (nine months ended September 30, 2023 - $95,730) in share-based compensation has been recognized in the consolidated statements of loss.

During the year ended December 31, 2023, 530,000 stock options expired unexercised.

During the nine months ended September 30, 2024, no stock options were exercised or expired.

During the nine months ended September 30, 2024 7,930,206 warrants expired unexercised and no warrants were exercised.

On November 13, 2024, the Company closed a private placement financing by issuing 10,833,345 units at a price of $0.03 per unit for gross proceeds of $325,000. Each unit entitled the holder thereof to automatically receive one common share and one common share purchase Warrant. Each Warrant will entitle the holder to purchase one common share at a price of $0.06 at any time on or before November 13, 2026. Officers and Directors of the Company subscribed for 2,475,015 units, generating gross proceeds of $74,250. A total of 291,667 broker warrants, each exercisable to acquire one common share at a price of $0.06 for a period of 24 months, were issued in connection with the offering.

(in Canadian dollars, unless otherwise noted)

Select Quarterly Information:

The following table presents a summary of the consolidated operating results for each of the most recent eight quarters ending with September 30, 2024:

Period	Revenue $	Operating costs $	Income/(loss) $	Income/(loss) per share $	Total assets $
Q3 - September 2024	-	532,691	(508,295)	(0.01)	670,659
Q2- June 2024	-	817,991	(813,706)	(0.01)	1,222,893
Q1- March 2024	-	685,100	(657,307)	(0.01)	1,923,474
Q4- December 2023	-	1,022,656	(992,033)	(0.01)	2,613,348
Q3 - September 2023	-	2,041,175	(2,009,398)	(0.03)	3,497,111
Q2- June 2023	-	989,857	(954,503)	(0.02)	4,064,433
Q1- March 2023	-	510,637	(449,224)	(0.01)	4,822,207
Q4- December 2022	-	923,441	(853,087)	(0.02)	5,530,503

Results of Operations

Analysis of the three months ended September 30, 2024 vs. the three months ended September 30, 2023

Three months ended September 30, 2024

During the three months ended September 30, 2024, the Company recorded a net loss of $508,295, or $0.01 per share compared to a loss of $2,009,398 or $0.03 per share for the three months ended September 30, 2023. The decrease in loss is due to decreased project evaluation expenses of $388,376 compared to $1,701,430 due to the acquisition of CCC. Consulting and management fees of $28,690 decreased from $84,968 as there was a decrease in marketing; salaries and benefits of $54,612 decreased from $82,676 as executive officers reduced compensation; professional fees of $40,706 decreased from $51,667 due to timing of expenditures; office and general of $19,174 decreased from $32,064 as there was a focus to reduce spending; share based compensation of $1,133 decreased from $88,370 based on timing of grants issued; interest income of $16,807 decreased from $28,815 due to the lower cash balance and the foreign exchange gain was $7,589 compared to $2,962 due to fluctuations in exchange rates.

Analysis of the nine months ended September 30, 2024 vs. the nine months ended September 30, 2023

Nine months ended September 30, 2024

During the nine months ended September 30, 2024, the Company recorded a loss of $1,983,593, or $0.03 per share compared to a loss of $3,413,125 or $0.06 per share for the nine months ended September 30, 2023. The decrease in loss is due to decreased project evaluation expenses of $1,449,786 compared to $2,689,695 due to the acquisition of CCC in August 2023. Consulting and management fees of $187,045 decreased to $242,426 due to decreased marketing; salaries and benefits of $207,943 decreased from $255,861 as executive officers reduced compensation; professional fees of $74,315 decreased from $148,426 as there was less corporate activity; office and general of $104,435 increased from $68,601 as there was more corporate travel; share based compensation of $12,258 decreased from $95,730 based on timing of grants issued; interest income of $33,089 decreased from $113,593 due to the lower cash balance and the foreign exchange gain was $19,100 compared to $14,951 due to fluctuations in exchange rates.

Cash flows

Nine months ended September 30, 2024

During the nine months ended September 30, 2024, the Company used cash of $1,915,926 (nine months ended September 30, 2023 - $2,267,416) in operating activities due primarily to an increase from working capital of $55,410 compared to a decrease of $271,290 as the Company received a refund of VAT and the decrease in accounts payable for the nine months ended September 30, 2023. Exploration spending increased $127,595, offset by a decrease in corporate spending of $143,576.

During the nine months ended September 30, 2024, the Company had cash used by investing activities of $28,924 for the increase in reclamation deposits for Valledor compared to cash provided of $4,000,000 due to a GIC maturing in short-term investments and $88,231 from the acquisition of CCC for the nine months ended September 30, 2023.

During the nine months ended September 30, 2024, the Company had $nil cash provided by financing activities (nine months ended September 30, 2023 - $nil).

FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the condensed interim consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash and cash equivalents, short-term investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the condensed interim consolidated statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at September 30, 2024, the Company's financial instruments that are carried at fair value, being short-term investments are classified as Level 2 within the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk
The Company is not exposed to significant trade credit risk.

Cash and cash equivalents and short-term investments
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty, and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Euro from its property interests in Spain, Peruvian Sol from its property interest in Peru, and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at September 30, 2024 and December 31, 2023, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

September 30, 2024		**Euros**		**Peruvian Sol**		**US Dollars**
Cash	$	121,114	$	245	$	21,273
Amounts receivable		10,285		10,687		-
Accounts payable and accrued liabilities		(51,395)		(78,306)		(31,739)
	$	80,005	$	(67,374)	$	(10,465)
December 31, 2023						
Cash	$	125,499	$	476	$	89,159
Amounts receivable		155,986		4,667		-
Accounts payable and accrued liabilities		(17,936)		(181,912)		(13,774)
	$	263,549	$	(176,769)	$	75,385

A 10% strengthening (weakening) of the Canadian dollar against the Euro would decrease (increase) net loss by approximately $8,000 (December 31, 2023 - $26,400).

A 10% strengthening (weakening) of the Canadian dollar against the PSol would increase (decrease) net loss by approximately ($6,700) (December 31, 2023 – ($17,700)).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately ($1,000) (December 31, 2023 - $7,500).

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had a cash and cash equivalents balance of $402,587 (December 31, 2023 - $2,280,406) to settle current liabilities of $258,315 (December 31, 2023 - $296,700). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Commodity / equity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold, zinc, and lithium, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

(in Canadian dollars, unless otherwise noted)

Critical Accounting Policies

The Company's significant accounting policies are described in Note 3 of the consolidated financial statements for the year ended December 31, 2023, and 2022. The preparation of statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The following is a list of the accounting policies that management believes are critical, due to the degree of uncertainty regarding the estimates and assumptions involved and the magnitude of the asset, liability or expense being reported:

- Foreign currencies
- Exploration and evaluation properties

Foreign currencies

The Foreign currency translation presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

The Company makes expenditures and incurs costs in Euros ("EUR"), United States dollars ("USD") and Peruvian Sol ("PSol"). At September 30, 2024, one Canadian dollar was worth EUR - 0.6633, USD - 0.7408 and PSol - 2.7548 (December 31, 2023 - EUR - 0.6837, USD - 0.7561 and PSol - 2.8019). During the nine months ended September 30, 2024, the average value of one Canadian dollar was EUR 0.6764, USD – 0.7351 and PSol – 2.7579 (September 30, 2023 - EUR - 0.6860, USD – 0.7432 and PSol – 2.7396).

Project evaluation expenses

		Peru		
Nine months ended September 30, 2024	**Spain**	**Turmalina**	**Caña Brava**	**Total**
Option payments	$ -	$ -	$ 177,970	$ 177,970
Labour	5,924	-	521,302	527,226
Technical	-	-	69,943	69,943
Project overhead costs	95,469	84,899	494,279	674,647
Total project evaluation expenses	**$ 101,393**	**$ 84,899**	**$ 1,263,494**	**$ 1,449,786**

	Spain				
Nine months ended September 30, 2023	**Penedela**	**Sierra Alta**	**Nueva Celti**	**Peru**	**Total**
Acquisition expense	$ -	$ -	$ -	$ 1,367,504	$ 1,367,504
Drilling	51,040	15,811	322,432	-	389,283
Labour	162,220	55,444	109,364	-	327,028
Technical	41,285	65,081	51,313	-	157,679
Project overhead costs	138,668	50,299	231,454	27,780	448,201
Total project evaluation expenses	**$ 393,213**	**$ 186,635**	**$ 714,563**	**$ 1,395,284**	**$ 2,689,695**

(in Canadian dollars, unless otherwise noted)

Commitments and Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable.

The Company is party to certain employment and consulting contracts. These contracts contain minimum commitments of approximately $380,000 with regards to termination pay and additional contingent payments of up to approximately $830,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the condensed interim consolidated financial statements.

Transactions with Related Parties

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and nine months ended September 30, 2024 and 2023, the remuneration of directors and other key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Salaries and benefits	$ 51,294	$ 80,730	$ 193,883	$ 241,624
Consulting fees	34,008	81,131	198,247	239,030
Share-based compensation	-	70,215	-	70,215
Total	**$ 85,301**	**$ 232,076**	**$ 392,129**	**$ 550,869**

As at September 30, 2024, an amount of $35,414, included in accounts payable and accrued liabilities, was owed to directors and officers of the Company (December 31, 2023 - $10,000). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms or repayment.

Off-balance sheet arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Risk Factors

Mining exploration inherently contains a high degree of risk and uncertainty, which even a combination of careful evaluation, experience and knowledge may not eliminate. The following are certain factors relating to the business of the Company, which investors should carefully consider when making an investment decision concerning the Company's shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected. An investment in the Company is speculative. An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, current financial conditions, revenues, taxes, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, no operations and no revenues. Even if the Company's exploration program on one or more of the properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which would result in dilution to the Company's shareholders.

Limited Operating History

The Company is a relatively new company with limited operating history. The Company only recently acquired its interest in its material properties and the Company has no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from their activities. The Company will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

No Mineral Resources or Mineral Reserves

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company's properties are in the exploration stage only and, to date, no mineral resources or mineral reserves have been identified. Development of the Company's properties will follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that any mineral resources or mineral reserves will be identified or developed. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources and mineral reserves 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.

Fluctuating Mineral Prices

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals that may be found on the Company's properties.

Regulatory, Permit and License Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations that may concern, among other things, exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules because of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on its properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to some or all the Company's interest in its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have the interest it understands it has in its properties could cause the Company to lose any rights to explore, develop and mine any minerals on such properties without compensation for its prior expenditures relating thereto.

Competition

The mineral exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests, as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other companies could have a material adverse effect on the Company and its prospects.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers, or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the exploration, development and mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and national and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with exploration, development, and mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Local Resident Concerns

Apart from ordinary environmental issues, the exploration, development and mining of the Company's properties could be subject to resistance from local residents that could either prevent or delay exploration and development of the properties.

Foreign Operations

The Company's properties are located in Spain and Peru. As such, the Company's proposed activities with respect to its properties will be subject to governmental, political, economic and other uncertainties, including but not limited to expropriation of property without fair compensation, repatriation of earnings, nationalization, currency fluctuations and devaluations, exchange controls and increases in government fees, renegotiation or nullification of existing concessions and contracts, changes in taxation policies, economic sanctions and the other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations will be conducted, as well as risks including loss due to civil strife, acts of war, insurrections and the actions of national labour unions. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as mines, could have a significant effect on the Company. No assurances can be given that the Company's plans and operations will not be adversely affected by future developments in Spain or Peru. Any changes in regulations or shifts in political attitudes will be beyond the Company's control and may adversely affect the Company's business.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, equipment and mines, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company securities.

Litigation

The Company and/or its directors or officers may be subject to a variety of civil or other legal proceedings, with or without merit.

Outstanding Share Data

As at the date of this MD&A, the Company has:

1) 82,561,975 common shares outstanding.
2) 11,525,012 warrants outstanding, with expiry dates ranging from October 5, 2026 to November 13, 2026. If all the warrants were exercised, 11,525,012 shares would be issued for gross proceeds of $707,501.
3) 6,275,000 options outstanding, with expiry dates ranging from May 25, 2027, to February 9, 2029. If all the options were exercised, 6,275,000 shares would be issued for gross proceeds of $943,500.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This MD&A contains, or incorporates by reference, "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the future performance of Western Metallica Corp. ("Western Metallica" or the "Company"), Western Metallica's mineral properties, the future price of gold, copper and other metals, the estimation of mineral resources and mineral reserves, results of exploration activities and studies, the realization of mineral resource estimates, exploration activities, costs and timing of the development of new deposits, the acquisition of additional mineral resources, the results of future exploration and drilling, costs and timing of future exploration of the mineral projects, requirements for additional capital, management's skill and knowledge with respect to the exploration and development of mining properties in Spain, government regulation of mining operations and exploration operations, timing and receipt of approvals and licenses under mineral legislation, the Company's local partners, and environmental risks and title disputes. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks associated with the Company's dependence on the mineral projects; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; risks associated with dependence on key members of management; conclusions of economic evaluations and studies; currency fluctuations (particularly in respect of the Canadian dollar, the United States dollar, Euro and Peruvian Sol and the rate at which each may be exchanged for the others); future prices of gold, copper, and other metals; uncertainty in the estimation of mineral resources; exploration and development risks; infrastructure risks; inflation risks; defects and adverse claims in the title to the projects; accidents, political instability, insurrection or war; labour and employment risks; changes in government regulations and policies, including laws governing development, production, taxes, royalty payments, labour standards and occupational health, safety, toxic substances, resource exploitation and other matters; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; insufficient insurance coverage; the risk that dividends may never be declared; and liquidity and financing risks related to the global economic crisis. Such forward-looking statements are based on a number of material factors and assumptions, including; that contracted parties provide goods and/or services on the agreed timeframes; that ongoing contractual negotiations will be successful and progress and/or be completed in a timely manner; that no unusual geological or technical problems occur; that plant and equipment work as anticipated and that there is no material adverse change in the price of gold. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated, or intended. A qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of the Company to classify certain of the historical technical information included in this MD&A, including the historical estimates of the Company's projects as a current mineral resource and the Company is not treating the historical estimates as a current mineral resource or mineral reserve. This historical information should not be relied upon and the Company cannot guarantee the accuracy of the historical data. Forward-looking statements contained herein are made as of the date of this MD&A. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada and this MD&A. These factors are not intended to represent a complete list of the factors that could affect the Company. Western Metallica disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.