Form 51-102F1

BAROYECA GOLD & SILVER INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended February 28, 2023

Background

The following discussion and analysis, prepared as of April 30, 2023, should be read together with the unaudited condensed interim consolidated financial statements for the nine months ended February 28, 2023 (the "Financial Statements") and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Boroyeca Gold & Silver de Mexico S.A. de C.V. All inter-company transactions and balances have been eliminated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Overview

Baroyeca Gold & Silver Inc. (the "Company") was incorporated on February 17, 2006 and commenced business at that time. The Company is a mineral exploration and evaluation company with no revenue generating operations, other than some incidental revenue from the sale of gold from its Colombian Properties which is reported as a recovery of costs incurred on those properties. Accordingly, any funds raised for the Company's operations are through the sale of shares of its capital stock or from debt financing. The Company's fiscal year end is May 31. The Company is listed on the TSX Venture Exchange under the symbol **BGS**.

During the 2012 fiscal year, the Company reviewed and acquired certain patented mineral claims and unpatented lode claims situated near Tombstone, Arizona, U.S.A. (the "Tombstone Property"). During the 2018 fiscal year, the Company granted an option to Aztec Minerals Corp. to acquire up to a 75% undivided interest in the Tombstone Property. The Company's remaining interest in the Tombstone Property was transferred to the lender pursuant to the Loan Payable (See Note 11 to the 2020 Financial Statements) on September 25, 2020.

During the fiscal year ended May 31, 2021, the Company entered into two agreements, each to acquire a 100% interest in a mineral property located in Colombia, South America and known respectively as the Santa Barbara Property and the Atocha Property (collectively the "Colombian Properties"). (The Atocha Property was previously referred to as the Falan Property.)

On or about January 24, 2022, the Company entered into a property purchase agreement with a third party (the "Vendor") to acquire a 215 hectare property contiguous to the Company's Santa Barbara Property and situated on strike with the identified veins that the Company has been bulk sampling. (See "The Santa Barbara Property" below for further particulars.)

During the period, as a result of a change in the political climate in Colombia with respect to mining operations, which has resulted in a significant decline in investor interest in financing mining activities there, the Company decided to put a hold on further exploration of its mineral interests in Colombia and began reviewing opportunities to acquire property interests in other jurisdictions.

Results of Operations

Description of Colombian Properties

The Santa Barbara Property

The Santa Barbara Property consists of 110.86 hectares located in the Municipality of San Martín de Loba, in Bolivar Department, Colombia. The purchase includes a facility that is being used to carry out bulk sampling on the Property. All permits are in place to conduct the sampling activities on the Property. The Property is subject to a 2.5% NSR retained by the optionor. The purchase of the option to acquire the Santa Barbara Property closed in early February 2021, following acceptance for filing by the TSX Venture Exchange.

Pursuant to the terms of the option agreement, to earn a 100% interest in the Santa Barbara Property, subject to the royalty, the Company must make cash payments totaling $1,750,000 ($1,275,000 paid) and issue 7,000,000 common shares in the capital of the Company (5,250,000 shares issued) to the optionor, and must incur expenditures of $500,000 on the Santa Barbara Property in the first year of the option (incurred).

On or about January 24, 2022, the Company entered into a Property Purchase Agreement (the “PPA”) with certain private vendors (the “Vendors”) resident in Colombia, South America, whereby the Vendors agreed to sell and transfer to the Company a 100% interest in and to a mineral property, the Santa Barbara Extension, comprised of approximately 215 hectares to the south and immediately contiguous to the existing Santa Barbara Property. Pursuant to the terms of the PPA, the Company will pay the Vendors a total of US$250,000 in cash and issue the Vendors US$250,000 worth of shares in the capital of the Company all over three tranches, the first at closing of the transaction (which has been paid), the second upon the Colombian Mining Agency issuing an Official Resolution approving the transfer (which has been paid) and the third upon registration of the mining title to the benefit of the Company in the Colombian Mining Registry (which has been paid). During the period of processing the title transfer, the Company was allowed to operate the property under the terms of an autonomous exclusive operating contract. The subject property includes a past producing artisanal gold mine.

With the Company’s decision in the period put a hold on further exploration activity in Colombia, in March, the Company advised Malabar Gold Corp. that it was not exercising its option to acquire the Santa Barbara Property. Additionally, the Company entered into discussions to transfer the Santa Barbara Extension Property to Malabar for reimbursement of part of the costs paid by the Company.

The Atocha Property

The Atocha Property (formerly referred to as the Falan Property) consists of 2,585.94 hectares, located in the Municipality of Falan, in Tolima Department, Colombia. Although substantially larger than the Santa Barbara Property, the Atocha Property is less advanced, work being at the exploration stage. The Atocha Property is subject to a 3.5% NSR payable to an underlying vendor of the Property to the optionor.

Pursuant to the terms of the option agreement, to earn a 100% interest in the Atocha Property, the Company must make cash payments totaling $1,050,000 ($750,000 paid) and issue 5,000,000 common shares in the capital of the Company (3,750,000 shares issued) to the optionor over the term of the option. The Company will have to conduct, at a minimum, sufficient exploration work on the Property to keep it in good standing under the Colombian regulatory requirements.

During the period, with the Company's decision to put a hold on further operations in Colombia, Malabar has informally extended the exercise date of the option on the Property while the Company attempts to find a purchaser for the Property.

See "Note 5 - Exploration and Evaluation Assets" to the Company's February 28, 2023 unaudited condensed interim consolidated financial statements (the "Financial Statements") for further particulars of the terms of the two agreements.

The Zapatoca Property

Discovered as part of a preliminary reconnaissance program in a new mining district in Santander Department, Colombia, located approximately 40 km southwest of Bucaramanga, the Department capital, the Zapatoca Property is a discovery of disseminated to veinlet copper carbonates (malaquite-azurite) constrained in siliciclastic sedimentary rock units. Sediment-hosted stratiform copper deposits haven't previously been found in this part of Colombia and so this represents a true new discovery.

Baroyeca has applied for an area of 4,000 hectares surrounding this new copper discovery. (See the Company's news release date July 18, 2022 filed as part of the Company's disclosure on SEDAR at www.sedar.com.)

Expenditures

The Santa Barbara Property

During the year ended May 31, 2021, the Company closed the acquisition of the Option on the Santa Barbara Property and assumed the operation of the exploration program on the Property that had been ongoing by Malabar Gold Corp., who granted the Option to the Company. The exploration expenses incurred on the Property to May 31, 2021 are set out in the table in Note 5 to the Financial Statements which shows that the Company incurred expenses, net of acquisition costs, of $126,912. This amount was reduced by gold sample recoveries realized in the period, so the actual expenses incurred towards the $500,000 work commitment under the Option was $184,220.

During the year ended May 31, 2022, the Company acquired an additional approximately 215 hectare property immediately contiguous to its original 110 hectare holding and on strike with the veins the Company is currently sampling and bulk sampling. Referred to as the Santa Barbara Extension, this new property contains the workings of the former Mariana artisanal gold mine which workings the Company is in the process of rehabilitating. (See the Company's news release dated April 13, 2022.)

During the year ended May 31, 2022, the Company incurred $606,493 in exploration expenses on the Property bringing the total expenditures to May 31, 2022 to $790,713, more than satisfying the required work commitment of $500,000 for the term of the Option, and made the payments in cash and shares required on the first anniversary of the option to keep the Option in good standing.

In the nine months ended February 28, 2023, pursuant to the table in Note 5 of the Financial Statements, the Company incurred a further $396,082 in exploration expenses bringing the total to February 28, 2023 to $1,186,795 more than satisfying the required work commitment of $500,000 for the term of the Option.

For further particulars of the work conducted and results received please see the Company's news releases dated September 14, October 18, December 7, 2021, March 8, 2022, July 12, 2022, September 12, 2022 and October 3, 2022 filed as part of the Company's disclosure on SEDAR at www.sedar.com.

During the period, the Colombian Ming Registry approved the transfer of title to the Extension Property to the Company leading to the Company completing its contractual obligation to complete the payments to purchase the Property.

With the Company's decision to discontinue exploration activities in Colombia, the Company decided not to exercise its option to acquire the Santa Barbara Property and accordingly is required to write off the expenditures to date. The same applies to the expenditures with respect to the Santa Barbara Extension Property resulting in a combined write off of $4,686,118, leaving an amount recognizing the reimbursement of certain expenses to be made by Malabar Gold Corp. on transfer of the Extension Property to them.

The Atocha Property

During the year ended May 31, 2021, the Company closed the acquisition of the Option on the Atocha Property and commenced a prospecting program on the property stepping out from known historic vein showings and testing a series of major vein exposures found during the first reconnaissance traverses on the Property. Exploration expenses incurred on the Atocha Property to May 31, 2021 as set out in the table to Note 6 of the Financial Statements amounted to $162,455.

During the year ended May 31, 2022, the Company's geological staff expanded the prospecting program over the Property, stepping out from the identified vein structures, and located a number of additional and, at times, parallel vein outcroppings. (For further particulars of the work conducted and the results obtained please see the Company's news releases dated July 6, August 4, August 12, August 30 and October 6, 2021 filed as part of the Company's disclosure on SEDAR at www.sedar.com.) The results of this work were sufficiently encouraging that the Company planned and commenced a preliminary drill program for a target of 2,500 metres of drilling on the Atocha Property. (See the Company's news release dated October 28 and November 16, 2021, January 5, 2022 March 1, 2022, April 13, 2022 and July 13, 2022 for progress results.) Exploration expenses for the year ended May 31, 2022 were $1,364,307 for a total expenditure for the first year of the Option of $1,526,762, which more than satisfies the $250,000 work commitment required under the Option agreement for the Atocha Property. The Company paid the cash and issued the shares required on the first anniversary of the Option to keep the agreement in good standing.

During the nine months ended February 28, 2023, the Company extended its drilling contract and continued its drilling program on the Property. (See news release dated October 13, 2022 filed as part of the Company's disclosure on SEDAR at www.sedar.com.) Exploration expenses for this nine-month period amounted to $500,999 bringing the total exploration expenditures to date to $2,027,761. The drilling conducted in the latter part of this drill program, subsequent to the results announced in the October 13, 2022 news release, did not encounter any significant mineralization. In December 2022, the Company suspended its drill program pending review of its exploration program for this property.

With its decision to cease operations in Colombia, the Company has reviewed its carrying cost of the Atocha Property and has determined that a write down of $2,445,512 was necessary to reflect the Property at its recoverable value.

Zapatoca Property

During the nine months ended February 28, 2023, the Company identified, and staked, 4,000 hectares of prospective copper mineralized property.

SELECTED FINANCIAL DATA

The following table presents audited selected financial information for the years indicated and unaudited information for the stub periods indicated.

	Nine Months Ended		Years Ended May 31		
	February 28 2023 $	February 28 2022 $	2022 $	2021 $	2020 $
OPERATIONS:					
Revenue	Nil	Nil	Nil	Nil	Nil
Net Income (Loss) for the Period	(8,016,532)	(657,894)	(1,840,691)	(2,243,213)	143,657
Comprehensive Income (Loss) for the Period	(8,000,398)	(659,776)	(1,851,396)	(2,242,559)	150,09
Basic and diluted income (loss) per share	(0.15)	(0.02	(0.04)	(0.13)	(0.04)
BALANCE SHEET:					
Working capital (deficit)	191,176	1,825,876	1,391,198	1,972,299	(690,075)
Total assets	2,250,196	8,835,696	9,197,306	5,141,205	129,182
Total exploration and evaluation assets	1,160,000	6,710,858	7,363,673	-	-

The financial information presented in the table above is from the Company's financial statements prepared in accordance with International Financial Reporting Standards. The reporting currency for all periods is Canadian dollars.

General and Administrative

Discussion of Operating Results – nine months ended February 28, 2023

During the nine months ended February 28, 2023, the Company incurred a net loss from operations of $8,016,532 as compared with a net loss of $657,894 for the nine months ended February 28 2022. The bulk of the loss in the 2023 period is the result of a one-time write down of $7,239,758 with respect to the Company’s Colombia mineral properties. If you remove this write down from the 2023 results, the loss for the period is $776,774 which is still an increase from the 2022 period. The increased loss for the 2023 period is due to: an increase of $172,939 in marketing, promotional and website expenses as the Company focused on increasing the public awareness of the Company and broadening its investor base through attending and presenting at investor conferences, employing marketing service consultants and updating and enhancing the Company’s website; an increase of $29,095 in consulting fees due to an increase in use during the period; an increase of $1,200 in management and director fees as a result of a timing difference in recording the fees; and a minor increase of $671 in cost of insurance in the period; as offset by: a decrease of $41,137 in office and miscellaneous expenses; a decrease of $22,649 in transfer agent and filing fees, a decrease of $7,943 in professional fees, and a decrease of $6,432 in bank charges all due to reduced activity in these areas and as further offset by an increase of $6,527 in interest and miscellaneous income in the period.

SUMMARY OF QUARTERLY RESULTS

The following table presents unaudited selected financial information for each of the last eight quarters ended February 28, 2023.

	Feb. 28 2023 $	Aug. 31 2022 $	May 31 2022 $	Feb. 28 2022 $	Nov. 30 2021 $	Aug. 31 2021 $	May 31 2021 $
Total Revenues	-	-	-	-	-	-	-
Net Income (Loss)	(8,016,532)	(296,121)	(1,182,797)	(274,799)	(193,237)	(189,858)	(2,049,941)
Basic and Diluted (Income)Loss/Share	(0.15)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)	(0.12)

The financial information presented in the table above is from the Company's unaudited condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards.

Discussion of Operating Results – three months ended February 28, 2023;

During the three months ended February 28, 2023, the Company incurred a net loss from operations of $7,435,515 for the period as compared with a net loss of $274,799 for the three months ended February 28, 2022. The Company incurred a one-time loss of $7,239,758 in the period with respect to the write down of its mineral properties in Colombia. If we remove this one-time item from the results, there is a reduced loss in 2023 as compared with 2022. This decreased loss is primarily due to: reductions of $31,299 in office and miscellaneous expense, $20,634 in transfer agent and filing fees, $11,117 in website, marketing and promotion expenses, $9,454 in consulting fees, $3,646 in professional fees and $770 in bank charges representing reduced activity by the Company in the period; as offset by a minor increase of $425 in insurance expense.

Discussion of Operating Results – three months ended November 30, 2022;

During the three months ended November 30, 2022, the Company incurred a net loss from operations of $284,896 for the period as compared with a net loss of $194, 218 for the three months ended November 30, 2021. The increased loss in the 2022 period is primarily due to: an increase of $96,934 in marketing, promotional and website expenses as the Company focused on increasing the public awareness of the Company and broadening its investor base through attending and presenting at investor conferences, employing marketing service consultants and updating and enhancing the Company's website; an increase of $23,349 in consulting fees due to an increase use of consultants during the period; and increases of $2,585 in transfer agent and filing fees and $789 in insurance expenses in the period; as offset by: a reduction of $13,865 in office and miscellaneous fees, $11,370 in professional fees and $5,741 in bank charges and an increase of $1022 in interest income in the period.

Discussion of Operating Results – three months ended August 31, 2022

During the three months ended August 31, 2022, the Company incurred a net loss from operations of $296,121 as compared with net loss of $189,858 for the three months ended August 31, 2021. The increased loss in the 2022 period is primarily due to: an increase of $87,115 in marketing, promotion and website expense due to attendances at investor conferences to make presentations and other endeavours to raise market awareness of the Company; an increase of $15,200 in consulting fees in part due to becoming part of the Discovery Group of Companies during the period; increases of $7,073 in professional fees and $4,027 in office and miscellaneous due to increased activity of the Company; as offset by a decrease of $4,600 in transfer agent and filing fees and $543 in insurance expense.

Discussion of Operating Results - three months ended May 31, 2022

During the three months ended May 31, 2022, the Company incurred a net loss from operations of $1,182,797 as compared with a net loss of $2,049,941 for the three months ended May 31, 2021. However, if the 2022 period was reduced by a year-end adjustment of $763,053 for stock-based compensation which did not occur in 2021 and the 2021 period was reduced by a one-time write-off of accounts payable of $1,605,000 which did not occur in 2022, the respective loss for 2022 becomes $430,449 as compared with a loss of $444,941 for the 2021 period. The decreased loss in the 2022 period is primarily due, amongst other things, to a decrease in advisor, consulting and director fees of $122,860; a gain of $43,555 on the write-off of accounts payable and a decrease in interest and bank charges of $6,069; as offset by an increase in advertising and promotion expenses of $98,717; an increase in office and miscellaneous expense of $25,269; a decrease in gain on foreign exchange of $17,870; an increase of $9,656 in professional fees; and an increase of $5,968 in transfer agent and filing fees.

Investor Relations

The Company entered into an investor relations agreement on February 2, 2022 with Peak Investor Marketing Corp. (“Peak”). Pursuant to the agreement, the Company pays Peak a monthly fee of $12,000, in advance, and has granted Peak an incentive stock option to acquire up to 250,000 shares of the Company at a price of $0.35 per share. The options vest as to 25% every three months following the grant of the option. The agreement was for a term of one year.

Liquidity and Capital Resources

The Company has no revenue generating operations and finances its operations principally through the sale of shares in its capital. In the short-term, directors of the Company have, in the past, provided cash advances to meet urgent operating needs. At June 1, 2022, the Company had a working capital of $1,415,659.

During the nine months ended February 28, 2023, the Company expended $527,141 in cash on its operating activities, incurred $1,036,086 in exploration expenditures on its Colombian properties and received $622,000 in subscriptions for the Company’s private placement financing.

As a result of the foregoing activities, amongst other things, at February 28, 2023, the Company had working capital of $191,176.

The Company has ongoing obligations in connection with the drilling program it conducted on its Atocha Property in addition to ongoing administration costs with respect to both operations in Colombia and its head office. Ongoing corporate administration is expected to be in the order of $200,000 per quarter. The Company also has an obligation to pay a further option payment of $300,000 should the Company wish to exercise its Option on the Atocha Property.

The Company will require additional financing to provide all the working capital necessary to meet these requirements. The Company does have share purchase warrants outstanding, however, due to the current market conditions, all the Company’s outstanding warrants have exercise prices well above the current trading price of the Company's shares and cannot be relied upon to be exercised to provide working capital to the Company. The Company will have to conduct a further equity financing to raise any additional funds it requires for its operations. There can be no assurance that the Company will be able to sell any further, or sufficient, securities by way of private placement to raise the required additional working capital.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company had the following related party transactions during the nine months ended February 28, 2023:

a) Consulting fees of $90,000 plus GST were paid or accrued to Richard Wilson, a director of the Company;

b) Consulting fees of $135,000 plus GST were paid or accrued to a private company wholly-owned by Raul Sanabria, a director of the Company; and

c) Consulting fees of $90,000 were paid or accrued to Douglas Eacrett, a director of the Company; and

d) Director's fees of $5,400 (2021 - $5,400) to William Carr, a director of the Company.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, loan payable and advance payable. The fair value of the Company's accounts payable and accrued liabilities, due to related parties, line of credit and loan payable, are estimated by management to approximate their carrying values based on the immediate or short-term maturity of these instruments. Cash is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities and, in management's opinion, the Company is not exposed to significant interest or credit risk from these financial instruments. Please refer to Note 8 of the unaudited condensed interim consolidated financial statements for detailed discussion of the financial risk factors.

Accounting standards, amendments and interpretations not yet effective

There are no significant material new standards, amendments to standards and interpretations that have been issued but are not effective during the nine months ended February 28, 2023 that are applicable to the Company.

Particulars of Outstanding Securities of the Issuer

As at the dates noted below, the Company had the following securities outstanding:

Common Shares

Date	Number Outstanding
February 28, 2023	66,484,750
May 1, 2023	66,484,750

Share Purchase Warrants

The following Share Purchase Warrants, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding at February 28, 2023 and May 1, 2023:

Date	Number of Share Purchase Warrants Outstanding	Exercise Price per Share	Expiry Date (mm,dd,yy)
February 28, 2023	12,490,000	$0.10	02/14/24
May 1, 2023	12,490,000	$0.10	02/14/24

Incentive Stock Options

The following Incentive Stock Options, each entitling the holder to acquire one previously unissued common share of the Company at the prices and for the periods of time set out in the table below are outstanding February 28, 2023 and May 1, 2023:

Date	Number of Incentive Stock Options Outstanding	Exercise Price per Share	Expiry Date
February 28, 2023:	2,850,000	$0.215	24/06/26
	150,000	$0.265	15/07/26
	250,000	$0.35	02/05/23
May 1, 2023:	3,350,000	$0.215	24/06/26
	150,000	$0.265	15/07/26
	250,000	$0.35	02/05/23