



GOLDEN TAG RESOURCES LTD.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –

QUARTERLY HIGHLIGHTS

THREE AND SIX MONTHS ENDED JUNE 30, 2023

(EXPRESSED IN CANADIAN DOLLARS)

Golden Tag Resources Ltd.
Interim Management's Discussion & Analysis – Quarterly Highlights
Three and Six Months Ended June 30, 2023
Dated: August 18, 2023

The following interim Management's Discussion and Analysis ("**Interim MD&A**") of Golden Tag Resources Ltd. (the "**Company**" or "**Golden Tag**") for the three and six months ended June 30, 2023 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management's Discussion & Analysis ("**Annual MD&A**") for the year ended December 31, 2022. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the year ended December 31, 2022 and year ended December 31, 2021, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 18, 2023, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at www.goldentag.ca or on SEDAR+ at www.sedarplus.ca.

This Interim MD&A contains forward-looking information as further described in the "Cautionary Note Regarding Forward-Looking Statements" at the end of this Interim MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

Description of Business and Nature of Operations

The Company is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada. The Company's shares are listed on the TSX Venture Exchange, trading under the symbol "GOG", on the OTCQB Venture Market, trading under the symbol "GTAGF" and on the Frankfurt Stock Exchange, trading under the symbol "GTD".

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The Company is focused on advanced stage silver projects located in Durango, Mexico. Subsequent to the period ended June 30, 2023, Golden Tag completed the acquisition of the La Parrilla Silver Mine Complex (“**La Parilla**”), a prolific complex which is comprised of five underground mines and a past producing open pit that collectively produced 34.3 million silver-equivalent ounces between 2005 and 2019.

The Company also holds a 100% interest in the San Diego Project. The San Diego property is among the largest undeveloped silver assets in Mexico and is located within the prolific Velardeña Mining District. Velardeña hosts several mines having produced silver, zinc, lead and gold for over 100 years.

Financial and Operating Highlights

Corporate

On December 7, 2022, the Company entered into a definitive asset purchase agreement with First Majestic Silver Corp. (“**FMS**”) to acquire a 100% interest in the La Parilla “” in the locality of San Jose de la Parilla, Durango, Mexico (the “**Transaction**”). Refer to the heading “Definitive Asset Purchase Agreement” below for more details.

On March 30, 2023, the Company announced that it closed the first tranche of a non-brokered private placement of subscription receipts. The gross proceeds received under the first tranche combined with those to be received pursuant to subscription commitments secured by the Company will result in aggregate gross proceeds of \$5.7 million.

On April 14, 2023, the Company announced that it closed a second tranche of the non-brokered private placement of subscription receipts. The gross proceeds received under the second tranche combined with those to be received pursuant to subscription commitments secured by the Company will result in aggregate gross proceeds of \$1.19 million.

On May 30, 2023, the Company announced that it received approval from Mexico’s antitrust agency, the Comision Federal de Competencia Economica (“**COFECE**”) on May 25, 2023 for the Transaction.

In addition, the Company and FMS have amended the Transaction to reduce the Company’s minimum required financing to \$7.2 million from \$9 million. The Company has closed on two tranches of its non-brokered private placement financing with aggregate subscription receipts totaling \$6.9 million.

The Mexican Senate recently approved reforms to the mining laws, which became effective on May 9, 2023, however the implementing regulations are still outstanding. The Company and FMS are monitoring this development in the context of the Transaction.

On August 14, 2023, the Company announced that it completed the acquisition of La Parrilla. In approving the Transaction, the Company received written consents from a majority of shareholders approving the creation of FMS as a new Control Person (as such term is defined under the policies of the TSX Venture Exchange (the “**TSXV**”). In a further amendment to the Asset Purchase Agreement, the Company and FMS agreed to reduce the Company’s minimum required financing to \$6.8 million.

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Concurrent with the closing of the Transaction, the Company completed its non-brokered private placement of subscription receipts raising gross proceeds of \$7.1 million. The subscription receipts were exchanged for one common share of the company and one-half of one common share purchase warrant.

Trends and Economic Conditions

Management regularly monitors economic conditions, estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors described under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "Cautionary Note Regarding Forward-Looking Statements" below.

Outlook

The Company intends to conduct exploration activities at La Parrilla aimed at extending and improving the confidence in the Mineral Resource domains and to delineate additional Mineral Resources. The Company intends to continue exploring the San Diego property in Durango State, Mexico as well as to evaluate potential synergies with La Parrilla. In addition, management will review project submissions, and conduct independent research, to identify projects in such jurisdictions and commodities as it may consider attractive and may consider or seek a transaction or investment with the owner of such project.

There is no assurance that funding, including equity capital, will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

Financial Highlights

Three months ended June 30, 2023 compared with three months ended June 30, 2022

The Company's net loss totaled \$1,049,732 for the three months ended June 30, 2023, with basic and diluted loss per share of \$0.00. This compares with a net loss of \$502,807 with basic and diluted loss per share of \$0.00 for the three months ended June 30, 2022. The Company had no revenue in both periods presented. The increase in net loss was principally due to:

- Mineral property expenses of \$63,041 for the three months ended June 30, 2023, is lower than mineral property expenses of \$122,551 for the three months ended June 30, 2022. Refer to the heading "Mineral Exploration Properties" below for a summary of the Company's exploration expenditures.
- Professional fees increased in the three months ended June 30, 2023, to \$196,744 compared with \$39,494 for the same period in 2022, primarily due to higher corporate activity requiring external professional support services.

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- All other expenses related to general working capital purposes.

Six months ended June 30, 2023 compared with six months ended June 30, 2022

The Company's net loss totaled \$1,605,210 for the six months ended June 30, 2023, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$2,036,734 with basic and diluted loss per share of \$0.01 for the six months ended June 30, 2022. The Company had no revenue in both periods presented. The decrease in net loss was principally due to:

- Mineral property expenses of \$100,939 for the six months ended June 30, 2023, is lower than mineral property expenses of \$1,078,892 for the six months ended June 30, 2022. Refer to the heading "Liquidity and Capital Resources" below for a summary of the Company's exploration expenditures.
- Professional fees increased in the six months ended June 30, 2023, to \$368,990 compared with \$198,083 for the same period in 2022, primarily due to higher corporate activity requiring external professional support services.
- Unrealized loss on change in fair value of marketable securities decreased in the six months ended June 30, 2023, to \$10,500 compared with an unrealized loss of \$7,000 for the same period in 2022. The increase in unrealized loss was due to the change in fair value of marketable securities.
- All other expenses related to general working capital purposes.

All other expenses related to general working capital purposes.

The Company's total assets as of June 30, 2023 were \$8,948,905 (December 31, 2022 - \$7,094,233) against total liabilities of \$422,732 (December 31, 2022 - \$441,481). The increase in total assets of \$1,854,672 resulted from cash spent on exploration and evaluation expenditures and operating costs which was offset by cash proceeds of \$3,416,129 from subscription receipts. The Company has sufficient current assets to pay its existing liabilities of \$422,732 on June 30, 2023.

Liquidity and Capital Resources

The Company believes that its cash and cash equivalents of approximately \$7.9 million as of June 30, 2023 is adequate to cover current expenditures and exploration expenses for the coming year.

In addition, on March 30, 2023 and April 14, 2023, the Company announced that it closed the first and second tranche respectively of a non-brokered private placement of subscription receipts with aggregate subscription receipts totaling \$6.9 million.

Subsequent to period end, on August 14, 2023, the Company completed its non-brokered private placement of subscription receipts raising gross proceeds of \$7.1 million.

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The Company may, from time to time, when marketing and financing conditions are favourable, seek additional financing to fund exploration and property acquisition projects.

The Company has commenced evaluating strategic opportunities to add shareholder value through merger and acquisitions or by acquiring projects directly. The Company will focus primarily on silver projects and opportunities in the Americas; however, the Company may explore opportunities in other regions or with a focus on minerals other than or in addition to silver if advantageous to the Company. The activities of the Company are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

As of June 30, 2023, and to the date of this Interim MD&A, the cash resources of the Company are held with certain Canadian chartered banks.

Regardless of whether the Company discovers a significant silver deposit, its working capital of \$8,526,173 as of June 30, 2023 is anticipated to be adequate for it to continue operations for the twelve-month period ending June 30, 2024.

Cash Flows

As of June 30, 2023, the Company had cash and cash equivalents of \$7,925,286. The increase in cash and cash equivalents of \$1,319,295 from the December 31, 2022 cash and cash equivalents balance of \$6,605,991 was a result of cash outflows in operating activities of \$2,104,350 and cash inflows in financing activities of \$3,416,129.

Operating activities were affected by adjustments of foreign exchange of \$54,986, unrealized loss on change in fair value of marketable securities of \$10,500 and net change in non-cash working capital balances of \$564,626 because of an increase in sale taxes receivable of \$69,538, an increase in prepaid expenses of \$476,339 and a decrease in trade payables of \$18,749.

Cash provided by financing activities was \$3,416,129 for the six months ended June 30, 2023. Financing activities were affected by the proceeds from subscription receipts of \$3,416,129.

Mineral Exploration Properties

Property Description

La Parrilla Silver Mine Complex, Mexico:

Subsequent to period end, on August 14, 2023, the Company completed its acquisition of a 100% interest in the La Parrilla Silver Mine Complex located in San Jose de la Parrilla, Durango, Mexico.

The property is located in Durango State, Mexico, approximately 76 kilometres southeast of the capital city of Durango and is comprised of 41 contiguous mining concessions, in good standing, covering 69,478 hectares. The property was acquired by FMS in 2004 and became their operating first silver mine. When

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placed on care and maintenance in September 2019, the complex hosted five underground mines surrounding the mill including Rosarios, La Rosa, San Jose, Quebradillas and San Marcos, as well as the Quebradillas open pit. The complex collectively produced 34.3 million silver-equivalent ounces between 2005 and 2019.

Mineralization occurs as vein and replacement deposits, the locations of which are structurally controlled by pre-existing faults, fractures, and bedding planes. Veins can be either open space filling, forming massive sulphide and breccia veins, or fault-related, consisting of matrix-supported breccias or gouge containing disseminated sulphides and oxides. The La Parrilla deposits contain primary sulphides. Due to supergene oxidation, the primary sulphides in the upper parts of some deposits have been altered.

The metallurgical processing plant at La Parrilla consists of parallel 1,000 tpd flotation and 1,000 tpd cyanidation leach circuits to treat both oxide and sulfide ores, for a total capacity of 2,000 tpd, using a conventional flowsheet. Both ore types are polymetallic containing silver as their principal economic component as well as significant amounts of lead and zinc, and minor amounts of gold. Oxide ore is processed by cyanide leaching to produce doré bars while sulphide ore is processed by differential flotation to produce a silver-rich lead concentrate and a zinc concentrate.

A Mineral Resource Estimate completed by SRK Consulting (Canada) in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“NI 43-101”) was summarized in a news release dated August 14, 2023 entitled "Golden Tag Announces Mineral Resource Estimate for La Parrilla Silver Mine Complex." Within 30 days thereafter, this report will be available on the Company web site as well as at www.sedarplus.ca.

The Mineral Resource Estimate includes 22 veins within the Rosarios, San Marcos and Quebradillas underground mines, currently on care & maintenance. All Mineral Resources are within close proximity to existing underground access and development. Separate block models were defined for each vein. The Mineral Resource Statement for the La Parrilla Mine, effective May 31, 2023, is tabulated in Table 1.

Table 1 : Mineral Resource Statement*, La Parrilla Mine, Durango, Mexico. SRK Consulting (Canada) Inc., May 31, 2023.

Category and Mineral Type	Mine	Quantity (kt)	Grade					Contained Metal				
			Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Ag-Eq (g/t)	Silver (koz)	Gold (koz)	Lead (kt)	Zinc (kt)	Ag.Eq (koz)
Indicated Mineral Resource												
Oxides												
	Rosarios	17	303	0.05	0.00	0.00	308	168	0.0	0.0	0.0	171
	San Marcos	76	223	0.18	0.00	0.00	240	545	0.4	0.0	0.0	585
	Quebradillas											
Subtotal Oxides	Indicated	93	238	0.16	0.00	0.00	253	713	0.5	0.0	0.0	756
Sulphides												
	Rosarios	273	153	0.08	1.56	1.27	236	1,342	0.7	4.3	3.5	2,071
	San Marcos	32	269	0.14	1.19	1.08	341	276	0.1	0.4	0.3	351
	Quebradillas	217	165	0.05	2.27	2.17	289	1,151	0.3	4.9	4.7	2,016
Subtotal Sulphides	Indicated	522	165	0.07	1.83	1.63	264	2,770	1.2	9.6	8.5	4,437

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Total Resources	Indicated	615	176	0.08	1.55	1.39	263	3,483	1.7	9.6	8.5	5,193
Inferred Mineral Resource												
Oxides												
	Rosarios	226	210	0.10	0.00	0.00	219	1,525	0.7	0.0	0.0	1,590
	San Marcos	211	289	0.10	0.00	0.00	298	1,965	0.7	0.0	0.0	2,027
	Quebradillas	8	146	0.18	0.00	0.00	162	35	0.0	0.0	0.0	39
Subtotal Inferred Oxides		445	246	0.10	0.00	0.00	256	3,525	1.5	0.0	0.0	3,657
Sulphides												
	Rosarios	302	139	0.22	1.40	1.27	229	1,347	2.2	4.2	3.8	2,223
	San Marcos	42	152	0.19	0.83	0.79	211	206	0.3	0.3	0.3	287
	Quebradillas	468	176	0.07	1.67	1.81	276	2,654	1.1	7.8	8.5	4,162
Subtotal Inferred Sulphides		812	161	0.13	1.53	1.56	255	4,207	3.5	12.4	12.7	6,672
Total Inferred Resources		1,257	191	0.12	0.99	1.01	256	7,731	5.0	12.4	12.7	10,328

*

- (1) Block model estimates audited by David F. Machuca-Mory, PhD, PEng, Principal Consultant (Geostatistics), and Ilkay Cevik, PGeo, Associate Consultant (Geology), SRK Consulting Canada Inc.
- (2) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- (3) Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves.
- (4) All figures rounded to reflect the relative accuracy of the estimates.
- (5) Reasonable prospects of eventual economic extraction were considered by applying appropriate cut-off grades, removing unrecoverable portions of the estimates, and reporting within potentially mineable shapes.
- (6) Metal prices considered were US\$22.50 /oz Ag, US\$1,800 /oz Au, US\$0.94 /lb Pb and US\$1.35 /lb zinc.
- (7) Cut-off grade considered for oxide and sulphide block model estimates were, respectively US\$140 g/t Ag-Eq and US\$125g/t Ag-Eq. They are based on 2017 costs adjusted by the inflation rate and include sustaining costs.
- (8) Metallurgical recovery used for oxides based on weighted 2015-2017 actuals was 70.1% for silver and 82.8% for gold
- (9) Metallurgical recovery used for sulphides based on weighted 2015-2017 actuals was 79.6% for silver, 80.1% for gold, 74.7% for lead and 58.8% for zinc.
- (10) Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides.
- (11) Metal payable used was 95% for silver, gold, and lead and 85% for zinc in concentrates produced from sulphides
- (12) Silver equivalent grade is estimated as: $Ag.Eq = Ag\ Grade + [(Au\ Grade \times Au\ Recovery \times Au\ Payable \times Au\ Price / 31.1035) + (Pb\ Grade \times Pb\ Recovery \times Pb\ Payable \times Pb\ Price \times 2204.62) + (Zn\ Grade \times Zn\ Recovery \times Zn\ Payable \times Zn\ Price \times 2204.62)] / (Ag\ Recovery \times Ag\ Payable \times Ag\ Price / 31.1035)$
- (13) Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces or thousands of tonnes
- (14) Totals may not add up due to rounding

Cautionary Note: Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. Mineral Resources may be impacted by additional infill and exploration drilling that may identify additional mineralization or cause changes to the current domain shapes and geological assumptions. Mineral Resources may also be affected by subsequent assessments of mining, processing, environment, permitting, taxation, socio-economic, and other factors.

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San Diego Property, Mexico:

Golden Tag owns a 100% interest in the San Diego Property. The project was advanced through various exploration programs between 2005 and 2016 which included 6 Phases of surface diamond drilling totaling 32,933 metres (“m”). Phase 7 of diamond drilling commenced in October of 2020 culminating in 10,558 m completed in 24 holes by the end of 2022. The total amount of drilling completed on the property to the end of 2022 is 43,491 m.

The San Diego Property consists of 4 mining concessions (91.65 hectares) in the Municipality of Cuencame, Durango State, Mexico. It is located approximately 75 km southwest of the city of Torreon, Mexico and is 12 km northeast of Peñoles Velardeña Mine. The Peñoles non-ferrous metallurgical complex (smelting and refining) is in Torreon. The property can be accessed via a 10 km dirt road from the village of San Diego, which is only 5 km east of Highway 400 and Federal Road 49.

The property lies within the Velardeña Mining District where several mines have produced silver, zinc, lead and gold over the past century from polymetallic mineralization associated with intermediate to felsic intrusive bodies. The mineral deposits of the Velardeña Mining District consist primarily of quartz-calcite veins with associated silver, lead, zinc, gold and copper mineralization typical of the polymetallic, intrusive related skarn and low-sulfidation epithermal deposits of northern Mexico.

A Mineral Resource Estimate was completed by SGS Canada and an Independent Technical Report prepared in accordance with NI 43-101 was published in April 2013. This report is available on the Company web site as well as at www.sedarplus.ca. The Estimated Indicated and Inferred Resources at San Diego from this Mineral Resource Estimate are summarized in Table 2.

Table 2: Summary of Estimated Mineral Resources- San Diego Project (SGS 2013)

SAN DIEGO RESOURCE ESTIMATE ⁽¹⁾	CoG ⁽²⁾ (g/t)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Ag.EQ ⁽³⁾ (g/t)	Ag Oz (M oz)
INDICATED RESOURCES								
Oxide Veins [6]	133	0.31	0.43	211	NA ⁽⁴⁾	NA ⁽⁴⁾	234	2.11
Sulfide Veins [14]	52-125	1.38	0.20	123	1.23	1.85	197	5.43
Fernandez Zone [2]	52	14.8	0.06	51	0.65	1.17	94	24.1
TOTAL ⁽⁵⁾		16.5						31.6
INFERRED RESOURCES								
Oxide Veins [8]	133	0.29	0.43	238	NA ⁽⁴⁾	NA ⁽⁴⁾	261	2.2
Sulfide Veins [19]	52-125	13.1	0.11	93	1.41	1.83	171	39.2
Fernandez Zone [2]	52	28.7	0.05	46	0.7	1.08	88	42.4
TOTAL ⁽⁵⁾		42.1						83.8

Notes: (1) Please refer to Table 1, page 3, SGS Canada “NI 43-101 Technical Report: Updated Mineral Resource Estimate San Diego Project” effective date April 12, 2013 available on www.sedarplus.ca or the Golden Tag Web site www.goldentag.ca for further information. (2) CoG: Cut-Off Grade Ag.EQ (g/t); please refer to Table 31 on page 104 of the report for further information. (3) Ag.EQ: Silver Equivalent based on commodity prices of US\$1455/oz Au, US\$28.10/oz Ag, US\$1.00/lb Pb, US\$0.96/lb Zn applying estimated mill recoveries & smelter deductions & payables of 64.9% Ag, 76.4% Pb & 57.5% Zn for sulfide and 60.5% Ag & 62.5% Au for oxide resources. Zn and Pb are excluded from Ag.EQ for oxide resources and Cu and Au are excluded from Ag.EQ for sulfide resources. Please refer to Table 30 & Pages 103-104 of the report for more information. (4) Pb and Zn are excluded from oxide vein resources

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due to lack of metallurgical tests illustrating their potential recoveries. (5) Totals may not add up precisely due to rounding. (6) (Mt): million tonnes; (M oz): million ounces.

Cautionary Statement: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The resource estimate for the 21 veins and mineralized body were defined by a drill pattern and applying reasonable geological shapes to limit the lateral extent of the veins and mineralized body. Combinations of cross sectional and plan level views were used in order to develop an understanding of the structural relationship and cut off grades were applied. The indicated and inferred categories were partially based on historic structures that consistently exhibit lateral continuity and constant thickness, many of which can be traced along surface for hundreds of metres. There are no known factors such as environmental, permitting, legal, title, taxation, socio economic, marketing, political or other relevant factors which could materially affect the resources.

SGS Canada also recognized that there is Additional Target Potential of between 20 to 50 million tonnes grading 100 to 150 g/t silver equivalent. This Additional Target Potential is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Expenditures

Exploration expenditures of \$100,939 were during the six months ended June 30, 2023. The total spending on the property as at June 30, 2023, including an amount of \$792,421 in 2016 to acquire the remaining 50% interest in the property is \$11,989,668.

	Six Months Ended June 30, 2023 (\$)	Year Ended December 31, 2022 (\$)	Year Ended December 31, 2021 (\$)
Summary of exploration expenditures			
Drilling	nil	697,663	1,068,339
Consulting fees	64,036	305,457	754,489
Salaries and labour	nil	55,135	138,910
Other	36,434	72,341	120,978
Travel expenses	nil	nil	81,721
Lodging and expenses	469	17,550	61,391
Total exploration expenditures	100,939	1,148,146	2,225,828
Cumulative exploration expenditures since inception	11,989,668	11,888,729	10,740,583

Technical Information

Bruce Robbins, P.Geo., is the "qualified person", within the meaning of NI 43-101, who has approved all scientific and technical information disclosed in this Interim MD&A.

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Related Party Transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board as well as members of key management personnel.

Remuneration includes the following expenses:

	Six Months Ended June 30, 2023 (\$)	Three Months Ended June 30, 2023 (\$)	Six Months Ended June 30, 2022 (\$)	Three Months Ended June 30, 2022 (\$)
Management and administration fees paid to private companies controlled by directors and officers	437,385	137,385	574,770	281,197
Professional fees paid to private companies controlled by directors and officers	26,268	32,990	34,030	69,367
Listing, filing and transfer agency fees paid to private companies controlled by officers	5,079	1,587	5,774	2,545
Total	468,732	171,962	614,574	353,109

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$45,513 and to directors of \$65,000 (December 31, 2022 - \$85,305 and \$65,000).

Of the 13,000,000 units issued during 2022 as part of the private placement during the year ended December 31, 2022, Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 4,000,000 units.

As at June 30, 2023, certain of the subscription receipts were held by Marrelli Trust Company Limited, a company beneficially controlled by Carmelo Marrelli, the Chief Financial Officer of the Company. The balances held in trust as at June 30, 2023, amounted to \$2,860,284 and US\$76,256, respectively.

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Definitive Asset Purchase Agreement

On December 7, 2022, the Company entered into a definitive asset purchase agreement with FMS to acquire a 100% interest in La Parrilla in the locality of San Jose de la Parrilla, Durango, Mexico (the “**Transaction**”).

Transaction Summary

The Company will acquire 100% of the assets of La Parrilla from FMS. In consideration, Golden Tag will pay to FMS the following:

- 143,673,684 common shares of Golden Tag (“**Consideration Shares**”), which at December 7, 2022 would equate approximately US\$20M at a deemed price of \$0.19 per Golden Tag share;
- Deferred payments totaling US\$13.5M, comprised of the following:
 - I. US\$2.7M on the earlier of 18 months post-closing, or upon receipt of certain approvals from the Mexican government;
 - II. US\$5.75M when either (a) 5 million ounces of Ag.Eq reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of measured and indicated resources are declared, from the La Parrilla claims;
 - III. US\$5.05M when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 resource of 12.5 million ounces of Ag.Eq;Both II and III are payable in cash or common shares, at the election of Golden Tag. As noted in the Company’s News Release dated April 14, 2023, the Company will not issue more than an aggregate of 45,068,581 common shares in satisfaction of the First Deferred Payment.
- FMS may distribute shares held in excess of a 19.9% issued and outstanding Golden Tag holdings (on a non-diluted basis) pro-rata to its shareholders (“**Excess Shares**”).
- After closing, FMS will have a participation right to maintain its pro-rata interest in Golden Tag (to a maximum of 19.9%) in any future Golden Tag share issuances, subject to customary exceptions.
- The Consideration Shares held by FMS will be subject to the following contractual resale restrictions, in addition to any securities laws resale restrictions:
 - I. 25% subject to a 6-month resale restriction;
 - II. 25% subject to a 12-month resale restriction;
 - III. 25% subject to a 18-month resale restriction;
 - IV. 25% subject to a 24-month resale restriction.
- The resale restrictions above will not apply to the Excess Shares and will be subject to customary carve-outs in the event of a takeover bid or merger or acquisition transaction involving the common shares of Golden Tag.
- Shareholders, along with certain directors and officers of Golden Tag holding a total of 54M shares (representing approximately 25% of the Golden Tag’s issued and outstanding shares as at December 7, 2022), have entered into voting and support agreements with Golden Tag pursuant

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to which they have agreed, among other things, to support the Transaction (which creates a new control person of Golden Tag) and to vote their Golden Tag shares in favour of the Transaction.

- FMS has also entered into a standard and customary voting support agreement with Golden Tag for a period that is the longer of (i) May 24, 2024, or (ii) FMS's ownership percentage of Golden Tag is greater than or equal to 19.9%. For the duration of the Support Agreement, other than in respect of a change of control transaction, First Majestic shall either abstain or vote any Golden Tag Shares owned by First Majestic in favor of any recommendation of the Board of Directors of the Company.

There is no finder's fee payable in connection with the Transaction; FMS and the Company are arm's length parties from each other and the Transaction is an Arm's Length Transaction (as such term is defined under the corporate finance manual of the TSXV).

Amended Agreement

In addition, the Company and FMS have amended the Transaction to reduce the Company's minimum required financing to \$7.2 million from \$9 million. In a further amendment, the Company and FMS agreed to reduce the Company's minimum required financing to \$6.8 million.

Financing for the Acquisition

On March 30, 2023 and April 14, 2023, the Company announced that it closed the first and second tranche respectively of a non-brokered private placement of subscription receipts with aggregate subscription receipts totaling \$6.9 million.

Subsequent to period end, on August 14, 2023, the Company completed its non-brokered private placement of subscription receipts raising gross proceeds of \$7.1 million.

Mexican Antitrust Approval

On May 25, 2023, the Company received approval from Mexico's antitrust agency, the Comision Federal de Competencia Economica ("COFECE") for the acquisition of the La Parrilla.

Mexican Senate

The Mexican Senate recently approved reforms to the mining laws, which became effective on May 9, 2023, however the implementing regulations are still outstanding. The Company and FMS are monitoring this development in the context of the Transaction.

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La Parrilla Resource Statement

On August 14, 2023, the Company announced its inaugural resource on La Parrilla.

- The Resource Estimate includes 22 veins within the Rosarios, San Marcos and Quebradillas underground mines, currently on care & maintenance. All Mineral Resources are within close proximity to existing underground access and development.
- **Indicated Mineral Resources** are estimated at 615,000 tonnes (“t”) grading 263 g/t Ag.Eq¹ (176 g/t Ag, 0.08 g/t Au, 1.55% Pb, 1.39% Zn) which equates to 3.48 million ounces (“Moz”) Ag, 1,700 ounces (“oz”) Au, 9,600 t Pb, and 8,500 t Zn or **5.19 Moz Ag.Eq.**
- **Inferred Mineral Resources** are estimated at 1,257,000 t grading 256 g/t Ag.Eq (191 g/t Ag, 0.12 g/t Au, 0.99% Pb, 1.01% Zn) which equates to 7.73 Moz Ag, 5,000 oz Au, 12,400 t Pb, and 12,700 t Zn or **10.33 Moz Ag.Eq.**
- Approximately 15% of the Indicated and 35% of the Inferred Mineral Resource tonnage is oxide mineralization; 85% of the Indicated and 65% of the Inferred Mineral Resource tonnage is sulphide mineralization.

(1) Refer to Table 1: Mineral Resource Statement, La Parrilla Mine, Durango, Mexico within Mineral Exploration Properties: Property Description: La Parrilla Silver Mine Complex, Mexico for cautionary statements and underlying assumptions used in the Resource Estimate.

Closing

On August 14, 2023, the Company announced that it completed the acquisition of La Parrilla. In approving the Transaction, the Company received written consents from a majority of shareholders approving the creation of FMS as a new Control Person (as such term is defined under the policies of the TSXV).

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the unaudited condensed interim consolidated financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (“**NI 52-109**”), the Venture Issuer Basic Certificate filed by the Chief Executive Officer and Chief Financial Officer of the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“**DC&P**”) and internal control over financial reporting (“**ICFR**”), as such terms are defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

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- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of the Company's certifying officers of a venture issuer to design and implement, on a cost-effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required to be provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section titled "Risks and Uncertainties" in the Company's Annual MD&A for the year ended December 31, 2022, available on SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Statements

This Interim MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

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Forward-looking statements	Assumptions	Risk factors
Regardless of whether the Company discovers a significant silver deposit, its working capital of \$8,526,173 as of June 30, 2023 is anticipated to be adequate for it to continue operations for the twelve-month period ending June 30, 2024	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Unforeseen costs to the Company will arise; any operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's properties may contain economic deposits of minerals	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; and the Company has or will obtain adequate property rights to support its exploration and development activities	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions
The Company's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein	The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be	Commodity price volatility; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in

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Forward-looking statements	Assumptions	Risk factors
	favourable to the Company; financing will be available for the Company’s exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company’s properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities	interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company’s expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties
Management’s outlook regarding future trends and exploration programs	Financing will be available for the Company’s exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company’s exploration and development activities will be favourable; management is aware of all applicable environmental obligations	Commodity price volatility; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; the possibility that future exploration results will not be consistent with the Company’s expectations; changes in environmental and other applicable legislation and regulation

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also review those risk factors identified or otherwise indirectly referenced in the “Risks and Uncertainties” section above. Readers are cautioned that the above chart does not contain

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an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this Interim MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.