This Management's Discussion & Analysis ("MD&A") of GFM Resources Limited (the "Company") is for the year ended December 31, 2023, and up to the date of this report, and it should be read together with the audited consolidated financial statements for the year ended December 31, 2023 and 2022 and related notes thereto, (together, the "Financial Statements"), which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

## 1.- Date of this report: March 20, 2024.

## 2.- Overall performance and events

a) Description of Business

GFM Resources Limited is an emerging mineral exploration company focused on the acquisition and development of high-potential exploration properties in Mexico. Its shares are listed on the NEX Board of the TSX Venture Exchange ("TSX-V") under the symbol GFM.H. The Company was incorporated under the laws of British Columbia, Canada in 1987. During the year ended December 31, 2000, the Company continued its operation into the Yukon Territory, Canada, under the Business Corporation Act of Yukon, and registered as an extra-provincial company in British Columbia under the laws of British Columbia.

The Company's majority shareholder is Compañía Minera Autlán, S.A.B. de C.V. ("Autlan"), a Mexican company listed on the Mexican Stock Exchange - *Bolsa Mexicana de Valores* – and controlled by Mr. José Antonio Rivero Larrea, a director of the Company.

Autlan is active in manganese and ferroalloy operations in Mexico and owns a gold-producing mine in the state of Sonora, Mexico.

b) Financings

On November 17, 2017:

- The Company entered into a loan agreement (the "Loan Agreement") with Autlan with effect from August 1, 2017. Under the terms of the Loan Agreement, Autlan will make available to the Company a line of credit in up to USD $2,000,000 per year. Advances made under the Loan Agreement bear annual simple interest calculated on the London Interbank Offered Rate ("LIBOR") plus 2%, calculated daily on the outstanding balance. The principal outstanding, together with any accrued but unpaid interest will become due and payable on demand, but such demand shall not to be made unless the Company has sufficient funds to repay the loan. There are no convertibility features on this Loan Agreement.

  During the year ended December 31, 2023, the weighted-average interest rate was 7.14% (2022 – 3.89%).

- The Company's Mexican subsidiary GFM Resources de Mexico, S.A. de C.V. (the "Subsidiary) entered into a separate loan agreement with Autlan (the "Subsidiary Agreement"), with retroactive effect from August 1, 2017. Under the terms of the Subsidiary Agreement, Autlan will make available to the Subsidiary a line of credit in up to MXN $40,000,000 (approximately USD $2,000,000) per year. Advances made under the Subsidiary Agreement bear annual simple interest calculated on the Bank of Mexico's inter-bank loan rate (TIIE for its acronym in Spanish – *Tasa de Interés Interbancaria de Equilibrio*) plus 2%, calculated daily on the outstanding balance. The Subsidiary Agreement has a term of two years, which can be extended upon agreement of the parties. There are no convertibility features on this Subsidiary Agreement. During the year ended December 31, 2023, the weighted-average interest rate was 13.40% (2022 – 9.85%).

The following table summarizes the new loans with Autlan (expressed in Canadian dollars):

| | Principal | Interest | | | Mexican IVA value-added tax (net) | Total |
|---|---|---|---|---|---|---|
| | | accrued | repaid | net | | |
| | $ | $ | $ | $ | $ | $ |
| Balance, December 31, 2021 | 1,155,764 | 144,046 | (132,101) | 11,945 | 1,912 | 1,169,621 |
| Loan Agreement | 221,191 | 38,771 | (11,565) | 27,206 | - | 248,397 |
| Subsidiary Agreement | - | 35,798 | (26,580) | 9,218 | 1,640 | 10,858 |
| Foreign exchange adjustment | 105,564 | 2,516 | (1,287) | 1,229 | (52) | 106,741 |
| Balance, December 31, 2022 | 1,482,519 | 221,131 | (171,533) | 49,598 | 3,500 | 1,535,617 |
| Loan Agreement | 732,898 | 91,622 | (67,072) | 24,550 | - | 757,448 |
| Subsidiary Agreement | (383,708) | 56,292 | (52,162) | 4,130 | 828 | (378,750) |
| Foreign exchange adjustment | (29,831) | 6,632 | (5,346) | 1,286 | 329 | (28,216) |
| Balance, December 31, 2023 | 1,801,878 | 375,677 | (296,113) | 79,564 | 4,657 | 1,886,099 |

Interest on both the Loan Agreement and Subsidiary Agreement is invoiced to the Company by Autlan on a bi-annual basis. During the year ended December 31, 2023, the Company repaid all interest due that was outstanding up to June 30, 2023, on these agreements. Also during the year ended December 31, 2023, the Company repaid all of the principal outstanding on its Subsidiary Agreement. Subsequent to December 31, 2023, the Company repaid all of the interest that was due at December 31, 2023, on both the Loan Agreement and the Subsidiary Agreement. With these repayments, the Subsidiary Agreement is now fully paid and extinguished.

c) Board of Directors and Officers

As at the date of this MD&A, the following are the Directors and Officers of the Company:

| | | |
|---|---|---|
| José Antonio Rivero Larrea | Director, Chairman of the Board | (Mexico) |
| Esteban Rivero González | Director, President and Chief Executive Officer | (Mexico) |
| Pedro Rivero González * | Director | (Mexico) |
| James Robertson, P.Eng. | Director, Audit Committee Chair | (Vancouver) |
| Salvador Miranda | Chief Financial Officer & Corporate Secretary | (Vancouver) |

* Mr. Pedro Rivero González was appointed to the Board on February 29, 2024, upon resignation of Mr. Horacio Alcocer.

d) Mineral exploration

*La Casita, Durango, Mexico*

On May 13, 2008, the Company entered into a formal Purchase and Sale Agreement (the "Property Agreement") to acquire from Grupo Ferrominero, S.A. de C.V. ("Grupo", a company controlled by a director of the Company) the "La Casita" mineral property, formerly known as El Rodeo property ("the Acquisition") in the State of Durango, Mexico, consisting of three mineral claims.

The Company is keeping the property under care and maintenance, with related costs charged to the consolidated statement of loss and comprehensive loss. The conclusions from earlier exploration programs on the property indicated that further exploration would be merited. The Company is analyzing different possibilities for this property, as well as considering other mineral properties as possible acquisition targets.

*Dany II, Guanajuato, Mexico*

During the year ended December 31, 2019, the Company issued a bid to the Mexican mining authorities for the potential acquisition of the Dany II concession in the state of Guanajuato, Mexico. The Company's majority shareholder, Autlan, owns other concessions in this area. While the bid was successful, the Mexican Ministry of Mines in Mexico has not issued the concession title. Furthermore, there is no assurance that the Mexican Ministry of Mines will extend issue new concession titles, in which case the Company would attempt to request a refund. If the title is issued, the Company will add this concession to its portfolio of properties for potential exploration.

The following concession payments have been incurred:

| | Expensed | |
|---|---|---|
| | Years ended December 31 | |
| | **2023** | 2022 |
| | **$** | $ |
| La Casita concession fees | **36,677** | 28,842 |

The Company drew down on its Loan Agreement and funded its Mexican subsidiary in order to make these payments.

## 3.- Selected annual information

The following are the main figures for the Company's most recent three-year period:

| | Years ended December 31 | | |
|---|---|---|---|
| | 2023<br>$ | 2022<br>$ | 2021<br>$ |
| Interest accrued on Loan Agreement and Subsidiary Agreement with Metallorum | 147,914 | 74,569 | 37,522 |
| Interest repaid on Loan Agreement and Subsidiary Agreement with Metallorum | (119,234) | (38,145) | (47,562) |
| Loss for the year | (335,107) | (305,201) | (196,845) |
| Per share, basic & diluted | (0.02) | (0.02) | (0.01) |
| Total comprehensive loss for the year | (403,322) | (357,711) | (185,833) |
| Per share, basic & diluted | (0.02) | (0.02) | (0.01) |
| Loan advances received | 732,898 | 221,191 | 250,036 |
| Principal amounts repaid | (383,708) | - | - |
| Total assets | 33,171 | 57,516 | 42,087 |
| Total liabilities | 1,939,777 | 1,560,800 | 1,187,660 |
| Shareholders' deficiency | (1,906,606) | (1,503,284) | (1,145,573) |
| Cash dividends declared | Nil | Nil | Nil |

Interests accrued on the loans referred to in Section 2(b) have increased due to the larger amount of principal outstanding as well as the general increase in interest rates that took place during 2022 and 2023. The Company's continued operations are dependent upon the availability of such loans from its majority shareholder.

Interest is invoiced by Autlan on a bimonthly basis and repaid accordingly.

Please refer to the next section, *Results of operations*, for a discussion on the items integrating the annual losses.

During 2023 the Company decided to initiate the repayment of its Subsidiary Loan, as it is no longer used by the Company's Mexican subsidiary. The process started with the repayment of the outstanding principal amount during the last quarter of 2023. The remaining outstanding interest on this loan was paid subsequent to December 31, 2023, and this Subsidiary Loan was extinguished.

Total assets vary from year to year mostly depending on the amount of cash available at the end of each period.

The increase in total liabilities is mostly due to the increased debt to Autlan related to the outstanding loans described in Section 2(b).

Finally, as no recent equity financing activities have taken place, the shareholders' deficiency is increasing as the Company continues its operations depending on the loans provided by its majority shareholder.

## 4.- Results of operations

a) Year-to-date

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| | **2023 $** | **% of expenses** | 2022 $ | % of expenses | % change |
| **Cash expenses** | | | | | |
| Audit and legal | **72,352** | **34.11%** | 35,671 | 21.40% | 102.83% |
| Administration and accounting | **60,000** | **28.27%** | 60,000 | 36.00% | 0.00% |
| Property examination costs | **36,677** | **17.28%** | 28,842 | 17.30% | 27.17% |
| Directors' fees | **24,000** | **11.31%** | 24,000 | 14.40% | 0.00% |
| Filing and transfer agent fees | **11,914** | **5.61%** | 12,251 | 7.35% | -2.75% |
| Office and sundry | **7,262** | **3.42%** | 5,920 | 3.55% | 22.67% |
| | **212,205** | **100.00%** | 166,684 | 100.00% | 27.31% |
| **Non-cash (income) expenses** | | | | | |
| Interest on loans | **147,914** | | 74,569 | | |
| Foreign exchange loss (gain) | **(34,183)** | | 57,591 | | |
| Mexican taxes | **9,171** | | 6,357 | | |
| | **122,902** | | 138,517 | | |
| **Loss for the year** | **(335,107)** | | (305,201) | | |
| Exchange differences on translating foreign operations, net of tax | **(68,215)** | | (52,510) | | |
| **Total comprehensive loss for the year** | **(403,322)** | | (357,711) | | |

The significant amounts from the comparative periods were as follows:

- Audit and legal fees increased due to new audit reporting requirements that took effect for the year 2022, and legal fees increased as well due to the preparation of AGM materials, including the drafting of a new stock option plan that meets current TSX Venture Exchange requirements, as well as a legal challenge to a proposed new Mexican mining law preventing the staking of new claims.
- Administration and accounting consists of a monthly fee paid to a company controlled by the Chief Financial Officer of the Company at a monthly rate of $5,000.
- Property examination costs relate to the maintenance of the La Casita concessions, as detailed in the prior section. Concession maintenance fees have an annual increase which is reflected in the above figure, which is also affected by foreign exchange re-expression from Mexican pesos to Canadian dollars.
- Directors' fees: a $2,000 monthly stipend is paid to a director of the Company in his capacity of Chair of the Audit Committee.
- Filing fees include transfer agent and quarterly fees paid to the TSX Venture Exchange, and they were comparable to those of the same period of the prior year.
- Office expenses in 2023 were slightly higher than in 2022, in part due to higher warehouse rental for the Company's archived documents.
- Interest related to the Loan Agreement and Subsidiary Agreement are described above in Section 2(b). Interest on loans increased due to both the higher amount of principal outstanding and general increases in interest rates during 2022 and 2023. All interest accrued and outstanding up to June 30, 2023, has been repaid, as well as the total principal amount of the Subsidiary Agreement.
- Changes in foreign exchange are due to external factors, including changes in interest rates, monetary policy and economic situation of each jurisdiction, etc., affecting both the foreign exchange loss and the exchange differences on translating foreign operations.

b) Most recent quarter:

| | Three months ended December 31 | | | | |
|---|---|---|---|---|---|
| | **2023** | **% of** | 2022 | % of | |
| | **$** | **expenses** | $ | expenses | % change |
| **Cash expenses** | | | | | |
| Administration and accounting | **15,000** | **36.54%** | 15,000 | 34.48% | 0.00% |
| Property examination costs | **9,316** | **22.69%** | 7,676 | 17.65% | 21.37% |
| Directors' fees | **6,000** | **14.61%** | 6,000 | 13.80% | 0.00% |
| Audit and legal | **6,866** | **16.72%** | 10,617 | 24.41% | -35.33% |
| Filing and transfer agent fees | **2,445** | **5.95%** | 2,873 | 6.61% | -14.90% |
| Office and sundry | **1,432** | **3.49%** | 1,327 | 3.05% | 7.91% |
| Total cash expenses | **41,059** | **100.00%** | 43,493 | 100.00% | -5.60% |
| **Non-cash expenses** | | | | | |
| Interest on loans | **40,810** | | 27,682 | | |
| Foreign exchange loss (gain) | **(25,513)** | | (13,875) | | |
| Mexican taxes | **5,861** | | 3,362 | | |
| Total non-cash expenses | **21,158** | | 17,169 | | |
| **Loss for the period** | **(62,217)** | | (60,662) | | |
| Exchange differences on translating foreign operations, net of tax | **(4,490)** | | (11,084) | | |
| **Total comprehensive loss for the period** | **(66,707)** | | (71,746) | | |

The variation of figures between 2023 and 2022 are consistent with the explanations provided for the year-to-date figures.

## 5.- Summary of quarterly results:

| | Quarter ended (three-month figures) ($) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 31-Dec 2023 | 30-Sep 2023 | 30-Jun 2023 | 31-Mar 2023 | 31-Dec 2022 | 30-Sep 2022 | 30-Jun 2022 | 31-Mar 2022 |
| Loss before other expenses | (15,546) | (97,323) | (33,298) | (31,855) | (29,618) | (90,797) | (75,776) | (28,084) |
| Per share, basic and diluted | (0.00) | (0.01) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Loss for the period | (62,217) | (136,052) | (72,706) | (64,132) | (60,662) | (111,552) | (92,899) | (40,088) |
| Per share, basic and diluted | (0.00) | (0.01) | (0.00) | (0.00) | | (0.01) | (0.00) | (0.00) |
| Other comprehensive income (loss) | (4,490) | (2,747) | (18,733) | (42,245) | (11,084) | (28,400) | (8,033) | (4,993) |
| Per share, basic and diluted | (0.00) | (0.00) | (0.00) | (0.00) | | (0.00) | (0.00) | (0.00) |
| Total comprehensive loss | (66,707) | (138,799) | (91,439) | (106,377) | (71,746) | (139,952) | (100,932) | (45,081) |
| Per share, basic and diluted | (0.00) | (0.01) | (0.00) | (0.01) | | (0.01) | (0.01) | (0.00) |
| Total assets | 33,171 | 20,287 | 81,164 | 38,515 | 57,516 | 25,297 | 46,128 | 35,867 |
| Total liabilities | 1,939,777 | 1,860,186 | 1,782,264 | 1,648,176 | 1,560,800 | 1,456,835 | 1,337,714 | 1,226,521 |
| Shareholders' deficiency | (1,906,606) | (1,839,899) | (1,701,100) | (1,609,661) | (1,503,284) | (1,431,538) | (1,291,586) | (1,190,654) |
| Cash dividends declared | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

During the fourth quarter of 2023 the Company repaid Autlan the principal amount owed on its Subsidiary Agreement. The purpose is to eliminate this agreement once the remaining outstanding interests are paid. The expenses for this quarter were consistent with those of the fourth quarter in 2022.

Expenses of the third quarter of 2023 were higher than those of the same quarter in 2022 mostly due to higher legal fees, and higher interest rates applied to larger principal amounts on the Loan Agreement and Subsidiary Agreement.

The increase in total assets during the June 2023 quarter as compared with both prior and subsequent quarters was due to the funding received from Autlan through the Loan Agreement. Loss for the period was slightly higher than in prior quarters due to the additional payments related to the audit, preparation of tax return, and annual general meeting that included the preparation of a new stock option plan.

The loss for the March 2023 quarter was higher as compared to the March 2022 quarter mostly due to higher interests accrued on the Loan Agreement and the Subsidiary Agreement.

## 6.- Liquidity and working capital

| | **December 31, 2023** | December 31, 2022 |
|---|---|---|
| | **$** | $ |
| Cash and cash equivalents | **30,640** | 54,557 |
| Accounts receivable (Canadian GST) | **1,228** | 1,321 |
| Total liquidity | **31,868** | 55,878 |
| Prepaid expenses and deposits | **1,303** | 1,638 |
| Accounts payable and accrued liabilities | **(53,678)** | (17,788) |
| Amounts due to related parties | **-** | (7,395) |
| Loans with related party | **(1,886,099)** | (1,535,617) |
| Working capital deficiency: | **(1,906,606)** | (1,503,284) |

Given the present level of ongoing obligations and expenses, the Company must rely on the continued financial support from Autlan in order to meet its operational obligations for the foreseeable future.

## 7.- Capital resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, and the Company's ability to acquire new properties and to achieve certain exploration milestones. In order to attain these objectives and to meet its operational obligations, the Company will continue to rely on the financial support from Autlan. There can be no assurance the Company will be successful in achieving these goals and, accordingly, there is a material uncertainty casting significant doubt about the Company's ability to continue as a going concern.

### *External factors*

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

In addition, as the health and safety of the Company's employees, contractors, visitors, and stakeholders are the Company's top priority, the Company will monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, and will implement any such changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and the stakeholders. Such changes may include, but are not limited to, temporary closures of the Company's site exploration activities or offices and deviations from the timing and nature of exploration plans.

The Company will take the necessary measures to renegotiate, if required, any contractual obligations with respect to potential exploration and other expenses. The Company will also examine the internal controls required for a secure operation of its computer and other electronic resources for operation from a remote location.

## 8.- Off-balance sheet arrangements

There are no off-balance sheet arrangements, and no contingent liabilities or other obligations.

## 9.- Transactions with related parties

The following transactions with related parties took place:

| Years ended December 31: | **2023** $ | 2022 $ |
|---|---|---|
| Management fees paid to InterAmerica Consulting & Development Inc. ("InterAmerica"), a company controlled by Mr. Salvador Miranda, the Chief Financial Officer of the Company: | **60,000** | 60,000 |
| Director's fees paid to Midas Management Inc. ("Midas"), a company controlled by Mr. James Robertson, a director of the Company and chairman of its audit committee: | **24,000** | 24,000 |
| Advances pursuant to the Loan Agreement (Section 2(b) above): | **732,898** | 221,191 |
| Repayment of the principal amount of the Subsidiary Loan (Section 2(b) above) | **(383,708)** | - |
| Interest accrued on Loan Agreement and Subsidiary Agreement: | **147,914** | 74,569 |
| Interest repaid on the Loan Agreement and Subsidiary Agreement (including Mexican value added tax): | **(127,580)** | (42,398) |

The following amounts were due to related parties:

| As at: | **December 31, 2023** $ | December 31, 2022 $ |
|---|---|---|
| Amounts owed to Autlan pursuant to Loan Agreement: | **1,852,342** | 1,123,938 |
| Amounts owed to Autlan pursuant to Subsidiary Agreement: | **33,757** | 411,679 |
| Amounts due to InterAmerica in management fees and reimbursable expenses: | **-** | 5,295 |
| Director's fees owed to Midas: | **-** | 2,100 |
| | **1,886,099** | 1,543,012 |

Management is of the opinion that these transactions have occurred in the normal course of operations, and they are measured at the exchange amount, being the amount of consideration established and agreed to by the transacting parties.

## 10.- Proposed transactions

There are no specific proposed transactions as at the date of this MD&A. The Company is examining several properties as potential acquisition targets.

## 11.- Critical accounting estimates and adoption of new accounting standards

*Critical accounting estimates*

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results may differ from these estimates.

*Adoption of new accounting standards*

No new accounting standards or IFRS pronouncements were adopted during the year ended December 31, 2023.

## 12.- Financial instruments

With the adoption of IFRS 9, the Company has classified cash and cash equivalents, accounts payable and accrued liabilities, due to related parties and loans with related party at amortized cost. At present, the Company does not have any FVTPL or FVTOCI financial assets.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

*Currency Risk*

As at December 31, 2023, all of the Company's cash and cash equivalents were held either in Canadian dollars, US dollars or Mexican pesos. The Company incurs expenditures in Canada and Mexico, and as such is exposed to currency risk associated with these costs.

A change in the value of the Mexican peso by 10% relative to the Canadian dollar would affect the Company's working capital by approximately $1,000 (2022 - $38,000), and its net loss for the year by approximately $12,000 (2022 - $7,000).

*Interest rate and credit risk*

The Company has cash balances and significant debt owed to a majority shareholder. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

The Company is exposed to interest rate risk on its loans with a related party as detailed Section 2(b). A change 1% change in interest rate would affect the interest by approximately $9,200 based on the principal outstanding as at December 31, 2023 (2022 - $11,000).

*Liquidity risk*

The Company will depend on the advances provided by Autlan through the Loan Agreement and the Subsidiary Agreement. The liquidity risk relates to the low cash position and the dependence on these advances. See Note 1 to the Financial Statements for further discussion regarding liquidity risks.

## 13.- Management's responsibility over financial information

The Company's management is responsible for presentation and preparation of the quarterly and annual consolidated financial statements and the MD&A. These financial statements have been prepared in accordance with IFRS.

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators ("CSA").

The quarterly and annual consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the consolidated financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks, and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

### Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended December 31, 2023, and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

## 14.- Risk factors

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. Regarding the properties under the option agreement described in Section 2, the Company's mineral properties' titles are in good standing as of the date of this report.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

At the present time, the Company has no rights to a property of merit, and therefore its ability to raise capital is limited, having to rely on funding provided by Autlan to meet its obligations, including the search for a property of merit.

Finally, operating in a specific country has legal, political and currency risk that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

## 15.- Forward-looking statements

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors in each MD&A.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment, and sufficient labour and that the political environment within Mexico will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

## 16. - Other MD&A requirements

a) The Company, as a "venture issuer", is not required to prepare an Annual Information Form at this stage.

   Copies of all previously published financial statements, management discussions, meeting materials, news releases, etc., are available on the CSA's System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. Additional Company information is available on its website at www.gfm-resources.com.

b) Information pursuant to sections of National Instrument 51-102:

   i) Section 5.3: Please refer to Sections 3 and 4 above, and to the consolidated statements of loss and comprehensive loss included with the Financial Statements, and Notes 2, 3, 11 and 12 thereto.

   ii) Section 5.4: Share Capital: please refer to Note 7 to the Financial Statements.

   As at the date of this MD&A, the Company has 19,085,071 common shares issued and outstanding, and no stock options or warrants outstanding.

## 17. – Subsequent events

Subsequent to December 31, 2023, the Company:

a) Received $175,490 (USD $130,000) from Autlan pursuant to the Loan Agreement;

b) Invested an additional $83,796 in its Mexican subsidiary to enable it to meet its local obligations, including the repayment of interest pursuant to the Subsidiary Agreement (see (d)), below;

c) Repaid all interest due at December 31, 2023 pursuant to the Loan Agreement for $51,448; and

d) Repaid all of the remaining interest outstanding pursuant to the Subsidiary Agreement for $29,077, plus $4,654 of Mexican value-added tax related to this interest. With this payment the loan pursuant to the Subsidiary Agreement is now extinguished.

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