



SENDERO RESOURCES CORP.
(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED JANUARY 31, 2024**

OVERVIEW AND INTRODUCTORY COMMENT

Sendero Resources Corp. (“Sendero” or the “Company”) is a growth-oriented junior exploration company and it completed its public listing on the TSX Venture Exchange (the “Exchange”) effective October 4, 2023 under the symbol “SEND” (see “Corporate update” section). The Company focuses on exploring for copper and gold deposits in Argentina.

Sendero’s principal property is the Peñas Negras Property in La Rioja Province, Argentina.

This MD&A is dated March 28, 2024 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the six months ended January 31, 2024 and the Company’s audited consolidated financial statements for the year ended July 31, 2023 and the related notes thereto.

MAJOR QUARTERLY OPERATING MILESTONES

Corporate update:

On March 3, 2023, the Company entered into a binder letter agreement (the “Agreement”) with 1319732 B.C. Ltd. (“131”). Pursuant to the Agreement, the Company and 131 would complete the reverse-takeover (“RTO”). Concurrently with the completion of the RTO, the resulting issuer would seek to list its common shares for trading on the Exchange. On September 27, 2023, the Company completed its RTO with 131 and began trading on the Exchange on October 4, 2023. As part of the RTO, the Company raised a total of \$5,855,950 by brokered financing and non-brokered financing and issued 29,279,750 units.

On March 5, 2024, the Company announced that it had entered into an arm’s length option agreement dated March 4, 2024, with Energía y Minerales - Sociedad del Estado (“EMSE”), the Energy and Minerals State Society of La Rioja, to significantly increase the Company’s land position in the Vicuña District (the “Option Agreement”). Pursuant to the terms of the Option Agreement, upon satisfying certain agreed to financial commitments, Sendero and EMSE would form a joint venture (the “Joint Venture”), which would be 80% owned by Sendero, to develop mineral concessions consisting of 9,177 hectares / 91.7 km² (Figure 1) (“Joint Venture Claims”) which are directly adjacent to the east of the Peñas Negras Project, a copper-gold project consisting of 12,000 hectares / 120 km² which the Company commenced drilling on in January 2024, with initial assay results pending.

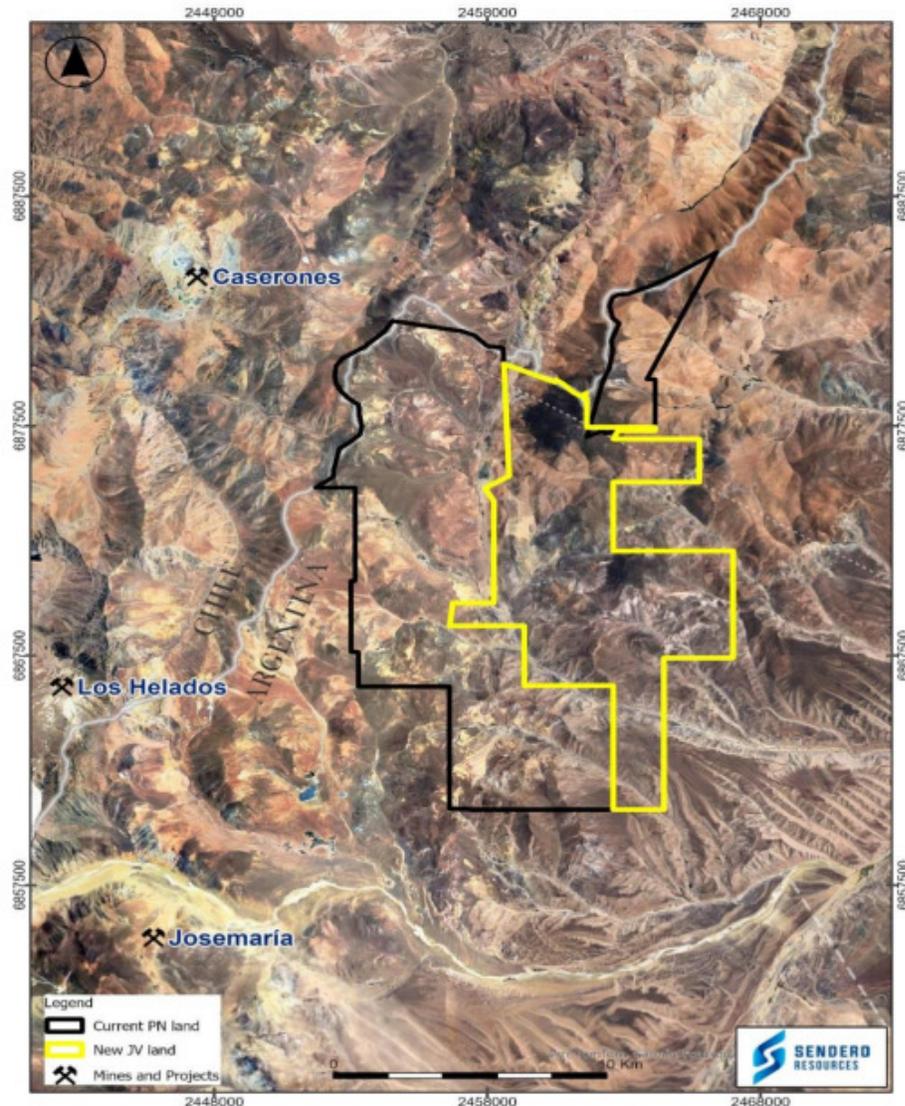


Figure 1. Increased Land Position in the Vicuña District

Pursuant to the terms of the Option Agreement, the formation of the Joint Venture is conditional on the following deliverables by Sendero:

- Sendero to make aggregate cash payments of US\$5,000,000 of which US\$1,000,000 is payable in 2024, US\$1,260,000 in 2025 and US\$1,370,000 in each of 2026 and 2027.
- Sendero shall have completed work expenditures of US\$10,000,000 within four years on the combined land package of Peñas Negras Project and Joint Venture Claims.
- EMSE shall be granted a 1% net smelter royalty (NSR) on the Peñas Negras Project.

Sendero will be provided with information on the geological information that EMSE has on the Joint Venture Claims, once it has completed a detailed review and outline initial work plans on the Joint Venture Claims.

Property update:

On December 12, 2023, the Company announced that it started mobilization for the January 2024 drill program where it would focus on three priority drill-ready porphyry copper-gold targets: La Peña, Tamberías and Cerro Verde South.

On January 10, 2024, the Company announced that drilling had commenced at the Peñas Negras Project.

Highlights

- Diamond drilling has commenced for an initial program of 4,500m.
- Four priority drill-ready porphyry/epithermal copper-gold targets have been selected for initial drill testing: La Peña, Tamberías, La Ollita and Cerro Verde South.
- Drilling has commenced at La Peña with two planned holes at approximately 500m each.
- A recent detailed ground magnetic survey at La Peña confirmed the large magnetic anomaly centered on the known porphyry and highlights a satellite magnetic anomaly to the north.
- Many of the key geological, geochemical, and geophysical features seen at other deposits in the Vicuña Belt, such as Filo del Sol and Josemaria deposits are replicated in Sendero’s priority drill targets.

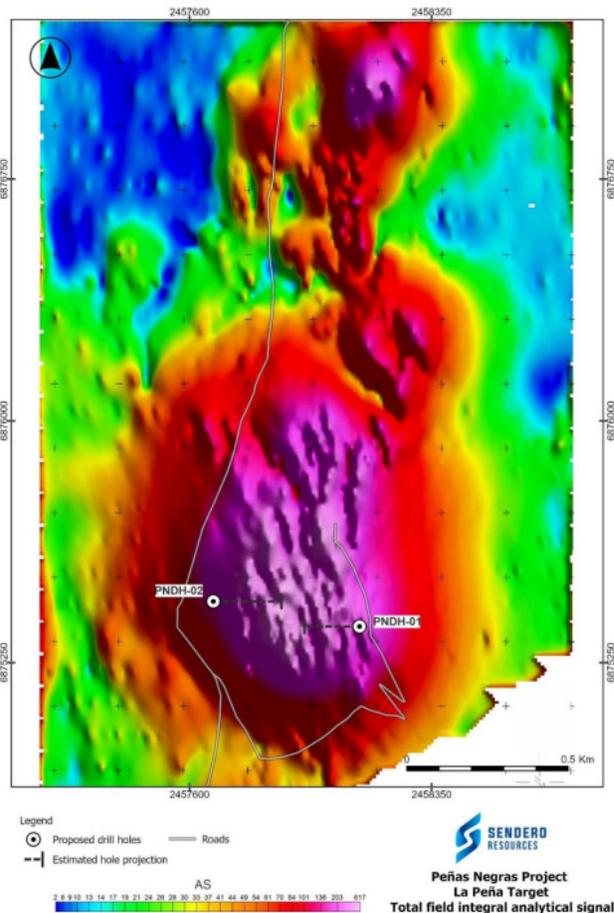


Figure 1. La Peña Ground Magnetics (AS-TMI)



Figure 2. Diamond drill rig positioned for the maiden drill hole at La Peña

La Peña Ground Magnetics

La Peña is ranked as Sendero's highest priority target. It has many typical features of Andean copper-gold porphyry deposits. The mineralised system is exposed at an optimum level of erosion, just above the interpreted high-grade copper-gold zone. Favorable features of the exposed diorite porphyry are intense potassic alteration, stockwork magnetite-quartz veining, and the presence of copper sulfides and oxides. Two initial holes are programmed at La Peña (Figure 1).

The recently completed detailed ground magnetic survey has confirmed the same shape and size of the strong magnetic response seen in historical airborne magnetic data centered on the known porphyry intrusive. The large discrete magnetic anomaly with potassic alteration measures approximately 800m long and 500m wide. Another magnetic anomaly located about 1000m to the north opens the possibility of a satellite porphyry system.

Ongoing Work Program

Regarding the recently completed geophysical surveys from the other priority targets, the company is awaiting results and will provide updates once all the information is received and processed for each target. Ground magnetics and induced polarization surveys have been completed at Tamberias and La Ollita and ground magnetics is being conducted at Cerro Verde South.

On February 27, 2024, the Company provided an update on its current 4,500m maiden drill campaign at the Peñas Negras Project. Three diamond drillholes have been completed for a total of 1,544m across three priority targets at La Peña, Tamberías and La Ollita with assay results pending.

Drilling Update

- **Hole PND 001: 575m at La Peña:** Intersected an elongated diorite porphyry body with pervasive potassic alteration, characterized by quartz-biotite-magnetite-K-feldspar; with partial overprinting of quartz-sericite and chlorite. Porphyry-style stockwork veining was intersected including magnetite veinlets (M-type), A and B-type quartz, and anhydrite/gypsum veins. Hydrothermal and possible phreatomagmatic breccias cut the porphyry intrusive bodies. Widespread disseminated pyrite with traces of chalcopyrite and molybdenite were encountered throughout the hole. Towards the bottom of the hole intrusion-type brecciation occurs at the contact between the intrusive porphyry and the granitic country rock.
- **Hole PND 002: 519m at Tamberías:** The drill hole intersected small multiphase dacite to diorite porphyry intrusive bodies with breccia phases that were emplaced into andesitic to dacitic volcanic country rock. The overall alteration is chlorite-illite-sericite overprinted on early potassic alteration (biotite-magnetite). Fine quartz-magnetite veinlets and stockwork veining of gray quartz are recognized throughout the entire hole, sometimes accompanied by sulfides. Abundant disseminated pyrite, with traces of chalcopyrite and molybdenite, are present throughout the hole.
- **Hole PND 003: 450m at La Ollita:** Intersected an advanced argillic lithocap in the upper 150m of the hole associated with intensely silicified polymictic (phreatomagmatic) breccia. The alteration is typical of high-sulfidation epithermal gold-copper mineralization, characterized by quartz-kaolinite-sericite-pyrophyllite, with zones of vuggy silica. Disseminated and fracture-controlled pyrite is the dominant sulfide with minor chalcopyrite and chalcocite. Sulfide filled fracture zones contain chalcopyrite, chalcocite and traces of covellite and enargite together with pyrite, galena, sphalerite and possible Ag-As-Sb sulfosalts. These base metal veins are typical of intermediate sulphidation epithermal veins. Deeper in the hole, the lithology is predominantly volcanic (andesite and dacite), and alteration gradually shifts towards an assemblage of chlorite, illite-sericite-kaolinite with patchy silica and gray quartz stockwork veining with minor quartz-chalcopyrite veinlets. The lower part of the hole contains abundant disseminated pyrite, with traces of chalcopyrite and chalcocite.

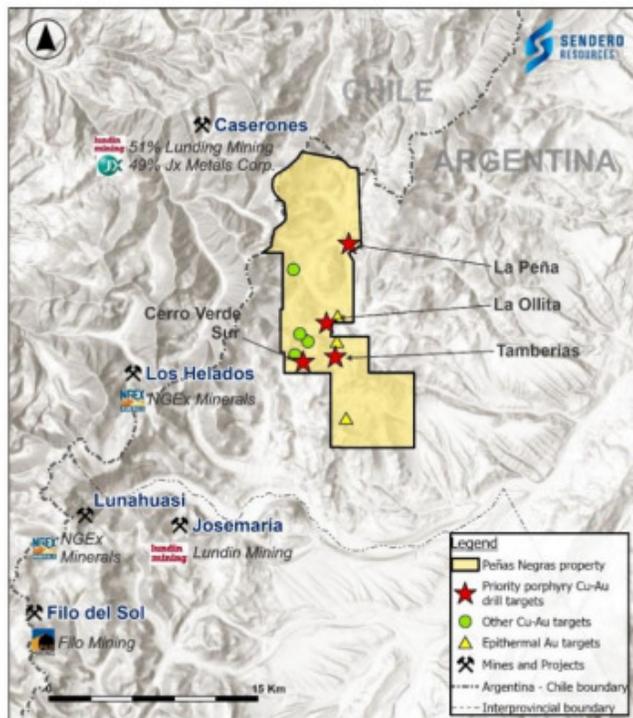


Figure 1. Peñas Negras Project and Exploration Targets

La Ollita - Geophysics

Ground magnetics and induced polarization (IP) surveys recently completed at La Ollita have enhanced our technical understanding of this target. The ground magnetics has produced three discrete magnetic high anomalies spread in an east to west orientation across the prospect for approximately 2km (Figure 2).

The pole-dipole IP lines show a large chargeability anomaly coinciding with the central ground magnetic high (Figure 3). This coincident positive magnetic and IP response together with results of ionic leach geochemistry is the focus of the current drilling at La Ollita.

La Ollita is a mineralized system where the company knows there is significant metal content from historic drill results. In the period 1995 – 1997 over 9,000m of mostly RC drilling was carried out by Eldorado who identified both a dacite and diorite porphyry below a shallower epithermal cap. The highest gold assay returned was 20.583 g/t Au (Hole PNR028 from 130m to 132m), and the highest copper assay returned a value of 0.6027% Cu (Hole PNR036 from 108m to 110m). The historical drilling was mainly shallow drilling with an average depth of 127m and many holes stopped in Au-Cu mineralization.

The association of high-level breccia bodies in PND003 showing clasts of mineralized porphyry plus the clear evidence of classic vuggy residual silica and silica-clay (advanced argillic alteration) overlying porphyry style mineralization is strong evidence of telescoped alteration and mineralization zoning. Similar features are shared with the contemporaneous porphyry gold copper deposit of the Vicuña District, particularly Filo del Sol and Josemaria.

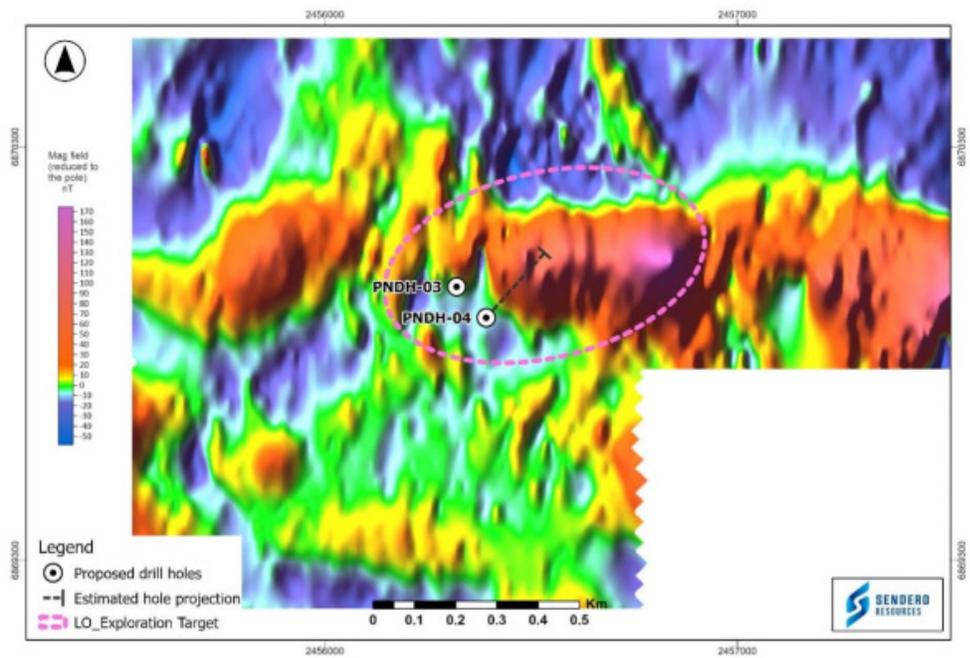


Figure 2: Ground Magnetics at La Ollita

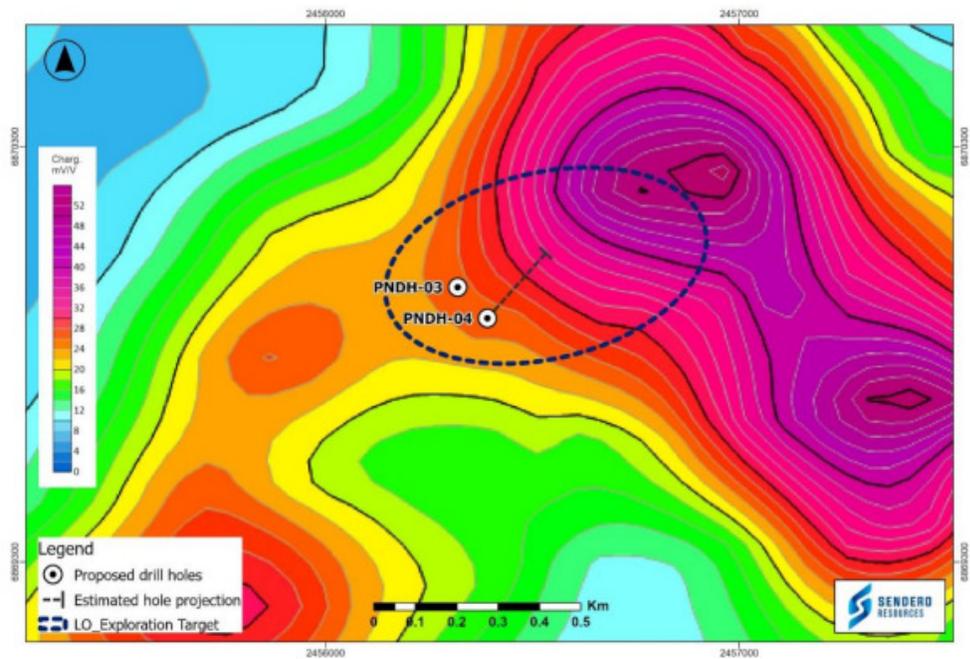


Figure 3: Induced Polarization at La Ollita



Next Steps

At La Ollita, drilling is currently underway around 250m deep into PND004. Information on the locations of further drillholes will be provided once initial assay results are received and further geophysical data is fully interpreted from La Peña and Cerro Verde South.

QUARTERLY FINANCIAL CONDITION

Capital Resources

In conjunction with the RTO, the Chief Financial Officer received 1,000,000 common shares and the Chief Executive Officer received 1,670,355 common shares. The Company also granted 5,300,000 stock options to its directors, officers and consultants at an exercise price of \$0.20 for a period of five years expiring on September 27, 2028.

During the six months ended January 31, 2024, 385,000 warrants and 111,318 finder's warrants were exercised at \$0.30 and \$0.20 respectively, resulting in gross proceeds of \$137,763.

Subsequently to January 31, 2024, 125,000 options, 295,000 warrants and 75,664 finder's warrants were exercised at \$0.20, \$0.30 and \$0.20 respectively, resulting in gross proceeds of \$128,633.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants, finders' warrants, advisors' options and options, along with the planned developments within the Company are sufficient to carry out its activities throughout 2024. The Company would consider future equity financings if such financings are beneficial to the Company. If the market conditions change, the Company will make adjustment to its budgets accordingly.

Liquidity

As at January 31, 2024, the Company had a working capital of \$2,673,798 (July 31, 2023 – \$2,568,271). With respect to working capital, \$2,842,397 (July 31, 2023 - \$4,827,519) was held in cash and cash equivalents.

The decrease in cash was mainly due to (a) operating cash flows including exploration expenses totaling \$1,878,639, (b) \$140,493 used in VAT expenses, and (c) \$103,753 share issue costs while being offset by (d) \$137,763 net cash received from exercise of warrants and finder's warrants.

Operations

For the three months ended January 31, 2024 compared with the three months ended January 31, 2023:

The Company's exploration expenses amounted to \$787,602 (2023 - \$18,582), an increase of \$769,020 with the Company preparing for its exploration on the Peñas Negras property during the current period.

Excluding the foreign exchange loss of \$16,459 (2023 – \$Nil), the Company's administrative expenses amounted to \$363,807 (2023 - \$58,886), an increase of \$304,921. The changes in the administrative expenses is mostly due to: (a) accounting and audit fees of \$76,615 (2023 - \$11,408); (b) bank charges of \$22,686 (2023 - \$1,145); (c) consulting fees of \$33,598 (2023 – recovery of \$74); (d) listing and filing



fees of \$18,294 (2023 - \$Nil); (e) management fees of \$104,230 (2023 - \$37,215); and (f) marketing expense of \$84,728 (2023 - \$Nil).

During the three months ended January 31, 2024, the Company reported a net loss of \$1,161,627 (2023 – \$77,468), an increase of \$1,084,159.

For the six months ended January 31, 2024 compared with the six months ended January 31, 2023:

The Company’s exploration expenses amounted to \$1,051,396 (2023 - \$89,796), an increase of \$961,600 with the Company preparing for its exploration on the Peñas Negras property during the current period.

Excluding the foreign exchange gain of \$9,268 (2023 – loss of \$1,302), share-based compensation of \$267,551 (2023 - \$Nil) and one-time RTO listing expense of \$1,200,000 (2023 - \$Nil), the Company’s administrative expenses amounted to \$1,401,815 (2023 - \$156,828), an increase of \$1,244,987. The changes in the administrative expenses is mostly due to the cash bonus accrued and the share bonus paid to the management upon the completion of the RTO (2024 - \$684,071; 2023 - \$Nil) where the CEO received 1,670,355 common shares and the CFO received 1,000,000 common shares, valued at \$534,071 as well as entitling to \$75,000 cash bonus each (not paid). In addition, starting in July 2023, the two officers are paid \$15,000 per month each and such amount was reflected in the management fee in 2023.

With the Company becoming a publicly listed entity, the Company also incurred these additional expenses: (a) listing and filing fees of \$86,299 (2023 - \$Nil); (b) marketing expense of \$164,501 (2023 - \$1,500) and (c) travel expense of \$45,934 (2023 - \$Nil).

During the six months ended January 31, 2024, the Company reported a net loss of \$3,874,568 (2023 – \$247,926), an increase of \$3,626,642.

SIGNIFICANT RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the six months ended January 31, 2024:

	Cash payments and accrued cash bonus payments	Shares issued	Share-based compensation	TOTAL
Hernan Vera ⁽¹⁾ Director and Chief Executive Officer	\$ 165,000	\$ 334,071	\$ 52,413	\$ 551,484
Michael Wood ⁽²⁾ Director and Chief Financial Officer	\$ 165,000	\$ 200,000	\$ 52,413	\$ 417,413
Other directors	\$ -	\$ -	\$ 39,309	\$ 39,309



Related party transactions and balances:

	Services for:	Six months ended January 31		Amounts included in trade and other payables	
		2024	2023	As at January 31, 2024	As at July 31, 2023
Hernan Vera ⁽¹⁾	Management fee and bonus payment in shares and accrued cash bonus payment	\$ 409,071	\$ 17,363	\$ 75,000	\$ 2,323
Independence Fortaleza, Sociedad Limitada ⁽¹⁾	Management fee	90,000	-	-	15,000
Michael Wood ⁽²⁾	Bonus payment in shares and accrued cash bonus payment	275,000	-	75,000	-
Athena Jade Limited ⁽²⁾	Management fee	90,000	-	-	15,000
Aerospace Industries Pty Ltd ⁽³⁾	Management fee	-	75,000	-	-
Total		\$ 864,071	\$ 92,363	\$ 150,000	\$ 32,323

⁽¹⁾ Hernan Vera received 1,666,667 shares for the sale of a mineral claim in February. Mr. Vera received 1,670,355 shares as a bonus and is entitled for a cash bonus of \$75,000 (not paid) for completing the Transaction. Starting July 2023, Mr. Vera receives \$15,000 per month payment paid to his company Independence Fortaleza, Sociedad Limitada.

⁽²⁾ Michael Wood received 1,000,000 shares as a bonus and is entitled for a cash bonus of \$75,000 (not paid) for completing the Transaction. Starting July 2023, Mr. Wood receives \$15,000 per month payment paid to his company Athena Jade Limited.

⁽³⁾ Matt Hudson's cash payments paid to Aerospace Industries Pty Ltd., a private company owned by Mr. Hudson, during fiscal 2023. Mr. Hudson resigned from being the Chief Executive Officer effective December 31, 2022.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

Other than disclosed in this MD&A – Quarterly Highlights as well as the followings, the Company does not have any commitments, expected or unexpected, or uncertainties.

On February 23, 2023, the Company signed two executive management agreements with Hernan Vera (Chief Executive Officer) and Michael Wood (Executive Chairman) where the Company will pay \$75,000 per person as bonuses upon the completion of the RTO.

RISK FACTORS

In our annual MD&A in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.



DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at January 31, 2024 and the date of this MD&A:

	Issued and outstanding	
	January 31, 2024	March 28, 2024
Common shares outstanding	65,904,756	66,400,420
Options	5,300,000	5,175,000
Warrants	14,254,875	13,959,875
Finder's / broker's warrants	1,485,347	1,409,683
Fully diluted common shares outstanding	86,944,978	86,944,978

QUALIFIED PERSON

David Royle (FAusIMM (CP)) supervised the preparation of and approved the scientific and technical information pertaining to Peñas Negras Project. David Royle is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.