



**REYNA GOLD CORP.**  
*(An Exploration Stage Company)*

**MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2022**

**OVERVIEW AND INTRODUCTORY COMMENT**

The principal business of Reyna Gold Corp. (“Reyna Gold” or the “Company”) is the acquisition, exploration and development of resource properties for the mining of precious or base metals with a focus in Mexico. The Company’s key objective is to advance exploration at the La Gloria Project with the objective of determining whether the property contains commercially exploitable deposits of precious or base metals. The Company’s other properties include Don Porfirio and El Durazno properties. On January 11, 2022, the Company began trading on the TSX Venture Exchange under the symbol “REYG”. On March 15, 2022, the Company began trading on the OTCQB Market Exchange in the United States under the symbol “REYGF”.

Reyna Gold recognizes environmental, social and governance (“ESG”) best practices as key components to a responsible mineral exploration and mining sector. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Reyna Gold strives to earn its social license wherever it is active, endeavoring to meet regularly with local communities, regulators and other concerned parties before, and during, exploration work to understand issues important to local and Indigenous communities. Reyna Gold’s approach is based on transparency, open communication, inclusivity and respect, to better enable social and economic benefit for communities as well as value for investors.

This MD&A is dated May 27, 2022 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 three months ended March 31, 2022 and the Company’s audited consolidated financial statements for the year ended December 31, 2021 and the related notes thereto.

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Steve Robertson, BSc., P.Geol., is the Qualified Person as defined under National Instrument 43-101 responsible for the technical disclosure in this document. Mr. Robertson is a director of the Company.

## MAJOR QUARTERLY OPERATING MILESTONES

### La Gloria:

On January 9, 2022, the Company released multiple high-grade gold sample results from its continuing surface and trench sampling program, focused on multiple targets at its 24,215-hectare La Gloria property in Sonora, Mexico. Results of 1,252 samples have been received with the initial focus on the Main zone area, where drilling would commence in February 2022.

#### Highlights -- Main zone:

- 93.9 grams per tonne (“g/t”) and 36.2 g/t gold samples at Pique Viejo, Main zone;
- 46.1 g/t, 24.4 g/t and 20.1 g/t gold samples in Big pit, Main zone;
- 555 samples out of 713 (78 per cent) at Big pit, Main zone, greater than 0.1 g/t gold;
- 23 samples greater than 5.0 g/t gold at Big pit, Main zone.

#### Other highlights:

- 20.1 g/t gold sample at Las Quintas;
- 15.9 g/t, 13.3 g/t and 11.1 g/t gold samples at Las Quintas West;
- 13.6 g/t gold sample at San Pedro and 9.3 g/t gold sample at Alamo Muerto.

Reyna Gold received drill permits for its La Gloria property and commenced its initial drill program at Big pit, Main zone, and Pique Viejo, Main zone, in February 2022.

On February 10, 2022, the Company announced that the 10,000 metre drill program had commenced, starting with phase 1 drilling at La Gloria with the first 22 holes, approximately 3,000 metres. Over 20,000 metres of drill targets have already been identified by the geological team at Main zone, El Sombrero, Las Quintas, Las Quintas West and San Pedro targets. The intention of the Company is to confirm additional targets pending continuing geochemical sampling, geological mapping and initial drill results.

Drilling started at the Shear zone at Big pit within the Main zone with six planned holes, then would move down to Pique Viejo for three holes focused on the steep-dipping high-grade quartz veining recently identified in sampling, including drilling a steeply dipping vein where a channel sample returned 93.9 grams per tonne gold. The drill rig would then move to the Placeres Main zone for an additional three holes, with the aim of drilling a series of mineralized structures along a strike length northwest, with a trend toward the Big pit target area, before moving to El Sombrero for 10 holes to target at depth the high-grade mineralized structures. The intention is by the end of the initial 3,000 metres of drilling, the Company will immediately move into the next stage of this 10,000 metres drilling at La Gloria. Further details will be announced on the follow-up targets once they have been finalized.

On April 13, 2022, the Company released multiple high-grade gold, copper and silver channel and dump sample results from the El Sombrero target on its La Gloria property.



Reyna Gold has started drilling at El Sombrero and expanded the number of planned holes from an initial 10 to now 22 holes in the El Sombrero target as part of its ongoing 10,000-meter drill program, which now comprises of a total of 36 holes.

El Sombrero sample highlights:

- Sample 240835 - 8.68 g/t Gold, 0.56% Copper, 64 g/t Silver, 0.42% Lead and 0.1% Zinc
- Sample 240841 - 8.17 g/t Gold, 0.34% Copper, 49 g/t Silver and 0.12% Lead
- Sample 240803 - 2.84 g/t Gold, 36 g/t Silver, 0.35% Lead, 0.18% Zinc and 0.17% Copper

On April 20, 2022, the Company released initial results from the first eight holes totalling 710 metres. Reyna Gold achieved the two primary objectives from these holes of extending the breccia zone at Big Pit and establishing quartz veining of grade and size at Pique Viejo. All eight holes hit gold-mineralized structures in initial exploration drilling across the 160-hectare Main zone target area.

Highlights:

- Drill hole LG-22-005, 7.85 metres of 3.95 g/t gold from surface, including 1.30 metres of 19.65 g/t gold, extending the known breccia northeast;
- Drill hole LG-22-001, 30.6 metres of 0.51 g/t gold from surface increasing depth of known breccia;
- Drill holes LG-22-007 and LG-22-008 discovered the Las Amarillas vein, including intersects of 0.6 metre of 8.61 g/t gold and 0.5 metre of 4.13 g/t gold and established minimum length for the Amarillas vein of 280 metres;
- Drill holes LG-22-008 established the Las Amarillas vein zone of 81 metres discontinuous length with seven veins closely stacked.

Drilling is continuing and Reyna Gold has now completed 17 holes totalling 2,236 metres of drilling. The first 36 drill holes have been outlined totalling around 3,700 of the initial 10,000 metres phase 1 drill program. Reyna Gold intends to keep releasing batches of drill results when received over the coming weeks and months as the Company continues to advance the district-scale La Gloria property.

#### Corporate Update:

On April 13, 2022, the Company announced that Peter Jones joined the Board of Directors.

### **QUARTERLY FINANCIAL CONDITION**

#### Capital Resources

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and



financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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 2022 and 2023. 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 March 31, 2022, the Company had a working capital of \$9,718,918 (December 31, 2021 – \$11,097,057). With respect to working capital, \$9,496,862 was held in cash and cash equivalents (December 31, 2021 – \$10,869,053). The decrease in cash was mainly due (a) operating activities, including exploration expenses, totaling \$1,295,251 and (b) expenditures on the exploration and evaluation assets of \$76,940.

### Operations

#### **For the three months ended March 31, 2022 compared with the three months ended March 31, 2021:**

The Company's exploration expenses amounted to \$461,423 (2021 - \$3,623), an increase of \$457,800 as a result of the Company began its exploration work on project - La Gloria.

Excluding the foreign exchange of \$11,116 (2021 - \$2,128), the Company's administrative expenses amounted to \$751,816 (2021 - \$141,939), an increase of \$609,877 mainly due to: (a) management and director fees of \$232,496 (2021 - \$80,000); (b) accounting and audit of \$32,223 (2021 - \$11,562); (c) marketing of \$355,474 (2021 - \$Nil); (d) consulting of \$76,474 (2021 - \$Nil); and (e) office expense of \$37,098 (2021 \$214) as the Company had exploration activities in fiscal period 2022.

During the three months ended March 31, 2022, the Company reported a loss of \$1,224,220 (2021 – \$147,690), an increase of \$1,076,530.

#### **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:

	Cash payments	Shares issued	Share-based payments	TOTAL
Jorge Ramiro Monroy <sup>(1)</sup> Director	\$ 99,996	\$ -	\$ -	\$ 99,996
Michael Wood <sup>(2)</sup> Chief Executive Officer, Director	\$ 120,000	\$ -	\$ -	\$ 120,000
Winnie Wong <sup>(3)</sup> Chief Financial Officer	\$ 30,000	\$ -	\$ -	\$ 30,000
Alex Langer <sup>(5)</sup> Director	\$ 5,000	\$ -	\$ -	\$ 5,000
Steve Robertson <sup>(6)</sup> Director	\$ 3,750	\$ -	\$ -	\$ 3,750
Castulo Molina Sotelo <sup>(7)</sup> Director	\$ 3,750	\$ -	\$ -	\$ 3,750

Related party transactions and balances:

Amounts included in Trade and other payables:	Services for:	For the three months ended		As at	As at
		March 31, 2022	March 31, 2021	March 31, 2022	December 31, 2021
Emerging Markets Capital	Management fee	\$ 99,996	\$ 50,000	\$ -	\$ 9,823
Athena Jade Limited	Management fee	120,000	30,000	-	-
Reyna Silver SAPI S.A. de C.V. <sup>(4)</sup>	Expense reimbursement	-	-	-	2,574
Andros Capital Corp. <sup>(5)</sup>	Director's fee	5,000	-	5,000	-
Western Blue Sky Management Corp. <sup>(6)</sup>	Director's fee	3,750	-	3,750	-
San Miguel Exploration SC. <sup>(7)</sup>	Director's fee	3,750	-	3,750	-
Pacific Opportunity Capital Ltd.	Accounting	30,000	-	10,500	15,201
<b>Total</b>		<b>\$ 262,496</b>	<b>\$ 80,000</b>	<b>\$ 23,000</b>	<b>\$ 27,598</b>

- (1) Jorge Ramiro Monroy's cash payments were paid through Emerging Markets Capital, a company of which Mr. Monroy has control.
- (2) Michael Wood's cash payments as the Chief Executive Officer were paid through Athena Jade Limited, a private company owned by Mr. Wood.
- (3) Winnie Wong was appointed as the Chief Financial Officer on May 1, 2021 and her cash payments were paid through Pacific Opportunity Capital Ltd., a private company where she is the vice president.
- (4) Reyna Silver SAPI S.A. de C.V. is a wholly-owned subsidiary of Reyna Silver Corp. ("RSLV"), a publicly listed company on the Exchange where RSLV and the Company have directors in common.
- (5) Alex Langer's director fee was paid to his company Andros Capital Corp.
- (6) Steve Robertson's director fee was paid to his company Western Blue Sky Management Corp.
- (7) Cacho Molina Sotelo's director fee was paid to his company San Miguel Exploration SC.



All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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

## RISK FACTORS

In our MD&A filed on SEDAR April 14, 2022 in connection 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 the Prospectus.

## 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 March 31, 2022:

	Issued and outstanding	
	March 31, 2022	May 27, 2022
Common shares outstanding	66,756,221	66,756,221
Options	4,825,000	4,825,000
Warrants	13,092,394	13,092,394
Finder's warrants	1,665,003	1,665,003
Fully diluted common shares outstanding	86,338,618	86,338,618

### 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 from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. 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.