Interim Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Months Periods Ended June 30, 2023

Dated August 28, 2023

RANCHERO GOLD CORP.
Interim Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Three and Six Months Periods Ended June 30, 2023

This Interim Management's Discussion and Analysis ("**MD&A**") of financial condition and results of operations of Ranchero Gold Corp. ("**Ranchero**" or the "**Company**") constitutes management's review of the Company's financial and operating performance for the three and six months periods ended June 30, 2023 and the Company's financial condition and future prospects. Except as otherwise noted, this MD&A is dated August 28, 2023 and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the period ended December 31, 2022. All dollar amounts included therein and in the following MD&A are in Canadian dollars except where noted.

Additional information on the Company can be found on SEDAR+ at www.sedarplus.ca.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, 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's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand Ranchero, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

Overview – Strategy - Description of Business

Ranchero is a TSX Venture Exchange listed exploration-stage company focusing on its core concessions in Mexico's Sierra Madre Occidental district.

The Company was formerly known as Melior Resources Inc ("Melior"), and the Company changed its name on October 7, 2021 as part of an amalgamation agreement with the private entity, Ranchero BC Holding Corp ("RHC").

In accordance with the terms of this transaction, the Company acquired all of the issued and outstanding securities of RHC by way of a three-cornered amalgamation in accordance with the terms and conditions of the amalgamation agreement. The transaction constituted a reverse takeover of the Company by RHC pursuant to Policy 5.2 of the Corporate Finance Manual of the TSX Venture Exchange, as following the closing of the transaction, the former shareholders of RHC own a majority of the outstanding common shares of the Company.

As a condition to closing of the transaction, the Company settled its debt of approximately $35.5 million owing to Pala Investments Limited ("Pala") through the conversion of approximately $32.0 million of the outstanding indebtedness into an aggregate of 6,449,759 common shares of Melior, and Pala forgave the remaining indebtedness of approximately $3.5 million pursuant to the terms of a debt settlement agreement between Pala and Melior.

Prior to the October 7, 2021 amalgamation agreement, RHC previously completed a private placement of an aggregate of 9,561,613 subscription receipts, at a price of $0.55 per subscription receipt, to raise aggregate gross proceeds of $5,258,887.

Santa Daniela

The Santa Daniela concession package in the Sierra Madre Occidental ("SMO") gold district of Sonora, Mexico. Exploration work by previous operators on this 22,267-hectare property has identified a number of new prospects, chief among them is Maíz Azul. Field mapping and sampling by Ranchero in 2020 has identified three principal near-term drill targets. No historical resource estimates have been presented for Maíz Azul or other prospects on the Santa Daniela concessions. The Company completed an initial 3112-meter drill program in February 2022 at the Maiz Azul prospect.

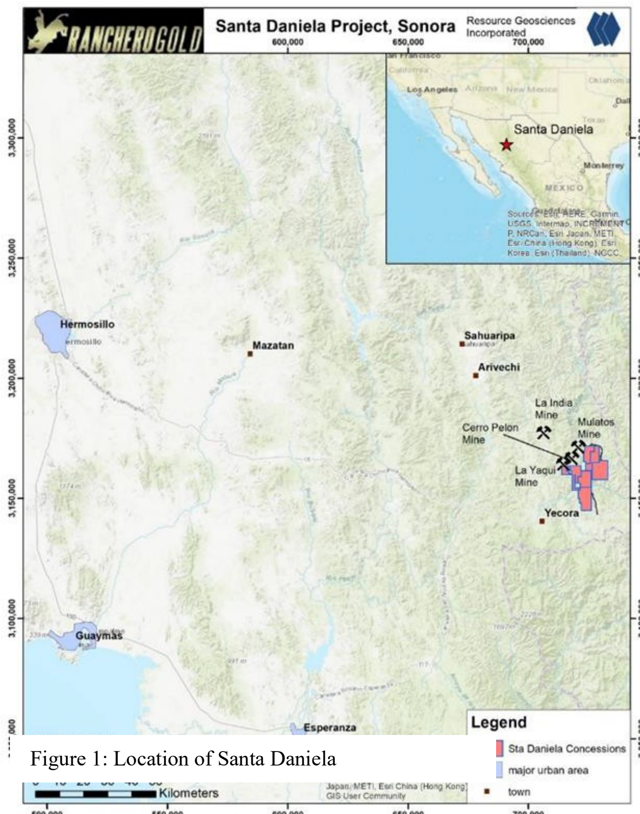

Figure 1: Location of Santa Daniela

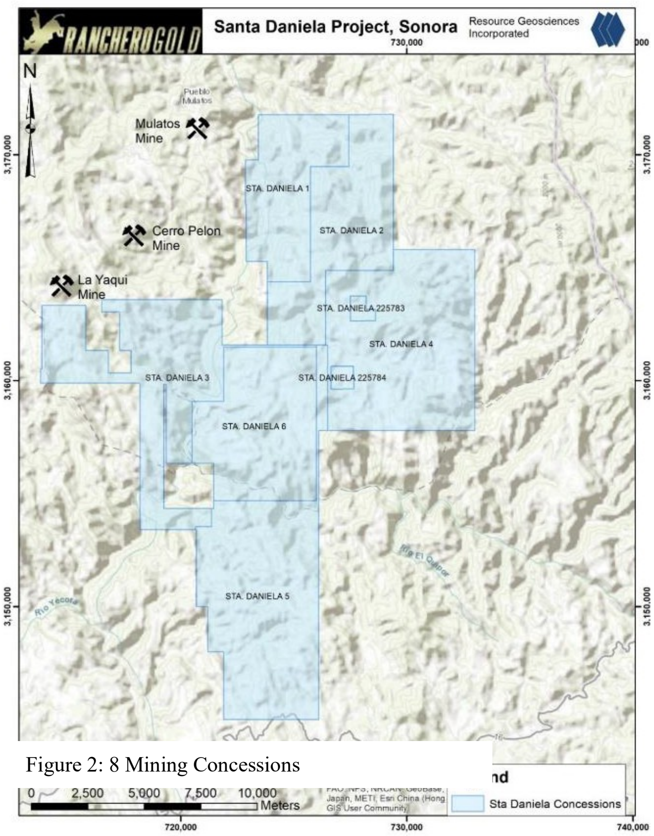

Figure 2: 8 Mining Concessions

COMPANY QUATERLY -HIGHLIGHTS FOR THE PERIOD ENDED MARCH 31, 2023

During the six months period ended June 30, 2023, the Company:

- On January 26, 2023 Brian Setzo resigned as a director of the Company.
- On June 14, 2023 the shareholders of the Company approved the adoption of a new 10% rolling equity incentive plan

EXPLORATION REVIEW

The Santa Daniela project lies within the Sierra Madre Occidental gold district, in Mexico. This is a regionally extensive Tertiary-age volcanic field that hosts gold mineralization at many near-by mines including Alamos Gold's Mulatos gold mining complex. Most significant metal occurrences in the SMO are hosted by rocks known as the Lower Series volcanic unit or the underlying Mesozoic strata. These units are exposed in the Santa Daniela claim block most notably at Maíz Azul area.

Drilling by previous operators encountered sub-surface gold mineralization. Ranchero geologists interpret the historic and its own 2020 work as indicating an epithermal gold occurrence. Recently, detailed mapping has determined three parallel alteration zones. These are also coincident with surface rock gold mineralization. Ranchero began testing two of the alteration zones, known as La Colmena and La Cascada, by diamond-core drilling. A third zone, called the X Structure, will be tested in the future. Reconnaissance mapping and sampling is also being conducted on all areas identified by the regional alteration study to determine new prospects on the full claim block.

MEXICO EXPLORATION

The Company has 22,267 hectares of mineral concessions in the SMO region of eastern Sonora, Mexico. These are valid until 2055 and 2057 and bestow the right to explore for and mine gold, silver and other metals. The Company operates through its 100%-owned subsidiary, Minera y Metalurgia Paika S.A. de C.V. ("Paika"), and is based in Hermosillo, Sonora, Mexico.

OUTLOOK

The Company's strategy is to advance the development of the Santa Daniela project and regional targets while opportunistically looking to expand its operating footprint through the acquisition of other high-value precious metals exploration, development, and production assets in Mexico and elsewhere in the Americas.

The Company is currently reviewing its planned Phase II drill program.

The Company has not commenced commercial operations. It has no known resources or reserves. At present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

Financing

During the year ended December 31, 2022, the Company entered into an unsecured line of credit agreement with Golden Calf Mining S.A. de C.V. ("Golden Calf"), a related party. Golden Calf will provide a line of credit of up to US$130,000, excluding interest. Simple interest will accrue at a rate of 15% per year on any funds drawn. The line of credit must be repaid, including any interest, by October 31, 2024. As at June 30, 2023, $208,655 (US$157,595) (December 31, 2022 - $176,017 (US$130,000)) had been drawn against the line of credit and is included in loans payable. During the three and six months ended June 30 2023, the Company accrued interest of $11,794 (2022 - $nil) included in loan payable.

On November 29 2022, the Company announced completion of debt facility ("Loan") with American PT Metals LLC ("American Metals"), and investment fund focused on natural resources. The Loan dated November 16, 2022 is made to an indirect wholly-owned subsidiary of the Company, Minera y Metalurgia Paika, S.A. de C.V. (the "Borrower") from Mexico Minerales y Metales Earth, S.A. de C.V. (the "Lender"), a subsidiary of American Metals, in the aggregate principal amount of US$500,000 pursuant to the terms of the loan agreement dated November 16, 2022. The outstanding principal amount of the Loan will accrue interest at a rate of 12% per annum, to be repaid by the maturity date of October 31, 2024. If the Borrower does not pay the full amount to the Lender required under the terms of the loan agreement, the Borrower will pay default interest on the unpaid amount at a rate, when added to ordinary interest, will equal 24% per annum until the outstanding amount has been repaid.

As at June 30, 2023, 400,045 (US$302,149) (December 31, 2022 - $37,872 (US$27,962)) had been drawn against the line of credit and is included in loans payable. During the three and six months ended June 30, 2023, the company accrued interest of $30,871 (2022 - $nil) included in loan payable.

Qualified Person

Martyn Buttenshaw, a director of Ranchero, is a Member - Institute of Materials, Minerals and Mining and a Chartered Engineer and is a Qualified Person as defined by NI 43-101 *Standards of Disclosure for Mineral Projects,* has reviewed and has approved the disclosure of the technical information in the MD&A regarding the Company's projects.

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

FINANCIAL RESULTS OF OPERATIONS

QUARTERLY FINANCIAL RESULTS

	2023	2023	2022	2022
Quarter Ended	**June. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**
Exploration expenditure, general and administrative expenses	$ 461,762	$ 638,520	$ 716,443	$ 926,083
Net loss for the period	(461,762)	(638,520)	(716,443)	(926,083)
Net loss per share basic	(0.01)	(0.01)	(0.01)	(0.01)

	2022	2022	2021	2021
Quarter Ended	**June. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**
Exploration expenditure, general and administrative expenses	$ 668,357	$ 2,086,868	$ 1,798,690	$ 427,323
Reverse takeover expenses			5,382,227	-
Net loss for the period	(668,357)	(2,086,868)	(7,180,917)	(427,323)
Net loss per share basic	(0.01)	(0.03)	(0.11)	(0.01)

RESULTS OF OPERATIONS

The net loss for each quarter is primarily based on the amount of exploration expenditure general and administration expenditures incurred. During the six months ended June 30, 2023, the Company mainly incurred exploration expenditures of $750,734 and consulting and professional fees of $292,312.

Three Months Ended June 30, 2023

For the three months ended June 30, 2023, the Company had a loss of $1,100,282 or $0.01 per share compared to a loss of $668,357 or $0.01 per share in the comparative period. Ranchero incurred exploration expenditure of $275,041 (2022 - $314,908), management fees of $nil (2022 – $161,246) for its CEO and CFO. Consulting fees of $73,061 (2022 - $90,511) and transfer agent and filing fees of $22,046 (2022 - $24,369 financing and filing fees) were related to costs associated to filing fees. Professional fees of $84,720 (2022 - $32,335) were incurred for legal and audit fees. Travel of $nil (2022 - $5,763) was due to the decrease in travel.

Six Months Ended June 30, 2023

For the six months ended June 30, 2023, the Company had a loss of $461,762 or $0.02 per share compared to a loss of $2,755,225 or $0.04 per share in the comparative period. Ranchero incurred exploration expenditure of $750,734 (2022 - $1,419,223), management fees of $nil (2022 – $320,307) for its CEO and CFO. Consulting fees of $147,661 (2022 - $203,073) and transfer agent and filing fees of $22,046 (2022 - $29,374 financing and filing fees) were related to costs associated to filing fees. Professional fees of $114,651 (2022 - $65,305) were incurred for legal and audit fees. Travel of $nil (2022 - $10,037) was due to the decrease in travel.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves to meet its liquidity requirements.

At June 30, 2023, the Company had working capital deficiency[1] of $3,858,761 (December 31, 2022 – $3,153,291) which included cash of $4,954 (December 31, 2022 - $51,315) available to meet short-term business requirements and liabilities of $3,982,152 (December 31, 2022 - $1,902,070). The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has loans payable with maturity dates greater than one year, which are classified as non-current. The Company currently will need to raise additional capital to fund its operations over the next twelve months.

(1) Non-GAAP Financial Measure:
The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital deficiency is calculated as current assets (June 30, 2023 - $123,391 ; December 31, 2022 - $179,217), less current liabilities (June 30, 2023 - $3,982,152 ; December 31, 2022 - $3,332,508; December 31, 2021 – $1,902,070).

OUTSTANDING SHARE DATA

As at date of this MD&A, the Company has 65,737,322 common shares, 1,300,000 stock options and 319,093 warrants outstanding, which are listed on the TSX Venture Exchange under the symbol "RNCH".

RELATED PARTY TRANSACTIONS

Officers and directors are key management personnel. The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

	Three Months Ended June, 30		Six Months Ended June, 30	
	2023	**2022**	**2023**	**2022**
Management fees	$ -	$ 161,246	$ -	$ 320,307
Consulting fees	70,635	-	141,410	-
Share-based compensation	-	-	-	680,950
	$ 70,635	$ 161,246	$ 141,410	$ 1,001,257

Amounts due to related parties are included in accounts payable and accrued liabilities as at June 30, 2023 and 2022, and were as follows:

Amounts due to	**Service**	**June 30, 2023**	**December 31, 2022**
Companies controlled by a director (*)	Exploration expenditures	$ 584,301	$ 94,527
Director fees		56,270	-
Company controlled by chief financial officer	Consulting fees	-	8,960
		$ 640,571	$ 103,48

* JLL Grupo Mulatos SA de CV and SAH Exploraciones Mineras SA de CV are companies controlled by a director (Gustavo Mazon) of the Company that paid geological and administrative expenses incurred by Paika. These balances are included in accounts payable and accrued liabilities. These amounts are non-interest bearing and due on demand.

As at December 31, 2022, Ranchero has amended the consulting agreement with the former Chief Executive Officer ("CEO") whereas the CEO's annual fee is US$180,000 of which US$132,000 is paid in cash and US$48,000 is paid in common shares. The cash payments were be made monthly and the common share payments are to be made quarterly. As at June 30, 2023, the Company had a commitment to issue common shares to the CEO in the amount of $50,040 (December 31, 2022 - $50,040).

During the six months ended June 30, 2023, the Company paid $nil (2022 - $24,000) in management fees to the former Chief Financial Officer; paid $nil (2022 - $65,000) in management fees to the former President of the Company and paid $nil (2022 - $70,061) to the former Chief Executive Officer of the Company. The Company also paid or accrued $141,410 (2022 - $nil) in consulting fees to a director of the Company. The Company issued no stock options to related parties and recognized $nil (2022 - $680,950) of share-based compensation to directors and consultants of the Company during the six months ending June 30, 2023.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	June 30, 2023	**December 31, 2022**
Amortized Cost		
Cash	$ 4,954	$ 51,315
Accounts payable and accrued liabilities	(3,982,152)	(3,332,508)
Loans payable	(608,701)	(213,889)
	$ (4,585,899)	$ (3,495,082)

Fair Value

The carrying values of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The carrying amount of loans payable approximates its fair value because this loan bears a market interest rate.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has no proposed transactions.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include the following:

Purchase Price Allocations

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangible assets acquired as part of any acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

Share-Based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and reserves.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Functional Currency

The Company applied judgment in determining its functional currency and the functional currency of its subsidiary. The functional currency was determined based on the currency in which funds are sourced and the currency of the main economic environment in which the Company and its subsidiary operate.

Asset Acquisition Versus Business Combination

Management had to apply judgment with respect to whether the acquisition of was an asset acquisition or business combination. This determination required management to assess the inputs, processes, and outputs of Melior at the time of acquisition. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Pursuant to the assessment, the Melior acquisition was considered to be an asset acquisition.

Going Concern

The assumption that the Company will continue as a going concern is subject to critical judgments of management with respect to the assumptions surrounding the short and long-term operating budget, expected losses, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption may be inappropriate.

FUTURE PRONOUNCEMENTS

Management has assessed the impact of future accounting pronouncements that have been announced and noted that none will have a significant impact on the results of the Company.

CHANGE IN ACCOUNTING POLICIES

As more fully disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2022 the Company adopted a voluntary change in its accounting policy for exploration and evaluation expenditures during the year ended December 31, 2022 and has applied the change retrospectively. As a result, balances of comparative periods have been restated. Under the new policy, the Company recognizes these expenditures as exploration and evaluation costs in the condensed interim consolidated statements of profit or loss and other comprehensive loss in the period incurred until management concludes the technical feasibility and commercial viability of a mineral deposit has been established. Prior to December 31, 2022, the Company's policy was to capitalize all exploration and evaluation expenditures as exploration and evaluation assets.

RISKS AND UNCERTAINTIES

An investment in the Company's securities 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 entitled "Risk and Uncertainties " in the Company's Annual MD&A for the fiscal year ended December 31, 2022, available on www.sedarplus.ca.

APPENDIX 1

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains “forward-looking statements”. Forward-looking statements reflect the Company’s current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or various of such words and phrases or state certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in minerals resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under “Risk Factors”. Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this MD&A are made as of the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.