Oroco Resource Corp.
Management Discussion and Analysis
For the year ended May 31, 2020; Date as of September 28, 2020

This "Management's Discussion and Analysis" has been prepared as of September 28, 2020 and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended May 31, 2020 and the audited consolidated financial statements and related notes thereto for the year ended May 31, 2020 (the "Financial Statements"). Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Oroco Resource Corp. ("the Company") and its operations that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate," "believe," "budget", "estimate," "expect", "intends", "plans", "potential" and similar expressions, as they relate to the Company or its management and operations, are intended to identify forward looking statements.

These forward-looking statements or information relate to, among other things: the Company's future financial and operational performance; the sufficiency of the Company's current working capital, anticipated cash flow or its ability to raise necessary funds; the anticipated amount and timing of work programs; our expectations with respect to future exchange rates; the estimated cost of and availability of funding necessary for sustaining capital; forecast capital and non-operating spending; and the Company's plans and expectations for its property, exploration and community relations operations.

These forward-looking statements and information reflect the Company's current beliefs as well as assumptions made by, and information currently available to the Company and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions include: cost estimates for exploration programs; cost of drilling programs; prices for base and precious metals remaining as estimated; currency exchange rates remaining as estimated; capital estimates; our expectation that work towards the establishment of mineral resource estimates and the assumptions upon which they are based will produce such estimates; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at our operations; no unplanned delays or interruptions in scheduled work; all necessary permits, licenses and regulatory approvals for our operations being received in a timely manner and can be maintained; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such laws. The foregoing list of assumptions is not exhaustive.

Forward-looking statements and information involve known and unknown risk, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements (see "Risks and Uncertainties" in this MD&A), there may be other factors, such as the coronavirus global pandemic, which could cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information.

Forward-looking statements and information contained herein are made as of the date of this MD&A and the Company does not intend, and disclaims any obligation to update or revise forward-looking statements or information, whether as a result of new information, future events or to reflect changes in assumptions or in circumstances or any other events affecting such statements or information, other than as required by applicable law.

QUALIFIED PERSON

Mr. Paul McGuigan, P. Geo., of Cambria Geosciences Inc., a Qualified Person under NI 43-101 and a senior consulting geoscientist to the Company, has reviewed and approved the technical disclosure in this management discussion and analysis.

THE COMPANY

The Company was incorporated under the British Columbia Business Corporations Act on July 7, 2006. The Company's head office is located at Suite 1201 - 1166 Alberni Street, Vancouver, B.C., V6E 3Z3. The Company and its subsidiaries are engaged in the acquisition, exploration and development of mineral properties in Mexico with a primary focus on the assembly of the mineral concessions which make up the Santo Tomas porphyry copper project (the "Santo Tomas Project") in Sinaloa State, Mexico.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "OCO", and it also trades on the Frankfurt Stock Exchange Open Market under the trading symbol "OR6" and the US OTC exchange under the trading symbol "ORRCF.PK". The Company's website address is: "www.orocoresourcecorp.com".

The Company has four wholly owned, one majority owned and one 50% owned subsidiary:

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Minera Xochipala S.A. de C.V. ("MX")	Mexico	100%	Exploration in Mexico
0973496 B.C. Ltd.	Canada	100%	Holding company
Altamura Copper Corp. ("Altamura")	Canada	100%	Holding company
Xochipala Gold S.A. de C.V. ("XG")	Mexico	71%	Exploration in Mexico
Desarrollos Copper, S.A. de C.V.	Mexico	100%	Holding company
Ruero International Ltd.	Bahamas	50%	Holding company (inactive)

The Company also holds an inactive, nominal company incorporated in Canada, and a majority interest in Aztec Copper Inc. ("Aztec"), an inactive subsidiary incorporated in the United States, which holds 99.9% of Prime Aztec Mexicana, S.A. de C.V.

On March 2, 2020, pursuant to an option agreement dated September 27, 2018 (the "Altamura Option Agreement") the Company acquired 100% ownership of Altamura. Altamura currently holds a 71% interest in Xochipala Gold, which holds registered title to the seven mineral concessions (the "Core Concessions") which cover the known core of the Santo Tomas Project. For a description of the Altamura transaction, see the Company's Management Information Circular filed on SEDAR on November 22, 3019.

MINERAL PROPERTIES

Santo Tomas Project, Sinaloa State, Mexico

The Company is focused on the exploration of the mineral concessions which encompass the Santo Tomas porphyry copper (-Mo-Au-Ag) deposit in Sinaloa State, Mexico.

The Company holds a net 61.4% interest in the Core Concessions but may increase its net interest to 81% by the funding up to $30,000,000 in property related expenditures, with no minimum obligations as set out in the following table.

Altamura's net interest in the Core Concessions to result from funding of property related expenditures:

Total Investment	**$1,000,000 (completed)**	**$3,000,000 (partially completed)**	**$10,000,000**	**$20,000,000**	**$30,000,000**
Core Concession interest via XG equity					
Altamura	56.7%	64.7%	72.9%	77.6%	81.0%
Other	28.3%	21.6%	14.6%	11.1%	9.0%
Third party contractual interest					
Third parties	15.0%	13.7%	12.5%	11.3%	10.0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

The Company also holds a 77.5% interest in each of the Papago 17, La China II and AMP Santo Tomas Red 1 concessions and an 80% interest in the Rossy concession (the "Peripheral Concessions") which are contiguous to the Core Concessions (collectively with the Peripheral Concessions, the "Santo Tomas Properties").

The Santo Tomas deposit lies within the Laramide porphyry copper province, a NW-SE trending, metallogenic belt formed in the Laramide Orogeny (80-40 Ma age). The province extends from the southwestern USA into northwestern Mexico.

The Santo Tomás deposit lies mostly on the Core Concessions. The deposit is associated with an NNE-trending zone of sheeted quartz monzonite porphyry dikes that are hosted in strongly faulted and fractured Mesozoic metamorphosed andesite and limestone. The deposit is similar in age, host rocks and mineralization styles to the Cananea deposits, in Sonora, and other Laramide-age deposits of the southwestern USA. Nearby examples of similar Laramide-age deposits include the Bahuerachi and La Reforma deposits. *This information is not necessarily indicative of mineralization on the Properties that are the subject of this summary.*

The Santo Tomás deposit is mostly comprised of chalcopyrite, pyrite, and molybdenite sulphides with minor bornite, covellite, and chalcocite, which occur as fracture fillings, veinlets, and fine disseminations. Minor copper oxides occur near the surface.

The Santo Tomás deposit is exposed in outcrop pattern along a 5 km strike length. South of Rio Fuerte, mineralization on the eastern and western flanks of the N-S Santo Tomás ridge are called the North Zone and South Zones, respectively. A mineralized zone lying north of the Rio Fuerte is termed the Brasiles Zone. Historical information and recent geological mapping demonstrated that the Brasiles Zone extends from the Core Concessions to the N. E. onto the Peripheral Concessions. On the South Zone, extensions onto the Peripheral Concessions are evidenced by historical drilling data.

The main mineralized zone varies between approximately 100 to 600 m in true thickness and dips moderately to the WNW at 50° in the North Zone. Similar moderate angle dips are apparent in the South Zone and Brasiles.

The Santo Tomas deposit was defined by active exploration from 1968 to 1994. During that time it was tested by 106 diamond and reverse circulation drill hole, for which the Company has data for 90, totalling 21,075 m of drilling. In 1994, Exall Resources Limited ("Exall") engaged Mintec, Inc. to conduct a historical mineral resource estimate and mining study, and Mountain States Research and Development, Inc. ("MSRDI") to conduct metallurgical testing. Relying on information generated by these studies, Bateman Engineering Inc., E&C Division, conducted a Prefeasibility Study.

Beginning in 2017, the Company initiated a program of mineral exploration on the Santo Tomas Properties with surface geological mapping and the assembly of historical drilling information by Cambria Geosciences Inc. ("Cambria"). Additionally, the Company acquired RadarSat 2 Synthetic Aperture Radar ("SAR") data for the Santo Tomas district from Auracle Geospatial Science, Inc. ("Auracle").

In early 2019, the Company commissioned fieldwork, led by D. A. Bridge, P. Geol., comprised of historical data verification and another structural and geological mapping of the North Zone and Brasiles Zone, toward the preparation of a Technical Report.

Additional 3D modelling by Cambria of the Auracle SAR data, historical drilling, and the additional structural data significantly advanced the understanding of the genesis and later structural modification of, the Santo Tomas deposit.

Results of the most recent fieldwork, geological modelling, and historical mineral resource estimates are presented in a Technical Report prepared in the requirement of the Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") titled "Geology, Mineralization, and Exploration of the Santo Tomás Cu-(Mo-Au-Ag) Porphyry Deposit, Sinaloa, Mexico" by D. A. Bridge, P. Geol. with an effective date of August 22, 2019 (available on the Company's website at www.orocoresourcecorp.com).

The key geological information verified by Bridge (2019) is that the principal control to the Santo Tomas deposit are sheets of quartz monzonite dikes interleaved with screens of altered and hornfels andesite. Dikes and fracture sets are well-mineralized and have a dominant attitude of N20°E/50°W.

MINERAL PROPERTIES (cont'd…)

Santo Tomas Project, Sinaloa State, Mexico (cont'd…)

Bridge recommended a phased program of surface work and confirmation diamond drilling. Layouts of the drilling are based on the updated 3D geological model and the latest structural data. His recommendations encompassed the following:

1. Road and camp construction followed by 200 line-km of 3D Induced Polarization geophysical survey that will encompass the North & South Zones, and Brasiles.
2. Geological mapping, remote sensing, and baseline environmental studies.
3. Confirmation drilling is recommended, firstly with 7,300 m of diamond drilling in 11 drill holes in the North Zone, followed by a non-success contingent program of 20,950 m of diamond drilling in 30 drill holes, spanning the North and South Zones.
4. Success contingent drilling is recommended, awaiting the results of 3D IP and drilling, comprising 29,250 m of diamond drilling in 43 drill holes to test for extensions of the North and South Zone, and to test the Brasiles Zone.

In late 2019 the Company commenced the recommended program of Bridge (2019). To date, the Company has completed construction of an exploration base camp and the repair and upgrade of road access to the North and South Zones. Work is continuing on the making of a 2.5 by 5.5 km grid in preparation for an upcoming 3D Induced Polarization geophysical surveys. A geophysical firm has been retained to conduct the survey. The Company has also retained an Environmental consultant and environmental baseline studies and permitting are underway.

The new fieldwork is supported by an extensive network of existing access roads and historical drill roads, therefore expediting preparations for the confirmation diamond drilling program expected to follow in early 2021.

The Company currently operates community-based social and environmental programs in the area of the Santo Tomas Properties from its logistics and administrative base in the nearby community of Choix. The Company has supported modest public works such as water distribution, community road and infrastructure projects, and other social programs, as part of its commitment to the communities proximal to the Company's operations.

The Company incurred $15,148,090 in acquisition costs and $1,301,718 in exploration expenditures on the Santo Tomas Properties during the year ended May 31, 2020.

Xochipala Property, Guerrero State, Mexico

The Xochipala Property, comprised of the Celia Gene (100 ha) and the contiguous Celia Generosa (93 ha) concessions, is located in the Municipality of Eduardo Neri, Guerrero, Mexico at the southern end of the Guerrero Gold Belt (the "GGB").

The Xochipala Property lies approximately four kilometres southeast of the Los Filos mine, just one kilometre from the town of Xochipala and 30 kilometres by good paved road from the state capital of Chilpancingo. The area is well served by a network of local roads. The district is served with hydroelectric power from the Caracol Dam.

The Company incurred $32,074 in exploration expenditures on the Xochipala Property during the year ended May 31, 2020 and continues to assess the appropriate next stage of exploration.

Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100 hectare mining concession 100% owned by Minera Xochipala which lies approximately 25 kilometers to the west of the Xochipala Property and approximately 30 kilometers west of Chilpancingo, Guerrero. The Salvador property also hosts skarn mineralization associated with felsic intrusions similar to mineralization in the known ore deposits in the area.

The Company did not conduct exploration on the Salvador Property during the year ended May 31, 2020.

CERRO PRIETO ROYALTY

Pursuant to the sale of the Company's interest in the Cerro Prieto Property to Goldgroup in fiscal 2013, Goldgroup agreed to pay to the Company a production royalty (the "Production Royalty") quarterly in arrears. The Production Royalty, payable for each month in which the monthly average of the daily PM London gold fix is in excess of US$1,250 per ounce, is calculated at the rate of 20% of the dollar value of that excess for each ounce of gold produced from the property during that month, to a maximum royalty of US$90 per ounce. This Production Royalty will be payable for each and every ounce of the first 90,000 ounces of gold produced from the Property (approximately 63,000 ounces have been produced as at May 31, 2020).

During the year ended May 31, 2020, the Company received or accrued $890,072 (2019 - $12,994) in royalty revenue.

RESULTS OF OPERATIONS

For the year ended May 31, 2020, the Company recorded a loss from continuing operations of $1,384,518 (2019 - $1,693,841) or $0.01 per share (2019 - $0.02). The Company has no income producing assets. The Company reported royalty revenues during the period from the Cerro Prieto Property. The Company is considered to be in the acquisition and exploration stage.

The Company is focused on the exploration of mineral concessions which make up the Santo Tomas porphyry copper project in Sinaloa State, Mexico.

For the year ended May 31, 2020, the Company recorded operating expenses of $2,216,062 (2019 - $,810,442), which included business development of $68,400 (2019 - $68,400), consulting fees of $266,051 (2019 - $134,179), management and directors fees of $325,750 (2019 - $263,500), professional fees of $381,178 (2019 - $344,923), property investigation costs of $13,733 (2019 - $69,543), and share-based payment of $460,786 (2019 - $538,932)

SELECTED ANNUAL INFORMATION

The following information is derived from the financial statements of the Company for each of the years ended May 31, 2020, May 31, 2019, and May 31, 2018

	May 31, 2020	May 31, 2019	May 31, 2018
Royalty revenue	$890,072	$12,994	$142,151
Interest income	$70,348	$40,621	$ -
Management services income	$52,500	$330,000	$ -
Loss from continuing operations	$(1,220,385)	$(1,546,685)	$(1,377,241)
Net loss	$(1,220,385)	$(1,546,685)	$(1,377,241)
Comprehensive loss for the period	$(1,384,518)	$(1,693,841)	$(1,457,630)
Basic and diluted loss per share	$(0.01)	$(0.02)	$(0.02)
Total assets	$19,005,332	$3,732,108	$2,944,342
Total liabilities	$1,419,618	$480,784	$310,302
Total non-current liabilities	$13,443	$13,443	$13,443

For the year ended May 31, 2020, the loss for the year included operating expenses of $2,216,062 (2019 - $1,810,442). The increase in expenses can be mainly attributed to: an increase in consulting fees of $131,872, an increase in professional fees of $36,255, and travel of $99,173 due primarily to the Company's work to solidify control of Santo Tomas Project and commencing work on the Santo Tomas Project. Management fees increased by $62,250 from the addition of new management to the Company. Shareholder communications and investors relations increased by $160,447 in connection with the Company gaining control of the Santo Tomas Project. The increases were offset by the decrease in property investigation costs of $55,810 in relation to the Rossy concession.

Also included in the operating loss is revenue from the Production Royalty of $890,072 (2019 - $12,994) and management services income of $52,500 (2019 - $330,000).

SELECTED QUARTERLY RESULTS

Quarter	May 31, 2020	February 29, 2020	November 30, 2019	August 31, 2019
Operating loss	$500,265	$373,874	$697,370	$644,553
Other items	$(347,541)	$(292,902)	$(224,636)	$(130,598)
Loss for the period	$152,724	$80,972	$472,734	$513,955
Loss per share	$0.00	$0.00	$0.00	$0.01
Total assets	$19,005,332	$5,240,760	$4,979,154	$4,142,773
Total liabilities	$1,419,618	$501,243	$425,626	$420,664

Quarter	May 31, 2019	February 28, 2019	November 30, 2018	August 31, 2018
Operating loss	$683,191	$392,480	$457,443	$277,328
Other items	$(320,125)	$11,161	$14,452	$30,755
Loss for the period	$363,066	$403,641	$471,895	$308,083
Loss per share	$0.00	$0.00	$0.01	$0.00
Total assets	$3,732,108	$2,944,722	$3,087,058	$2,696,911
Total liabilities	$480,784	$401,077	$377,895	$343,418

Operating loss has been relatively stable with a slight upward trend. The upward trend is due to primarily to as the Company increased efforts to solidify control of the Santo Tomas Project, such as additional time spent by the Special Committee of Directors, management and legal counsel on the negotiation and preparation of various agreements related to the Altamura transaction and related due diligence. Operating loss has also been impacted by an increase in share-based payment from additional incentive options being granted, shareholder communications and investor relations expenditures and travel expenses for consultants and management site visits to the Santo Tomas Project. The decrease in the operating loss for the quarter ended February 29, 2020 was principally due to an adjustment to share-based payment as options were forfeited. The increase in total assets over the period of the selected quarterly results is principally due to capitalization of expenditures on the Santo Tomas Project and to additional Advances. Changes in total liabilities over the period are principally due to changes in accrued directors and management fees

ANALYSIS OF FINANCINGS

The following table sets out prior disclosure by the Company of its intended use of proceeds, other than working capital related costs, from financings, the Company's actual achievements and an explanation of any variation.

Disclosed Use of Proceeds (other than working capital)	**Company Achievements**	**Reasons for Variation**
March 11, 2020 News Release (1) Preparation for drill program; (2) acquisition of surface rights and permits; (3) 3D IP survey	(1) Road and drill pad plans prepared and advanced the applications for necessary permits. (2) Negotiations with the respective "ejido" landholders have been completed. Permit applications are in final preparation. (3) The 3D IP survey has commenced.	(1) Further preparation will follow completion of the 3D IP program and receipt of necessary permits, which have been delayed due to the current Covid-19 pandemic; (2) Formalization of written surface rights agreements has been delayed due to the closure of relevant government offices due to the current Covid-19 pandemic. Preparation of permit applications have also been delayed for the same reason. (3) Commencement of the 3D IP program was delayed due to the current Covid-19 pandemic.

ANALYSIS OF FINANCINGS (cont'd…)

Disclosed Use of Proceeds (other than working capital)	Company Achievements	Reasons for Variation
April 17, 2019 News Release: (1) Property acquisitions. (2) Technical report. (3) Costs associated with obtaining shareholder and Exchange approval of the option to acquire Altamura Copper Corp.	(1) A payment was made subsequent to the year ended May 31, 2019 with regard to the acquisition of the Rossy concession. (2) The Technical Report dated August 22, 2019 and titled "Technical Report Geology, Mineralization, and Exploration of the Santo Tomás Cu-(Mo-Au-Ag) Porphyry Deposit Sinaloa, Mexico" authored by "D. A. Bridge, P. Geol." was completed. (3) The Company obtained shareholder approval of the option to acquire Altamura Copper Corp. on December 19, 2019.	(1) Further property acquisition payments are due after the vendor obtains approval from a Mexican tax authority (the "SAT") of a standard payment plan for the payment of outstanding concession duties for the mineral concession being acquired. Preliminary approval was granted by the SAT in September, 2020.

Disclosed Use of Proceeds (other than working capital)	Company Achievements	Reasons for Variation
August 6 + Sept 19, 2019 News releases (1) To improve and develop road access to the North and South Zones at Santo Tomas. (2) Construct an exploration camp on the West Bench of the property. (3) Work campaign on the property involving ground geophysical and geological survey preparation. (4) Including 3D Induced Polarization programs. (5) For aspects of project permitting. (6) Scoping of water and power needs, sources and costs.	(1) The road access to both the North and South Zones has been repaired and upgraded. (2) An existing camp has been repaired and upgraded to house 22 persons, and an additional mobile line-cutting camp has been erected on the North Zone. (3) Technical work has been done within a grid measuring 2.3 by 5.5 km in preparation for the 3D IP geophysical survey which has now commenced. (4) DIASGeo, a technical service provider has now commenced the 3D IP survey. (5) The Company has retained an Environmental Consultant who provides advice on the permitting requirements for the road work, camp construction and ground geophysical survey, and who is in the process of completing applications for permits for the Phase 1 drill program and the construction of a related drill camp on the Property. (6) Preliminary water and power options are being reviewed.	(2) The construction of a new camp on the west bench site was dropped in favour of repairing and upgrading an existing Huites fishing camp, with boat access to the property in order to provide more accessible accommodation. (3) After delays caused by the Covid19 pandemic, the Company commenced the 3D IP survey in September, 2020. (6) Engineered costings are premature at this time, but are underway on an informal basis. Delays due to the Covid-19 global pandemic have and are anticipated to continue to slow down and delay project work and result in added working capital and G&A requirements, but not to affect the Company's ability to achieve its business objectives and milestones

LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2020, the Company had a working capital deficit of $519,927 as compared with working capital of $71,328 at the year ended May 31, 2019.

As at May 31, 2020, the Company held marketable securities of $215,031, which included 5,601,250 shares of Goldgroup (the "Goldgroup Shares") valued at $143,031.

During the year ended May 31, 2020, the Company issued 3,000,000 units at a price of $0.45 per unit by way of a private placement for total proceeds of $1,350,000, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire an additional common share at a price of $0.70 per common share, for a period of 24 months from the date of issue. The Company paid a total of $9,149 in cash for fees.

The Company also issued 2,500,000 units at a price of $0.30 per unit by way of a private placement for total proceeds of $750,000, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire an additional common share at a price of $0.42 per common share, for a period of 24 months from the date of issue. The Company paid a total of $12,887 in cash for fees.

The Company also issued 4,075,000 shares at a price of $0.16 per share, and 50,000 shares at a price of $0.32, for total proceeds of $668,000, by way of the exercise of share purchase warrants. The Company also issued 400,000 common shares at a price of $0.20, for proceeds of $80,000, by way of an exercise of incentive share purchase options.

Subsequent to May 31, 2020, the Company:

i. issued 5,500,000 units at a price of $0.30 per unit by way of a private placement for total proceeds of $1,650,000, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire an additional common share at a price of $0.42 per common share, for a period of 24 months from the date of issue; and
ii. issued 12,100,000 units at a price of $0.60 per unit for total proceeds of $7,260,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, exercisable at a price of $0.90 per common share, for a period of two years from the date of issue, subject to acceleration. The Company paid a total of $6,000 in cash for finder's fees.

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

During the year ended May 31, 2020, the Company entered into transactions with related parties as follows:

(a) paid or accrued management and directors fees totalling $157,500 to a company controlled by Craig Dalziel, President and CEO of the Company, for management and other services, and to Mr. Dalziel directly for Mr. Dalziel's services as director of the Company;
(b) paid or accrued consulting fees totalling $22,500 to a company controlled by Craig Dalziel, for project research services;
(c) paid or accrued professional and consulting fees totalling $132,000 to David Rose, Corporate Secretary of the Company, for legal and management consulting services provided to the Company;
(d) paid or accrued consulting and directors fees totalling $43,000 to a company controlled by Steve Vanry, Chief Financial Officer of the Company, and to Mr. Vanry directly, for his services as Chief Financial Officer and director;
(e) paid or accrued directors fees totalling $8,500 to Robert Friesen for Mr. Friesen's services as a director;
(f) paid or accrued directors fees totalling $8,000 to Stephen Leahy for Mr. Leahy's services as a director; and
(g) paid or accrued management fees totalling $25,250 to a company controlled by Ian Graham, a director of the Company, and recorded share-based payments of $9,833 to Ian Graham.

As at May 31, 2020, $319,386 was owing to officers and directors for directors, management, consulting, legal and accounting fees. These charges were measured by the exchange amount, which is the amount agreed upon by the related parties. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms. The above transactions were incurred in the normal course of operations and are recorded at the exchange amount, being the amount agreed upon by the transacting parties.

CONTRACTUAL OBLIGATIONS

The Company has no material capital lease agreements and no material long term obligations other than those described above or in the description of mineral properties.

RISKS AND UNCERTAINTIES

The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all of the risks inherent in the mineral exploration and mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Activities of the Company may be impacted by the spread of COVID-19.

The Company's business could be adversely affected by the effects of the recent outbreak of respiratory illness caused by the novel coronavirus ("**COVID-19**"). Since early March 2020, several significant measures have been implemented in Canada, Mexico and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Mexico), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2020. While the impact of COVID- 19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the duration and impact on its planned feasibility study, cannot be reasonably estimated at this time.

The Company has a history of losses and may not be able to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis.

The Company has no history of revenue or earnings from operations. The Company is an exploration stage company and no cash flow or operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. As such, the Company has had negative cash flow since the date of its incorporation and is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The Company expects to continue to expend substantial financial and other resources on exploration and development of the Santo Tomas Project. These investments may not result in revenue or growth in the business. If the Company cannot eventually earn revenue at a rate that exceeds the costs associated with its business, it will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and its revenue growth rate may decline. There is no assurance that an investor will be successful in achieving a return on an investment in the Common Shares of the Company and the likelihood of success must be considered in light of its early stage of development. If the Company fails to eventually earn revenue, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Company may be unable to raise the capital necessary for it to execute its strategy on favourable terms or at all.

The Company will require additional financing to advance beyond the currently planned exploration programs at the Santo Tomas in order to develop Santo Tomas and achieve commercial production. Additional funds may not be available when the Company needs them, on terms that are acceptable, or at all. If adequate funds are not available to the Company on a timely basis, it may be unable to proceed with future exploration and development of Santo Tomas or with other exploration, development or acquisition of property interests to carry out its business plan, as desired, which could materially affect the Company's business, results of operations, financial condition and prospects.

RISKS AND UNCERTAINTIES (cont'd…)

There is no assurance that the Company's exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body or develop new resources.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At this time, apart from the mineral resources on Santo Tomas, the Company does not have any properties with mineral resources.

The economics of developing copper, gold, silver and other mineral properties are affected by many factors including capital and operating costs, variations of the tonnage and grade of ore mined, fluctuating mineral markets, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the prices of copper, gold, silver or other minerals produced, the Company may determine that it is impractical to commence or continue exploration and development. Substantial expenditures are required to discover an ore-body, to establish reserves, to identify the appropriate metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, conditions for base and precious metals, the proximity and capacity of milling and smelting facilities, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals, and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for an exploitation concession. There can be no guarantee that such a concession will be granted. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

Mineral resources estimates are based on interpretations and assumptions that may not be accurate.

There are numerous uncertainties inherent in estimating quantities of mineral resources and grades of mineralization, including many factors beyond the Company's control. In making determinations about whether to advance a project to development, mineral resources and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. Mineral resources or other mineralization estimates may not be accurate.

Any material changes in mineral resources estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. Estimates of mineral resources have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for copper, gold, silver and other precious metals may render portions of the Company's resources uneconomic.

The Company may be involved in disputes related to its contractual interests in certain properties.

The Company is a party to agreements pursuant to which it may earn interests in certain properties. Title to such properties may be held in the names of parties other than the Company. Any of such properties may become the subject of an agreement which conflicts with the agreement pursuant to which the Company may earn its interest, in which case the Company may incur expenses in resolving any dispute relating to its interest in such property and such a dispute could result in the delay, indefinite postponement of further exploration and development of properties or the possible loss of such properties.

The Company's operations are subject to extensive environmental, health and safety regulations.

The Company's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution.

RISKS AND UNCERTAINTIES (cont'd…)

The Company's operations are subject to extensive environmental, health and safety regulations. (cont'd…)

Environmental laws and regulations are complex and have become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation permits. Although the Company makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge the Company's future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations. While the health and safety of its people and responsible environmental stewardship are top priorities for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

The Company's future success depends on its relationships with the communities in which it operates.

The Company's relationships with the communities in which the Company operates are critical to ensuring the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGOs**"), some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Violence and other criminal activities in Mexico could have an adverse effect on the results and the financial condition of the Company.

Certain areas of Mexico have experienced outbreaks of localized violence, thefts, kidnappings and extortion associated with drug cartels and other criminal organizations in various regions. Any increase in the level of violence, or a concentration of violence in areas where the projects and properties of the Company are located, could have an adverse effect on the results and the financial condition of the Company.

The Company may not be able to complete acquisitions it pursues and any completed acquisitions or business arrangements may ultimately not benefit its business.

As part of the Company's business strategy, it has sought and will continue to seek new mining and development opportunities in the mining industry. In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

The mining industry is very competitive.

The Company competes with other exploration and production companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities, or are further advanced in their development or are significantly larger and have access to greater mineral resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Company is unsuccessful in acquiring additional mineral properties or qualified personnel, it may not be able to grow at the rate it desires, or at all.

The Company's competitors may be able to devote greater resources to the expansion and efficiency of their operations or respond more quickly to new laws and regulations or emerging technologies than the Company. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company is subject to government regulation and failure to comply could have an adverse effect on the Company's operations.

The Company's operations, exploration and development activities are subject to extensive foreign federal, state and local laws and regulations governing such matters as environmental protection, management and use of toxic substances and explosives, management of natural resources, health, exploration and development of mines, production and post-closure reclamation, safety and labour, mining law reform, price controls, import and export laws, taxation, maintenance of claims, tenure, government royalties and expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. The activities of the Company require licenses and permits from various governmental authorities.

The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even those actions of parties from whom the Company acquired its mines or properties, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company retains competent and well trained individuals and consultants in jurisdictions in which it does business; however, even with the application of considerable skill, the Company may inadvertently fail to comply with certain laws. Such events can lead to financial restatements, fines, penalties, and other material negative impacts on the Company.

The Company may not be successful in obtaining and renewing government permits.

In the ordinary course of business, the Company is required to obtain and renew government permits for the operation and expansion of existing operations or for the development, construction and commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and possibly involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

The Company's exploration activities are subject to foreign currency exchange fluctuations which could result in foreign exchange losses.

Exploration activities in Canada and Mexico are subject to foreign currency exchange fluctuations. The Company raises its funds through equity issues, which are priced in Canadian dollars, and the majority of the exploration costs of the Company are denominated in United States dollars or Mexican Pesos. The Company may suffer losses due to adverse foreign currency fluctuations.

RISKS AND UNCERTAINTIES (cont'd…)

Loss of key personnel could materially affect the Company's operations and financial condition.

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's future operations and financial condition.

The Company may be subject to potential conflicts of interest with its directors and/or officers.

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest.

To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

The Company may not be able to acquire surface rights to its mineral concessions.

A mineral concession in Mexico does not confer any ownership of surface rights. The majority of the Company's mineral properties are located in remote and relatively uninhabited areas. There are currently no areas of interest within the Company's mineral concessions that are overlain by significant habitation or industrial users, however there are potential overlapping surface usage issues in some areas. Some surface rights are owned by local communities or "Ejidos", and some surface rights are owned by private ranching or residential interests. The Company will be required to negotiate the acquisition of surface rights in those areas where it may wish to develop mining operations. The Company's mineral interests are located on community or private land, and it is necessary to deal with the owners for access and any potential development or exploitation rights. There can be no assurance that the Company will be able to negotiate and acquire surface access rights on terms acceptable to the Company or at all.

Security breaches of the Company's information systems could adversely affect the Company.

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, hacking, computer viruses, security breaches, natural disasters, power loss, vandalism, theft and defects in design. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of our data, systems and networks, any of which could have adverse effects on our reputation, business, results of operations, financial condition and share price.

The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on any forward-looking statement.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

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 are, but are not limited to, the following:

Share-based payment - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

Valuation of marketable securities - The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of, and near term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow.

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Valuation of production royalty - The Company is entitled to royalty income as disclosed in Note 5 of the consolidated financial statements. The Company has estimated the value of the production royalty to be $Nil due to lack of certainty of future ongoing production and values.

CHANGES IN ACCOUNTING POLICIES

New accounting policies adopted

The following standards and amendments to existing standards have been adopted by the Company effective June 1, 2019:

IFRS 16, Leases

This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. There was no impact on the condensed interim consolidated financial statements as a result of adopting this standard.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity. There has been no significant change in the Company's objectives, policies and processes for managing its capital during the year ended May 31, 2020.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd…)

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Management of Financial Risk

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. Cash is measured at a level 1 of the fair value hierarchy. The Goldgroup shares recorded in marketable securities are measured at a level 1 of the fair value hierarchy and the BC Co. shares recorded in marketable securities are measured using level 3 of the fair value hierarchy. Investments classified within level 3 have significant unobservable inputs. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value. The investments are based on cost at time of acquisition.

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and foreign currencies. The Company does not invest in derivatives to mitigate these risks. The effect of a 10% change in the foreign exchange rate on the cash held in foreign currencies at May 31, 2020 is nominal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

FINANCIAL INSTRUMENT RISK AND CAPITAL MANAGEMENT (cont'd…)

Management of Industry Risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

SUBSEQUENT EVENTS

Subsequent to May 31, 2020, the Company:

i. granted 200,000 stock options, exercisable at a price of $0.50 per common share for a period of three years, with 50,000 vesting on each of the date of grant and the 6, 12 and 18 month anniversaries of the date of grant;
ii. granted 1,800,000 stock options, exercisable at a price of $0.75 per common share for a period of three years, with vesting on grant;
iii. granted 450,000 stock options, exercisable at a price of $0.75 per common share for a period of three years, with 150,000 vesting on grant and each of the 6 and 12 month anniversaries of the date of grant;
iv. granted 150,000 stock options, exercisable at a price of $0.75 per common share for a period of three years, with 20% vesting on grant and 20% each of the 3, 6, 9, and 12 month anniversaries of the date of grant;
v. issued 2,565,000 common shares pursuant to the exercise of options, for proceeds of $257,625;
vi. issued 2,786,200 common shares pursuant to the exercise of warrants, for proceeds of $973,684;
vii. issued 5,500,000 units at a price of $0.30 per unit for total proceeds of $1,650,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, exercisable at a price of $0.42 per common share, for a period of two years from the date of issue, subject to acceleration, and issued 40,800 finder's fee warrants with the same terms and conditions as the unit warrants;
viii. issued 12,100,000 units at a price of $0.60 per unit for total proceeds of $7,260,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, exercisable at a price of $0.90 per common share, for a period of two years from the date of issue, subject to acceleration. The Company paid a total of $6,000 in cash for finder's fees and issued 575,000 finder's warrants. Each finders' warrant entitles the holder to purchase one common share at a price of $0.60 per common share, for a period of two years from the date of issue, subject to acceleration;
ix. paid US$100,000 as per the Contingency Fee Agreements (Note 6(a));
x. paid US$50,000 as per the Data Agreement (Note 6(a)); and
xi. paid US$20,000 as per the Rossy Agreement (Note 6(a)).

OTHER MD&A DISCLOSURE REQUIREMENTS

Disclosure by Venture Issuer without significant revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the Financial Statements to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company's mineral properties is disclosed in the annual Financial Statements to which this MD&A relates.

Share Capital

As at September 28, 2020, the Company had 170,318,605 common shares, 5,985,000 incentive stock options, and 12,816,100 share purchase warrants outstanding.

Information Available on SEDAR

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

September 28, 2020

"*Craig Dalziel*" CEO