Eloro Resources Ltd.
Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Eloro Resources Ltd. (the "Company") for the 3 months ended June 30, 2019 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes.

The MD&A is the responsibility of management and is dated as of August 27, 2019.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

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

Forward-Looking Statements
This MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this MD&A.

See page 9 for *Material assumptions and risk factors for forward-looking statements*.

The Company
The Company is a Canadian-based gold exploration and development company with a gold-silver property in Peru and base metal properties and royalties in the province of Quebec.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on Tier 2 of the TSX Venture Exchange ("TSXV") under the symbol ELO and on the Frankfurt Stock Exchange under the symbol WKN 909833.

Overall Performance

Grant of option for a 25% interest in La Victoria
The Company owns an 82% interest in La Victoria and EHR Resources Limited ("EHR") owns an 18% interest in La Victoria. The Company has granted an option to EHR to increase its interest to 25%. The option agreement provides that EHR will have 45 days from the date that the Company receives all permits required to commence drilling at San Markito to provide written notice of its intention to proceed to increase its interest to 25%, failing which, the option will expire. In order to increase its interest, EHR must incur exploration expenditures of $1,400,000 during the 6 months from 45 days from the date that the Company receives all permits required to commence drilling at San Markito.

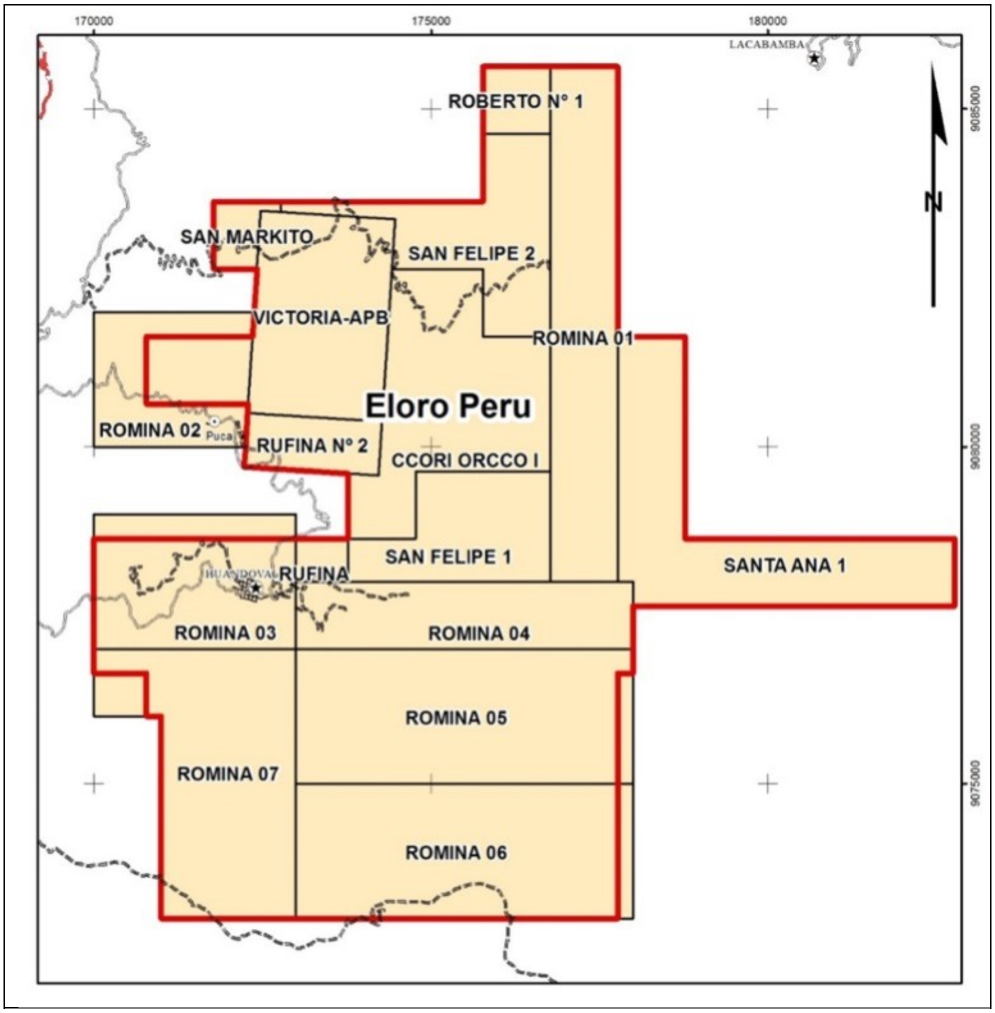
Upon the earlier of EHR deciding to maintain an 18% interest in La Victoria or earning a 25% interest in La Victoria, a joint venture, with the Company as operator, will be formed to explore and develop La Victoria. If the Company or EHR does not fund its proportionate share of expenditures, its respective interest will be diluted and when its interest is diluted to less than 10%, the party's interest shall be reduced to a 2% net smelter royalty on all production. The other party will have the option to reduce the royalty from 2% to 1% by making a payment of $3,000,000.

If either the Company or EHR acquires an interest in any property within 5 kilometres of La Victoria, the acquirer must offer the other party the opportunity to participate in the acquisition up to its participating interest.

In the event the Company or EHR proposes to sell any interest in La Victoria to a third party, the other party has a right of first refusal to match the terms and conditions of the proposed sale. In the event that the Company proposes to sell a majority of its interest in La Victoria to a third party, the Company must first consult with EHR about the identity of the third party and the proposed terms of sale and if the Company proceeds with the sale, EHR will be obliged to sell its interest to the third party on a pro rata basis in accordance with the terms of the sale to the third party.

Ongoing Exploration at La Victoria
La Victoria is a gold-silver property covering 8,933 hectares, consisting of 9 concessions covering 3,533 hectares (Ccori

Orcco 1, Roberto N°1, Rufina, Rufina N° 2, San Felipe 1, San Felipe 2, San Markito, Santa Ana 1 and Victoria-APB) and 7 claims covering 5,400 hectares (Romina 01, 02, 03, 04, 05, 06 and 07) in the Huandoval District, Pallasca Province, Ancash Department, in the North-Central Mineral Belt of Peru.



A National Instrument 43-101 Technical Report ("Technical Report") on La Victoria was filed on September 7, 2016, authored by Luc Pigeon, M.Sc., P.Geo. The Technical Report was filed as one of the terms precedent to the acquisition of La Victoria and is available under the Company's profile on SEDAR (www.sedar.com).

As outlined in the Technical report, four principal mineralized zones are identified at La Victoria: San Markito, Rufina, Victoria and Victoria South. The Rufina and San Markito zones were the most advanced targets and were recommended for drilling whereas the Victoria and Victoria South zones are at an early exploration stage. In general, mineralization occurs within breccias and veins that contain significant gold and silver concentrations and trace element characteristics that are compatible with epithermal deposits especially the low sulphidation type.
La Victoria is located within a prolific epithermal gold deposit belt that extends from Cajamarca to Ancash and includes such gold deposits as Yanacocha, Lagunas Norte and La Arena. The La Arena mine is located 50km northwest of the property.

At the Rufina mineralized zone, five vein sets of 20m to 70m in width were identified at the Rufina West mineralized zone, with lengths ranging from 10m to possibly 500m, with an average exposure of some 150m. Vein sets are composed of iron oxide-quartz-arsenopyrite-hydroxide-sulphate minerals in veinlet swarms, stockworks, and breccia zones. Veins are dominantly tensional, and are characterized by open space filling fabrics. Mineralization below the oxidation layer contains pyrite, bornite, chalcopyrite, and arsenopyrite.

Structural settings include faults and fractures bounded by brittle-ductile fault systems and shear zones. They are well developed in intrusive rocks as well as underlying sediments of the Chicama Fm.

The 2D inverse geophysical interpretation from the induced polarization survey shows that the high resistance diorite (the main mineralized lithology present on the Rufina zone) is concentrated near the surface and is underlain by conductive and chargeable sedimentary rocks. There appears to be a chargeability anomaly concentrated along the contact between the diorite and the underlying Chicama Fm sediments; since the anomaly also shows a higher resistivity value than what is usual for the Chicama Fm, it is interpreted to be mineralization along the contact; this is a high-priority drill target.

The San Markito mineralized zone is approximately 1,300m long and 400m wide and is open along strike to the northwest. Mineralization occurs within breccias and veins that strike northwest and dip to the northeast at between 55 and 80 degrees. The breccias vary in lengths between 30m and 200m with widths between 5m and 20m; veins are between 20cm and 1.0m in width and have been traced up to 160m, although most identified veins are between 10m and 20m long. The breccia mineralization is composed of quartz, pyrite, arsenopyrite, iron-oxide, malachite and other secondary oxides and sulphates minerals whereas the vein mineralization is composed of quartz, arsenopyrite, chalcopyrite, pyrite, iron oxides (limonite), hydroxides (goethite) and sulphate (jarosite).

The Victoria South zone is located between San Markito and Rufina zones. The host rocks are dominantly the Upper Jurassic Chicama Formation. The zone is comprised of structural vein sets ranging between 5 to 30m in width composed of iron and manganese oxides, quartz, arsenopyrite, pyrite and goethite. Most of the vein sets are bounded by faults and shear zones, with a dominant E-W east-west strike and subvertical to vertical dips. Vein lengths range from 5m to possibly 50m, and between 1cm and 40cm in width, averaging 20cm. The main vein system is the San Carlos which was exploited for about 50m along strike. It consists of 2-3 quartz veins with abundant gossan, limonite, drusy quartz and arsenopyrite in a shear zone.

The Victoria Au-Ag zone is located east of the San Markito zone within the Victoria intrusion QFP and diorite rocks near the contact with the sedimentary rocks of the Chimu Fm. Mineralized structures vary from 10 m to 100 m and widths vary from 0.1 m to 0.9 m. Surface vein material is composed of anhedral quartz and secondary iron oxide and hydroxide minerals producing a distinctive dark brown to rusty yellowish-brown color.

Work completed to date continues to confirm the presence of a major epithermal system with multiple stages of mineralization in the San Markito-Victoria area in the northern part of the La Victoria property. The intensity of alteration and the wide range of styles of mineralization is very encouraging.

As part of a continuing review of the surface geology of the La Victoria property and environs, a large tract of land bordering the Rufina 2 Concession to the south was seen to host geology similar to what is seen on the Ccori Orcco Concession, and mining rights were available to acquire by staking. This property acquisition makes the Company one of the largest holders of mining rights in the northern Ancash Department section of the North-Central Peru Mineralized Belt.

In addition, extensive new mineral claims have been registered by major corporations since January 1, 2017, demonstrating a new influx of some of the world's largest and best-known mining companies entering into the northern Ancash Department. These holdings are located to the south, east, and north of the La Victoria property that continues the trend started in July of 2016 by First Quantum Minerals Ltd, which registered 14,100 ha (141 sq. km) in 15 mining claims southeast of La Victoria.

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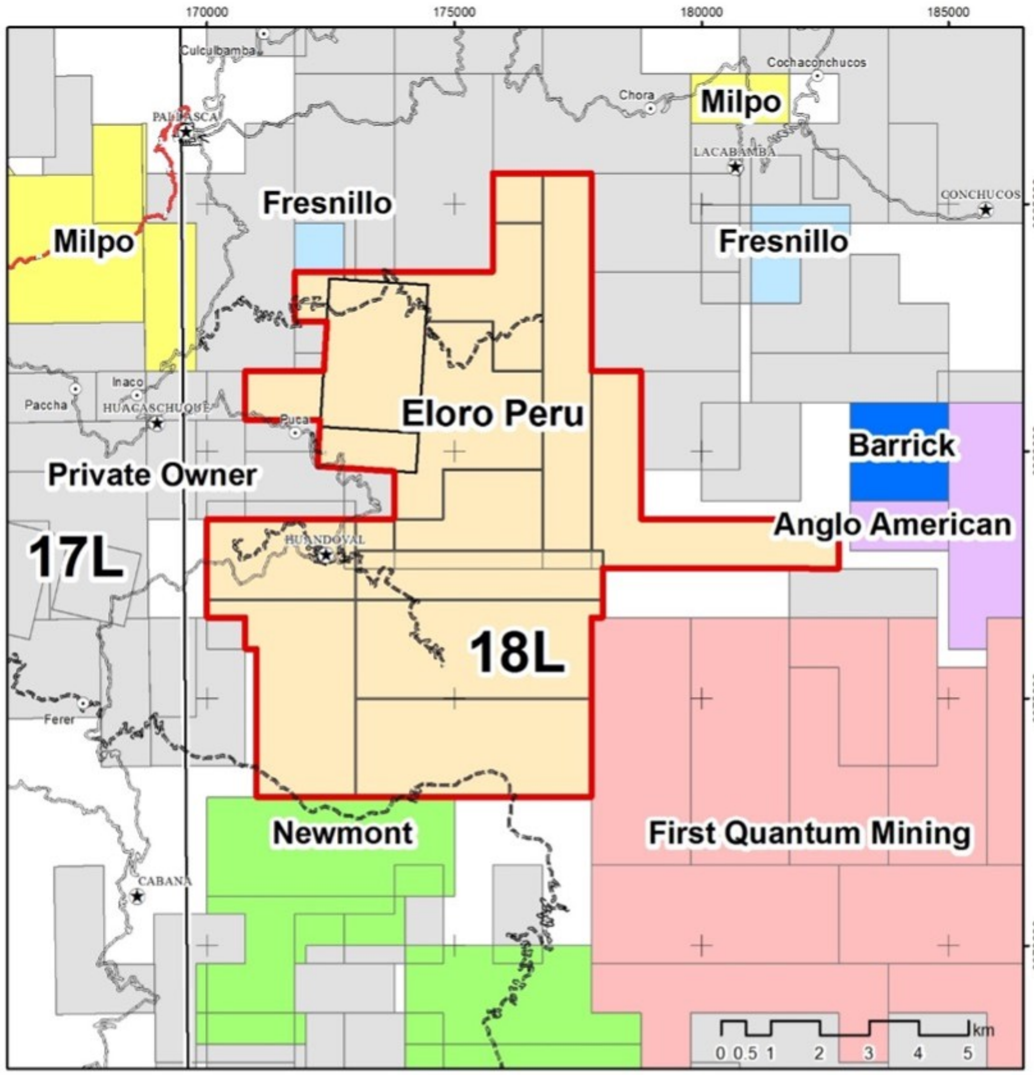

On January 16, 2018, the Company announced it had completed 2,261m of reconnaissance diamond drilling in 8 holes at the Rufina Zone. Highlights include (all core lengths):

- 3.46 g Au/t over 7.4m including 7.31 g Au/t over 3.4m and 2.73 g Au/t over 1.5m in Hole ERU-02
- 2.10 g Au/t over 4.5m including 4.31 g Au/t over 1.6m and 2.73 g Au/t over 1.5m in Hole ERU-04
- 1.86 g Au/t over 3.0m including 4.31g Au/t over 1.0m in Hole ERU-01
- 2.83 g Au/t over 1.0m in Hole ERU-03
- 1.92 g Au/t over 1.40m over 1.4m in Hole ERU-09A
- 0.66 g Au/t over 5.0m including 8.67 g Au/t over 0.4m in Hole ERU-09A
- 0.35 g Au/t over 19.5m in Hole ERU-04

Drill holes ERU-01, -02, -03, -04 and -09 intersected a major gold-bearing low sulphidation epithermal system extending approximately 350m along strike. This system is characterized by quartz and sulphide veins/veinlets, mineralized hydrothermal breccia and silicification in dioritic rocks that is overprinted by a later more base metal-rich epithermal phase. It is concluded that the initial reconnaissance drilling tested the upper part of an extensive gold-bearing epithermal system.

All of the reconnaissance drill holes intersected wide zones of mineralization and alteration with a significant number of gold intersections in different structures. This initial drilling intersected the upper part of a classic “flower structure” hence further drilling needs to be deeper to test for potential bonanza-style gold mineralization. Dioritic rocks, which are the principal hosts for gold mineralization, were intersected in all but one (ERU-08) of the holes reported. These intrusives are marked by prominent magnetic anomalies. The Company’s completed ground magnetic survey which extended coverage in the south part of the property has identified an additional 8 likely prospective intrusives bringing the total to 18 including those already confirmed as major target areas. The principal target area covers 6 kilometres by 3 kilometres in a major tectonic block, the Rufina-Victoria Block, in the central-eastern part of the property.

The drill holes at Rufina were selected to provide complete sections across the strike length of the target zone to test the major NE and NW striking mineralized structures as well as north-south structures identified in surface geological mapping. Geological work shows that there is an extensive multi-phase low sulphidation epithermal gold mineralizing system on the La Victoria property centred around the Puca Fault that extends from Rufina north-eastwards to Victoria-Victoria South, a distance of at least 2.5 kilometres. Gold mineralization occurs in a variety of structural settings both parallel to the northeast trending Puca Fault as well as perpendicular along likely tear faults related to this structure. Mineralization has been identified vertically over 1 kilometre from elevation 3100 metres at Rufina to elevation 4200m at San Markito as well as along strike on different structures for up to 3+ kilometres.

On June 6, 2018, the Company announced that, together with EHR, they were proceeding with a drilling program to test the Rufina and San Markito target areas. On August 13, 2018, the Company further announced it had completed three diamond drill holes totalling 1,242m testing the Rufina East target area. It was decided that the three holes, ERU-10, ERU-11 and ERU-12 provided a sufficient test of the target area where significant gold values had been intersected in surface sampling. Highlights include:

- 3.71 g Au/t over 1.40m from 367.0m to 368.3m in ERU-10
- 3.00 g Au/t over 0.60m from 105.7m to 106.3m in ERU-10
- 1.80 g Au/t over 0.6m from 319.8m to 320.4m in ERU-11
- 1.33 g Au/t over 1.3m from 88.3m to 89.6m in ERU-11
- 0.83 g Au/t over 1.5m from 161.7m to 163.2m in ERU-12
- 0.86 g Au/t over 0.5m from 126.6m to 127.1m in ERU-12

A complete summary of the drilling results were provided in the August 13, 2018 news release, available under the Company's profile on SEDAR and on its website.

The drilling by the Company at Rufina is the first diamond drilling ever carried out on the property. The first and second phases which comprised twelve drill holes totalling 4,281m (see press releases January 16, 2018 and June 6, 2018), were designed to provide complete sections across up to 500m strike length of the target zone to test the major NW and NE-SW striking mineralized structures identified in the surface geological mapping. All the reconnaissance drill holes intersected extensive zones of mineralization and alteration, including more than sixty anomalous gold intervals distributed in about 40 mineralized structures. Many of these structures correlated with zones mapped on surface. Gold mineralization and alteration at Rufina occurs over 600 m in width, over 700 m in vertical extent and about 600 m along strike.

Results of Data Reanalysis

On March 11, 2019 the Company announced drill results from the La Victoria diamond drill program that arose from a detailed in-house scientific analysis of the two-phase diamond drilling project that was completed. The reanalysis was done as part of an internal QA/QC audit from the 4,216m of drilling from 12 diamond drill holes and to that end, the Company is proceeding with an internal resource modelling exercise of the reinterpreted data.

The highest-grade sample taken from the La Victoria project assayed 63.8 g/t gold, 57.7 g/t silver, and 0.77% copper, with >1% arsenic (see the Company's News Release dated August 12, 2015). Hand samples showed a preponderance of arsenopyrite, which could be the source of the gold. A complete statistical analysis was done on the drill results and a stronger correlation was found between gold and arsenic than was found between gold and silver. No correlation was found between gold and iron or sulphur, which suggests pyrite is not mineralized with gold.

Plotting anomalous arsenopyrite ranges in the drill hole assay data shows that there are at least three principal mineralized bands at the Rufina West target that correlate between drill holes, having been confirmed by holes in both east and west directions. Data suggests a subvertical orientation to the zones, similar to the structural orientation of mineralized fractures seen in surface mapping and sampling on the Rufina West sector (see the Company's News Release dated April 4, 2018). Mineralization is dominantly found in hydrothermal breccias at La Victoria, as in the nearby Shahuindo Gold Deposit, owned by Pan American Silver Corp., where a similar arsenic/gold relationship defines part of the suite of mineralization.

Strongly anomalous arsenopyrite values correlate with enhanced gold values over a 109m vertical range, from approximately 3136m to approximately 3245m in the drill results. This is the same elevation range as the surface samples collected in 2015 and 2016 from the Rufina West mapping and sampling programs. Integration of these data suggest that this range is the primary mineralized zone ("boiling zone"), characteristic of epithermal gold deposits and targeted in the drill program.

A complete list of tables of intersections based on defined ranges of arsenopyrite content and elevations of each intersection, within the target zone of 3136m to 3245m are provided in the Company's March 11, 2019 news release. The lower grade intersections further demonstrate the strong arsenopyrite-gold association and provide important data for vectoring into high grade zones.

On March 22, 2019, the Company announced the results of detailed mineral determination studies from representative rock samples collected from three mineralized sectors at La Victoria. The studies confirm free gold, free silver, sulphide gold and silver, and alloy gold and silver occur in a complex suite of sulphide mineralization at La Victoria, as suggested from drill data.

Future Exploration
Results to date at Rufina are considered positive and provide indications of a large-scale epithermal gold mineralized system at La Victoria, however further drilling needs to focus on the likely overall major core area which is believed to be San Markito. San Markito is the best target zone identified thus far on the property, where gold and silver mineralization are found in an extensive symmetric alteration zone within both the favourable Chimú Formation sediments and dioritic intrusives. This target will be the focus of further drilling at La Victoria going forward. Work is continuing to obtain final drill permits for San Markito.

For additional technical information on the La Victoria Project, the reader is referred to the NI 43-101 Technical Report on the La Victoria Au-Ag Property, Ancash, Peru filed under Eloro's profile on SEDAR (www.sedar.com).

Further exploration programs at La Victoria are contingent upon continued funding from EHR and the Company raising an adequate amount of financing.

Risks and Uncertainties
The Company is in the exploration stage and has no revenue. During the 3 months ended June 30, 2019, the Company recorded a loss of $243,555 and as at that date, the Company had accumulated deficit of $27,667,177, working capital deficiency of $163,548 and a cash flow deficit from operations of $197,414. These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company is exposed to the inherent risks associated with mineral exploration and development, including the uncertainty of mineral resources and their development into mineable reserves; the uncertainty as to potential project delays from circumstances beyond the Company's control; and the timing of production; as well as title risks, risks associated with joint venture agreements and the possible failure to obtain mining licenses.

The Company is exposed to commodity price risk. A significant decline in precious and base metal commodity prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource properties.

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Results of Operations

	3 months ended June 30, 2019 $	2018 $
Expenses		
Professional fees	6,250	6,400
Consulting fees	70,370	54,000
Stock-based compensation	–	139,000
Investor relations and marketing	23,344	88,794
General and office	31,533	40,265
Travel	17,462	13,964
Depreciation	10,659	–
Interest	1,709	–
Foreign exchange loss	11,733	–
Gain (loss) on sale of marketable securities	(9,410)	189,468
Unrealized loss (gain) on marketable securities	75,550	(157,545)
Impairment of exploration and evaluation	4,395	2,225
Refundable tax credit notices of assessment	11,733	–
Other	(9,410)	(6,880)
	243,555	369,693
Loss	(243,555)	(369,693)

3 months ended March 31, 2019

The Company recorded a loss of $243,555 for the 3 months ended June 30, 2019 compared to a loss of $369,693 for the comparative period in the previous year. The decrease in the loss was primarily due to the following factor:

a) a decrease in stock-based compensation as no stock options were granted in the current period.

Summary of Quarterly Results

	Q2 2018 $	Q3 2018 $	Q4 2018 $	Q1 2019 $	Q2 2019 $	Q3 2019 $	Q4 2019 $	Q1 2020 $
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	189,136	340,298 (note 1)	264,510	369,693	95,282 (note 2)	79,388	220,300 (note 3)	243,555 (note 4)
- Per share	0.01	0.01	0.01	0.01	–	–	0.01	0.01

Note 1: Loss included stock-based compensation of $72,000.
Note 2: Loss included stock-based compensation of $124,000.
Note 3: Loss for Q2 2019 included a gain on settlement of accounts payable of $125,060 which was reversed in Q4 2019.
Note 4: Loss for Q1 2020 includes an unrealized loss on marketable securities.

Liquidity and Capital Resources

At June 30, 2019, the Company had a cash balance of $24,754, marketable securities with a fair value of $81,350 and an amount due from Cartier Iron Corporation of $79,264.

As the Company is in the exploration stage and has no revenue, the Company has financed its operations with the proceeds of equity financings. The Company is dependent upon the support of its creditors and the Company's ability to secure equity financings to meet its existing obligations and to fund its working capital requirements and the acquisition, exploration and development of mineral resource properties.

Estimated working capital requirements for 2020	$
Corporate and general (note1)	500,000
Accounts payable and accrued liabilities at March 31, 2019, excluding amounts owed to related parties	199,000
	699,000

Note 1: Excluding consulting fees to management, the payment of which is being deferred, corporate and general costs for the years ended March 31, 2019 and 2018 were approximately $452,000 and $575,000, respectively. For the year ended March 31, 2020, the Company estimates its corporate and general costs of approximately $450,000.

At June 30, 2019, accounts payable and accrued liabilities were $417,000, of which, $248,000 represents consulting fees owed to related party management and consultants, the payment of which is being deferred. Accordingly, the accounts payable and accrued liabilities to non-related parties is approximately $169,000.

Management is of the opinion that sufficient working capital will be obtained from equity financings to meet the Company's liabilities and commitments as they become due. In the event that the Company is not able to obtain sufficient working capital from equity financings, the Company could consider selling marketable securities.

Transactions with Related Parties

	3 months ended June 30, 2019 $	**Outstanding as at June 30, 2019 $**
Consulting fees		
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	24,000	8,145
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	15,000	60,000
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	15,000	60,000

Changes in accounting policies

On April 1, 2019, the Company adopted *IFRS 16, Leases* ("IFRS 16"). According to IFRS 16, a contract is, or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. With exceptions for certain short-term leases and leases of low-value assets, IFRS 16 requires a lessee to recognize lease contracts as a right-of-use asset representing its right to use an identified asset for a period of time and a lease liability representing its obligation to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information which continues to be reported under *IAS 17, Leases*.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. Right-of-use assets are subsequently depreciated from the commencement date of the lease to the earlier of the end of the lease term or the end of the useful life of the asset The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The Company is a party to a lease for offices premises until December 31, 2021. At April 1, 2019, the Company used its incremental borrowing rate of 6% to measure its lease liabilities.

	$
Lease commitments at March 31, 2019	127,479
Discount using the incremental borrowing rate of 6%	(10,231)
Lease liabilities recognized at April 1, 2019	117,428

At April 1, 2019, the impact of adopting IFRS 16 on the Company's statement of financial position was as follows:

	$
Assets	
Right-of-use asset	117,428
Liabilities	
Current	
Current portion of lease liabilities	40,421
Lease liabilities	70,007
	117,428

Financial instruments and risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash balances. The maximum exposure to credit risk is equal to the balance of cash and due from Cartier.

The Company's limits its exposure to credit risk on its cash by holding its cash in deposits with high credit quality Canadian chartered banks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms.

The Company has no revenues and relies on financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments. The Company is exposed to equity price risk with respect to marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at June 30, 2019 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by$8,135.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the Company has no interest-bearing debt.

Capital management

Capital of the Company consists of share capital, warrants, contributed surplus, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

Material assumptions and risk factors for forward-looking statements.

The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Page	Forward-looking statement	Assumption	Risk factor
7	Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from equity financings to meet the Company's liabilities and commitments as they become due."	Equity financings will be obtained.	The Company is unable to obtain future financing to meet liabilities and commitments as they become due.

Other Information

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs, capitalized or expensed exploration and development costs of the Company for the years indicated.

	3 months ended June 30, 2019 $	2018 $
General and office expenses		
Rent	2,656	11,413
Office	10,930	15,843
Insurance	8,183	5,450
Public company costs	9,765	7,559
	31,535	40,265

Exploration and evaluation

	March 31, 2019 $	Expenditures $	Writedown $	June 30, 2019 $
Property				
La Victoria	4,761,752	91,814	–	4,853,566
Other	–	4,395	(4,395)	–
	4,761,752	96,210	(4,395)	4,853,566

Shares Outstanding as at August 27, 2019

Shares
Authorized:
An unlimited number of common shares without par value.
An unlimited number of redeemable, voting, non-participating special shares without par value.

Outstanding:
36,642,262 common shares

Warrants

Exercise price	Expiry date	Number of warrants
$0.40	October 17, 2019	3,000,000
$0.60	July 30, 2020	375,000
		3,375,000

Stock options
The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSXV. The maximum term for stock options is 5 years and stock options granted vest immediately.

Authorized:
3,664,226 stock options.

Outstanding:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
$0.10	January 29, 2020	1,050,000
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
$0.55	January 27, 2022	1,225,000
$0.77	February 7, 2022	100,000
$0.75	April 7, 2022	100,000
$0.87	November 30, 2022	200,000
$0.70	June 12, 2023	150,000
		3,125,000

Restricted Share Unit Plan ("RSU Plan")
The Company adopted the RSU Plan, which was accepted by the TSXV on October 26, 2017, following the approval of the Company's shareholders on September 30, 2017. The maximum number of common shares in the capital of the Company which may be reserved for issuance under the RSU Plan at any time is 3,200,000, and in combination with all share compensation arrangements, including the Company's stock option plan, will not exceed 20% of the issued and outstanding common shares in the capital of the Company. To date no RSUs have been issued pursuant to the RSU Plan.

Authorized:
3,200,000 common shares.

Outstanding:
None.