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, 2020 and should be read in conjunction with the condensed interim consolidated financial statements and the accompanying notes.

The MD&A is the responsibility of management and is dated as of August 31, 2020.

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 polymetallic property in Bolivia, 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

Private placements

On May 20, 2020, the Company completed a private placement of 2,200,000 units at a price of $0.25 per unit for proceeds of $550,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until November 20, 2021. In connection with the private placement, the Company paid a commission of $5,679 and issued 22,750 broker warrants with the same terms as the unit warrants. Directors and officers acquired 245,000 units.

On June 9, 2020, the Company completed a private placement of 5,000,000 units at a price of $0.30 per unit for proceeds of $1,500,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until June 9, 2022. In connection with the private placement, the Company paid a commission of $2,100 and issued 7,000 broker warrants with the same terms as the unit warrants.

In connection with the purchase of 4,500,000 units, the Company granted the right for the subscriber to maintain its percentage holding of common shares by participating in any private placement of common shares or units until June 9, 2023.

Grant of stock options

On June 10, 2020, the Company granted 1,005,000 stock options to directors, officers, employees and consultants, entitling the holders to exercise each stock options and purchase one common share for $0.60 until June 10, 2025.

Grant of interest in Minera Tupiza SRL
On July 29, 2020, the Company granted a 2% interest in its wholly-owned Bolivian subsidiary, Minera Tupiza SRL ("Minera Tupiza") to Osvaldo Raúl Arce Burgoa ("Arce Burgoa"), an officer of Minera Tupiza. The Company has an option to increase its interest in Minera Tupiza by purchasing a 1% interest from Arce Burgoa for US$3,000,000. The Company also has the right of first refusal to acquire any property in Bolivia that Arce Burgoa finds or acquires until one year from the date that Arce Burgoa ceases to be an officer or owner of an interest in Minera Tupiza.

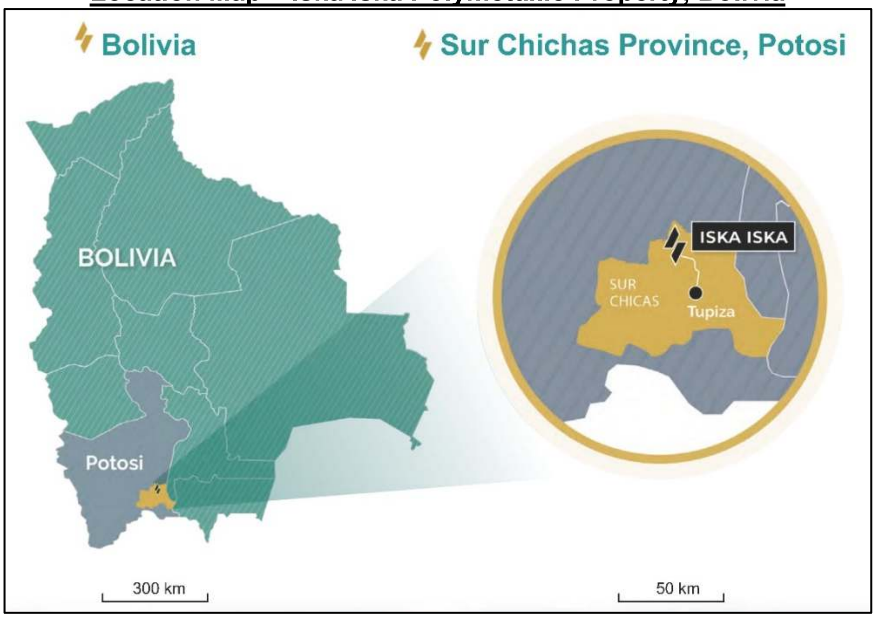
Iska Iska
On January 6, 2020, the Company signed a Definitive Agreement, whereby its Bolivian subsidiary, Minera Tupiza SRL was granted an option to acquire a 99% interest in Iska Iska, a polymetallic property consisting of one mineral concession totaling 900 hectares located in Bolivia. In order to acquire its interest in Iska Iska, the Company will conduct an exploration and development program in the 4 years ended January 6, 2024 and issue common shares and make an option payment, as follows:

	Common shares		Option payment
	Number	**$**	**US$**
February 5, 2020 (issued)	250,000	100,000	–
January 6, 2022	250,000	–	–
January 6, 2024	–	–	10,000,000
	500,000	100,000	10,000,000

During the year ended March 31, 2020, the Company made pre-acquisition exploration and evaluation expenditures of $92,980 which have been recorded in the consolidated statement of loss and comprehensive loss.

Iska Iska is located in the Sud Chichas Province of the Department of Potosi, southern Bolivia, approximately 48 kilometres ("km") north of Tupiza city. The project is road accessible and royalty-free, wholly-controlled by the title holder, Empresa Minera Villegas S.R.L. and can be classified as a polymetallic (Ag, Zn, Pb, Au, Cu, Bi, Sn, In) epithermal-porphyry complex, which is an important mineral deposit type in Bolivia. Iska Iska is within the Porvenir Concession, which is comprised of 36 cuadrículas (current mining measure unit which is used in Bolivia and which is an inverted pyramid with the inferior vertex pointing to the earth's core, with an exterior perimeter equal to 25 ha) totalling 900 hectares ("ha").

Location Map – Iska Iska Polymetallic Property, Bolivia



Iska Iska is in the southwest part of the Eastern Cordillera geological province of Bolivia, which is endowed with several major/world class polymetallic mines and mineral deposits including Chorolque, Silver Sand, San Bartolome, Pulacayo, San Cristobal, San Vicente, Tasna, Choroma and Siete Suyos.

The exploration work completed at Iska Iska to date is of a reconnaissance nature and involved geological mapping and sampling of the surface and underground workings. The five adits, already developed by the title holder, readily facilitate inexpensive and systematic exploration/evaluation of the complex. It is anticipated that mineral resources can be developed with limited, systematic, underground drilling and channel sampling, as recommended in the National Instrument 43-101 Technical Report on Iska Iska which was completed by Micon International Limited on April 27, 2020, and is available on Company's website and under its filings on SEDAR.

Geological mapping on Iska Iska by the Company has revealed the spatial and temporal zonation of alteration and vein minerals in an area of about 5 sq.km. The polymetallic mineralization occurs mainly as veins, subsidiary vein swarms, veinlets, stockworks, and disseminations, forming a subvertical vein system in both the stock and the volcanic and sedimentary rocks. Preliminary evaluation work including 42 channel samples in underground and on surface workings returned significant results as summarized below. All of the channel samples included altered wall rock with widths ranging between 1.20 to 5.55 m, averaging 2.90 m (see the Company's press release dated October 8, 2019 for further details).

- Silver. Anomalous silver values range between 35.5-694 g/t Ag (46% of channel samples).
- Gold. Anomalous gold values range between 0.31-28.6 g/t Au (42% of channel samples).
- Zinc. Anomalous zinc values range between 1.05-16.95% Zn (37% of channel samples).
- Lead. Anomalous lead values range between 0.41- 16.95% Pb (49% of channel samples).
- Copper. Anomalous copper values range between 0.1->1% (22% of channel samples).
- Bismuth. Anomalous bismuth values range between 967-7,380 g/t Bi (22% of channel samples).
- Indium. Anomalous indium values range between 10.35 - >500 g/t In (34% of channel samples).

Following the completion of the NI 43-101 Technical Report, the next phase in the development is geared towards the preparation of a maiden mineral resource estimate. To ensure that the highest level of technical and commercial standards is upheld, the Company has retained Micon International Limited as Independent Engineer ("Micon") to review, on an on-going basis, all its exploration activities and data collection methods. Micon will also advise on how best to proceed with preliminary metallurgical test-work of which the results will be critical in the definition of the mineral resources.

On June 25, 2020, the Company announced that Minera Tupiza had contracted Empresa Minera Villegas SRL to start underground drill bay preparations required for the planned 3,500m underground diamond drilling program. The Company and contractor have implemented safeguards to protect personnel from the COVID-19 pandemic. It is expected that drilling can commence once Bolivia lifts lockdown restrictions. Preparations will include rehabilitation of 400 m of underground workings and preparation of drill bays in the Huayra Kasa mine and in the Mina 2 underground workings located 2 km south of Huayra Kasa. All workings will be systematically geologically mapped and channel sampled. The planned drill program will follow the outline presented in the NI 43-101 Technical Report and will be the first drilling to ever be carried out on the property. The program is designed to test the full extent of the mineralized system in the vicinity of the mine workings and the work program will be funded from the proceeds of the Company's recently completed financings.

Grant of option for a 25% interest in La Victoria

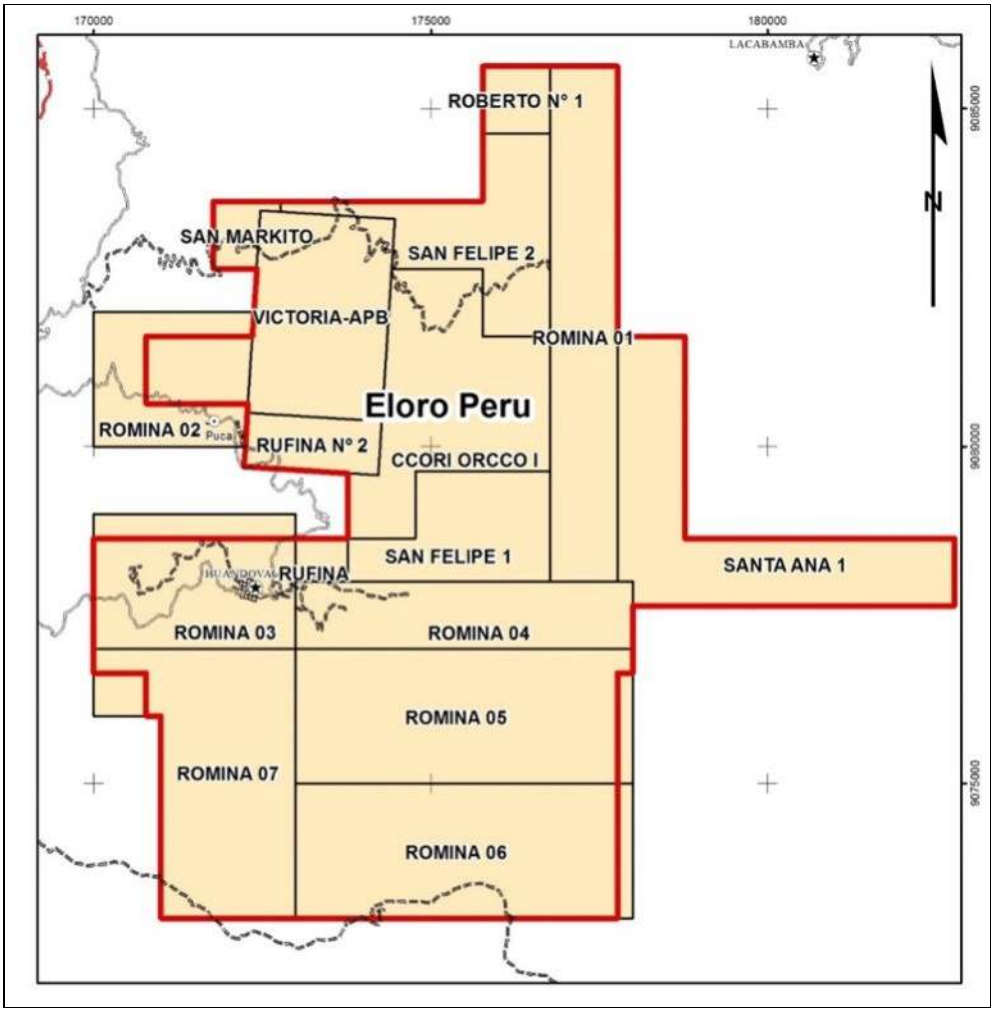
The Company owns an 82% interest in La Victoria and EHR Resources Limited ("EHR") owns an 18% interest in La Victoria. The Company has granted an option to EHR to increase its interest to 25%. The option agreement provides that EHR will have 45 days from the date that the Company receives all permits 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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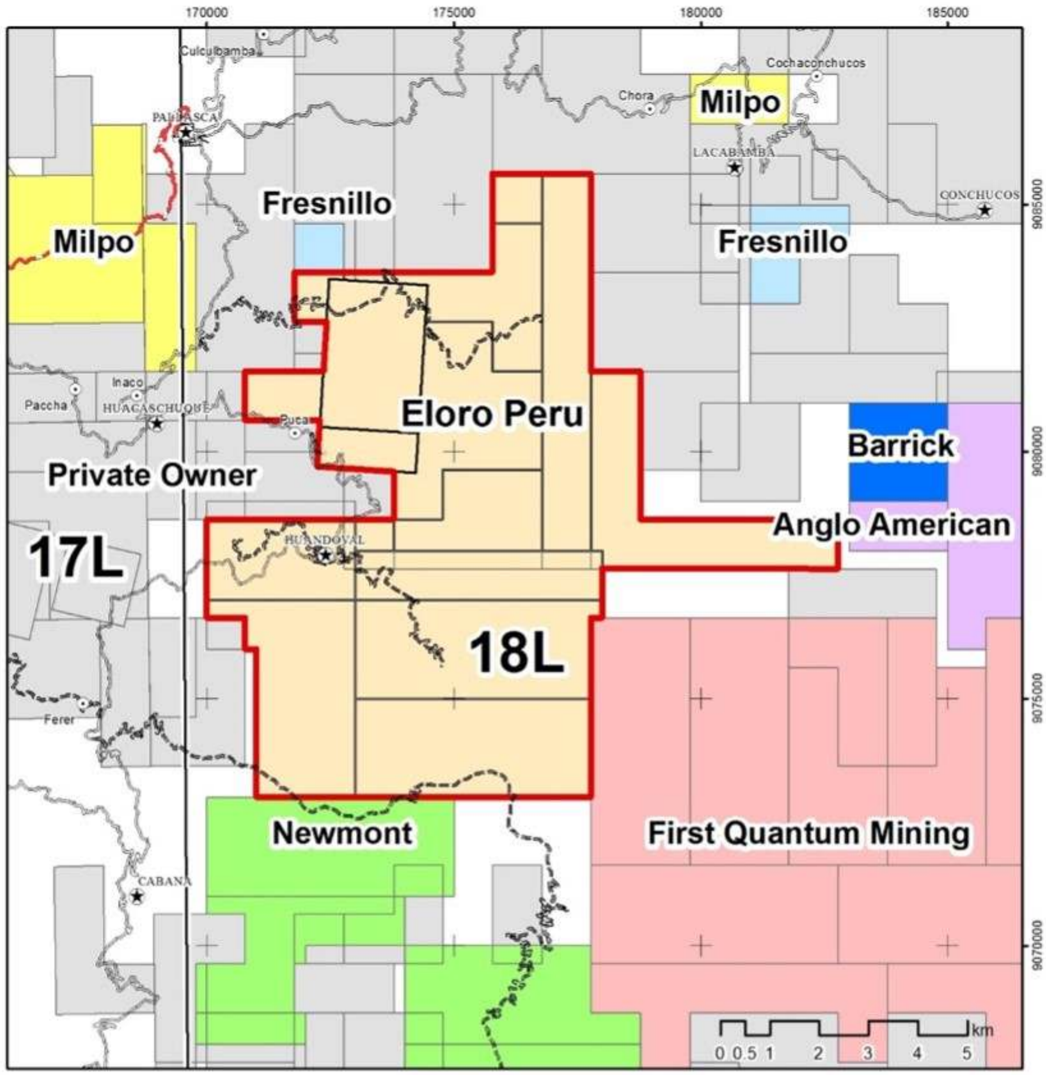

On January 16, 2018, the Company announced it had completed 2,261m of reconnaissance diamond drilling in 8 holes at the Rufina Zone.

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.

A complete summary of the drilling results was 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 was the first diamond drilling ever carried out on the property. The first and second phases which comprised twelve drill holes totaling 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.

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 so far 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

Going-concern

The Company is in the exploration stage and does not generate revenue. For the 3 months ended June 30, 2020, the Company recorded a loss of $548,518 (2019 - $243,554) and incurred a cashflow deficit from operations of $338,675 (2019 - $57,849). The losses and cashflow deficit limit the Company's ability to fund its operations and the acquisition, exploration and development of its mineral resource properties.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. To date, there has been no material impact on the Company.

The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

See *Overall Performance* on page 1 for details of private placements of units completed subsequent to March 31, 2020.

Mineral exploration and development

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 exploration permits and mining licenses.

Commodity price risk

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.

Results of Operations

	Years ended March 31,	
	2020	**2019**
	$	**$**
Expenses		
Professional fees	8,750	6,250
Consulting fees	54,000	70,370
Bonus	30,000	–
Stock-based compensation	356,000	–
Investor relations and marketing	45,697	23,344
General and office	29,100	31,533
Travel	12,942	17,462
Depreciation	10,659	10,659
Interest	1,100	1,709
Financing fee	30,000	–
Foreign exchange loss	3,247	11,733
Gain (loss) on sale of marketable securities	(5,805)	(9,410)
Unrealized loss (gain) on marketable securities	(27,700)	75,550
Impairment of exploration and evaluation	528	4,395
Refundable tax credit notices of assessment	–	6,000
Other	–	(6,039)
	548,518	243,554
Loss	548,518	243,554

3 months ended June 30, 2020
The Company recorded a loss of $548,518 for the 3 months ended June 30, 2020 which compares to a loss of $234,554 in the comparative period of the previous year. The increase in the loss was primarily due to the following factors:

a) an increase in bonuses related to financings of $2,005,000, whereas no financings were completed in the comparative period of the previous year.
b) an increase in stock-based compensation to $356,000 for grant of stock options, whereas no stock options were granted in the comparative period of the previous year.

Summary of Quarterly Results

	Q2 2019 $	**Q3 2019 $**	**Q4 2019 $**	**Q1 2020 $**	**Q2 2020 $**	**Q3 2020 $**	**Q4 2020 $**	**Q1 2021 $**
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	95,282 (note 1)	79,388	220,300 (note 2)	243,555 (note 3)	138,265	206,859 (note 4)	710,404 (note 5)	548,518
- Per share	–	–	0.01	0.01	–	0.01	0.02	0.01

Note 1: Loss included stock-based compensation of $124,000.
Note 2: Loss for Q2 2019 included a gain on settlement of accounts payable of $125,060 which was reversed in Q4 2019.
Note 3: Loss for Q1 2020 includes an unrealized loss on marketable securities.
Note 4: Loss for Q3 2020 includes pre-acquisition exploration and evaluation of $52,751 was incurred for Iska Iska.
Note 5: Loss for Q4 2020 includes stock-based compensation of $501,000.

Liquidity and Capital Resources
As the Company is in the exploration stage and does not generate 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 2021	**$**
Corporate and general (note1)	500,000
Accounts payable and accrued liabilities at March 31, 2020, excluding amounts owed to related parties (note 2)	265,000
	765,000

Note 1: Excluding consulting fees to management, the payment of which is being deferred, corporate and general costs for the years ended March 31, 2020 and 2019 were approximately $350,000 and $525,000, respectively. For the year ended March 31, 2021, the Company estimates its corporate and general costs of approximately $500,000.

Note 2: At March 31, 2020, accounts payable and accrued liabilities were $435,000, of which, $170,000 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 $265,000.

At June 30, 2020, as a result of completing private placements (see page 1, *Private Placements*), the Company had a cash balance of $1,502,341, which is sufficient to cover the estimated working capital requirements, however, the Company expects that additional financing will be required to fund its operations and the acquisition, exploration and development of its mineral resource properties.

Management is of the opinion that sufficient working capital will be obtained from equity financings and the exercise of warrants to meet the Company's liabilities and commitments as they become due.

From April 1, 2020 to August 31, 2020, the Company received $232,980 upon the exercise of warrants. At August 31, 2020, there are 4,650,190 outstanding warrants entitling the holder to purchase one common share for $0.50 (see *Warrants* on page 14). Based on current market price for the Company's common shares of $1.30 at August 28, 2020, those warrants are in-the-money, and if exercised, would provide the Company with proceeds of $2,325,095.

Transactions with Related Parties

	Consulting fees $	Financing bonus $	Stock-based compensation $	Total $	Outstanding as at March 31, 2020 $
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	24,000	15,000	106,269	145,269	66,860
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	15,000	7,500	31,881	54,381	45,250
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	15,000	7,500	31,881	54,381	49,926
Francis Sauve, a director	–	–	8,856	8,856	–
Alexander Horvath, a director	–	–	8,856	8,856	–
Duster Capital Corp., a company controlled by Dusan Berka, a director	–	–	8,856	8,856	–
Richard Stone, a director	–	–	8,856	8,856	–

See page 2, *Grant of interest in Minera Tupiza SRL* for a related party transaction.

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 the 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.

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, 2020 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by $5,495.

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
10	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, 2020 $	2019 $
General and office expenses		
Premises	2,767	2,656
Office	14,161	10,930
Insurance	6,126	8,183
Public company costs	6,046	9,764
	29,100	31,533

Exploration and evaluation

	March 31, 2020 $	Exploration $	Impairment $	June 30, 2020 $
Property				
La Victoria	4,928,529	63,893	–	4,994,422
Iska Iska	183,145	89,839	–	272,984
Other	–	528	(528)	–
	5,111,674	156,260	(528)	5,267,406

Shares Outstanding as at August 31, 2020

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:
47,333,222 common shares

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:
4,733,322 stock options.

Outstanding:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
$0.55	January 27, 2022	1,175,000
$0.77	February 7, 2022	100,000
$0.87	November 30, 2022	200,000
$0.70	June 12, 2023	150,000
$0.40	February 18, 2025	1,755,000
$0.60	June 10, 2025	1,005,000
		4,685,000

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 restricted share units.

Outstanding:
None.

Warrants

Exercise price	Expiry date	Number of warrants
$0.50	May 26, 2021	621,225
$0.50	May 28, 2021	389,215
$0.50	November 20, 2021	1,122,750
$0.50	June 9, 2022	2,507,000
		4,640,190