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 9 months ended December 31, 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 March 1, 2021.

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 11 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 silver-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

Bought deal financing
On January 5, 2021, the Company completed a bought deal short-form prospectus financing, including the exercise in full of the over-allotment option, of 4,080,660 units of at a price of $1.55 per unit for gross proceeds of $6,325,023. The financing was underwritten on a bought deal basis by a syndicate of underwriters led by Haywood Securities Inc. and including Echelon Wealth Partners Inc. Each unit consists of one common share one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $2.00 until January 5, 2023. In connection with the financing, the Company paid a cash commission of $442,752 (representing 7% of the gross proceeds of the financing) and 285,642 compensation warrants (representing 7% of the number of units issued pursuant to the financing) entitling the holder to purchase one common share for $1.55 until January 5, 2023.

Private placements of units
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.

Grants 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 option and purchase one common share for $0.60 until June 10, 2025.

On February 1, 2021, the Company granted 1,030,000 stock options to directors, officers, employees and consultants, entitling the holder to purchase one common share for $4.45 until February 1, 2026.

Exercise of stock options and warrants
Subsequent to December 31, 2020, the Company received $345,000 from the exercise of stock options and $1,631,089 from the exercise of warrants.

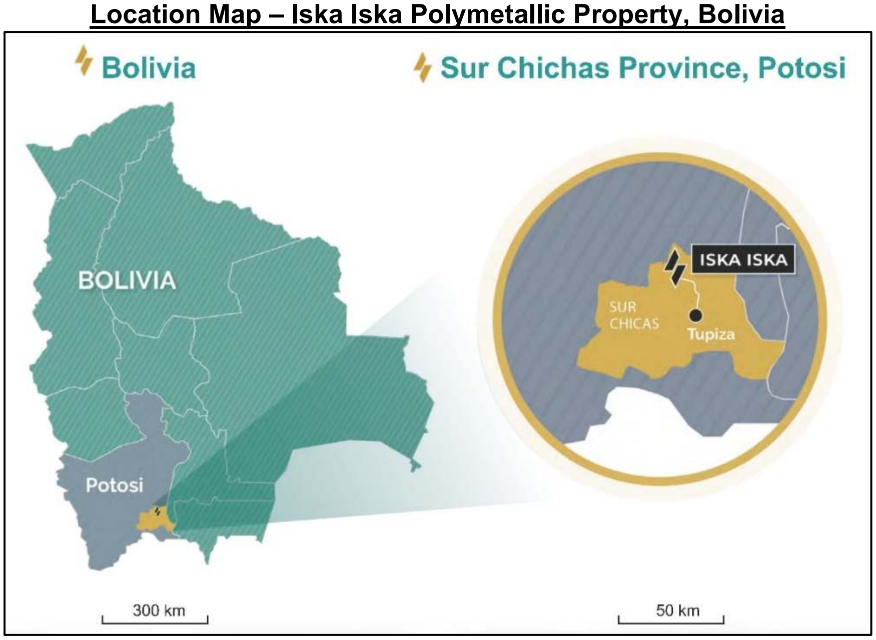
Grant of interest in Minera Tupiza SRL
On July 29, 2020, the Company granted a 2% interest in its wholly-owned Bolivian subsidiary, Minera Tupiza S.R.L. ("Minera Tupiza") to Dr. Osvaldo Raúl Arce Burgoa, P. Geo. ("Dr. Osvaldo Arce"), an officer of Minera Tupiza. The Company has an option to increase its interest in Minera Tupiza to 99% by purchasing a 1% interest from Dr. Osvaldo Arce for US$3,000,000. The Company also has the right of first refusal to acquire any property in Bolivia that Dr. Osvaldo Arce finds or acquires until one year from the date that Dr. Osvaldo Arce 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 was granted an option to acquire a 99% interest in Iska Iska, a silver-polymetallic property consisting of one mineral concession totaling 900 hectares ("ha") 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

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 silver polymetallic [silver (Ag), zinc (Zn), lead (Pb), gold (Au), copper (Cu), bismuth (Bi), tin (Sn), indium-(In)] and porphyry-epithermal complex, which is an important mineral deposit type in the prolific South Mineral Belt of 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 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.

A National Instrument 43-101 Technical Report on Iska Iska was completed by Micon International Limited on April 27, 2020, and is available on the Company's website and under its filings on SEDAR. 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 September 14, 2020, the Company commenced with a planned 3,500m drilling program at Iska Iska and on November 18, 2020, the Company announced the discovery of a major breccia pipe with extensive silver polymetallic mineralization just east of the Huayra Kasa underground workings and a high-grade gold-bismuth zone in the underground workings. Diamond drilling intersected a number of extensive mineralized intersections within the major breccia pipe including 54.48 g Ag/t, 1.45% Zn and 1.60% Pb over 16.39m (140.91 g Ag eq/t[1]) within a broader interval of 122.74m grading 14.29 g Ag/t, 0.81% Zn and 0.41% Pb (53.67 g Ag/t eq) in Hole DHK-04 (see press release November 18, 2020). Additionally, a high-grade gold(Au)-bismuth(Bi) zone was outlined in channel samples in the underground workings, which averaged 7.1 g Au/t and 0.2% Bi (8.29 g Au eq/t) over 3.04m width for strike length of 47m. Hole DHK-05 on the strike extension of the high-grade Au-Bi zone intersected 6.51g Au/t, 0.07% Bi and 31.96 g Ag/t (7.68 g Au eq/t) over 11.85m grading including 29.56 g Au/t,0.26% Bi/t and 63.69 g Ag/t (31.94 g Au eq/t) over 2.31m in this high grade zone.

On November 24, 2020, the Company announced that diamond drilling has confirmed the presence of a second major breccia pipe southwest of the Huayra Kasa underground workings at Iska Iska, labelled as the Santa Barbara Breccia Pipe ("SBBP") as shown in Figure 1. On January 26, 2021, Eloro announced significant results from drilling at the SBBP, including:

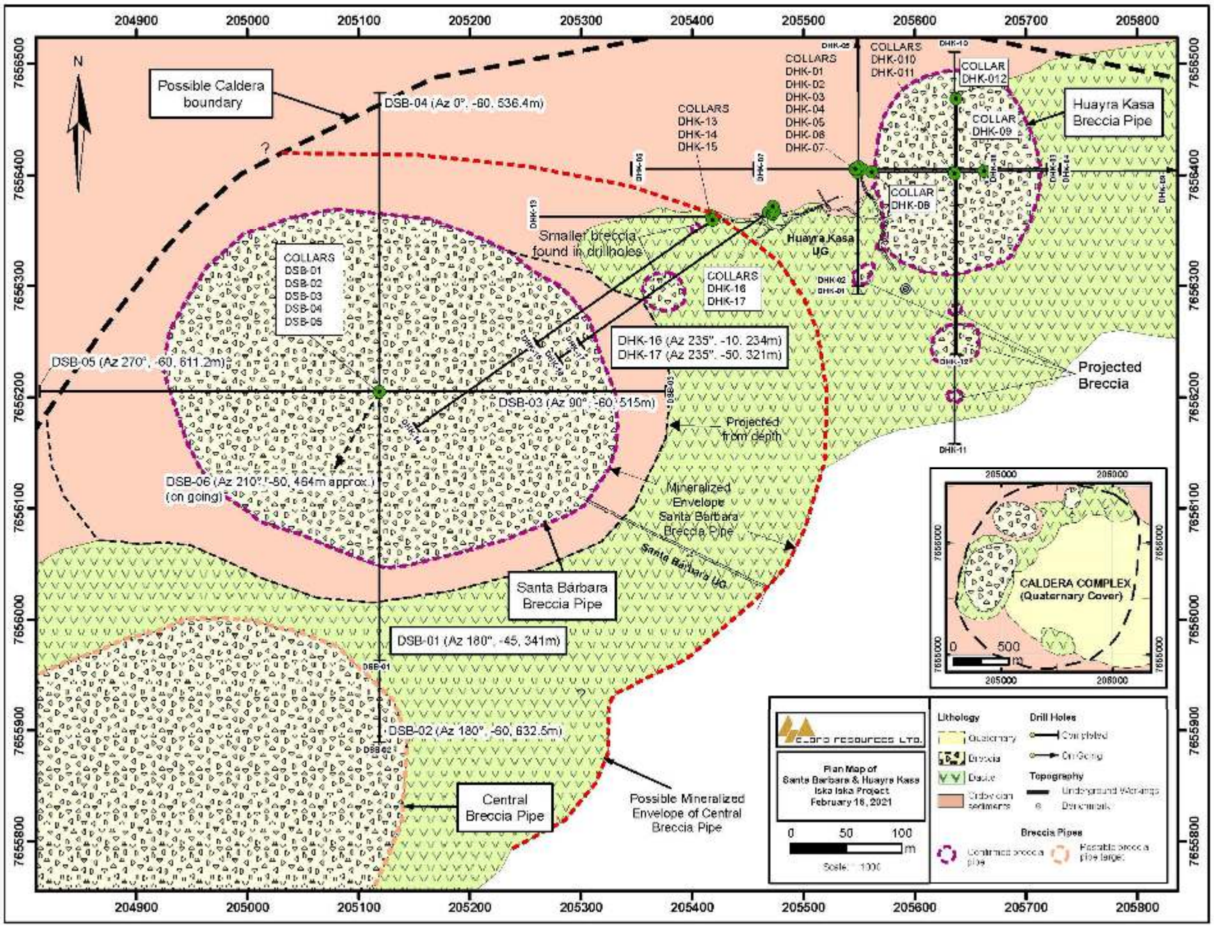
- 129.60 g Ag eq/t over 257.5m (29.53g Ag/t, 0.078g Au/t, 1.45%Zn, 0.59%Pb, 0.080%Cu, 0.056%Sn, 0.0022%In, 0.0064%Bi and 0.0083%Cd) from 0.0m to 257.5m in hole DHK-15, the deepest of the three holes reported within the SBBP;
- 79.00 g Ag eq/t over 121.33m (21.77g Ag/t, 0.034g Au/t, 0.35%Zn, 0.23%Pb, 0.18%Cu, 0.056%Sn, 0.0011%In, 0.004%Bi and 0.0055%Cd) from 0.0m to 121.33m in Hole DHK-14 within the SBBP;
- 74.16 g Ag eq/t over 40.88m (33.43g Ag/t, 0.032g Au/t, 0.04%Zn, 0.33%Pb, 0.13%Cu, 0.045%Sn, 0.0010%In and 0.0012%Bi) from 30.40m to 71.28m in Hole DHK-13 which is within the approximately 100m wide mineralized envelope that surrounds the breccia pipe.

Drill results for two additional underground holes and the first radial surface hole were announced on February 23, 2021, Highlights of the underground SBBP drill results included 67.39 g Ag eq/t over 213.10m including 205.17 g Ag eq/t over 13.04m in Hole DHK-16 drilled at -10 degrees 50m southwest and parallel to Hole DHK-14 and 279.82 g Ag eq/t over 8.57m, 74.21 g Ag eq/t over 52.93m and 121.61 g Ag eq/t over 37.85m in Hole DHK-17, drilled at -50 degrees 50m southwest and parallel to Hole DHK-15. The radial surface drill hole returned 114.43 g Ag eq/t over 33.25m in Hole DSB-01 which was drilled at -45 degrees south.

Preliminary analytical results from Hole DSB-02, which intersected 332m of mineralized breccia in the adjacent Central Breccia Pipe ("CBP") from 300m to the end of the hole at 632m with the breccia open at depth, indicate that the CBP is chemically distinct from the SBBP. The metal association seen in the lower part of this hole, especially the last 15m, sees associated Sn up to 0.23%, Ag up to 13.3 gpt and Au up to 0.89 gpt with considerably lower Pb, up to 0.052%, and Zn, up to 0.292%, than what has been seen in the SBBP. The Company considers that this style of mineralization is more closely aligned with large tin porphyries in the region and that a similar porphyry potentially underlies the CBP and perhaps more of the Iska Iska project area.

1 Metal prices and conversion factors used for the calculation of all gram Ag eq/t in this MD&A are detailed in the referenced respective press releases.

Figure 1: Geological Plan Map of the Santa Barbara Breccia Pipe area



The Company has determined that its current assay protocol is not suited for the style of mineralization described above, especially given the persistent elevated Sn levels seen in recent drilling. Therefore, the Company is changing the assay protocol to utilizing X-ray fluorescence (XRF) to more accurately analyze higher Sn. Tin in the CBP is suspected to occur as cassiterite which is insoluble in acid digestion, and therefore not suited for wet chemical techniques. In addition, other assay protocols are being changed to provide for a more accurate measurement of the wide-ranging suite of polymetallic metals at Iska Iska. Results from Hole DSB-2 will be reported once these more accurate results are available. Unfortunately, the laboratory in Lima where the Iska Iska samples are being analyzed has had major delays in turnaround time due to the impact of the recent COVID-19 lockdown of Lima by the Peruvian government. This has restricted availability of critical supplies necessary to carry out analytical work. As a result, there will be delays in reporting of assay results.

To date, the Company has completed 22 holes totalling 7,185m from both underground (12) and surface drill holes (10). Currently a steeply inclined deep hole, DSB-06, is in progress to test the SBBP at depth.

Staking of Additional Properties in the Iska Iska Area

On October 14, 2020, the Company announced that Minera Tupiza had staked nine (9) additional properties covering a total of 311.75 square kilometres in the Potosi Department, southern Bolivia where Iska Iska is located. The properties are located on prominent ASTER (Advance Spaceborne Thermal Emission and Reflection Radiometer) anomalies with a similar hydrothermal alteration signature to that of Iska Iska. The Tup-5 property ties directly onto the Iska Iska property.

Grant of option for a 25% interest in La Victoria

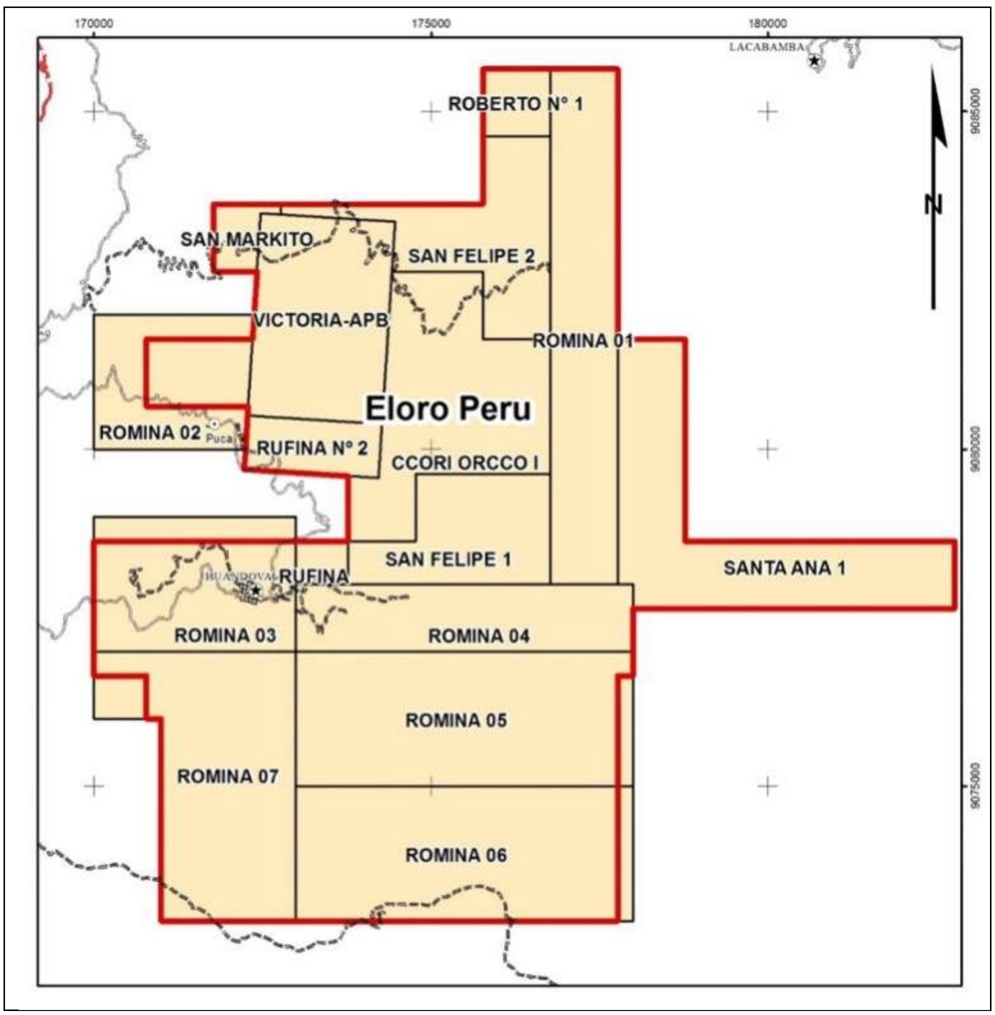
The Company owns an 82% interest in La Victoria and Burgundy Diamond Mines Ltd. ("BDM")(formerly EHR Resources Limited) owns an 18% interest in La Victoria. The Company has granted an option to BDM to increase its interest to 25%. The option agreement provides that BDM will have 45 days from the date 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, BDM 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 BDM 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 BDM 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 BDM 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 BDM 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 BDM about the identity of the third party and the proposed terms of sale and if the Company proceeds with the sale, BDM 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.

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.

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.

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.

Further to the drilling program conducted at La Victoria in the summer of 2018, the Company continued its efforts to obtain required permitting in order to drill the San Markito target. On May 27, 2019, the Company provided an update on the ongoing process to obtain all of the necessary permits, including the local approval of the community of Pallasca, Pallasca District, Ancash Department, Peru, and the entering into of a local land rental contract. A further update was announced on December 19, 2019, whereby it was announced that community elections in Pallasca were completed and a new President of the community was elected. The Company has been working with the new community council in order to obtain its required permitting and a land rental contract, which it has yet to obtain.

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, or alternatively, the Company having the required working capital to dedicate to this project.

Risks and Uncertainties

Going-concern

The Company is in the exploration stage and does not generate revenue. For the 9 months ended December 31, 2020, the Company recorded a loss of $1,068,279 (2019 - $589,039) and incurred a cashflow deficit from operations of $826,186 (2019 - $466,888). 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.

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.

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

	3 months ended December 31		9 months ended December 31,	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
Expenses				
Professional fees	20,205	5,383	36,323	19,578
Consulting fees	54,000	37,630	162,000	162,000
Financing bonus	–	–	30,000	–
Stock-based compensation	–	–	356,000	–
Investor relations and marketing	83,180	23,417	278,306	44,846
General and office	21,650	51,210	87,436	107,229
Travel	–	4,974	26,484	26,933
Depreciation	10,659	–	31,977	21,318
Interest	835	–	2,877	3,270
Financing fee	–	–	30,000	–
Foreign exchange loss	31,533	–	49,086	11,733
Gain (loss) on sale of marketable securities	–	(13,720)	(5,805)	(23,130)
Unrealized loss (gain) on marketable securities	1,300	23,775	(19,800)	88,375
Impairment of exploration and evaluation	–	16,748	528	27,255
Pre-acquisition exploration and evaluation	–	52,751	–	86,980
Refundable tax credit notices of assessment	4,000	6,000	4,000	20,000
Other	(1,132)	(1,309)	(1,132)	(7,348)
	226,230	206,859	1,068,279	589,039
Loss	(226,230)	(206,859)	(1,068,279)	(589,039)

9 months ended December 31, 2020
The Company recorded a loss of $1,068,279 for the 9 months ended December 31, 2020 which compares to a loss of $589,039 in the comparative period of the previous year. The increase in the loss was primarily due to the following factors:

a) an increase in financing bonus related to financings of $2,050,000, 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.

c) an increase in investor relations to $278,306 from $44,846 in the comparative period of the previous year which reflects efforts to increase public awareness of the Company and Iska Iska.

3 months ended December 31, 2020

The Company recorded a loss of $226,230 for the 3 months ended December 31, 2020 which compares to a loss of $206,859 in the comparative period of the previous year. The increase in the loss was primarily due to the following factors:

a) an increase in investor relations to $83,180 which reflects efforts to increase public awareness of the Company and Iska Iska.

Summary of Quarterly Results

	Q4 2019 $	**Q1 2020 $**	**Q2 2020 $**	**Q3 2020 $**	**Q4 2020 $**	**Q1 2021 $**	**Q2 2021 $**	**Q3 2021 $**
Revenue	–	–	–	–	–	–	–	–
Loss								
- Total	220,300 (note 1)	243,555 (note 2)	138,265	206,859 (note 3)	710,404 (note 4)	548,518 (note 5)	293,531	226,230
- Per share	0.01	0.01	–	0.01	0.02	0.01	0.01	–

Note 1: Loss for Q2 2019 included a gain on settlement of accounts payable of $125,060 which was reversed in Q4 2019.
Note 2: Loss for Q1 2020 includes an unrealized loss on marketable securities.
Note 3: Loss for Q3 2020 includes pre-acquisition exploration and evaluation of $52,751 was incurred for Iska Iska.
Note 4: Loss for Q4 2020 includes stock-based compensation of $501,000.
Note 5: Loss for Q1 2021 include stock-based compensation of $356,000.

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 was being deferred and discretionary expenditures on investor relations, corporate and general costs ("Corporate 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 Costs of approximately $500,000. For the 9 months ended December 31, 2020, the Company incurred Corporate Costs of approximately $250,000.

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 was approximately $265,000.

At December 31, 2020, the Company had a cash balance of $23,754, which was not sufficient to cover the estimated working capital requirements, however, on January 5, 2021, the Company received $6,325,023 in respect of a bought deal financing (see *Bought deal financing* on page 1). In addition, subsequent to December 31, 2020, the Company received $345,000 from the exercise of stock options and $1,632,361 from the exercise of warrants.

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.

At February 26, 2021, there are outstanding stock options and warrants (see *Stock options* and *Warrants* on page 12). Based on current market price for the Company's common shares of $4.33 at February 26, 2021, in-the-money stock options and warrants, if exercised, would provide the Company with proceeds of $1,948,500 and $5,154,775, respectively.

Transactions with Related

	Consulting fees $	Financing bonus $	Stock-based compensation $	Total $	Outstanding at December 31, 2020 $
Gambier Holdings Corp., a company controlled by Thomas G. Larsen, for his services as Chief Executive Officer	72,000	15,000	106,269	193,269	53,610
Marlborough Management Limited, a company controlled by Miles Nagamatsu, for his services as Chief Financial Officer	45,000	7,500	31,881	84,381	44,900
J. Estepa Consulting Inc., a company controlled by Jorge Estepa, for his services as Vice President and Corporate Secretary	45,000	7,500	31,881	84,381	55,017
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	–

In the year ended March 31, 2020, a company, in which, three officers of the Company hold a minority interest, initially funded pre-acquisition costs for Iska Iska on behalf of the Company. In recognition of that assistance, the Company agreed to pay a financing fee of $30,000 to that company.

In December 2020, two officers, Thomas G. Larsen and Miles Nagamatsu, each advanced $135,000 to the Company. The advances were unsecured, non-interest bearing and due on demand. On January 6, 2021, the Company repaid the advances.

See page 2, *Grant of interest in Minera Tupiza S.R.L.* 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 December 31, 2020 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by $4,705.

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
9	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.

	9 months ended December 31, 2020 $	2019 $
General and office expenses		
Premises	4,373	16,065
Medical plan	–	3,078
Office	41,081	30,451
Insurance	20,505	19,792
Public company costs	21,477	37,843
	87,436	107,229

Exploration and evaluation

	March 31, 2020 $	Exploration $	Impairment $	December 31, 2020 $
Property				
La Victoria	4,928,529	173,096	–	5,101,625
Iska Iska	183,145	1,551,043	–	1,734,188
Other	–	528	(528)	-
	5,111,674	1,724,667	(528)	6,835,813

Shares Outstanding as at March 1, 2021

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:
53,633,274 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:
5,363,327 stock options.

Outstanding:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
$0.55	January 27, 2022	850,000
$0.77	February 7, 2022	100,000
$0.87	November 30, 2022	200,000
$0.70	June 12, 2023	50,000
$0.40	February 18, 2025	1,555,000
$0.60	June 8, 2025	955,000
$4.45	February 1, 2026	1,030,000
		4,740,000

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	377,840
$0.50	May 28, 2021	389,215
$0.50	November 20, 2021	910,020
$0.50	June 9, 2022	2,443,850
$1.55	January 5, 2023	1,327,770
$2.00	January 5, 2023	283,079
		5,731,774