LUMINA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

TSX-V: LUM

www.luminagold.com

Management's Discussion and Analysis
For the Three and Nine Months Ended September 30, 2020 November 24, 2020

INTRODUCTION

Lumina Gold Corp. ("Lumina" or the "Company") is a resource exploration company with a focus on the exploration and development of the Company's wholly-owned Cangrejos Project, located in the foothills of the Andes in southwest Ecuador (the "Cangrejos Project").

Lumina's head office is in Vancouver, Canada. The Company was incorporated on March 22, 1988. On November 1, 2016, the Company changed its name from Odin Mining and Exploration Ltd. to Lumina Gold Corp. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "LUM".

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Lumina and its subsidiaries during the relevant reporting period and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the three and nine months ended September 30, 2020 and 2019, and, consequently, should be read in conjunction with the aforementioned financial statements and notes thereto. This MD&A should also be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2019.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.luminagold.com.

The Company reports its financial information in United States dollars and all monetary amounts set forth herein are expressed in U.S. dollars unless specifically stated otherwise. The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB"). The Company's unaudited condensed consolidated interim financial statements for the periods ended September 30, 2020 and 2019 were prepared in accordance with IAS 34 *Interim Financial Reporting*.

Leo Hathaway, P.Geo., is a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and has reviewed and approved for inclusion the scientific and technical disclosure in this MD&A. Mr. Hathaway is a Senior Vice President of the Company.

FORWARD-LOOKING INFORMATION

Information and statements contained in this MD&A that are not historical facts are forward-looking information or forward-looking statements within the meaning of Canadian securities legislation and the *U.S. Private Securities Litigation Reform Act of 1995* (hereinafter collectively referred to as "forward-looking statements") that involve risks and uncertainties. This MD&A contains forward-looking statements such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Examples of forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- the Company's going-forward strategy and plans;
- the Company's plans and activities required to continue or initiate exploration and drilling programs, as well as related initiatives;
- timing of and prospects for future exploration and development work and expenditures on the Cangrejos Project;
- estimates of mineral resources at the Cangrejos Project;
- potential economic recoveries at the Cangrejos Project;
- estimates and / or forecasts of future metal prices;
- possible related discoveries or extensions of new mineralization or increases or upgrades to reported mineral resource estimates, and related studies at the Company's Cangrejos Project;
- the potential for the Cangrejos Project to be an economic, large-scale open pit gold and copper mine;
- the upgrading of inferred mineral resources to indicated or measured mineral resources;
- the results of the Company's updated Preliminary Economic Assessment ("PEA") on the Cangrejos Project;
- the potential for an updated mineral resource estimate to support a Pre-Feasibility Study ("PFS") and the detailed work to expand upon the studies contained in the updated PEA that would be required for a PFS;
- the expected benefits, effects and timing of the process of legally merging five of the Cangrejos Project concessions so as to create a unified mining project concession area;
- the Company's ability to comply with permitting and regulatory requirements related to exploration and development and related operations, as well as any associated costs and timing;
- the Company´s ability to acquire, secure, and maintain access to surface lands needed for its operations, as well as for future mine development;
- the Company's submission of an environmental impact study to the Ecuadorian Ministry of Environment and the ongoing work to secure issuance of an environmental license for exploration at Cangrejos 20 related thereto;
- the Company's efforts to advance an Exploration Investment Agreement with the Government of Ecuador;

- the Company's ability to continue as a going concern;
- the adequacy of the Company's working capital;
- the Company's planned use of proceeds from its financing activities;
- the Company's ability to raise additional financing or find alternative ways to advance its corporate objectives, as well as the use of any financing proceeds;
- the impact of future accounting standards on the Company;
- the Company's efforts to monitor market and economic, political and social conditions (globally and in Ecuador);
- the Company´s ability to manage relations with economic, political and social stakeholders in Ecuador;
- the Company's ability to identify and, with government support, control and terminate incursions by illegal miners into its concessions;
- the potential for additional consultation with communities being required;
- the mining assets and properties of the Company being and remaining attractive investment opportunities;
- the effects of the COVID-19 virus on Ecuador and the Company's areas of operation, as well as the Company's plans and activities; and,
- any additional risks and uncertainties with regard to the Company's business.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "goal", "scheduled", "estimates", "forecasts', "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved'. Any such forward-looking statements are based, in part, on assumptions and factors that may change, thus causing actual results or achievements to differ materially from those expressed or implied by the forward-looking statements. Such factors and assumptions may include, but are not limited to: assumptions concerning gold, copper and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; expected Ecuador national, provincial and local government policies, including legal reforms; and, ability to successfully raise additional capital.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation:

- risks relating to the impacts of epidemics, pandemics and other health issues, including COVID-19, internationally, nationally across Ecuador, and in the localities where the Company operates as well as the timing or availability of cures and a preventative vaccine;
- risks relating to price fluctuations of gold, copper, and other precious and base metals;
- risks relating to the Company having a single project asset;
- risks relating to geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of mineral reserves and resources) in the PEA for the Cangrejos Project;
- risks relating to the PEA proving to be inaccurate in any material respect, including new technical and engineering information and data obtained subsequent to the PEA;
- risks relating to the Company's ability to implement the recommendations contained in the PEA for the Cangrejos Project;
- risks relating to the estimated cost and timing of a PFS or other studies;
- risks relating to the Company's project being located in Ecuador, including political, social, economic, security and regulatory instability;
- risks relating to government expropriation or cancellation of the Company's mineral property interests;
- risks relating to changes in Ecuador's national, provincial and local political leadership, including impacts these may have on general, environmental and mining specific public policies, laws, regulations, and other norms or decisions issued by administrative agencies or provincial or local government bodies, as well as legal, political and social stability;
- risks related to national electoral processes, including the discourse of the candidates and media coverage they receive, as well as any impacts these may have on local social and political actors, potentially resulting in pressure on the mining sector in general or the Company and its projects in particular;
- risks relating to governmental administrative initiatives and measures including: austerity and efficiency programs; reorganization and restructuring, including consolidation of ministries and agencies; changes in leadership at different regulatory and other government bodies, such as the Ministry of Energy and Non-Renewable Natural Resources, Ministry of Environment, and the Agency for Mining Regulation and Control (ARCOM); and, staffing changes and reductions;
- risks relating to national, provincial and local political and social activism or unrest, including opposition to mining and infrastructure projects, concerns about the environment and water, pressure for economic benefits such as employment or social donation or investment programs, changes to the taxation regime, access to land for agricultural or artisanal mining use, or for illegal mining or other unlawful purposes, or other demands;
- risks relating to relations with local communities, including required consultations;

- risks relating to the political, social, environmental and geological conditions in areas within or in proximity to the concessions under development;
- risks relating to Lumina's rights or activities being impacted by litigation or administrative processes;
- risks relating to Lumina's ability to access or secure and maintain control over concession surface areas and other properties needed to advance its exploration and development programs;
- risks relating to Lumina's operations being subject to environmental requirements, including compliance with environmental management plans, periodic audits, monitoring and remediation;
- risks relating to Lumina's ability to prevent or evict illegal mining on its concessions, with or without support from national, provincial and local authorities;
- risks relating to Lumina's ability to safely operate in challenging terrain, habitats, and climates, which can present dangers to worker health and safety;
- risks relating to Lumina's ability to source qualified human resources, including managers, employees, contractors / consultants, attorneys, and sub-contractors, as well as the performances of all such resources (including human error, accidents, labour disputes and actions outside of the control of Lumina, such as wilful negligence, including on the part of its counterparties or agents);
- risks of title disputes or claims affecting mining concessions or surface ownership rights;
- risks relating to adverse changes to laws, regulations or other norms placing increased regulatory burdens or extending timelines for regulatory approval processes, including environmental, safety, social, taxation and other matters;
- risks relating to delays in obtaining governmental approvals or permits necessary for the execution of exploration, development or construction activities;
- risks relating to failure of plant, equipment or processes to operate as anticipated;
- risks relating to competition inherent in the mining exploration industry, in Ecuador and elsewhere;
- risks of impacts from unpredictable natural and / or social occurrences, such as epidemics or pandemics, adverse weather conditions, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that Lumina's properties are not yet in commercial production;
- risks relating to the Company's ability to obtain necessary funding for its operations, at all or on terms acceptable to the Company;
- risks relating to the Company's working capital and requirements for additional capital;
- risks relating to currency exchange fluctuations or change of national currency;
- risks relating to fluctuations in interest and inflation rates;
- risks relating to restrictions on access to and movement of capital;
- risks relating to the value of the Company's common shares fluctuating based on market factors, including volatility, or political risk sentiments;
- risks relating to the Company's dependence on key personnel; and
- other risks of the mining industry,

as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A.

Although the Company has attempted to identify important factors and risks that could affect the Company and might cause actual actions, events or results to differ, perhaps materially, from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to occur as projected, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Forward-looking statements and other information contained herein, including general expectations concerning the mining industry, are based on estimates and forecasts prepared by the Company employing data from publicly available industry sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of the industry and the operating environment in Ecuador which the Company believes to be reasonable. Although generally indicative of relative market positions, market shares and performance characteristics, this data is inherently imprecise. While the Company is not aware of any misstatements regarding any data presented herein, the mining industry involves risks and uncertainties and the data is subject to change based on various factors.

OVERVIEW OF SIGNIFICANT EVENTS AND REVIEW OF ACTIVITIES

In order to better understand the Company's financial results, it is important to gain an appreciation of the significant events, transactions and activities involving mineral property interests that occurred during the three and nine months ended September 30, 2020 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to more fully appreciate the Company's results and activities for the three and nine months ended September 30, 2020.

Cangrejos Project and COVID-19 Update

Lumina holds the Cangrejos Project, a discovery of high-tonnage, low-grade, gold-copper mineralization in a porphyry environment, as well as lower-tonnage, higher-grade, gold-copper mineralization in structurally focused settings above and peripheral to the porphyry mineralization. The Cangrejos Project is located in the foothills of the Andes in the southwest of Ecuador and lies 30 kilometres ("km") southeast of Machala, the capital of El Oro Province, and 150 km south of Guayaquil, Ecuador's largest city. It also benefits from close proximity to the port of Puerto Bolivar (located near Machala), located approximately 40 km away.

The Cangrejos Project consists of ten mineral concessions covering a total area of 6,373 hectares. It previously consisted of six mineral concessions, but the Company has subdivided certain areas prior to seeking to amalgamate the core concessions with a view to better facilitating future development. Within the area of the concessions, Lumina currently owns or controls approximately 1,512 hectares of land / surface rights over various important locations with respect to the known and potential targets, including approximately 360 hectares granted by way of government easement on the concession known as Cangrejos 20 ("C20") and approximately 480 hectares of land that were acquired in November 2019 consisting of approximately 400 hectares for possible facility siting and 80 hectares to the north of the Gran Bestia deposit where the deposit remains open.

Primary activities and milestones achieved during the three and nine months ended September 30, 2020 and to the date of this MD&A are detailed below.

The Company completed a ZTEM geophysical survey comprising approximately 368 line-kilometres at spacing of 200 metres over the southwestern part of the Cangrejos Project area and 400 metres in the northeastern areas, the results of which were announced by news release dated May 13, 2020 entitled "Lumina Gold reports results of ZTEM Geophysical Survey at Cangrejos." The Company has evaluated and ranked the ZTEM targets in order to identify work programs to advance them to drill testing at such time as funds are allocated thereto.

On June 9, 2020, the Company announced the results of its PEA on the Cangrejos Project, prepared in accordance with NI 43-101. The work that was completed as the basis for the PEA was managed by MTB Enterprises Inc. and demonstrates substantial improvements since the Company's PEA in 2018, including, the addition of Gran Bestia, increased mineral resource definition, and improved process flow sheet. Base case economics were calculated using a gold price of $1,400 per ounce, copper price of $2.75 per pound, molybdenum price of $9.00 per pound, and silver price of $16.00 per ounce. The effective date of the PEA is June 8, 2020.

The PEA's highlights include the following estimates:

- Life of mine ("LOM") average annual payable production of 366 thousand ounces gold;
- LOM average annual payable by-product production of 46 Mlbs copper;
- 25 year mine life;
- 40 ktpd processing operation from years 1-5, with an expansion to 80 ktpd in year 6;
- After-tax NPV (5%) and IRR of $1.6 billion and 16.2%;
- Average cash operating costs of $545/oz and all-in sustaining costs of $604/oz, net of by-product credits;
- LOM processed grades of 0.56 grams per tonne ("g/t") gold and 0.10% copper;
- LOM revenue mix of 78.9% gold, 19.4% copper and 1.7% molybdenum plus silver;
- Initial capital costs including working capital and refundable Value Added Tax ("VAT"), of $1,000 million; and
- Expansion capital to double throughput including working capital of $454 million.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

Further details on the PEA can be viewed in the Company's news release titled "Lumina Gold Announces Positive Cangrejos Preliminary Economic Assessment; US$1.6 Billion NPV, 25 Year Mine Life and Production of More Than 360,000 Gold Ounces Per Year" and dated June 9, 2020, or the technical report relating to the PEA, titled "Cangrejos Gold-Copper Project El Oro Province, Ecuador - NI 43-101 Technical Report Preliminary Economic Assessment", with an effective date of June 8, 2020, and an execution date of July 24, 2020. Both the news release and technical report are available on SEDAR or the Company's website.

In September 2017, the Company submitted an environmental impact study ("EIS") application to the Ecuadorian Ministry of Environment ("MAE") for its Cangrejos 20 concession, which (under the rules in effect at that time, prior to the introduction in Ecuador of the "Scout Drilling" regime) had to be approved before the advanced exploration phase. When the Scout Drilling permit was granted in late 2018, the Company pursued a focused exploration program in parallel with MAE's continuing review of the EIS. In April 2019, the MAE issued its observations to the EIS application, including an extension addressing the Social Participation Process ("SPP"). Follow-up discussions with MAE led the Company to modify its submission as many of the Company's original exploration requirements and objectives had already been achieved via Scout Drilling. The Company submitted a revised EIS in 2019 and all technical comments received from the MAE have been resolved. The final revised EIS has been uploaded to a government database to support final document preparation and signature approval by MAE (now "MAAE", as the Ministry of Environment has assumed responsibility over water). Final signature approval of the EIS was expected in 2020, however, owing to the impact of COVID-19 on administrative functions of the Government of Ecuador, it may be delayed until the first quarter of 2021. The final approved Environmental License will cover step-out and infill drilling, road and trail building and additional aerial geophysics, as well as other advanced exploration needs that may be required at Cangrejos 20 as the Cangrejos Project is further developed.

In response to COVID-19, the Company has implemented health safety protocols in keeping with World Health Organization ("WHO") and US Centers for Disease Control and Prevention ("CDC") guidelines, as well as Ecuador Ministry of Health and Ministry of Labor norms. In addition, the Company also abides by restrictions on activity imposed by the different municipalities in which it operates (Quito and Santa Rosa), and evolving rules governing interprovincial transportation in Ecuador. These include training of all staff on COVID-19 symptoms and protective measures, PCR testing of all personnel prior to camp shifts, processes for the safe transportation of personnel to the Cangrejos Camp, restriction of project site access to essential personnel, daily medical checkups for personnel on shift, and application of social distancing and heightened cleanliness measures. Although activities at site are back to normal, modified emergency response procedures will remain in place for the duration of the COVID-19 threat. Corporate and in-country administrative offices were temporarily closed, and remote work arrangements established for all employees and contractors as appropriate, but they have since reopened in keeping with local health and safety guidelines. Community relations programs are ongoing, and the Company has provided COVID-19 support, including food, as well as educational and health equipment, to local communities.

Financing Activity

On December 18, 2019, the Company completed a non-brokered private placement of 18,004,000 common shares at a price of CAD$0.50 per common share for aggregate gross proceeds of approximately CAD$9,002,000 ($6,861,802). The proceeds of the private placement are to be used to fund study work at the Cangrejos Project and for general corporate purposes. The Company incurred $133,417 in share issue costs which included $84,823 in finder's fees of up to 4% of the proceeds from certain subscribers. Approximately $5.8 million of these funds had been expended to September 30, 2020.

On October 28, 2020, the Company entered into an agreement with Ross Beaty, the Company's largest shareholder, to establish a CAD$5 million unsecured credit facility (the "Facility"). The Facility will provide short-term financing for general corporate and working capital purposes. The Facility bears interest of 8% per annum and matures on the earlier of: (i) September 30, 2021, (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of CAD$10 million; or (iii) the date of a change of control of the Company, at which time it must be repaid in full. The Facility also has a 1% standby fee, as well as a 1% drawdown fee. The Company made an initial draw on the Facility of CAD$500,000 on November 2, 2020.

OUTLOOK

As described earlier in this MD&A in the section "Overview of significant events and review of activities," the Company has completed an updated Cangrejos Project PEA which includes both the Cangrejos and Gran Bestia deposits. While the Company has not yet elected to complete a full PFS, the fieldwork and studies completed as part of the 2020 PEA will support portions of a PFS, should the Company undertake one in the future, pursuant to an overall recommendation from the PEA to advance the development of the Cangrejos Project. Management is currently working with consultants to refine the scope and define plans needed to advise the Board on project requirements, schedule and cost to proceed to a PFS should the Board elect to proceed with the study. Ongoing work includes social and community programs to maintain community engagement and social license, environmental data collection and monitoring to support project permitting. The environmental work includes site meteorological data collection, surface and ground water quality and flow monitoring to support the refinement of the project water balance and barrel testing for acid rock drainage prediction. The Company is also continuing to complete infrastructure work to improve the project access road and drill site reclamation.

The Company continues to engage with the Government of Ecuador to advance an Investment Agreement that will define the scope of the rights and guarantees of the Company for the Cangrejos Project during the exploration stage. Once a PFS has been completed at the Cangrejos Project (should the Company elect to complete one), the Company can work with the Government of Ecuador to define the fiscal terms that would govern future operations. The Government of Ecuador has requested that the Company provide certain updated investment information required in the Investment Agreement in order to continue moving the process along. The Company delivered this information on November 24, 2020.

In parallel, the Company has been implementing a process to consolidate the key areas of the Cangrejos Project's mineral rights into a single unified mineral concession. This is necessary to enable effective negotiations with governmental authorities, as well as more efficient permitting and processing of the many necessary requirements that will arise as the Company advances the Cangrejos Project. The unified concession is expected to contain all of the mineralized areas projected for mining development in the Company's PEA. This process involves several steps, and, in August 2020, the Government of Ecuador amended certain internal procedures which have required that information be resubmitted in a new format. The Company, with support from Ecuadorian legal counsel, is continuing to work to conclude the consolidation in 2020. However, timing for completion of the process is dependent on administrative approvals.

Ecuador continues to be impacted by the COVID-19 pandemic. The national State of Exception, declared on March 16, 2020, was ended on September 15, 2020. In June 2020, with a view to reactivating the economy, the Government of Ecuador began to relax restrictions, including, permitting a gradual resumption of domestic and international flights and domestic road transportation and travel, as well as a staged removal of the mandate that workers of all but a few select strategic industries and necessary sectors (e.g., hospitals, pharmacies and supermarkets) work from home. As mining was deemed a strategic sector, Lumina and its peers were specifically authorized to continue their operations. Emergency Operations Committees primarily comprised of authorities continue to determine the degree of control and restrictions at the local and provincial levels, including limits on assemblies and timing of nightly curfews. The Company continues to take measures to protect the health and safety of its employees, in compliance with the Government of Ecuador's norms and recommendations of the WHO and CDC, while also taking into account the realities on the ground and concerns of employees and local communities.

REVIEW OF FINANCIAL RESULTS

This review of the results of operations should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2020 and 2019 along with other public disclosure documents of the Company.

For the three and nine months ended September 30, 2020, the Company reported net losses of $1,376,161 and $5,741,301, respectively, compared to net losses of $4,491,710 and $12,880,570 for the three and nine months ended September 30, 2019. The overall decrease in net loss arose primarily due to the Company not conducting any drilling in the three and nine months ended September 30, 2020, as compared to the three and nine months ended September 30, 2019.

Exploration and Evaluation Assets (Mineral Properties)

The Company capitalizes costs incurred acquiring exploration and evaluation assets (mineral projects) and any required licenses related thereto with a term of more than one year. At September 30, 2020, the carrying value of the exploration and evaluation asset related to the Cangrejos Project was $1,701,100 (December 31, 2019 - $1,701,100).

Exploration and evaluation ("E&E") expenditures are expensed to profit and loss as incurred. These are discussed below and are disclosed in Note 6(b) of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020.

Expenses

Exploration and evaluation expenditures

Total E&E expenses for the three and nine months ended September 30, 2020 were $1,009,803 and $4,393,711, respectively, compared to $4,051,329 and $11,806,335 for the three and nine months ended September 30, 2019.

Details on the Company's E&E expenses on the Cangrejos Project are provided below:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Increased (decreased) Expenditure
Assays / Sampling	$ 100	$ 256,444	$ (256,344)
Camp	172,801	223,234	(50,433)
Camp access and improvements	6,823	69,795	(62,972)
Drilling	-	1,733,729	(1,733,729)
Engineering	31,520	464,930	(433,410)
Environmental, Health & Safety	79,491	110,957	(31,466)
Field office	95,828	252,654	(156,826)
Geological consulting	89,169	144,677	(55,508)
Geological and field staff	6,626	74,839	(68,213)
Legal fees	22,452	24,044	(1,592)
Metallurgical	1,177	96,701	(95,524)
Mineral rights and property fees	13,060	9,449	3,611
Project management	228,511	184,915	43,596
Reports	23,587	38,145	(14,558)
Social and community	109,214	139,772	(30,558)
Share-based payment	70,566	78,657	(8,091)
Transportation and accommodation	58,878	148,297	(89,419)
	$ 1,009,803	$ 4,051,239	$ (3,041,436)

	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Increased (decreased) Expenditure
Assays / Sampling	$ 1,867	$ 561,815	$ (559,948)
Camp	465,732	623,669	(157,937)
Camp access and improvements	47,446	211,887	(164,441)
Drilling	-	5,533,689	(5,533,689)
Engineering	823,060	823,049	11
Environmental, Health & Safety	282,521	344,274	(61,753)
Field office	273,982	608,129	(334,147)
Geological consulting	439,709	414,538	25,171
Geological and field staff	16,806	258,260	(241,454)
Legal fees	79,620	92,940	(13,320)
Metallurgical	203,847	327,909	(124,062)
Mineral rights and property fees	77,621	104,387	(26,766)
Project management	845,672	465,837	379,835
Reports	63,107	388,177	(325,070)
Social and community	337,961	363,729	(25,768)
Share-based payment	210,155	233,396	(23,241)
Transportation and accommodation	224,605	433,271	(208,666)
	$ 4,393,711	$ 11,788,956	$ (7,395,245)

E&E expenditures on the Cangrejos Project include non-cash expenses for share-based payment expense relating to the vesting of stock options granted under the Company's stock option plan of $70,566 and $210,155 for the three and nine months ended September 30, 2020 compared to $78,657 and $233,396 for the three and nine months ended September 30, 2019. Excluding share-based payment expense, the overall decrease in E&E expenditures for the three and nine months ended September 30, 2020 compared to the equivalent periods in 2019 is $3,033,345 and $7,372,004. The decrease in expenditures reflects the Company's movement from active exploration and drilling at the Cangrejos Project in the three and nine months ended September 30, 2019 to the studies and work for completion of the Company's updated PEA, as described earlier in this MD&A. The updated PEA was completed and filed in July 2020 following which the Company has only performed relatively limited activities on its Cangrejos Project with an increased focus on ongoing community relations and support in light of the COVID-19 pandemic and its impact on both the Company and local communities in Ecuador.

The Company's incurred no expenditures on Yawi during the three and nine months ended September 30, 2020 (three and nine months ended September 30, 2019 - $90 and $17,379). This concession area was renounced in June 2019.

Other operating expenses

The Company's other operating expenses for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three months ended September 30, 2020		2019		Increased (decreased) Expenditure
Fees, salaries and other employee benefits	$	308,611	$ 327,058	$	(18,447)
General and administration ("G&A")		42,476	72,339		(29,863)
Professional fees		12,481	17,582		(5,101)
Insurance		10,925	-		10,925
	$	379,493	$ 416,979	$	(42,486)

	Nine months ended September 30, 2020		2019		Increased (decreased) Expenditure
Fees, salaries and other employee benefits	$	935,301	$ 1,030,133	$	(94,832)
G&A		236,085	304,985		(68,900)
Professional fees		136,615	157,122		(20,507)
Insurance		25,306	24,121		1,185
	$	1,333,307	$ 1,516,361	$	(183,054)

Fees, salaries and other employee benefits for the three and nine months ended September 30, 2020 include $152,363 and $458,950, respectively, of share-based payment expense (three and nine months ended September 30, 2019 - $155,469 and $485,564). Excluding this non-cash expense, fees, salaries and other employee benefits for the three and nine months ended September 30, 2020 were $156,248 and $476,351 compared to $171,589 and $544,569 for the three and nine months ended September 30, 2019, which is broadly consistent for the periods under review in line with the relatively stable level of personnel in the Company, with a small reduction given lower overall work activity in 2020. Overall, other operating expenses are broadly consistent for the three and nine months ended September 30, 2020 compared to the same periods in 2019, except for some reductions in G&A and professional fees primarily as a result of reduced activities, including investor relations trips, in the three months ended June 30, 2020 and September 30, 2020 as COVID-19 resulted in staff working remotely and using on-line meeting technologies.

Other income / expenses

The Company's other income / expenses for the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three months ended September 30, 2020		2019	
Interest income and other	$	539	$	3,994
Interest expense		(1,175)		(2,147)
Foreign exchange gain (loss)		8,771		(25,249)
	$	8,135	$	(23,402)

	Nine months ended September 30, 2020		2019	
Interest income and other	$	12,616	$	39,689
Interest expense		(3,953)		(6,645)
Foreign exchange (loss) gain		(22,946)		409,082
	$	(14,283)	$	442,126

Foreign exchange gains or losses primarily arise as a result of cash and cash equivalents held in Canadian dollars and the fluctuation of the exchange rate between Canadian and U.S. dollars. For the three and nine months ended September 30, 2020, the Company was holding lower amounts of cash in Canadian dollars as compared to the prior year periods which saw higher levels of Canadian dollars on hand following the Company's November 2018 equity financings for which funds were received in Canadian dollars. Between December 31, 2018 and September 30, 2019, the Canadian dollar strengthened against the U.S. Dollar which enabled the Company to purchase U.S. dollars at a more favourable rate than the exchange rate in place at the end of 2018.

Related Party Transactions

The Company incurred the following expenses with related parties:

Company	Nature of transactions	Three months ended September 30, 2020	2019
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	$ 1,916	$ 19,883
Miedzi	G&A	12,894	12,814
Miedzi	Fees	43,074	41,726
Hathaway Consulting Ltd.	Fees	24,178	23,872
Into the Blue Management Inc.	Fees	23,340	23,112
Koval Management, Inc.	Fees	44,976	44,149
La Mar Consulting Inc.	E&E (social and community)	32,793	38,550
Luminex Services Ecuador LS-EC S.A. ("Luminex Services")	E&E (geological; social and community; and field office)	90,838	102,763
Lyle E Braaten Law Corp.	Fees	16,136	15,917
		$ 290,145	$ 322,786

Company	Nature of transactions	Nine months ended September 30, 2020	2019
Miedzi	E&E (geological)	$ 20,142	$ 93,222
Miedzi	G&A	33,412	38,348
Miedzi	Fees	129,849	160,112
Hathaway Consulting Ltd.	Fees	71,804	71,125
Into the Blue Management Inc.	Fees	69,179	38,243
Koval Management, Inc.	Fees	132,897	131,347
La Mar Consulting Inc.	E&E (social and community)	98,379	115,650
Luminex Services	E&E (geological; social and community; and field office)	278,079	259,117
Lyle E Braaten Law Corp.	Fees	47,865	47,398
		$ 881,606	$ 954,562

Miedzi is considered a company related by way of directors and shareholders in common. Hathaway Consulting Ltd, Into the Blue Management Inc., Koval Management, Inc., La Mar Consulting Inc. and Lyle E Braaten Law Corp. are related by way of being owned by directors or officers of the Company. Luminex Services is a wholly-owned subsidiary of Luminex Resources Corp. ("Luminex"), a company related by way of directors, officers and shareholders in common, and provides personnel services to Odin Mining del Ecuador S.A. ("Odin"), a wholly-owned subsidiary of Lumina. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. At September 30, 2020, $31,158 owing to Luminex Services was included in accounts payable and accrued liabilities. There were no amounts owing to related parties at December 31, 2019

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

The information presented below highlights the Company's unaudited quarterly results for the past eight quarters.

Three Months Ended:	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue	$ -	$ -	$ -	$ -
Expenses	(1,384,296)	(1,837,687)	(2,505,035)	(3,481,986)
Other income (expenses)	8,135	13,556	(35,974)	17,411
Net loss for the period	(1,376,161)	(1,824,131)	(2,541,009)	(3,464,575)
Basic and diluted loss per share	(0.005)	(0.01)	(0.01)	(0.01)

Three Months Ended:	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	$ -	$ -	$ -	$ -
Expenses	(4,468,308)	(5,127,979)	(3,726,409)	(3,518,797)
Other income (expenses)	(23,402)	68,246	397,282	(360,119)
Net loss for the period	(4,491,710)	(5,059,733)	(3,329,127)	(3,878,916)
Basic and diluted loss per share	(0.015)	(0.02)	(0.01)	(0.01)

The Company was conducting ongoing exploration work on its Cangrejos Project in the three months ended December 31, 2018, during which period there were also expenses attributable to year-end bonuses and share-based payment expense related to stock option grants in December 2018.

For the three months ended March 31, 2019, the Company's expenses increased from the previous quarter as a result of the ongoing drilling program at the Cangrejos Project along with the other exploration activities being performed. This work continued in the three months ended June 30, 2019 and the drilling program was expanded to four drill rigs during this period along with other work including completion of a LIDAR survey, geotechnical and metallurgical drilling and instrumentation installation, metallurgical testing and process trade-off studies, hydrogeologic and surface-water testing, monitoring and characterization, geotechnical characterization for pit slope design, acid rock drainage studies and environmental monitoring activities and socioeconomic studies and community relations programs. Drilling at the Cangrejos Project was completed on September 12, 2019 which resulted in a decrease in expenditures compared to prior quarters as drill rigs were demobilized at that time. The Company continued work on its Cangrejos Project in the three months ended December 31, 2019, notably including various studies to support an updated PEA. E&E expense for the quarter ended December 31, 2019 was $2,390,944, which was lower than the quarter ended September 30, 2019 when expenditures were $4,051,329. The reduction from the prior quarter was the result of no drilling in the three months ended December 31, 2019, which lowered expenses. This was partially offset by higher fees, salaries and other employee benefits as a result of year end bonuses and share-based payment expense related to stock options granted in October 2019.

Expenses for the three months ended March 31, 2020 totalled $2,505,035, a reduction of $976,951 compared to the previous quarter which reflects the Company's ongoing work on an updated PEA for the Cangrejos Project, as described earlier in this MD&A, but excluding staff bonuses and additional share-based payment for options granted (and vesting upon grant in October 2019) in the three months ended December 31, 2019. Similarly, the three months ended June 30, 2020 saw continued work on the completion of the updated PEA with overall expenditures reduced as activity on the Cangejos Project declined and due to COVID-19 resulting in generally lower expenditures as less travel and overall exploration work was conducted.

Expenses for the three months ended September 30, 2020 were $1,384,296, a reduction of $453,391 compared to the quarter ended June 30, 2020. The final PEA report was issued in July 2020 following which the Company's expenditures with the various consultants related thereto decreased. The Company's exploration work in the quarter ended September 30, 2020 primarily consisted of a rock sampling program while ongoing support was provided to local communities.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's expenses and mineral property costs is provided earlier in this MD&A and in Note 6 of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had cash of $1,059,576 compared to cash of $6,247,867 at December 31, 2019. The Company's working capital at September 30, 2020 was $515,227 compared to $5,053,209 at December 31, 2019. The Company's cash and current assets at September 30, 2020, were sufficient to meet the Company's current accounts payable, accrued liabilities and commitments.

Working capital is defined as current assets minus current liabilities. Working capital calculations or changes are not measures of financial performance, nor do they have standardized meanings, under IFRS. Readers are cautioned that this calculation may differ among companies and analysts and therefore may not be directly comparable. Management believes that disclosure of the Company's working capital is of value to assess the available capital resources of the Company at a reporting period end.

At September 30, 2020, approximately $790,000 of the Company's cash was held at Scotiabank, a major chartered bank in Canada, and approximately $270,000 was held at a bank in Ecuador. Management is not aware of any liquidity issues associated with any of the banks in which funds have been deposited.

The Company had no long-term debt obligations or off-balance sheet arrangements at September 30, 2020.

In order to keep its mineral concessions in Ecuador in good standing, the Company is required to meet certain spending commitments each year, which are communicated to the Government of Ecuador on an annual basis. The Company's commitment for 2020 was approximately $182,000 which has been met as at September 30, 2020. At September 30, 2020, the Company has commitments of approximately $110,000, due within one year, for certain rental agreements that have not been recorded as right-of-use ("ROU") assets under IFRS 16 (see Note 16 of the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2020). The Company's current working capital is sufficient to meet these commitments.

To date, the capital requirements of the Company have been met by equity or loan proceeds. As noted in Note 2(b) to the unaudited condensed consolidated interim financial statements of the Company for the three and nine months ended September 30, 2020, the Company has incurred cumulative losses of $87,163,807 and will continue to incur losses in the development of its business. The Company's ability to continue as a going concern is dependent upon obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests, or a combination thereof. As described earlier in this MD&A in the section "Financing Activity," the Company closed a private placement for gross proceeds of approximately CAD$9 million in December 2019 and a credit agreement for a loan facility of CAD$5 million in October 2020.

The COVID-19 outbreak, which was declared a pandemic by the World Health Organization in March 2020, remains ongoing. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital. The ability to raise additional financing for future activities beyond those contemplated by the aforementioned financing activity may be impaired, or such financing may not be available on favourable terms, due to conditions beyond the control of the Company, such as uncertainty in the capital markets, depressed commodity prices or country risk factors. This exposure is discussed in more detail in the "Risks and Uncertainties" section of this MD&A. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

FINANCIAL INSTRUMENTS

At September 30, 2020, the Company's financial instruments consist of cash and cash equivalents, receivables and accounts payable and accrued liabilities. Fair value estimates are made at the balance sheet date based on generally accepted pricing models, discounted cash flow analysis or using prices from observable current market transactions. These estimates are subjective in nature and may involve significant uncertainties in matters of judgment and, therefore, cannot be determined with precision. The fair values of the Company's financial instruments approximate their carrying values due to their short terms to maturity or capacity for prompt liquidation and the interest rates being charged or earned on these amounts.

The Company's financial instruments have been classified as follows under IFRS:

- Cash and cash equivalents: amortized cost.
- Receivables: amortized cost.
- Accounts payable and accrued liabilities: amortized cost.

The types of financial risk exposure and the way in which such exposure is managed by the Company is as follows:

Credit Risk

It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments, as disclosed in Note 13(a) to the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020.

The Company's exposure to credit risk on its cash is limited by maintaining this asset with high-credit quality financial institutions. The Company may be exposed to the credit risk of its banks in Ecuador which hold cash for the Company's Ecuadorian operations. The Company limits its exposure to this risk by maintaining minimal cash balances in Ecuador, normally sufficient to fund the next month's operations.

Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash and other financial resources available to meet its obligations. The Company typically forecasts cash flows for a period of twelve months to identify financial requirements. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and/or loan advances.

At September 30, 2020, the Company's current liabilities consisted of accounts payable and accrued liabilities of $611,667 which are due primarily within the next quarter. The Company's cash and cash equivalents of $1,059,576 at September 30, 2020 was sufficient to pay the accounts payable and accrued liabilities. In addition, as noted earlier in this MD&A, the Company entered into a CAD$5 million loan facility agreement on October 28, 2020 to provide ongoing funding for operations.

Market Risks

The market risks to which the Company is exposed are interest rate risk and currency risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of the Company will fluctuate because of changes in market interest rates. Included in net loss for the three and nine months ended September 30, 2020 is interest income earned on the Company's cash and cash equivalents. Based on the Company's cash and cash equivalents at September 30, 2020, and assuming that all other variables remain constant, a 1% increase or decrease in interest rates would result in an increase or decrease to the Company's interest income of approximately $11,000 (on an annualized basis).

Currency Risk

The functional currency of the Company and its subsidiaries is the U.S. dollar. The carrying amounts of monetary assets and liabilities denominated in currencies other than the U.S. dollar are subject to fluctuations in the underlying foreign currency exchange rates. Gains and losses on such items are included as a component of net loss for the period.

The Company is exposed to foreign exchange and currency risks arising from fluctuations in foreign exchange rates among the U.S. dollar and Canadian dollar and the degree of volatility of these rates. The Company has historically raised funds from equity financings primarily in U.S. dollars or in Canadian dollars of which the vast majority of the cash is converted to U.S. dollars upon conclusion of the financing. Canadian G&A expenses are primarily paid in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks.

At September 30, 2020, the Company's cash was primarily held in U.S. dollars with approximately $0.4 million held in Canadian dollars as disclosed in Note 3 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020. The Company estimates that a 1% fluctuation in foreign currency exchange rates of the Canadian dollar compared to the U.S. dollar would have an impact of approximately $4,200 to the results of operations based upon the foreign currency financial instruments (including cash) held at September 30, 2020.

SHARE CAPITAL

As at the date of this MD&A, the Company had the following securities issued and outstanding:

Common shares:	333,616,428	
Common share purchase options:	17,116,119	exercisable between CAD$0.42 - CAD$0.80 per option.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make certain judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The Company evaluates its estimates on an ongoing basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates are used for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates. Should the Company be unable to meet its ongoing obligations, the realizable value of its assets may decline materially from current estimates.

The accounting policy estimates and judgments described below are considered by management to be essential to the understanding and reasoning used in the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results. Further details, and a description of certain other areas of estimation and judgment, can be found at Note 2(d) in the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020.

Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. As disclosed in Note 2(b) of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2020, the Company has incurred cumulative losses of $87,163,807. The ability of the Company to continue as a going concern is dependent upon obtaining additional financing, entering into a joint venture, a merger or other business combination transaction involving a third party, sale of all or a portion of the Company's assets, the outright sale of the Company, the successful development of the Company's mineral property interests or a combination thereof. Factors that the Company evaluates include forecasts, the ability to reduce expenditures if required, and indications of shareholder support.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable mineral resources exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available.

Share-based payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and employees. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based payment calculation value.

Right-of-use assets and lease obligations

The application of IFRS 16 - *Leases* requires the Company to make certain judgments, estimates and assumptions that affect the valuation of ROU assets and the related lease obligations. These include determining agreements in the scope of IFRS 16, determining the contract term and the interest rate used for discounting of future cash flows. The lease term determined by the Company is comprised of the non-cancellable period of lease agreements and periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. The present value of the lease payment is determined using a discount rate representing the rate that would be applicable to the Company in the relevant jurisdiction of the lease agreement at the time the lease agreement commences or is modified.

CHANGES IN ACCOUNTING STANDARDS

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many kinds of risks, including, but not limited to, operational, technical, environmental, labour, social, political, security, financial, economic, and metals pricing. Additionally, often due to factors that cannot be predicted or foreseen, few exploration projects successfully achieve development. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance, nor are they inclusive of all the risks and uncertainties the Company may be subject to, and therefore other risks may apply.

- *The impact and risks arising from epidemic diseases, such as the recent outbreak of COVID-19 may have a significant impact on the Company.*

The impacts of the still spreading COVID-19 pandemic on the Company are unpredictable. The Company continues to operate with modifications to personnel's travel and work locations, as well as to adapt work in Quito and at the Cangrejos Project in response to the mandates of the governmental authorities of Ecuador, as well as local concerns. Health and safety rules in all jurisdictions are constantly evolving and the Company will continue to evaluate and adapt to announcements and norms. Government and local restrictions on the movement of people and goods may cause visits, fieldwork and analysis performed by the Company and its contractors to slow or even cease. Ecuador continues to take very aggressive measures to counter the spread of the virus. Likewise, other jurisdictions, including Canadian provinces and states in the USA, have instituted work and/or mobility restrictions. Such disruptions may cause the Company to push out forecasts for activity, including permitting, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial and metals markets, which could have a materially adverse impact on the ability of the Company to raise funding in the future and might negatively impact, among other factors, the Company's share price.

- *Mineral exploration inherently involves a high degree of risk. All of the mineral property interests of the Company are in the exploration stage and, consequently, may not result in any commercial discoveries.*

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. The property interests owned by the Company are in the exploration stage only, are without known bodies of commercial mineralization and the Company has no ongoing mining production at any of them. The Company's mineral exploration activities may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. As well, the exploration and development activities of the Company may be disrupted by a variety of risks and hazards, which may be beyond the control of the Company. These risks include, but are not limited to, social and political opposition or strife, litigation, labour stoppages, the inability to obtain adequate power, water, and labour, including consultants or other experts, as well as suitable machinery and equipment. In addition, the Company may be unable to acquire or obtain such necessities as water and surface rights, which may be critical for the continued advancement of exploration and development activities on its mineral property rights.

- *Government expropriation may result in the total loss of the Company's mineral property interests.*

Even if the Company's mineral property interests are proven to host economic mineral resources, governmental expropriation may result in the total loss of the Company's mineral property interests without any compensation to the Company. Similarly, expropriation or shutdown of financial institutions or other entities the Company does business with could impact operations. Further, expropriation of other businesses, in mining or other industries, could impact the Company's ability to operate and obtain financing, as well as its strategic options. Finally, expropriation need not be outright. There are many forms of creeping expropriation, through taxation and other mechanisms, that if applied could negatively impact the company's operations and prospects.

- *The Cangrejos Project is the Company's sole material property.*

The Cangrejos Project is the Company's sole material property. Actual development costs may differ materially from the Company's estimates and may render the development of the Cangrejos Project economically unfeasible. The Company is largely dependent upon the Cangrejos Project for future revenue and profits, if any. Should the development of the Cangrejos Project not be possible or practicable for political, social, engineering, technical, environmental or economic reasons, then the Company's business and financial position will be significantly and adversely affected.

While the Company has discovered a potentially economic mineral resource at the Cangrejos Project, there is no assurance that the Company will be able to monetize the asset by developing a mine thereon, or otherwise strategically benefit from such mineral resource or mineral reserve, and this could materially adversely affect the Company's financial condition and prospects.

- *Governmental regulation may have negative impacts on the Company.*

The Company's assets and activities are subject to extensive Canadian and Ecuadorian federal, state, provincial, territorial and local laws and regulations governing various matters, including, but not limited to:

  - land access, use and ownership;
  - water use;
  - environmental protection;
  - land use designations;
  - social consultation and public referendums;
  - corporate social responsibility;
  - management and use of toxic substances and explosives;
  - rights over and management of natural resources, including minerals and water;
  - prospection, exploration, development and construction of mines, production and reclamation;
  - exports and imports;
  - taxation;
  - mining royalties;
  - escalated fees or other financial contributions for solidarity purposes in response to the COVID-19 virus;
  - restrictions on the movement of capital into and out of Ecuador (which could impact the Company's ability to repatriate funds and, therefore, pay dividends);
  - importation of equipment and goods;
  - transportation;
  - hiring practices and labour standards by companies and contractors, as well as occupational health and safety, including mine safety;
  - reporting requirements related to investment, social and environmental impacts, health and safety, and other matters;
  - processes for preventing, controlling or halting artisanal or illegal mining activities;
  - historic, archaeological and cultural preservation; and,
  - restrictions and requirements related to responses to COVID-19 virus.

The costs associated with legal and regulatory compliance are substantial, and future laws and regulations, changes to existing laws and regulations, or more stringent or modified application and enforcement of current laws and regulations by governmental or judicial authorities could generate additional expenses, capital expenditures, delays in the development of the Company's properties, and even restrictions on or suspensions of Company operations. Moreover, laws and regulations could allow governmental authorities and private parties to bring complaints or lawsuits against the Company based upon alleged damage to property and/or injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by third parties, including those from whom the Company acquired its properties, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions.

It is a challenge to comply strictly with all of the norms that apply to the Company. The Company retains competent and trained staff, professionals, attorneys, advisors and consultants in the different jurisdictions in which it does business; however, there is no certainty that both it and its contractors will continuously be compliant with all applicable laws and regulations. Failure to comply with all applicable norms could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

- *Failure to comply fully with applicable mining laws, regulations and local practices may have a material adverse impact on the Company's operations or business.*

While the Company seeks to comply fully with applicable laws, regulations and local practices, failure of the Company or government officials to comply fully with applicable laws, regulations and local practices, including those relating to mineral rights applications and tenure, could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, unreasonableness, increasing complexity or novel judicial or regulatory interpretations of mining laws and regulations on the part of the Company and / or its legal advisors or of Government of Ecuador officials may render the Company incapable of strict compliance.

- *The exploration and the development of the Company's property interests are subject to extensive laws and regulations governing health, safety, environment and communities.*

The Company's exploration and development activities are subject to extensive laws and regulations, which often include extensive reporting, governing worker and community safety, employee health (including norms and guidelines related to COVID-19), mine development, environmental protection, waste management and disposal, water, preservation of archaeological remains and endangered and protected species, community engagement requirements, and more. The Company's ability to obtain permits and other approvals and to successfully operate in particular locations may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies or associations, or even artisanal or illegal miners, affecting the environment, water, wildlife, human health, or the safety of communities, both within and outside of Ecuador. Delays in obtaining or failure to attain government permits and approvals, or to secure evictions of illegal miners or other invaders, may adversely affect the Company's ability to access, explore or develop its properties. The Company has made, and expects to make in the future, significant expenditures to comply with laws and regulations and, to the extent reasonably possible, generate social and economic benefit in nearby communities. On occasion, areas of the Company's mineral properties are occupied by illegal miners, and these incidents are reported and dealt with by the Company using procedures available to it under Ecuadorian law. The Company, however, may be required to remediate areas on its concessions impacted by its own activities or those of third parties. Future changes to environmental laws, regulations and permitting processes or changes in their enforcement or regulatory interpretation could have an adverse impact on the Company's operating and financial condition.

- *The Company´s ability to operate on its concessions depends on its success obtaining and maintaining social licenses.*

The Company´s concessions are in close proximity to and, in limited areas, overlap with local communities. It needs local community approvals, explicit or otherwise, in order to access and operate continuously in some of these areas. The Company often enters into agreements with local communities, groups or individuals that address surface access, road or trail usage, local employment, social investment and other key issues. The ethnic composition, social organization and landownership structure of the communities may differ on a case by case basis, as may the Company´s exploration requirements and impacts. Similarly, local concerns regarding environmental and social impacts, both current and historic, including pressures and worries related to the activities of illegal miners and other formal miners in the vicinity of the project, as well as expectations related to Company employment, social investment programs and other benefits typically vary from place to place. Every local stakeholder relationship, however, requires ongoing dialogue and relationship management. For these purposes, the Company has assembled a Community Relations team, which is led by experienced professionals and, when necessary, supported by expert consultants, who develop and execute social communications strategies and implementation plans aimed at creating sustainable and enduring relationships based on dialogue, collaboration, shared interests and trust. Events do not always unfold as intended or according to plan, however, and the status of relations can deteriorate for any number of reasons, including, but not limited to: influences of local or external political or social actors or organizations, shifts in the agendas or interests of individuals or the community as a whole, the Company´s inability to deliver on community expectations or its commitments, or concerns stemming from communities' historic or recent experiences with legal and/or illegal miners. The Community Relations team is prepared to manage such situations and issues are usually resolved through dialogue within a reasonable timeframe. However, if under extreme circumstances the Company were to lose its social license with one or more communities and be unable to recover it, this could impact the viability of the project. By the same token, if the Company is unable to obtain social licenses from some communities, some of its activities could be affected.

Additionally, in recent years, local political and social groups and organizations, including indigenous confederations, at times funded at least in part by international non-governmental organizations, have increased their activities related to extractive industries in many jurisdictions, including Ecuador. Activists have taken such actions as road closures and work stoppages, as well as succeeded in attracting the attention of different local and national media outlets, at times negatively impacting the reputations of the mining sector and/or specific companies. In 2019, anti-mining activists in Ecuador succeeded in bringing about a public vote on mining activity in a canton in the highlands of Azuay province near a significant mining project. Subsequent efforts to promote similar votes in Azuay and Imbabura Provinces were denied by the Constitutional Court. However, on September 8, 2020, a petition for a public consultation vote on metallic mining filed by the Municipality of Cuenca in Azuay province covering the water charge zones of five local rivers was approved by the Constitutional Court and the National Electoral Council announced it will take place on December 13, 2020. While the Company's local counsel has interpreted the Court's ruling as applying only to future mining concessions that might be granted by the Government of Ecuador, there is scope for others to present contrary views. Activists have also brought claims before the courts seeking to constitutionally enjoin mining companies from advancing projects until the Government of Ecuador complies with its commitments under article 57 of the Constitution of the Republic of Ecuador and the ILO convention, which requires free, prior and informed consultation to aboriginal or indigenous communities. While it is the Company's understanding that there are no aboriginal or indigenous communities in the area of the Cangrejos Project, the expansion of such initiatives can not be entirely ruled out and, if pursued, may have a material adverse effect on the Company's operations at the Cangrejos Project and on its financial position, cash flows and results of operations.

- *The Company's properties are attractive to artisanal and illegal miners.*

The Company's concessions are located close to communities with long-standing alluvial, often illegal, mining traditions. Limited economic opportunities in these areas contribute to making gold mining an attractive field of work for local individuals and small associations and companies, who at times view areas in the Company´s concessions as attractive targets for alluvial or hard rock mining. In some cases, local informal operators (occasionally financed by outsiders), having exhausted development opportunities at their current location, may seek to expand or relocate their activities into areas controlled by the Company. In other instances, illegal miners may relocate to one of the Company's concession areas in response to government pressure that has shut down their prior operations in a different part of the country. Local and national political and regulatory authorities may come under pressure to support or not impede the ambitions of these local actors. The Company monitors local mining activities and is in regular contact with regulatory and political authorities to anticipate and manage issues as they arise, however not every incursion can be readily identified, let alone terminated. Furthermore, there is a risk that in the future, due to political or social factors, regulators may take decisions to grant artisanal miners access to parts of the Cangrejos properties that impact the viability of the Company's project, or illegal miners may occupy neighboring properties with impunity, impacting the local environment, communities and public perceptions of mining in the area.

- *The Company may not be able to obtain or renew permits that are necessary for its operations.*

In the ordinary course of business, the Company is required to obtain new governmental permits as well as renew permits for exploration and development activities and any ultimate development, construction and commencement of mining operations. The Company employs a dedicated permitting team that is often supported by outside experts, including legal counsel and environmental consultants. Nonetheless, obtaining or renewing necessary permits can be a complex, expensive and time-consuming process, which at times involves several political jurisdictions and different government agencies that may not have the expertise, resources or political disposition needed for efficient and timely processing, and, may require public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including leadership and policy changes at the regulator, the interpretation of applicable requirements implemented by permitting authorities, the expertise and diligence of civil servants, challenges presented by social and political actors, and the timeframes for agency decisions. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could slow exploration and/or development or impede the eventual operation of a mine, which could adversely impact the Company's operations, share price, ability to finance and, ultimately, eventual profitability.

- *The Company has no significant source of operating cash flow and failure to generate revenues in the future could cause it to go out of business.*

The Company has no revenues from ongoing operations and has recorded significant accumulated losses. Based upon current plans, the Company expects to incur operating losses in future periods due to ongoing expenses associated with the holding, exploration and development of the Company's mineral property interests. The Company will likely continue to have limited financial resources and its ability to achieve and maintain profitability and positive cash flow will remain dependent upon the Company being able to:

  - develop and/or locate a profitable mineral property;
  - generate revenues in excess of expenditures; and,
  - minimize exploration and administrative costs in the event revenues and/or financing availability are insufficient, in order to preserve available cash.

In order to stay in business, in the absence of cash flow from operations, the Company will have to raise funding through financing activities. However, in the event it needs to do so, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences or privileges senior to those of the Company's common shareholders.

The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations.

- *The mineral exploration industry is intensely competitive in all its aspects.*

The Company competes with many companies, including those possessing greater financial resources and technical capabilities, for the acquisition of mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees, and contracting of attorneys, consultants and technical experts. Ecuador is an emerging mining country with two large mines that only just commenced production in November 2019 and as a result mining expertise is limited and competition for qualified nationals is particularly intense.

- *Even if the Company makes a discovery of, or produces, commercial quantities of minerals, there is no assurance that there will be market demand for the mineral resource and that the investment will earn an adequate return.*

There is no assurance that even if commercial quantities of minerals are discovered or produced, a ready market will exist for their sale. Factors beyond the control of the Company may affect the marketability of any minerals discovered. These factors include: market fluctuations; domestic and international economic trends and political events; inflation or deflation; currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies); interest rates and global or regional consumption patterns; speculative activities; and, government laws and regulations, including those relating to prices, taxes, royalties, land tenure, land use, labour, importing of equipment, importing and exporting of minerals, and environmental protection. The exact effect of any of these factors cannot be accurately predicted, but a combination of them may result in the Company not receiving an adequate return on invested capital or losing its invested capital.

- *Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may either not discover minerals in sufficient quantities or grades or not be able to obtain the required funds to develop a project on a timely basis.*

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards and Guidelines for Resources and Reserves. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis or may not be obtainable on terms acceptable to the Company. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

- *Risks relating to inaccurate estimates of mineral resources, production, purchases, costs, decommissioning or reclamation expenses.*

Unless otherwise indicated, mineralization figures presented by the Company in filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate, nor that the mineral resource could be mined or processed profitably.

The Company has not commenced production at any of its properties, nor defined or delineated any proven or probable mineral reserves. Therefore, the mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by and inferred from drilling results. Furthermore, there can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or at production scale. As a result, the mineral resource and mineral reserve estimates that may be contained in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time have been determined and valued based on assumed future metals prices, cut-off grades and operating costs that may prove to be inaccurate. In addition, extended declines in market prices for gold or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization.

The estimated parameters for the Company's projects may be changed as development and mining plans are generated and refined. These parameters would include estimates of how plants, equipment and processes may operate in the future at the Company's projects, for which cost and productivity estimates may prove to be incorrect.

Any material alteration in the above noted estimates, or of the Company's ability to extract mineralization from its projects, could have a material adverse effect on the Company's results or financial condition.

- *The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control.*

The Company's activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or managed. These risks include, but are not limited to: tectonic or weather activity that may provoke landslides, damage infrastructure or other impacts; labour disruptions; health emergencies; local political or social pressure; legislative and regulatory changes; crime, including corruption; the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and service providers, including drilling, engineering and environmental contractors, as well as expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights, easements and other surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions. Furthermore, the Company is currently involved in a number of administrative and legal processes where, in spite of its best efforts and those of its legal advisors and consultants, results are uncertain. These processes could generate delays and adverse decisions, which could negatively impact project development and the Company's prospects.

- *Inadequate infrastructure and resources may adversely affect the Company's operations and profitability.*

Mining, development, exploration and production activities depend, to different degrees, on adequate infrastructure and services. Reliable roads, bridges, power and fuel sources, as well as water supplies are important determinants that affect capital, as well as operating costs and safety. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development of the Company's projects. If adequate infrastructure is not accessible or implementable, there can be no assurance that the development of the Company's project will commence or be completed on a timely basis, if at all. In addition, unusual or infrequent weather phenomena, tectonic activity, sabotage, government, social or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

- *The Company currently has limited insurance covering its assets and operations and, as a consequence, could incur considerable costs.*

Mineral exploration involves risks, which, even with a combination of experience, knowledge and careful evaluation, mining exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company presently has very limited commercial liability insurance and does not intend to increase its liability insurance. As a result of having limited liability insurance, the Company could incur significant costs that may have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

- *The Company's mineral property interests or surface property may be subject to prior unregistered agreements or transfers and therefore title to some of the Company's property interests may be affected.*

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of, or options to acquire, an interest in its mining properties and surface rights, and has conducted limited investigations of legal title to each such property, the properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims, or it is possible that title may be affected by undetected defects.

- *The prices of gold, copper, and other base and precious metals can fluctuate significantly over time, as well as experience periods of major volatility, which may adversely affect the economic viability of the Company's mineral assets.*

The Company's revenues, if any, are expected to be almost entirely derived from the mining and sale of gold, copper and other metals. The prices of those commodities have fluctuated widely, particularly in recent years (even months), and are affected by numerous factors beyond the Company's control, including: international economic and political events and trends; expectations about economic growth and inflation; currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and, increased production due to new mine developments and improved mining and production methods. The effects of these factors on the price of gold and copper, as well as other precious and base metals, and, therefore, on the economic viability of the Company's mining project, cannot be accurately predicted, but nonetheless may adversely impact the Company's ability to raise capital and conduct its planned operations.

- *The Company's subsidiary and mineral properties are in a foreign country and, therefore, a large portion of the Company's business may be exposed to political, economic, social, security, and other risks and uncertainties.*

The Company's mineral property, and related subsidiary, is located in Ecuador. It may, therefore, be exposed to various types and degrees of security, economic, labour, political, social and other risks and uncertainties. These risks and uncertainties include, but are not limited to: illness; terrorism; hostage taking; military repression; high rates of inflation; labour unrest; war or civil unrest; local political and/or social opposition to mining; creeping or outright expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts, including by way of invalidation of governmental acts; artisanal and illegal mining operations and the Government of Ecuador's enforcement of norms restricting these activities; changes in taxation and mining-related laws and regulations; trade protectionism, including restrictions or tariffs on imports; changes to the foreign exchange regime; changes to the currency regime; currency controls; restrictions on repatriation of funds; changing political conditions, including national and more localized electoral results and political appointments; government austerity and other measures impacting the political will and operational capability of ministries, agencies and other government entities;; challenges to the validity of governmental acts; litigation and judicial decisions, including approval of processes for popular votes to ban mining in different jurisdictions, that run counter to the Government of Ecuador's pro-mining policies, possibly precipitated by activists or indigenous groups opposed to extractive industries and/or foreign investment; corrupt or unethical behaviour by government officials or agents, judges, and even Company employees; and, governmental regulations that may favour or require the awarding of contracts to local contractors or require foreign contractors to employ residents of, or purchase supplies from, a particular jurisdiction. The reputation of Ecuador as a developing nation, perceived by many as having a track record of economic and political instability and measures contrary to attracting investment in the mining sector and other areas of the economy, may make it more difficult for the Company to obtain any required exploration and development financing or strategic investment for its projects.

Changes in mining or investment policies or shifts in political and public attitudes in Ecuador, its provinces, or local political jurisdictions, may adversely affect the Company's operations or potential profitability. Operations may be affected in varying degrees by modifications to government legislation and regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittances; taxes, including income taxes, property taxes, value added taxes, capital gains taxes, windfall taxes, and the sovereign adjustment tax; royalties; expropriation of property; foreign investment; maintenance of claims; the environment; land use, including territorial bans on different types of mining activities; land claims or other demands by local people; social consultation and other permitting requirements; corporate social responsibility; artisanal and illegal mining operations; labour; health; transportation; water use; imports and exports; and, mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The impact of one or more of these various factors and uncertainties, none of which can be accurately predicted, could have an adverse effect on the Company's operations or potential profitability.

- *The Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price.*

The Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

- *The value of the Company's common shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares.*

The Company is authorized to issue an unlimited number of common shares without par value. The Company may issue more common shares in the future. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

- *The Company's future performance is dependent on key personnel. The temporary or permanent loss of the services of any of the Company's and its subsidiary's executives or directors could have a material adverse effect on the Company's business.*

The Company's performance is substantially dependent on the performance and continued efforts of the Company's executives and its board of directors. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company business, results of operations and financial condition. The Company currently does not carry any key person insurance on any of its executives or directors. The Company has limited resources and is currently unable to compete with larger organizations with respect to compensation and perquisites.

- *The Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar.*

While the Company and its subsidiaries incur the majority of their expenditures in U.S. dollars, corporate G&A expenses are primarily paid in Canadian dollars. Thus, the Company is exposed to financial risk arising from fluctuations in the exchange rates between the U.S. dollar and Canadian dollar, and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risks.