LUMINA GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2023

TSX-V: LUM

www.luminagold.com

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 months ended March 31, 2023 and 2022, 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, 2022.

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 U.S. 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 three months ended March 31, 2023 and 2022 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 to continue exploration and development, including environmental and socioeconomic data collection, as well as related initiatives on the Cangrejos Project;
- estimates of mineral resources and reserves at the Cangrejos Project;
- estimates of potential economic recoveries at the Cangrejos Project;
- forecasts of future metal prices;
- possible related discoveries, or extensions, of new mineralization or increases of, or upgrades to, reported mineral resource estimates, and related studies at the 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 2023 Pre-Feasibility Study ("PFS") on the Cangrejos Project;
- the Company's plans to continue advancing the Cangrejos Project following announcement of the results of the PFS;
- the results of the Company's Preliminary Economic Assessment ("PEA") on the Cangrejos Project;
- 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 exploration and studies related to future mine development;
- the Company's expectation that it will continue to incur operating losses in future periods and to have limited financial resources;
- 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, including any proceeds from the precious metals purchase agreement signed with a subsidiary of Wheaton Precious Metals Corp.;
- 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 current and future accounting standards on the Company;
- the Company's efforts to monitor, interpret and adapt to market, 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, prevent, control and terminate incursions by illegal miners into its concessions;
- the mining assets and properties of the Company being and remaining attractive investment opportunities;
- the effects of the COVID-19 virus and its variants 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", "objective", "scheduled", "estimates", "forecasts', "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or information 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; accuracy of metallurgical test work; anticipated political and social conditions and events; expected Ecuador national, provincial and local government policies, including legal and regulatory reforms; and, ability to successfully raise or otherwise access 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 price fluctuations of gold, copper, and other precious and base metals;
- risks relating to the Company having a single project asset;
- risks relating to the Company holding substantially all of its assets in a foreign subsidiary;
- risks relating to the uncertain marketability of any minerals discovered at the Cangrejos Project;
- risks relating to geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of mineral reserves and resources) in the PFS for the Cangrejos Project;
- risks relating to the PFS proving to be inaccurate in any material respect, including new technical and engineering information and data obtained subsequent to the PFS;
- risks relating to the Company's ability to implement the recommendations contained in the PFS for the Cangrejos Project;
- risks relating to the announcement of the PFS and the increased public profile that this is likely to generate for the Cangrejos Project;
- risks relating to the estimated cost, timing and results of future studies;
- risks relating to the Cangrejos Project being located in Ecuador, including political, social, economic, security and regulatory instability;
- risks relating to government expropriation, suspension or cancellation of the Company's mineral property interests or permits;
- risks relating to the Company's assets and activities being subject to extensive and evolving Canadian and Ecuadorian federal, state, provincial, territorial and local policies, laws and regulations;
- risks relating to changes in Ecuador's national (including the executive and legislative assembly), provincial and local political leadership, as well as the impacts these (and the processes leading up to them) may have on general, environmental, including water, and mining specific public policies, laws, regulations, and other norms or decisions issued by administrative agencies or provincial or local government bodies, in addition to legal, political and social stability;
- risks relating to Ecuador's country risk ratings, the country's fiscal situation and its ability to make debt payments, as well as investor and market perceptions of these and other economic and political factors and developments;
- risks relating to national, provincial and local political and social activism or unrest, including opposition to the government's economic programs and mining industry development policies, as well as to specific mining and infrastructure projects, concerns about biodiversity, the environment and water, pressure for economic benefits such as employment or social donation or investment programs, changes to taxation and labor regimes, access to land for agricultural or artisanal mining use, or for illegal mining or other unlawful purposes, or other demands;
- risks relating to political instability derived from occasional antagonism or power struggles between the executive and legislative branches, between political parties, between different parts of the country, and between indigenous or other minority groups and the central government or other political authorities, as well as the effects these may

have on investment, country risk ratings, public safety, administrative and judicial decisions and processes, and other aspects of doing business in Ecuador
- risks relating to local communities and municipalities, including social unrest, public consultations, and initiatives seeking to restrict economic activities, including mining;
- risks relating to the continued impact of ongoing geopolitical events such as the Russia / Ukraine conflict on global affairs and the adverse impact these events could have on the Company's ability to carry out its plans and raise capital;
- risks relating to crime and physical security risks on roads, as well as in rural and urban areas;
- risks relating to the political, social, environmental and geological conditions in areas within or in proximity to the concessions under development and surface lands owned by the Company;
- risks relating to the activities of other miners, legal or illegal, as well as social and political actors, in the area of the project and elsewhere in Ecuador, which may have direct or indirect impacts on Lumina's project;
- 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 and water use requirements;
- risks relating to Lumina's ability to prevent illegal mining on or evict it from its concessions, with or without support from national, provincial or 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, as well as environmental management;
- 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 burdens, restrictions 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 personnel, 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, including rain, fire, natural erosion, landslides, and geological activity, including earthquakes and volcanic activity, and popular protests;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that the Cangrejos Project is not yet in commercial production;
- risks relating to the Company's ability to continue as a going concern;
- 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 strategic investors;
- risks relating to the impacts of epidemics, pandemics and other health issues, including COVID-19 and its variants, internationally, nationally across Ecuador, and in the localities where the Company operates, as well as the availability of cures and preventative vaccines; 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 of the 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 months ended March 31, 2023 and to the date of this MD&A. This overview should be read in conjunction with the remainder of this MD&A to appreciate more fully the Company's results and activities for the three months ended March 31, 2023.

Cangrejos Project

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. To date the Company has defined significant gold and copper mineral resources at the Cangrejos and Gran Bestia deposits within the Cangrejos Project. 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 on the Pacific Ocean.

The Cangrejos Project consists of six mineral concessions covering a total area of 5,682 hectares. Within the area of the concessions, Lumina currently owns or controls approximately 1,730 hectares of land / surface rights, which cover various important locations with respect to the known and potential targets. These surface areas include approximately 360 hectares granted by way of government easement on the concession formerly 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. In March 2023, the Company completed an agreement whereby one of the Company's non-core mineral concessions (totaling 691 hectares) was exchanged for approximately 218 hectares of land and possessory rights with an arm's length party.

The Company's focus in 2022 and 2023 has been on the work programs and studies to advance a PFS on the Cangrejos Project which would build upon the Company's PEA for the Cangrejos Project. Details on the PEA can be viewed in the Company's 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 1, 2022 and an execution date of June 15, 2022. The technical report is available on SEDAR or the Company's website. The PEA includes mineral resources from two adjacent mineral deposits, being Cangrejos and Gran Bestia. 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. Furthermore, there is no certainty that the PEA will be realized.

During the three months ended March 31, 2023, and to the date of this MD&A, the Company's focus has been on completing the studies, models and test work to advance the PFS. On April 17, 2023, the Company announced results of the PFS in a news release titled "Lumina Gold Announces Positive Cangrejos Pre-Feasibility Study; US$2.2 Billion NPV, 26 Year Mine Life and Production of 371,000 Gold Ounces per Year and 41 Million Pounds of Copper Per Year." The news release is available at www.sedar.com and the Company's website www.luminagold.com. Base case economics were calculated using a gold price of $1,650 per ounce, copper price of $3.75 per pound and a silver price of $20.00 per ounce. The effective date of the PFS is April 7, 2023, and a technical report relating to the PFS will be filed on SEDAR within 45 days of the date of the news release.

The PFS demonstrates improvements upon the Company's prior PEA for the Cangrejos Project, which improvements include:

- Probable gold reserves of 11.6 million ounces (0.55 gold grams per tonne ("g/t")), inclusive of mineral resources;
- The indicated gold mineral resource increased to 16.8 million ounces from 10.4 million ounces (0.48 g/t); and
- Project after-tax NPV of $2,238 million at $1,650 per ounce gold and $3.75 per pound copper for the PFS compared to after-tax NPV of $1,571 million at $1,400 per ounce gold and $2.75 per pound copper from the PEA.

The PFS's highlights include the following estimates:

- Life of mine ("LOM") average annual payable production of 371 thousand ounces gold ("koz");
- LOM average annual payable by-product production of 41 million pounds copper;
- 469 koz of average annual gold equivalent production over the LOM;
- 26-year mine life with a LOM revenue mix of 79% gold, 20% copper and 1% silver;
- 30,000 tonnes per day processing operation from years 1-3, with an expansion to 60,000 in year 4 and 80,000 in year 7;
- After-tax NPV (5%) of $2.2 billion and 17.2% IRR using base case prices;
- Average cash operating costs of $602 per ounce and all-in sustaining costs of $671 per ounce, net of by-product credits;
- LOM processed grades of 0.55 g/t gold and 0.12% copper; and
- Initial capital costs of $925 million include working capital and exclude refundable value added tax.

The PFS contains mineral resource and mineral reserve estimates. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Please refer to the Company's April 17, 2023 news release for additional information pertaining to the estimates of the mineral resource and mineral reserve estimates.

On May 16, 2023, the Company entered into a precious metals purchase agreement (the "Gold Stream") with Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp., ("Wheaton") in relation to the Cangrejos Project. The Gold Stream initially represents 6.6% of the payable gold produced from the Cangrejos Project in exchange for $48 million of pre-construction funding (the "Early Deposit") and $252 million of construction funding (the "Upfront Payment").

The Gold Stream is composed of two funding segments, (i) the Early Deposit to be paid during the completion of a feasibility study (as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects) and permitting period, and (ii) the Upfront Payment to be paid during the construction of the Cangrejos Project. The Upfront Payment of $252 million provides approximately 25% of the total construction funding required by the Cangrejos Project.

The Early Deposit of $48 million is comprised of four components: (i) $12 million to be paid on the date that is 10 days following the signing of the Gold Stream (the "Closing Date"); (ii) $10 million to be paid on the date that is 6 months following the Closing Date; (iii) $15 million to be paid on the date that is 12 months following the Closing Date; and (iv) a $11 million facility that may be drawn upon for specific pre-construction capital items. The $252 million Upfront Payment will be funded throughout the two- and half-year construction period for the Cangrejos Project.

In return for the Early Deposit and Upfront Payment, the Company will sell 6.6% of the payable gold from the Cangrejos Project until 700 thousand ounces of gold have been delivered, at which point the Gold Stream will be reduced to 4.4% of the payable gold production. Wheaton will make ongoing payments for the gold ounces delivered equal to 18% of the spot price of gold until the uncredited deposit is reduced to nil and 22.0% of the spot price of gold thereafter. In the event of a change of control, the Company may buy back one third of the Gold Stream from Wheaton until the earlier of January 1, 2030 and the date that is 12 months after first production.

COVID-19

The Company's health protocols have been kept current with Ecuadorean government directives and have proven effective in managing potential exposure to the COVID-19 virus in the Cangrejos Project field camp. The protocols address training of all staff and contractors on symptoms and appropriate protective measures. In keeping with recently relaxed government directives, testing prior to camp entry has ceased in lieu of medical screening, with the administration of rapid antigen tests if COVID-19 is suspected. Personnel also are screened prior to camp departure. International visitors are no longer required to have a PCR or vaccination record to enter Ecuador. All in-country employees have received at least one booster.

Financing Activity

During the year ended December 31, 2021, the Company received proceeds from the exercise of stock options in the amount of $458,934. Additionally, on October 6, 2021, the Company closed concurrent private placement financings consisting of (i) a brokered private placement of 16,179,500 common shares at CAD$0.60 per share and (ii) a non-brokered private placement of 15,468,111 common shares at CAD$0.60 for gross proceeds of CAD$18,988,567 ($14,313,815 net amount after share issue costs and finder's fees). All of the cash received from the private placement financings had been expended during the third quarter of 2022.

On July 5, 2022, the Company entered into an agreement with Ross Beaty, the Company's largest shareholder, to establish a CAD$10 million unsecured credit facility (the "2022 Facility"). The 2022 Facility was to provide short-term financing for drilling costs, PFS costs and general corporate and working capital purposes. The 2022 Facility bore interest of 10% per annum with maturity on the earlier of: (i) July 5, 2023, (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of CAD$15 million; or (iii) the date of a change of control of the Company, at which time it must be repaid in full. The 2022 Facility also included 3,000,000 common share purchase warrants to Mr. Beaty (the "Bonus Warrants"), due upon the initial draw on the 2022

Facility. An initial draw of CAD$1.5 million was made on July 7, 2022 at which time the Bonus Warrants were issued. The Bonus Warrants entitle Mr. Beaty to acquire one common share of the Company at a price of CAD$0.38 at any time to July 7, 2024. In the event the 2022 Facility was repaid prior to July 5, 2023, the term on the Bonus Warrants would be reduced from July 7, 2024 to July 7, 2023. Further draws on the 2022 Facility were made as follows: CAD$4 million on July 25, 2022, CAD$2.4 million on September 1, 2022, CAD$1 million on September 29, 2022 and CAD$1.1 million on November 1, 2022.

On December 13, 2022, the Company entered into an amendment agreement whereby the 2022 Facility was adjusted to a total facility of CAD$15 million (the "Amended 2022 Facility"). The Amended 2022 Facility continues to bear interest at a rate of 10% per annum and matures on the earlier of: (i) December 31, 2023; (ii) two business days after the Company receives aggregate gross proceeds from one or more equity financings in excess of CAD$18 million; or (iii) the date of a change of control of the Company, at which time it is to be repaid in full. No additional warrants were granted to Mr. Beaty in connection with the Amended 2022 Facility, but the facility plus accrued interest to December 13, 2022, is convertible to common shares of the Company at a price of CAD$0.42 per share at the option of Mr. Beaty for a total of up to 36,484,605 common shares (the "Convertible Units" and each one a "Convertible Unit"), assuming the facility is fully drawn by the Company. A draw was made on the Amended 2022 Facility on December 14, 2022, in the amount of CAD$2 million. Additional draws on the Amended 2022 Facility totalling CAD$3 million, for a total amount drawn of CAD$15 million, were made after December 31, 2022 with the final draw on the Amended 2022 Facility taking place on March 6, 2023.

On March 28, 2023, Mr. Beaty exercised the 3,000,000 Bonus Warrants for proceeds to the Company of $836,636 to provide additional working capital for operations.

OUTLOOK

Following announcement of the positive results of the PFS on April 17, 2023, the Company will seek to continue to advance the Cangrejos Project. This will include scoping and planning the next phase of work based on the final recommendations arising from the PFS, advancing discussions with the Government of Ecuador on amending the Company's Exploration Investment Protection Agreement to include Exploitation, further defining data collection needs based on the PFS design and advancing project permitting and. The Gold Stream with Wheaton will provide the Company with additional funds to continue to advance the Cangrejos Project towards a feasibility study, development and construction.

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 months ended March 31, 2023 and 2022 along with other public disclosure documents of the Company.

For the three months ended March 31, 2023, the Company reported a net loss of $6,450,578 compared to a net loss of $6,140,814 for the three months ended March 31, 2022. The commentary that follows provides additional details on the Company's reported net loss for the periods ended March 31, 2023 and 2022.

Exploration and Evaluation Asset (Mineral Property)

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 March 31, 2023, the carrying value of the exploration and evaluation asset related to the Cangrejos Project was $1,701,100 (December 31, 2022 - $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 months ended March 31, 2023.

Expenses

Exploration and evaluation expenditures

The Company's E&E expenditures on the Cangrejos Project were as follows for the three months ended March 31, 2023 and 2022:

	Three months ended March 31, 2023	Three months ended March 31, 2022	Increased (decreased) expenditure
Assays / Sampling	$ -	$ 126,982	$ (126,982)
Camp	157,827	321,069	(163,242)
Camp access and improvements	1,602	95,967	(94,365)
Drilling	-	3,439,738	(3,439,738)
Engineering	804,554	360,871	443,683
Environmental, Health & Safety	161,466	211,319	(49,853)
Field office	116,110	159,981	(43,871)
Geological consulting	80,616	118,478	(37,862)
Geological and field staff	46,575	102,827	(56,252)
Legal fees	7,234	20,212	(12,978)
Metallurgical	470,309	67,980	402,329
Mineral rights and property fees	215,075	143,488	71,587
Project management	242,148	175,754	66,394
Reports	50,128	47,361	2,767
Social and community	118,155	116,405	1,750
Share-based payment	61,129	50,427	10,702
Transportation and accommodation	37,011	148,552	(111,541)
	$ 2,569,939	$ 5,707,411	$ (3,137,472)

During the three months ended March 31, 2022, the Company was primarily focussed on a drilling program at the Cangrejos Project as part of the then-proposed PFS. Accordingly, there were significant expenditures on drilling during that period. During the three months ended March 31, 2023, the Company's active field programs were no longer in place and the focus was on the completion of the studies required to support the PFS, as described in more details earlier in this MD&A. This saw additional expenditures in areas such as engineering and metallurgical expenses and project management as the PFS work was advanced and overseen by project managers.

Other operating expenses

The Company's other operating expenses for the three months ended March 31, 2023 and 2022 were as follows:

	Three months ended March 31, 2023	Three months ended March 31, 2022	Increased (decreased) expenditure
Fees, salaries and other employee benefits	$ 297,246	$ 304,517	$ (7,271)
G&A	134,583	114,456	20,127
Professional fees	79,151	28,112	51,039
Insurance	28,112	23,069	5,043
	$ 539,092	$ 470,154	$ 68,938

Fees, salaries and other employee benefits for the three months ended March 31, 2023 include $125,605 of share-based payment expense (three months ended March 31, 2022 - $110,629). Excluding this non-cash expense, fees, salaries and other employee benefits for the three months ended March 31, 2023 were $171,641 compared to $193,888 for the three months ended March 31, 2022, with the decrease primarily attributable to a reduction in fees for investor relations activity. Professional fees increased for the three months ended March 31, 2023 compared to the 2022 period as a result of the level of activity, notably related to the Gold Stream with Wheaton. G&A and insurance expenses were generally consistent for the three months ended March 31, 2023 and 2022.

Other income / expenses

The Company's other income / expenses for the three months ended March 31, 2023 and 2022 were as follows:

	Three months ended March 31, 2023	2022
Change in fair value of derivative liabilities	$ (3,071,389)	$ -
Gain on land and other rights in exchange for mineral concession	323,147	-
Interest income and other	8,405	5,421
Interest and financing expense	(598,726)	(1,645)
Foreign exchange (loss) gain	(2,984)	32,975
	$ (3,341,547)	$ 36,751

During the three months ended March 31, 2023, the Company recorded a loss of $3,071,389 arising from the change in value of the Company's derivative liabilities related to warrants and Convertible Units. There were no equivalent derivative liabilities in the three months ended March 31, 2022. The fair value of the derivative liabilities varies from period to period and is calculated using the Black-Scholes Option Pricing Model ("Black-Scholes"). Further details on the inputs that were used to calculate the value of derivative liabilities can be seen in Note 8 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023.

The gain on land and other rights in exchange for mineral concession of $323,147 arose on the completion in March 2023 of the exchange of a non-material mineral concession for land and surface possessory rights as described in more detail earlier in this MD&A in the section "Overview of Significant Events and Review of Activities." The value of the land received ($215,542) was added to land assets while the possessory rights ($107,605) was expensed to E&E expenditures re mineral rights and property fees. As the concession transferred had a carrying value of $Nil, a gain of $323,147 was recognized.

During the three months ended March 31, 2023, the Company incurred interest and financing fee expenses on the loan from Ross Beaty. No such loan was in place for the three months ended March 31, 2022, hence the minor interest expense during that period. Foreign exchange gains or losses primarily arise as a result of cash held in Canadian dollars, the Company's loans which are denominated in Canadian dollars, and the fluctuation of the exchange rate between Canadian and U.S. dollars.

Related Party Transactions

The Company incurred the following expenses with related parties:

Related company	Nature of transactions	Three months ended March 31, 2023	2022
Miedzi Copper Corp. ("Miedzi")	E&E (geological)	$ 3,333	$ 341
Miedzi	G&A	9,369	9,692
Miedzi	Fees	51,621	50,769
Hathaway Consulting Ltd.	Fees	25,699	26,709
Into the Blue Management Inc.	Fees	20,713	21,528
Koval Management Inc.	Fees	47,863	48,591
La Mar Consulting Inc.	E&E (social/community)	28,342	34,395
Lyle E Braaten Law Corp.	Fees	21,084	18,959
		$ 208,024	$ 210,984

Miedzi is considered a company related by way of directors, officers 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. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and settlement occurs in cash. The amounts below were included in accounts payable and accrued liabilities as owing to related parties:

Related company	March 31, 2023	December 31, 2022
Hathaway Consulting Ltd.	$ -	$ 49,343
Into the Blue Management Inc.	-	33,225
Koval Management Inc.	-	47,992
La Mar Consulting Inc.	-	22,150
Lyle E Braaten Law Corp.	-	40,608
	$ -	$ 193,318

SUMMARY OF QUARTERLY RESULTS (UNAUDITED)

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

Three months ended:	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Revenue	$ -	$ -	$ -	$ -
Expenses	(3,109,031)	(3,218,803)	(4,182,742)	(8,274,456)
Other income (expenses)	(3,341,547)	(682,178)	282,742	(19,844)
Net loss for the period	(6,450,578)	(3,900,981)	(3,900,000)	(8,294,300)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.02)

Three months ended:	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Revenue	$ -	$ -	$ -	$ -
Expenses	(6,177,565)	(3,526,977)	(1,184,315)	(1,313,372)
Other income (expenses)	36,751	65,323	845	(125,078)
Net loss for the period	(6,140,814)	(3,461,654)	(1,183,470)	(1,438,450)
Basic and diluted loss per share	(0.02)	(0.01)	(0.005)	(0.01)

The Company's quarterly results reflect the ongoing exploration and evaluation efforts made on the Cangrejos Project, which efforts vary from period to period as described in more detail below depending on the current phase of activity being conducted. During the three months ended June 30 and September 30, 2021, the Company's work efforts on its Cangrejos Project primarily consisted of rock sampling programs and community support. Expenses for the three months ended June 30, 2021 totalled $1,313,372, while expenses for the three months ended September 30, 2021 totalled $1,184,315, a reduction of $129,057. These costs reflect the Company's decision to reduce work programs and holding costs for the Cangrejos Project during this period of time to preserve cash to the extent possible. During the three months ended September 30, 2021 the Company was in the process of raising additional equity financing (which closed in early October 2021) in order to commence work on a PFS.

Expenses for the three months ended December 31, 2021, increased significantly compared to the prior quarters. The single largest factor contributing to the increase in expenses arose as a result of the commencement of drilling at the Cangrejos Project in support of a PFS. Drilling expense alone for the three months ended December 31, 2021 was $1,018,930. Included in expenses are fees, salaries and other employee benefits expense which totalled $761,484 in the three months ended December 31, 2021 compared to $269,323 for the three months ended September 30, 2021. This expense increased in the three months ended December 31, 2021 as a result of year-end bonuses and share-based payment expense related to the stock options granted in November 2021.

The Company continued and expanded its drilling program and PFS work during the three months ended March 31 and June 30, 2022, which resulted in total expenses for the periods of $6,177,565 and $8,274,456, respectively. E&E expenses for the three months ended March 31 and June 30, 2022 totalled $5,707,411 and $7,764,483, respectively, of which drilling expenditures were $3,439,738 and $5,019,810. These expenditures are significantly higher than in the prior periods noted above.

Drilling activity was completed in early August 2022 leading to a significant reduction in expenses during the three months ended September 30, 2022. Total expenses for the three months ended September 30, 2022 were $4,182,742 of which E&E expenses were $3,782,204, with the most significant reduction being in drilling which was $919,979 for the period, significantly lower than the prior periods as described above. This trend continued into the three months ended December 31, 2022, which saw lower activity in the field albeit with ongoing consulting costs related to the PFS programs as data was compiled for the PFS. Included in expenses for the three months ended December 31, 2022 are fees, salaries and other employee benefits expense which totalled $799,324 compared to $284,811 for the three months ended September 30, 2022. Consistent with prior periods, this expense increased in the three months ended December 31, 2022 as a result of accrued year-end bonuses and share-based payment expense related to the stock options granted in November 2022.

As described earlier in this MD&A, the Company continued to incur PFS related expenses during the three months ended March 31, 2023 which resulted in total expenses for the period of $3,109,031. E&E expenses totalled $2,569,939 with more significant amounts relating to the PFS and notably as regards engineering, metallurgical and project management costs.

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 months ended March 31, 2023 and 2022.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2023, the Company had cash of $953,986 compared to cash of $795,208 at December 31, 2022. The Company had a working capital deficit on March 31, 2023 of $14,855,219 compared to $9,619,971 at December 31, 2022. The Company's cash at March 31, 2023, is not sufficient to meet the Company's current accounts payable and accrued liabilities and amounts drawn on the CAD$15 million loan facility with Ross Beaty which was entered into in July 2022 and amended in December 2022 to provide short-term financing for drilling, PFS work and general corporate and working capital purposes.

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 March 31, 2023, the Company's cash was held at Scotiabank, a major chartered bank in Canada, and one 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 March 31, 2023.

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 2023 commitment amounts to $147,000 which has been satisfied as at the date of this MD&A.

To date, the capital requirements of the Company have been met by equity or loan proceeds. As described in Note 2(b) to the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023, the Company has incurred cumulative losses of $126,005,652 and will continue to incur losses and utilize cash for operating activities 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. While the Company has funded its recent corporate and E&E activities at the Cangrejos Project by way of a loan facility with Ross Beaty while it worked on the PFS, the Company will require additional financing to secure its longer-term work programs. See the "Financing Activity" section in this MD&A for details on additional loan draws and warrants exercised during the first quarter of 2023. Additionally, on May 16, 2023, the Company entered into a Gold Stream with Wheaton which consists of Early Deposit funding of $48 million and an Upfront Payment of $252 million for construction financing as described in more detail in the "Overview of Significant Events and Review of Activities" section of this MD&A.

COVID-19 and other geopolitical events such as the Russia / Ukraine conflict continue to impact global affairs. The situation remains 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 impact of global events and affairs 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 March 31, 2023, the Company's financial instruments consist of cash, other receivables, environmental deposit, accounts payable and accrued liabilities, lease obligations, loan and warrant liability. 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 cash, other receivables, environmental deposit, accounts payable and accrued liabilities 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. Lease obligation and loan liabilities are initially measured at their fair value with subsequent measurement at amortized cost using the effective interest rate method. Financial assets and liabilities classified at fair value through profit and loss ("FVTPL") are measured at fair value with changes in those fair values recognized in the condensed consolidated interim statements of loss and comprehensive loss of the period.

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

- Cash: amortized cost.
- Other receivables: amortized cost.
- Environmental deposit: amortized cost.
- Accounts payable and accrued liabilities: amortized cost.
- Lease obligations: amortized cost.

- Loan: amortized cost.
- Warrant liability: FVTPL.

The types of financial risk exposure and the way in which such exposure is managed by the Company is described in more detail below.

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 15(a) to the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023.

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 seeking to ensure 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 March 31, 2023, the Company's current liabilities consisted of accounts payable and accrued liabilities of $885,561, due primarily within the next quarter, a loan of $10,035,203 due on December 31, 2023, and current lease obligations of $36,153. The Company's cash of $953,986 at March 31, 2023 is not sufficient to pay these current liabilities in the absence of additional financing being obtained. Additional financing was needed at March 31, 2023, as discussed earlier in this MD&A under "Liquidity and Capital Resources." As noted earlier in this MD&A, the Company entered into a Gold Stream with Wheaton in May 2023 which will alleviate the Company's cash position.

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 months ended March 31, 2023 is interest income earned on the Company's cash. Based on the Company's cash at March 31, 2023, 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 $9,500 (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 Canadian dollars of which the 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 March 31, 2023, the Company's cash included $698,001 held in Canadian dollars as disclosed in Note 3 of the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023. In addition, the Company had $46,854 in accounts payable and accrued liabilities and $10,035,203 in loan payable that were denominated in Canadian dollars at March 31, 2023. The Company also considers that its derivative liabilities totalling $4,984,947 at March 31, 2023, are exposed to currency risk as the fair value of the underlying loan conversion feature is based in Canadian dollars. 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 $143,700 to the results of operations based upon the foreign currency financial instruments held at March 31, 2023.

SHARE CAPITAL

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

Common shares:	379,356,273	
Common share purchase options:	31,550,799	exercisable between CAD$0.405 - CAD$0.75 per option.
Convertible Units on loan:	36,484,605	exercisable at CAD$0.42 per Convertible Unit.

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 condensed consolidated interim 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 3(t) in the Company's audited consolidated financial statements for the year ended December 31, 2022.

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 months ended March 31, 2023, the Company has incurred cumulative losses of $126,005,652. 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 the consolidated statement of loss in the period when the new information becomes available.

Share-based payments

The Company utilizes the 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.

Valuation of derivative liabilities

The valuation of the Company's derivative financial instruments required the use of option pricing models such as Black-Scholes or other valuation techniques. Measurement of warrants and Convertible Units with exercise prices denominated in Canadian dollars that are not listed for trading is based on an option pricing model that uses assumptions with respect to share price, expected life, share price volatility and discount rates. Changes in these assumptions and estimates could result in changes in the fair value of these instruments and a corresponding change in the amount recognized in net income (loss).

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, nor has it identified any such standard or interpretation that is expected to have a material impact on the Company's condensed consolidated interim financial statements.

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, regulatory, 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.

- *Mineral exploration and development inherently involves a high degree of risk. The Company's mineral property is in the exploration and development 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 and early development stage and the Company has no ongoing mining production at any of them. If the Company's efforts to further explore and develop its mineral project are not successful, 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/or political opposition or strife, litigation, crime, 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 personnel, 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 project feasibility and operations. Likewise, the expropriation or suspension 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. The Company is largely dependent upon the Cangrejos Project for future revenue and profits, if any. Actual development costs may differ materially from the Company's estimates and may render the development of the Cangrejos Project economically unfeasible. Should the development of the Cangrejos Project not be possible or practicable for engineering, technical, environmental, economic, regulatory, political or social 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 resources or reserves, 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 and evolving Canadian and Ecuadorian federal, state, provincial, territorial and local policies, laws and regulations governing various matters, including, but not limited to:

  - land access, use and ownership;
  - water use;
  - environmental management and protection;
  - health and industrial safety;
  - land use designations and restrictions;
  - social consultation and public referendums;
  - corporate social responsibility;
  - judicial rulings and precedents regarding laws, regulations and other norms;
  - 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 related operations, and closure and reclamation;
- exports and imports, including duties;
- securities and finance regulations;
- taxation;
- mining royalties;
- escalated fees or other financial contributions for solidarity purposes in response to public emergencies;
- 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);
- restrictions on the movement of people into and out of Ecuador, as well as their permanence in-country;
- transportation;
- hiring practices and labour standards by companies and contractors, as well as occupational health and safety, including mine safety;
- reporting requirements related to work activity, 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 and other public emergencies.

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, non-governmental and social organizations and private parties to bring complaints or lawsuits against the Company based upon alleged damage or risks 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 contractors and those from whom the Company acquired its properties or easements, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions.

It is a challenge to keep track of and 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 or other regional or local officials or judicial authorities 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, protection of biodiversity, 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, perceived or misrepresented 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. Delays in obtaining or failure to attain government permits and approvals, or to secure evictions of illegal miners or other trespassers, 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 to authorities 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 community approvals, explicit or otherwise, in order to access and operate continuously in some 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 needs. 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, in addition to the Company, as well as expectations related to Company employment, social investment programs and other benefits, and concerns over land and water use and impacts, typically vary from place to place.

Every local stakeholder relationship 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 demands, expectations or its commitments, worries about the Company's future plans, exploration activities and related impacts, 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 influential local stakeholders 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 plans and 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 countries, including Ecuador. Activists have taken such actions as road closures and work stoppages, as well as succeeded in attracting the attention of different local, national and international 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 activities filed by the Mayor of Cuenca in Azuay province covering the water charge zones of five local rivers was approved by the Constitutional Court and implemented by the National Electoral Council on February 7, 2021, with the anti-mining option earning a majority vote. The Court subsequently made clear that such votes can not affect pre-existing rights and therefore apply solely to future mining concessions. A similar public consultation vote is due to be scheduled in six parishes of Quito canton, in Pichincha province, sometime in 2023.

Activists have also brought claims, with mixed results, before the courts requesting they suspend environmental permits or otherwise 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 National Assembly in Ecuador is obligated to enact a law to regulate the free, prior and informed consultation to aboriginal or indigenous communities in accordance with Article 57.7 of the Ecuadorean Constitution. However, drafts of this law are still being discussed and input would have to be provided by stakeholders with no certain timelines as to when such a law may be enacted.

In January 2022, the Constitutional Court declared the Hydric Resources Law unconstitutional. This decision was in response to a petition presented by activists in 2015, who claimed that the legislation was enacted without conducting the requisite pre-legislative consultation with affected indigenous communities. The law remains in effect until a new norm has been approved. The Lasso administration has a year to present a draft law for approval by the Assembly, which in turn must carry out a pre-legislative consultation process with indigenous communities across Ecuador before it can be passed. Likewise, the Ministry of Environment, Water and Ecological Transition, responding to a series of rulings from the Constitutional Court, has begun to undertake a reform to its norms on public participation, which must be fulfilled as part of its different environmental permitting processes; timing for completion of these modifications remains uncertain, but should occur in 2023.

In February 2022, the membership of the Constitutional Court changed, when one-third of the nine judges were randomly selected for replacement; one-third replacements will continue to occur every third year going forward. Two of the outgoing judges were considered to have an anti-extractives ideology and their rulings, supported by a majority of their peers, often reflected this philosophy. While the Company has been advised that the new members of the Court can be expected to take a more objective and legalistic approach, there can be no certainty as to how the Constitutional Court will rule on future matters.

In June 2022, Ecuador experienced eighteen days of widespread protests. The unrest concluded with the signing of a Peace Agreement, whereby the Government of Ecuador made a number of promises in exchange for the end of the protests. The next step was for the Peace Agreement to be consolidated via specific commitments to be negotiated at dialogue tables between government authorities and representative of indigenous organizations and other groups; these dialogue tables were all closed in October and will give rise to technical tables which will oversee the implementation of agreements reached. While the National Mining Policy (Supreme Decree 151) remains in force, President Guillermo Lasso did agree to abdicate his special authority to approve mining activity in hydric protection areas, intangible zones, protected areas, archaeological zones, and indigenous ancestral territories (this would not be an issue affecting the Cangrejos Project as no indigenous peoples reside in the area). Government authorities have indicated that acquired rights would not be impacted by any new commitments (rather would apply solely to future concessions) and, therefore, these processes will not impact the Cangrejos Project, which also has an Investment Protection Agreement that expressly provides for respect of existing rights. Also, as part of the Peace Agreement, the Government committed to issue a Law on Prior Consultation; Minister of Energy and Mines Fernando Santos in early November announced that a draft law will be presented to the Assembly in the near-term.

- *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 or private company 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 promptly 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 Project 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 ethical 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 changes in leadership, personnel, policies and processes 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, political stability, 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:

  - locate and/or develop 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, could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would affect the Company's operations.

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

The Company competes with many companies, some of which possess 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 commenced production in November 2019 and three medium-sized mines projected to go into construction in the next year; 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: fluctuations in supply, demand and market prices; 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 all the required funds to develop a project on a timely basis.*

Substantial expenditures are required to establish proven mineral reserves, or additional probable 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. The Company may not discover additional minerals in sufficient quantities or grades to further enhance its reserves and ultimately complete the development of a mining operation on a timely basis or 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 ultimate 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 resources, reserves 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 depending on market conditions in the future.

The Company has not commenced production at any of its properties, nor defined or delineated any proven 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 costs 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 project, 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; fires; national and local political or social pressure; negative local or national reactions to the activities of the Company or other mining actors, legal or illegal, in Ecuador or abroad; legislative and regulatory changes; non-violent and violent crime; 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 necessary 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 regularly 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.*

Mineral exploration, development and mining production activities depend, to differing degrees, on adequate infrastructure and services. Reliable roads, bridges, ports, 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 impede 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, criminal 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 secure from vendors in connection with the acquisition of, or options to acquire, an interest in their mining properties and surface rights, and has conducted limited investigations of legal title to each such property, the rights the Company has obtained 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, other precious and base metals, and oil and other commodities, 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 execute its planned operations.

- *The Company's subsidiary and mineral property 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, are located in Ecuador and may be exposed to various types and degrees of security, economic, labour, political, social, legal, regulatory and other risks and uncertainties. These risks and uncertainties include, but are not limited to: illness; terrorism; hostage taking; public protests, including demonstrations and roadblocks; 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 or challenges to the validity 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 coup d'etat, presidential impeachment, and national and more localized electoral results and political appointments; government austerity and other measures impacting the political will and operational capability of ministries, regulatory agencies and other government entities; anti-mining activism that could involve 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; local, municipal and provincial environmental and water protection initiatives; corrupt or unethical behaviour by government officials or agents, judges, media interests, and even Company employees or contractors; 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 challenging 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 towards mining and / or foreign investment in Ecuador, its provinces, or local political jurisdictions, may adversely affect the Company's operations or potential profitability. Operations may be affected by modifications to government legislation and regulations, as well as provincial and local norms, 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 mineral claims; the environment and biodiversity; land use, including territorial bans on different types of mining activities; water use; land claims or other demands by local people; social consultation and other permitting requirements; corporate social responsibility; corporate governance; artisanal and illegal mining operations; labour; health; transportation; imports and exports; and, mine safety. Failure to comply strictly with applicable laws, regulations and local norms and practices relating to mineral rights applications and tenure, could result in loss, suspension, 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 a foreign subsidiary and substantially all of its assets are held in that entity. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entity 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 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 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 ongoing COVID-19 pandemic and its variants on the Company are unpredictable. The Company continues to adapt work in Quito and at the Cangrejos Project in response to the mandates of the governmental authorities of Ecuador, and to employee and 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, as well as impact operating costs. While it appears that Ecuador's national vaccination campaign has been a success and the virulence of the virus's variants is waning, future aggressive measures to counter contagion, including the imposition of localized restrictions, cannot be ruled out. Likewise, other jurisdictions, including Canadian provinces and states in the United States of America, have at times instituted work and/or mobility restrictions. Such disruptions may sideline Company personnel and service providers temporarily, as well as cause the Company to push out forecasts for activity and increase fiscal losses. In addition, the repercussions of the COVID-19 pandemic continue to cause considerable disruption to the world economy and financial and metals markets, which could have a material adverse impact on the ability of the Company to execute its strategy or raise funding and might negatively impact, among other factors, the Company's share price. While the Company has taken measures to protect its operations, the implementation of remote working practices for the Company as a result of COVID-19 increases the risk of exposure and susceptibility to information technology challenges, including attempted actions by malicious third parties.

- *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.