AFTERMATH SILVER LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended November 30, 2020

Containing information up to and including January 25, 2021

Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS

FOR

AFTERMATH SILVER LTD.

CONTAINING INFORMATION UP TO AND INCLUDING JANUARY 25, 2021

NOTICE

This Management Discussion and Analysis ("MD&A") is intended to help the reader understand the Aftermath Silver Ltd. (“Aftermath” or the “Company”) condensed consolidated interim financial statements. The information provided herein should be read in conjunction with the condensed consolidated interim financial statements for the six months ended November 30, 2020 and 2019 and the audited consolidated financial statements for the year ended May 31, 2020 and 2019. The following comments may contain management estimates of anticipated future trends, activities or results. These are not a guarantee of future performance, since actual results could change based on other factors and variables beyond management control.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the condensed consolidated interim financial statements and MD&A, is complete and reliable. The Company’s board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board’s audit committee meets with management quarterly to review the condensed consolidated interim financial statements including the MD&A and to discuss other financial, operating and internal control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its specific mineral properties;
- the timing of decisions regarding the strategy and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company’s exploration programs;
- the timing and cost of planned exploration programs of the Company, and the timing of the receipt of results there from;
- the Company’s ability to maintain operations and raise capital as a result of the recent coronavirus disease 2019 (COVID-19) outbreak;
- the Company’s future cash requirements;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;

- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;
- the anticipated use of the proceeds from the financings;
- the potential to verify and potentially expand upon the historical resources;
- the potential for the expansion of the known mineralized zones;
- the potential for the amenability of mineralization to respond to proven technologies and methods for recovery of ore;

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to negotiate successfully for the acquisition of interests in mineral properties, the determination of applicable governmental agencies not to issue the exploration concessions applied for by the Company or excessive delay by the applicable governmental agencies in connection with any such issuances, the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the prices for precious and base metals;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs;
- its ability to maintain operations as a result of the recent COVID-19 outbreak;
- conditions in the financial markets generally, and with respect to the prospects for junior exploration gold and precious and base metal companies specifically;
- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favorable terms;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the precious and base metal exploration, mining, processing and marketing businesses;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;
- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs and the Company's ability to comply with such terms on a cost-effective basis;
- the ongoing relations of the Company with government agencies and regulators and its underlying property vendors/optionees; and
- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility".

SCIENTIFIC AND TECHNICAL DISCLOSURE

Mr. Peter Voulgaris, MAusIMM, MAIG, a consultant to the Company, is a non-independent Qualified Person ("QP"), for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), and has reviewed and validated that the scientific or technical information ("Technical Information") contained in this MD&A and is consistent with that provided by the independent QPs responsible for the respective Technical Reports, and has verified the technical data disclosed in this document relating to related to the Berenguela Historic Mineral Resource Estimate. Mr. Voulgaris has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

Unless otherwise indicated, the Company has prepared the Technical Information in this MD&A based on information contained in the following sources ("Disclosure Documents"):

- Cachinal Technical report dated September 11, 2020 with an effective date of August 10, 2020, titled *"Independent Technical Report for the Cachinal Silver-Gold Project, Region II, Chile."* By Qualified Persons G. Cole, (P.Geo) of SRK Consulting (Canada) Inc and S. Alvarado Casas, of Geoinvest SAC E.I.R.L. (Chile), available on the Aftermath Silver SEDAR profile.
- Aftermath Silver news release dated December 15, 2020, *"Aftermath Silver Announces Mineral Resource Estimate for Challacollo Silver-Gold Project, Chile.*
- Berenguela historic information was sources from a report titled *"Technical Report and Updated Resource Estimate on the Berenguela Project, Department of Puno – Peru, JORC – 2012 Compliance"* a report to Valor Resources by Mr Marcelo Batelochi, independent consultant, MAusIMM Competent Person. This report is not available publicly, however the results were described in a news release dated January 30, 2018, by Valor Resources available on the Australian Stock Exchange (ASX) web page.

Readers are encouraged to review the full text of the Disclosure Documents qualifying the Technical Information.

An independent qualified person, as defined in National Instrument 43-101, has not done sufficient work on behalf of the Company to classify the historical estimates for the Berenguela project as current Measured, Indicated or Inferred Mineral Resources, and the Company is not treating the historical estimates as current Mineral Resources. The Historic Mineral resource estimates relating to Challacollo are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited.

OVERALL PERFORMANCE

The Company is an exploration stage company involved in the acquisition and exploration of mineral properties.

Highlights of the Company's activities for the six months ended November 30, 2020 and subsequent period up to January 25, 2021 are:

- On June 2, 2020, the Company announced the appointment of Mr. Alastair Brownlow as Chief Financial Officer of the Company in replacement of Jasmine Lau, who resigned due to maternity leave.

- On July 27, 2020, the Company announced that it had entered into a binding Letter of Intent (the "LOI") with SSR to acquire 100% of the Berenguela silver-copper project located in Puno, Peru, through the purchase of 100% of SSR's shares in its the Peruvian holding company, Sociedad Minera Berenguela S.A.
- On August 31, 2020, the Company announced that it has engaged AMC Consultants (Canada) and Ausenco Engineering Canada Inc. to produce a National Instrument 43-101 (Standards of Disclosure for Mineral Projects) technical report on the Berenguela silver-copper project located in Puno, Peru. It also engaged AMC Consultants (Canada) and Ausenco Engineering Canada Inc. to produce a National Instrument 43-101 (Standards of Disclosure for Mineral Projects) for the Challacollo silver project in Chile.
- On September 14, 2020, the Company closed a non-brokered private placement by issuing 26,362,442 shares for gross proceeds of $17,135,587. In connection with the offering, the Company paid an aggregate of $776,796 in finders' fees and issued 290,360 finders' shares.
- On September 16, 2020, the Company announced that it filed its amended and restated NI 43-101 Technical Report with resource estimate for the Cachinal Silver-Gold Project (see table below), prepared in accordance with the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101".) The full report can be found on SEDAR.
- On October 1, 2020, the Company announced that it has signed an acquisition agreement with SSR to acquire the Berenguela silver-copper project, pursuant to the binding LOI signed on July 27, 2020. Aftermath Silver and SSRM have agreed to a total consideration of US$12,725,000 made in staged cash payments, 4,287,049 Aftermath Silver common shares, and a sliding scale net NSR, as follows:

    i. US$1,000,000 deposit, to be paid withing 48 hours of signing the LOI *(paid – CAD $1,341,670)*;

    ii. US$725,000 cash on the initial closing date (*paid – CAD $953,375*) and 4,287,049 Aftermath common shares (issued *with value of $4,029,826)*;

    iii. US$2,250,000 cash to be paid on the 12-month anniversary date of the initial closing date;

    iv. US$2,500,000 cash to be paid on the 24-month anniversary date of the initial closing date;

    v. US$3,000,000 cash to be paid on the 48-month anniversary date of the initial closing date;

    vi. Completion of a Preliminary Feasibility Study ("PFS") and filing on SEDAR of a NI 43-101 technical report summarizing the PFS, within 48 months of the anniversary date of the initial closing date;

    vii. US$3,250,000 cash to be paid on the 72-month anniversary date of the initial closing date;

    viii. A sliding scale NSR on all mineral production from the Berenguela Project for the life of mine commencing at the declaration of commercial production, based on the following:

        a. 1.0% NSR, on all mineral production when the Silver Market Price is up to and including US$25/ounce; and

        b. 1.25% NSR on all mineral production when the Silver Market Price is over US$25/ounce and when the Copper Market Price is above $2.00/lb.

- On October 9, 2020, the granted 5,500,000 stock options to various directors, officers, employees, and consultants of the Company at a price of $0.80 for a period of five years.

- On October 27, 2020 the Company received notification from the British Columbia Securities Commission ("BCSC") that it had been placed on the Commission's Issuers in Default list for not filing a technical report on the Berenguela Project at the time it announced the LOI. The Company will remain on the list until it files a NI43-101 compliant report for the project. The Company's ability to access the property and perform the necessary work to complete the technical report had been limited due to the impact of COVID-19 in Peru, which prevented the Company from filing the report by the BCSC deadline. Management is taking all necessary steps to overcome these challenges and complete the report.
- On January 14, 2021, the Company issued 346,279 common shares as a finders' fee in connection with the Berenguela acquisition.

The Company intends to carry out exploration of its mineral properties, and to continue to evaluate new prospects and opportunities. The Company expects to obtain financing in the future primarily through further equity, debt financing and/or sale of assets, however there can be no assurances the Company will obtain such financing.

SELECTED ANNUAL INFORMATION

	Year ended May 31, 2020	**Year ended May 31, 2019**	**Year ended May 31, 2018**
General and administrative expenses	$ 3,098,916	$ 570,663	$ 453,582
Geological exploration expenses	328,885	Nil	Nil
Comprehensive Loss for the Year	(3,040,474)	(570,663)	(453,582)
Loss per Share – Basic and Diluted	(0.05)	(0.02)	(0.02)
Total assets	6,796,317	97,224	293,525
Total long-term financial liabilities	453,619	Nil	Nil

RESULTS OF OPERATIONS

Six months ended November 30, 2020 compared with six months ended November 30, 2019

The Company's net loss attributed to owners of the parent for the six months ended November 30, 2020 totaled $3,053,253 (2019 - $1,405,159), a loss of $0.03 (2019 - $0.04) per share.

Total expenses were $3,194,284 (2019 - $1,427,392), comprised of the following items:

- accounting and legal expense of $51,507 (2019 - $41,146) which increased as a result of additional legal and professional fees required as a result of increased corporate activity;
- consulting fees of $303,678 (2019 - $137,867) which have increased as a result of new fee agreements with the Company's CEO and Chairman of the Board, which included an approved retroactive payment to January 1, 2020;
- directors' fees of $20,000 (2019 - $18,000) as approved by the board;
- geological exploration costs of $152,577 (2019 - $9,603) which related to exploration activities on the Company's Minera Cachinal project which was acquired during the year ended May 31, 2020.
- investor relations of $242,340 (2019 - $337,029) which have decreased with the activity with respect to the corporate activity, financings and property acquisitions during the period;
- property investigation of $776,282 (2019 - $366,895) relating to exploration and evaluation costs for the Challacollo and Berenguela projects, for which the acquisitions remain in progress. The prior period included pre-acquisition costs for the Cachinal project and exploration activity for Challacollo.

- Share-based payments of $1,465,882 (2019 - $nil) related to stock options granted and vested during the period. The comparative period had $nil as the Company had not granted stock options until December 2019.
- travel expenses of $4,840 (2019 - $35,051) which have decreased as management has not been travelling due to COVID-19.

<u>Three months ended November 30, 2020 compared with three months ended November 30, 2019</u>

The following analysis discusses the variations in the Company's quarterly results but, as with most junior mineral exploration companies, the results of operations (including net losses) are not the main factor in establishing the financial health of the Company. Of additional significance are the exploration and evaluation assets in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variations seen over the quarters are primarily a result of the level of activity of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is sometimes seasonal depending on the geographical location of its mineral properties. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options and these are the factors that account for material variations in the Company's quarterly net losses, none of which are predictable. The write-off of exploration and evaluation assets can also have a material effect on quarterly results as and when they occur. General operating costs other than the specific items noted above tend to be quite similar from period to period.

The Company's net loss for the three months ended November 30, 2020 totaled $2,156,299 (2019 - $1,271,868), a loss of $0.02 (2019 - $0.03) per share.

Total expenses were $2,279,330 (2019 - $1,294,101), comprised of the following significant items:

- accounting and legal expense of $24,753 (2019 - $28,544) which remained consistent over the two periods;
- consulting fees of $215,748 (2019 - $85,813) which have increased as a result of new fee agreements with the Company's CEO and Executive Chairman, which included an approved retroactive payment to January 1, 2020 for each;
- directors' fees of $11,000 (2019 - $9,000) have as approved by the board;
- geological exploration costs of $67,430 (2019 - $9,603) which are related to exploration and evaluation activities on the Cachinal which was acquired during the year ended May 31, 2020;
- investor relations of $78,805 (2019 - $315,967) which have decreased with the activity with respect to the corporate activity, financings and property acquisitions during the period;
- property investigation of $642,547 (2019 - $353,233) in exploration and evaluation costs for the Challacollo and Berenguela projects, for which the acquisition remains in progress. The prior period included exploration and evaluation costs for the Challacollo project.
- Share-based payments of $1,137,104 (2019 - $nil) related to stock options granted and vested during the period. The comparative period had $nil as the Company had not granted stock options until December 2019.
- Travel expenses of $4,840 (2019 - $35,051) which have decreased as management has not been travelling due to COVID-19.

Summary of Quarterly Results

	Quarter Ended November 30, 2020	Quarter Ended August 31, 2020	Quarter Ended May 31, 2020	Quarter Ended February 29, 2020
Net Loss Attributable to Owners	$2,156,299	$914,954	$518,607	$1,476,870
Loss per Share (Basic and Diluted)	$0.02	$0.01	$0.01	$0.02
Total Assets	$26,594,391	$7,418,038	$6,796,317	$5,570,823
Total Long-term Liabilities	$480,223	$466,829	$453,619	$560,837
Number of shares outstanding	131,621,951	97,312,725	91,179,419	77,314,419
Cash Dividends Declared	Nil	Nil	Nil	Nil

	Quarter Ended November 30, 2019	Quarter Ended August 31, 2019	Quarter Ended May 31, 2019	Quarter Ended February 28, 2019
Net Loss Attributable to Owners	$1,270,794	$133,291	$122,162	$116,088
Loss per Share (Basic and Diluted)	$0.03	$0.00	$0.00	$0.00
Total Assets	$6,363,644	$1,465,198	$97,224	$33,287
Total Long-term Liabilities	$576,694	Nil	Nil	Nil
Number of shares outstanding	77,314,419	27,787,384	27,787,384	27,787,384
Cash Dividends Declared	Nil	Nil	Nil	Nil

Liquidity

The Company had a working capital of $16,160,958 as at November 30, 2020 (May 31, 2020 - $2,617,531).

Cash used in operating activities during the six months ended November 30, 2020 was $1,819,321 (2019 - $1,178,899).

Cash used in investing activities during the six months ended November 30, 2020 was $2,469,968 (2019 - $1,804,852), including $2,295,045 for the first two payments on the Berenguela project, $77,463 in transaction cost, and finders' fees paid of $97,460. Investing activities in the comparative period included $1,082,500 in deferred acquisition costs for the Challacollo project, $640,021 paid on the acquisition of the 80% interest in Minera Cachinal, and $82,331 in funding of exploration of Minera Cachinal prior to acquisition.

Cash provided by financing activities during the six months ended November 30, 2020 was $17,572,122 (2019 - $5,571,151), including $17,135,588 (2019 - $5,726,777) in proceeds on private placements, $1,277,575 (2019 - $nil) in proceeds from warrant exercises and $nil (2019 - $1,743) in loans from related parties, offset by $841,041 (2019 - $157,369) in share issuance costs.

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits and from successful financing efforts. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company may raise money from equity sales and from optioning out its resource properties. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities. These conditions are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern.

The condensed consolidated interim financial statements for the six months ended November 30, 2020 do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Use of Proceeds

During the most recently completed fiscal year and up to the date of this MD&A, the Company completed the following financings:

- In October 2019, the Company raised $2.45 million through a private placement.
- In November 2019, the Company raised $3.25 million through a private placement.
- In May 2020, the Company raised $1.50 million through a private placement.
- In September 2020, the Company raised $17.15 million through a private placement.

The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

Intended Use of Proceeds	**Actual Use of Proceeds**
To advance the Company's properties and for general and administrative purposes.	During the period ended November 30, 2020, the Company incurred total deferred acquisition payments of $2,469,968 towards the Berenguela project. The Company has incurred a total of $2,493,842 in mineral property acquisition costs for the Cachinal project and $7,673,505 in deferred acquisition costs towards the Challacollo and Berenguela projects, of which $4,029,826 represents share issuances, to date. The Company has also accumulated a total of $481,462 in exploration costs on the Cachinal project and $1,057,051 in property investigation costs on the Challacollo and Berenguela projects. Remaining funds are to be spent on acquisition and exploration costs on the Cachinal, Challacollo, and Berenguela properties, generative exploration and general operating costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones	No material variances are identifiable to the Company. Proceeds have been used as intended and to further acquisition and exploration of the Cachinal and Challacollo properties while meeting administrative requirements.

Capital Resources

As at November 30, 2020, the Company's share capital was $36,370,863 (May 31, 2020 – $14,657,966) representing 131,621,951 (May 31, 2020 – 91,179,419) issued and outstanding common shares without par value. Reserves were $3,415,208 (May 31, 2020 – 2,040,235). The deficit was $13,937,989 as at November 30, 2020 (May 31, 2020 – $10,866,736). Accordingly, net assets were $25,848,082 at November 30, 2020 (May 31, 2020 – $5,831,465).

EXPLORATION OVERVIEW

Cachinal Property

The Cachinal low-sulphidation silver-gold epithermal deposit project is located in Chile's Antofagasta Region (Region II), about 40 km east of the Pan American Highway, in a nearly flat plain at an elevation of around 2,700 m above sea level, 16 km north of Austral Gold's Guanaco gold-silver mine.

During Q2 and Q3 2020, field-based exploration work at Cachinal was severely impacted by COVID travel restrictions, both internationally between Canada and Chile and internally within Chile. Work has been largely confined to desk-top data review and exploration program planning.

During the year the Company has completed a detailed review of all historical data, including: the drill hole database, surface geochemical samples, geophysical data and interpretations. In mid-March, a short site visit was conducted to review Aftermath's planned drill hole locations in relation to historic, existing disturbances on the site. Wherever possible, to facilitate permitting, Aftermath's planned drilling will utilise historic drill pads.

On September 16, 2020, the Company released the results of the amended and restated mineral resource for the Cachinal Silver-Gold project. The CIM compliant Mineral Resource estimate is summarized in the table below.

Shallow drilling has defined the resource principally to a depth of 150 m below surface and provides sufficient evidence to interpret the presence of high-grade shoots within the vein system extending below the base of a potential open pit. Following these high-grade shoots to depth with drilling will be the initial focus of the Company's planned drilling. The oxidation level bottoms at about 120 – 150 m below surface; however, the down-dip extent of the mineralized structures remains unknown.

Summary of the CIM Compliant Mineral Resource Estimate for the Cachinal Silver-Gold Project

Classification	Material type	Tonnes (Mt)	Silver (g/t)	Gold (g/t)	Silver (Moz)	Gold (Koz)
Indicated	**Open Pit**	4.83	97	0.13	15.03	20.05
	Underground	0.22	182	0.22	1.29	1.65
	TOTAL	**5.05**	**101**	**0.13**	**16.32**	**21.70**
Inferred	**Open Pit**	0.17	73	0.07	0.41	0.43
	Underground	0.36	180	0.19	2.07	2.18
	TOTAL	**0.53**	**145**	**0.15**	**2.48**	**2.61**

Notes on the Cachinal Mineral Resource Estimate

- *For full details on the Cachinal Mineral Resource estimate please refer to the NI 43-101 technical report titled "Independent Technical Report for the Cachinal Silver-Gold Project, Region II, Chile." By Qualified Persons G. Cole, (P.Geo) of SRK Consulting (Canada) Inc and S. Alvarado Casas, of Geoinvest SAC E.I.R.L. (Chile), dated September 11, 2020 with an effective date of August 10, 2020, filed on the Aftermath Silver SEDAR profile.*
- *Cachinal mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).*
- *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
- *All figures have been rounded to reflect the relative accuracy of the estimates.*
- *Cut-off grades are based on metal price assumptions of US$22.00 / ounce of silver and US$1,550 / ounce of gold, and metallurgical recoveries of 85% for both silver and gold using milling and cyanide leaching.*

- *The portion of the Mineral Resources that has been determined to be amenable to extraction through Open Pit methods uses a cut-off's of 30 g/t Silver equivalent.*
- *The open pit Mineral Resource is constrained within Lerchs-Grossman optimised pit shells that assume mining dilution & losses of 2.5%, 50-degree overall slope angles, mining costs of $2/t rock, general and administrative costs of $2/t rock, processing costs of US$15/t for processing using milling and cyanide leaching.*
- *The portion of the Mineral Resources deemed to be amenable to extraction through underground methods are reported at a cut-off of 150 g/t Silver Equivalent. This assumes a mining cost of US$90/t, general and administrative costs of $2/t and a processing costs of US$15/t for agitated leaching.*

The Company advanced planning activities and defined an initial work program:

- 3D laser surveying of voids to better target the drilling;
- Executing infill and down dip drilling programs: RC and diamond drilling are planned;
- Obtain metallurgical samples and execute detailed metallurgical testing program;
- Identify and sample historic mineralized stock piles of broken (run of mine stock piles) and crushed material (leach pads);
- Extend existing soil geochemical surveys on the southern exploration tenement package; and
- Updating the geological mapping and review targets outside of known veins;

Challacollo Property

Challacollo is an intermediate-sulphidation silver-gold epithermal deposit located in Region I in Northern Chile, 130 km southeast of the major port city of Iquique and 50 km south of the town of Pica. The project is approximately 30 km east of the Pan American Highway, via Teck Resources' Quebrada Blanca copper mine access road. High-voltage power transmission lines are located 15 to 30 km from the property, in part to service nearby mines of Collahuasi and Quebrada Blanca. The project includes water rights.

Previous drilling concentrated on the principal vein (Lolón vein) to a depth of about 200 m below surface. The Company will focus its initial exploration efforts on parallel vein systems, not included in the historic mineral resource, that have some preliminary drilling. The oxidation level bottoms at approximately 200 m below surface; however, the down-dip extent of the mineralized structures remains unknown. Gold and base metal grades are generally observed to increase at depth.

On December 15, 2020, the Company released the results of the amended and restated mineral resource for the Challacollo Silver-Gold project. The CIM compliant Mineral Resource estimate is summarized in the table below.

Summary of the CIM Compliant Mineral Resource Estimate for the Challacollo Silver-Gold Project

Classification	Material Type	Tonnes (Kt)	Silver (g/t)	Gold (g/t)	Silver (Koz)	Gold (Koz)
Indicated	Open Pit	5,597	170	0.27	30,639	49
	Underground	1,043	134	0.29	4,510	10
	TOTAL	**6,640**	**165**	**0.27**	**35,150**	**58**
Inferred	Open Pit	2,360	117	0.15	8,912	11
	Underground	443	157	0.26	2,232	4
	TOTAL	**2,803**	**124**	**0.17**	**11,144**	**15**

Source: AMC Mining Consultants (Canada) Ltd, (2020) See notes on next page.

Notes on the Challacollo Mineral Resource Estimate

- *CIM Definition Standards (2014) were used for reporting the Mineral Resources.*
- *The effective date of the estimate is 30 November 2020.*
- *The Qualified Person is Dinara Nussipakynova, P.Geo., of AMC Mining Consultants (Canada) Ltd.*
- *Mineral Resources are constrained by an optimized pit shell at a long-term metal price of US$20/oz Ag with recovery of 92% Ag and metal price of US$1,400/oz Au with recovery of 75%.*
- *Silver equivalency formula is AgEq (g/t) = Ag (g/t) + 57.065 *Au (g/t).*
- *The open pit mineral resources are based on a pit optimization using the following assumptions:*
  - *Plant feed mining costs of US$3.5/t and waste mining cost of $2.5/t.*
  - *Processing costs of US$17/t and General and Administration costs of $2.5/t.*
  - *Edge dilution of 7.5% and 100% mining recovery.*
  - *45-degree slope angles*
  - *Cut-off grade is 35 g/t AgEq g/t.*
- *The underground mineral resources are reported within Datamine MSO stopes based on the following assumptions:*
  - *Mining costs of US$35/t.*
  - *Processing costs of US$17/t and General and Administration costs of US$2.5/t.*
  - *Minimum width of 2.5 m*
  - *No dilution or mining recovery.*
  - *Cut-off grade is 93 AgEq g/t*
- *Bulk density used was 2.47 t/m3*
- *Drilling results up to 31 December 2016.*
- *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
- *The numbers may not compute exactly due to rounding.*
- *Mineral Resources are depleted for historic mined out material.*

Further details supporting the geological model, estimation procedure, sampling and metallurgical testwork will be available in a NI 43-101 technical report which is in progress.

Field work has been impacted by COVID-19 travel restrictions, both internationally between Canada and Chile and internally within Chile. During this time desk-top data reviews and exploration program planning has been completed, including the design of 4,500 m of drilling. The company will commence a sampling program of approximately 3,000 m of existing unsampled historic core, currently scheduled for late January or early February 2021, subject to COVID-19 restrictions.

Berenguela Property

Berenguela is an epithermal polymetallic carbonate-replacement deposit located in the Department Puno, in Southern Peru, between 4150 and 4280 meters above sea level. It is located 6 km north-east of the closest community of Santa Lucia, the nearest town. Berenguela is close to regional centres at Juliaca (1.5 hours drive) and Arequipa (2.5 hours drive), these cities have daily flights from Lima. A railway loading station is located at Santa Lucia, connecting to the port of Matarani on the Pacific coast. Santa Lucia is connected to the national grid at 220 Volts. The total concession land holding s Total tenement package of 6,594 hectares.

Summary of the Historic JORC-2012 Mineral Resource Estimate for the Berenguela Silver-Copper

Classification	Tonnes (t)	Silver (g/t)	Copper (%)	Manganese (%)	Gold (g/t)	Silver (Koz)	Copper (Klb)
Measured	7,706,610	103.79	0.989	8.676	0.335	25,717	168,040
Indicated	28.226,128	80.45	0.734	5.161	0.296	73,009	456,465
Measured and Indicated TOTAL	**35,932,737**	**85.46**	**0.788**	**5.915**	**0.304**	**98,725**	**624,505**
Inferred	9,972,535	87.90	0.670	2.145	0.203	28,183	147,242

Notes on the Historic Mineral Resource Estimate

- *For full details see Valor Resources news release dated 30 January 2018 to the Australian Stock Exchange (ASX), which summarises the results presented in report titled "Technical Report and Updated Resource Estimate on the Berenguela Project, Department of Puno – Peru, JORC – 2012 Compliance" to Valor Resources by Mr Marcelo Batelochi, independent consultant, MAusIMM Competent Person*
- *JORC 2012 definitions were followed for the Historic Mineral Resources.*
- *Grades are estimated by the Ordinary Kriging interpolation method using capped composite samples.*
- *Bulk density has been estimated by Nearest Neighbour method and the average value is 2.82g/cm3.*
- *The Historic Mineral Resources uses a copper equivalent cut off of 0.5%, copper equivalents ("CuEq") were based on the formula CuEq (%) = Cu (%) + ((Ag (g/t) / 10000) in ounces x Ag price x silver recovery) / (Cu price x Cu recovery) + (Zn% x Zn price x Zn recovery) / (Cu price x Cu recovery). Assuming: Ag price $16.795/oz and Zn $3,150/t and recoveries of Ag 50%, Cu 85% and Zn 80%. Mn grades are not considered for CuEq calculations.*
- *Numbers may not add/multiply due to rounding.*

An NI 43-101 Technical Report on the property is currently in progress, the Qualified Person site visit occurred during December 2020. The company is also advancing planning for its initial field program.

RISK FACTORS

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of its mineral properties (which are primarily exploration properties with no known resources or reserves), the following risk factors, among others, will apply:

Resource exploration and development is generally a speculative business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital**.**

There are no known reserves on the Company's property. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited. The great majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Fluctuation of metal prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

General economic conditions*:* The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity
- the volatility of precious and base metal prices may impact the Company's future revenues, profits and cash flow
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs
- the devaluation and volatility of global stock markets impacts the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of equity securities

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Share Price Volatility: During the past three years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. **As a consequence, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.** Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Financing risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Financings are subject to regulatory review and approval. The Company cannot guarantee that such approval will be obtained and/or will be obtained without amendment to the terms of the financing.

Insufficient financial resources: There is substantial doubt that the Company can continue due to its limited working capital. The Company may not acquire sufficient financial resources to undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Dilution to the Company's existing shareholders: The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

***Mining industry is intensely competitive*:** The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Agreements with property vendors are subject to regulatory and/or shareholder approval. The Company cannot guarantee that such approval will be obtained and/or will be obtained without amendment to the terms of the proposed agreement.

Government regulation: Any exploration, development or mining operations carried on by the Company, will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining prospect is affected by the market for precious and/or base metals which is influenced by many factors including changing production costs, the supply and demand for metals, the rate of inflation, the inventory of metal producing corporations, the political environment and changes in international investment patterns.

Environmental restrictions**:** The activities of the Company are subject to environmental regulations by government agencies. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Foreign countries and political risk: All of the mineral properties held by the Company are located in jurisdictions where mineral exploration and mining activities may be affected in varying degrees by political instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Dependence upon others and key personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

Currency fluctuations: The Company presently maintains its accounts in Canadian dollars. Due to the nature of its operations in foreign jurisdictions, the Company also maintains accounts in U.S. dollars. The Company's operations and proposed exploration expenditures in Alaska and Mexico are denominated in U.S. dollars and Mexican pesos, making it subject to foreign currency fluctuations. Such fluctuations are out of its control and may materially adversely affect the Company's financial position and results.

Surface rights and access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the applicable courts can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners (as with many of the Company's properties), it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration and mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction. The Company has not, to date, experienced any problems in gaining access to its property.

Title matters: Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Acquisition of mineral concessions under agreements: The agreements pursuant to which the Company has the right to acquire a number of its properties provide that the Company must make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. The Company does not presently have the financial resources required to make all payments and complete all expenditure obligations under its all of its various property acquisition agreements over their full term. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Exploration and mining risks**:** Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Regulatory requirements**:** The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited experience with development-stage mining operations: The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Uncertainty of resource estimates/reserves: Unless otherwise indicated, mineralization figures presented in the Company's 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 imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that:

- these estimates will be accurate;
- reserves, resource or other mineralization figures will be accurate; or
- this mineralization could be mined or processed profitably.

Because the Company has not commenced production at any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties, 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 drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The resource estimates 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 prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for base metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition. **The Company has not established the presence of any resources or any proven or probable reserves at any of its mineral properties. There can be no assurance that subsequent testing or future studies will establish any resources or proven or probable reserves at the Company's properties. The failure to establish proven or probable reserves could restrict the Company's ability to successfully implement its strategies for long-term growth**.

No assurance of profitability: The Company has no history of earnings and, due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company does not anticipate paying dividends in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or uninsurable risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Enforcement of civil liabilities**:** A portion of the assets of the Company and its subsidiaries are located outside of Canada, and it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of the country.

COVID-19: In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Community and NGO Actions: Communities and non-governmental organizations ("NGOs") are increasingly vocal and active with respect to the potential impact of minerals exploration, development and mining activities at or near their communities, whether they are directly or indirectly affected by such activities. Some communities and NGOs could take actions that may have a material adverse effect on the Company's exploration and development plans. The nature of such risks is fluid, and although the Company takes community engagement seriously, its community engagement plan is in the formative stage and there is no guarantee that the Company will be able to manage such risks successfully.

The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in the Company's common shares that are U.S. taxpayers**:** Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company believes that it has been in prior years, and expects it will be in the current year be, a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of the Company's common shares and any "excess distributions" (as specifically defined) paid on such common shares must be rateably allocated to each day in a U.S. taxpayer's holding period for the common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the common shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and the Company's common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

Due to the extreme complexity of the PFIC rules and the potentially materially adverse consequence to a shareholder that is a U.S. taxpayer of the Company being a PFIC, it is critical that each shareholder that is a U.S. taxpayer consult with that shareholder's U.S. tax adviser before undertaking any transactions in the Company's common shares.

PROPOSED TRANSACTIONS

There are no proposed transactions as at the date of this MD&A.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As at the date of this MD&A, the following common shares, options and share purchase warrants were outstanding:

	# of Shares
Issued and Outstanding Common Shares at January 25, 2021	132,470,631
Employee Stock Options	11,200,000
Warrants	16,393,443
Fully Diluted at January 25, 2021	160,064,074

TRANSACTIONS WITH RELATED PARTIES

The Company has entered into certain transactions with related parties during the six months ended November 30, 2020 and to the date of this MD&A. All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Name	Relationship	Purpose of Transaction	Amount*
Michael Williams	Director and Chairman	Consulting Fees(1)	$127,500
Ralph Rushton	Director and CEO	Consulting Fees(2)	$157,500
Sheryl Elsdon	Corporate Secretary	Corporate Secretary Fees	$14,250
Red Fern Consulting Ltd.	Company in which the CFO is an associate	Consulting Fees	$26,000
Keenan Hohol	Director	Directors Fees Consulting Fees	$10,000 $20,000
Vinland Holdings Inc.	Company controlled by a Director	Directors Fees(3)	$10,000
Octavian Capital Corp.	Company controlled by a director	Rent, office, administrative, and consulting costs	$26,989

* Does not include share-based payments.

1) Amounts payable to Octavian Capital Corp., a company controlled by Mr. Williams.
2) Amounts payable to Lanthorne Advisors Corp., a company controlled by Mr. Rushton.
3) Amounts payable to Vinland Holdings Inc., a company controlled by Dr. David Terry, a director of the Company.

As at November 30, 2020, due to related parties included $31,905 (May 31, 2020 - $9,286) due to key management personnel. As at November 30, 2020, the Company has recorded $49,779 (May 31, 2020 - $25,871) in prepaid expenses and advances to related parties.

Total share-based payments to related parties for the six months ended November 30, 2020 were $867,790 (2019 - $nil)

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as at November 30, 2020 and to the date of this MD&A.

COMMITMENTS

The Company does not have any commitments as at November 30, 2020, and to the date of this MD&A.

ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. The Company reviews its estimates and assumptions regularly; however, actual results could differ from those estimates. Significant judgments are used are as follows:

Valuation of convertible debentures

The equity portion of the convertible debenture is calculated using a discounted cash flow method which requires management to make an estimate on an appropriate discount rate.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment based on historical experience. Significant judgments are used in the Company's assessment of its ability to continue as a going concern, which are described in Note 1 of the consolidated financial statements.

Functional currency

The functional currency of an entity is assessed on a standalone basis to determine the economic substance of the currency in which each entity performs its operations and is described in Note 2(k) of the consolidated financial statements.

Acquisition of subsidiary entities

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended May 31, 2020, the Company completed the acquisition of Minera Cachinal and determined that the transaction did not qualify as a business combination under IFRS 3, "Business Combinations."

Deferred Income tax

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Mineral properties

The recognition of mineral properties requires judgments regarding future recoverability and carrying cost. The cost model is utilized and the value of the mineral properties is based on the acquisition expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Significant accounting estimates are used as follows:

Share-based payments

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Shares issued in non-cash transactions

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Adoption of New Standards and Interpretations

There are no IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company for the period ended November 30, 2020.

DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the six months ended November 30, 2020, the Board of directors approved director and officer fees as follows:

    a. Monthly director fees to Keenan Hohol and David Terry of $2,500;

    b. Annual consulting fees to Ralph Rushton, CEO, of $240,000 retroactive from January 1, 2020;

    c. Annual consulting fees to Michael Williams, Executive Chairman, of $180,000 retroactive from January 1 2020; and

    d. Monthly consulting fees to Red Fern Consulting Ltd, a company of which the CFO is an associate, of $6,000.

2. During the six months ended November 30, 2020, directors and officers of the Company were paid (or accrued) certain amounts, directly or indirectly, for their services as directors and officers or in other capacities by the Company and its subsidiaries. Refer to "Transactions with Related Parties".

3. During the six months ended November 30, 2020, the Company did not enter into any arrangements relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.

RECENT DEVELOPMENTS AND OUTLOOK

The Company expects to obtain financing in the future primarily through further equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations.

FINANCIAL INSTRUMENTS AND MANAGEMENT OF CAPITAL

Fair values in the consolidated statement of financial position

The carrying amounts reported in the statement of financial position for the current financial assets and liabilities, which include cash, receivables, accounts payable and accrued liabilities, due to related parties, and short-term loans, approximate fair values due to the immediate or short-term maturities of these financial instruments.

Credit risk

Credit risk arises from the possibility that counterparties may be unable to fulfill their commitments to the Company. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and other receivables. The carrying value of these instruments represents the Company's maximum exposure to credit risk. The Company manages and limits exposure to credit risk by maintaining its cash with high-credit quality financial institutions. There is minimal credit risk with respect to GST receivable as this amount is recoverable from Canadian governmental agencies. At November 30, 2020, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure, as outlined in note 9 of the condensed consolidated interim consolidated financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company has no interest-bearing financial assets as at November 30, 2020.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign currency rates. The Company's functional and reporting currency is the Canadian dollar. The Company incurs foreign currency risk on purchases that are denominated in a currency other than the functional currency of the Company, which will have an impact on the profitability of the Company and may also affect the value of the Company's assets, liabilities and the amount of shareholders' equity.

The Company's main risks are associated with fluctuations in the US dollar ("US"), the Chilean peso ("CLP"), and the Mexican peso ("MXN"). The Company does not enter into any foreign exchange hedging contracts. As at November 30, 2020, the Company had foreign current assets totaling approximately CLP13,449,710 and amounts payable totaling approximately US$39,153, CLP12,081,511, and MXN263,984. The Company has determined that a 10% increase or decrease in these currencies against the Canadian dollar on these instruments, as at November 30, 2020, would result in a $6,554 change to profit or loss for the period.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com.

HEAD OFFICE

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OFFICERS & DIRECTORS

Ralph Rushton
Director, President,
Chief Executive Officer

Alastair Brownlow, CPA, CA
Chief Financial Officer

Sheryl Elsdon
Corporate Secretary

Michael Williams
Chairman and Executive Director

Dr. David Terry
Director

Keenan H. Hohol, MA, JD
Director

LISTINGS

TSX Venture:	AAG
OTCQB:	AAGFF

CAPITALIZATION
(as at January 25, 2021)

Shares Authorized: Unlimited
Shares Issued: 132,470,631

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