SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at November 28, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019 of Salazar Resources Limited (the "Company" or "Salazar"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. 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. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, 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.

Historical results of operations and trends that may be inferred from this MD&A 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.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company's principal business activity is the acquisition, exploration and development of mineral properties in Ecuador. The Company presently has no proven reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently the Company considers itself to be an exploration stage company.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL" as a Tier 1 mining issuer and on the Frankfurt Exchange under the symbol "CCG". The Company's corporate head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

The Company's main activities have been the ongoing exploration activities on its Curipamba Project in Ecuador. In fiscal 2016 the Company entered into a royalty agreement and sold a 1% net smelter royalty ("NSR") for US $2,375,000. A further 1% NSR was sold for US $2,375,000 in fiscal 2017. The Company also entered into an option agreement (the "Curipamba Option") with Adventus Mining Corporation ("Adventus") to option a 75% interest in the Curipamba Project with Adventus funding costs of US $25,000,000 (the "Earn-In") over five years. Under the Curipamba Option Adventus has agreed to provide the Company with US $250,000 per year advance payments until achievement of commercial production, to a maximum of US $1,500,000. As operator, the Company also receives a 10% management fee on certain expenditures, with a prescribed minimum annual amount of US $350,000. Adventus has notified the Company that it has incurred or funded costs totalling US $15,501,667 as at September 30, 2019 towards the Earn-In.

Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba Project until its aggregate investment, including the US $25,000,000, has been recouped minus the approximate Company carrying value of US $18,200,000 when the Curipamba Option was signed, after which dividends will be shared on a pro-rata basis according to their respective ownership. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

The Company and Adventus have also entered into an operation alliance agreement (the "Alliance") to jointly explore Ecuador for zinc rich assets. The venture, Minera Dos Gemas M2G S.A. ("Dos Gemas"), was formed in 2017 and is currently owned 80% by Adventus and 20% by the Company with Adventus funding all activities incurred up to a construction decision. As operator the Company receives a 10% operator's fee on certain expenditures incurred, subject to an annual maximum fee of US $200,000 on costs pertaining to surface rights acquisitions.

In March 2018 the Company and Adventus agreed to transfer the Pijili Project to Dos Gemas under the Alliance upon completion by Adventus of the following considerations:

(i) on July 17, 2018 the Company received 2,536,232 Adventus common shares at an ascribed value of $2,028,986;
(ii) Adventus was also required to fully fund a US $1,000,000 exploration budget on the Pijili Project by September 28, 2020. Adventus fulfilled this funding commitment in fiscal 2018; and
(iii) payment of US $150,000 cash, of which US $100,000 was received by the Company as at December 31, 2018 and the remaining US $50,000 was received in August 2019.

The Company has made application to transfer the Pijili Project to Dos Gemas.

In May 2018 the Company and Adventus agreed to the transfer of the Santiago Project to Dos Gemas under the Alliance upon completion by Adventus of the following considerations:

(i) on July 17, 2018 the Company received 1,268,116 Adventus common shares at an ascribed value of $1,014,492;
(ii) Adventus was also required to fully fund a US $500,000 exploration budget on the Santiago Project by May 22, 2020. Adventus fulfilled this funding commitment in March 2019; and
(iii) payment of US $75,000 in cash to the Company, of which US $50,000 was received during fiscal 2018 and the remaining US $25,000 was received in July 2019.

The Santiago Project is subject to a 1.5% NSR that can be bought out for US $1,000,000 as well as a 4% net profits interest royalty that is in favour of INV Metals Inc.

Properties Update

Curipamba Project

Agreements

On April 5, 2016 the Company entered into a letter agreement to sell a 2% NSR in its Curipamba Project for US $4,750,000. On July 18, 2016 the Company and RCF VI SRL LLC ("RCF SRL"), an affiliate of Resources Capital Fund VI L.P., entered into a royalty agreement whereby the Company sold to RCF SRL a 1% NSR for US $2,375,000. On April 19, 2017 the Company closed on the sale of the remaining 1% NSR for a further US $2,375,000.

On October 13, 2017 the Company closed on the Curipamba Option whereby Adventus may earn a 75% interest in the Company's Curipamba Project by funding the Earn-In. A feasibility study is expected to be completed within three years, after which Adventus is required to fund 100% of the development and construction expenditures to commercial production.

During the Curipamba Option period Adventus will pay the Company a 10% management fee, with a prescribed minimum annual amount of US $350,000. In addition, Adventus will provide the Company with a US $250,000 per year advance payment until achievement of commercial production, to a maximum cumulative total of US $1,500,000. The advance is to be paid preferentially to Adventus upon start of commercial production.

Preliminary Economic Assessment

On May 2, 2019 the Company announced the results of the Preliminary Economic Assessment ("PEA") prepared for the Curipamba Project and on June 14, 2019 the Company filed a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the PEA. The report is titled *"Technical Report on the Preliminary Economic Assessment for the Curipamba Project - El Domo Deposit, Central Ecuador - NI 43-101 Report"* (the "Report"). The Report is available under the Company's profile on www.sedar.com.

The PEA was commissioned by the Company and carried out by RPA in order to provide a base case assessment for the development of El Domo by both open-pit and underground methods with onsite production of concentrates for copper, zinc, and lead.

The PEA results summary in this MD&A contains economic analysis that is based, in part, on Inferred Mineral Resources and is preliminary in nature. Inferred Mineral Resources are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

PEA Contributors

The following companies have undertaken focused work programs since July 2018 that have been referenced in preparation of the PEA for El Domo:

- RPA - Lead author and Independent Qualified Person ("IQP"), Mineral Resource estimation, open pit and underground mine design, mine plan, and mine layout
- Klohn Crippen Berger - Tailings storage and waste rock facilities
- Knight Piésold Ltd. - Social and environmental matters, access roads and power transmission line
- Base Metallurgical Laboratory Ltd. - Metallurgical laboratory work
- Independent Mining Consultants, Inc. - Open pit production throughput analysis

Geology and Updated Mineral Resource Estimate

The updated Mineral Resource estimate possesses a similar footprint to the previous Mineral Resource estimate, as reported in Adventus' January 31, 2018 news release, but infill drilling in 2018 resulted in the upgrading of portions of the Mineral Resource from previously classified Indicated to Measured and Inferred to Indicated categories. The new Mineral Resource estimate has a total tonnage distribution of approximately 14%, 73%, and 13% classified in the Measured, Indicated and Inferred categories, respectively, which includes the Measured category for the first time. The increases in average grades in the Measured and Indicated Mineral Resource categories of approximately 24% for copper, 10% for gold, and 21% for zinc are the result of higher NSR cut-off values, the improved geological model and related grade estimation domains, and changes to capping levels.

Total Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Measured	1.4	1.92	0.37	3.52	3.75	58	27.8	5.3	50.9	174	2,704
Indicated	7.5	2.02	0.26	2.81	2.33	49	150.9	19.7	210.3	559	11,884
M+I	8.9	2.00	0.28	2.93	2.56	51	178.7	25.0	261.3	733	14,588
Inferred	1.3	1.52	0.20	2.25	1.83	42	20.1	2.7	29.7	78	1,783

Pit Constrained Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Measured	1.4	1.92	0.37	3.52	3.75	58	27.8	5.3	50.9	174	2,704
Indicated	5.7	1.74	0.28	2.60	2.47	51	99.0	16.1	147.8	452	9,417
M+I	7.1	1.78	0.30	2.78	2.73	53	126.8	21.4	198.7	627	12,121
Inferred	0.7	0.67	0.21	1.72	1.60	46	4.6	1.5	11.9	36	1,032

Underground Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Indicated	1.8	2.91	0.20	3.51	1.85	43	51.9	3.6	62.5	106	2,467
Inferred	0.6	2.46	0.19	2.82	2.09	37	15.5	1.2	17.8	42	751

Notes for the above Mineral Resource Tables:

1. *Mineral Resources in these tables are effective as of as of May 2, 2019*
2. *CIM (2014) definitions were followed for Mineral Resources*
3. *A nominal minimum thickness of two metres was applied to the Mineral Resource wireframes*
4. *Bulk density assigned on a block per block basis using the correlation between measured density values and base metal grade*
5. *Mineral Resources are reported above a cut-off net smelter return ("NSR") value of US $25 per tonne for potential open-pit Mineral Resources and US $100 per tonne for potential underground Mineral Resources*
6. *NSR value is based on estimated metallurgical recoveries, assumed metal prices and smelter terms; which include payable factors treatment charges, penalties, and refining charges*
7. *Metal price assumptions were: US $3.15/lb Cu, US $1.00/lb Pb, US $1.15/lb Zn, US $1,350/oz Au and US $18/oz Ag*
8. *Metallurgical recoveries assumptions were based on three mineral types defined by the metal ratio Cu/(Pb+Zn):*
   - *Zinc Mineral (Cu/(Pb+Zn)<0.33): 84% Cu, 84% Pb, 95% Zn, 51% Au and 71% Ag*
   - *Mixed Cu/Zn Mineral (0.33≤Cu/(Pb+Zn)≤3.0): 88% Cu, 85% Pb, 96% Zn, 66% Au and 69% Ag*
   - *Copper Mineral (Cu/(Pb+Zn)>3.0): 88% Cu, 69% Pb, 73% Zn, 27% Au and 50% Ag*
9. *NSR factors were also based on the metal ratio Cu/(Zn+Pb):*
   - *Zinc Mineral (Cu/(Pb+Zn)<0.33): 29.94 US$/% Cu, 9.17 US$/% Pb, 11.52 US$/% Zn, 14.17 US$/g Au and 0.27 US$/g Ag*
   - *Mixed Cu/Zn Mineral (0.33≤Cu/(Pb+Zn)≤3.0): 44.20 US$/% Cu, 11.34 US$/% Zn, 22.90 US$/g Au and 0.27 US$/g Ag*
   - *Copper Mineral (Cu/(Pb+Zn)>3.0): 46.27 US$/% Cu, 6.86 US$/g Au and 0.19 US$/g Ag*
10. *Numbers may not add due to rounding*

On April 15, 2019 the Company and Adventus announced preliminary metallurgical results from composites which were meeting or exceeding grades and recoveries derived from historical metallurgical testwork.

For this testwork, Adventus adopted a strategy similar to the design of metallurgical composites from the historical PEA study completed for Salazar (see Salazar January 22, 2015 news release). Metallurgical composite samples were designed to produce commercial concentrates based on the relative abundance of base and precious metals in the feed material supplied from 2018 Phase 1 infill drilling at El Domo VMS deposit that would be both spatially and volumetrically representative of the current open-pit constrained Mineral Resource estimate that has been classified in accordance with CIM (2016) Definition Standards - Disclosure for Mineral Projects.

Exploration During the Third Quarter

The MobileMT survey block for Curipamba was flown in a systematic grid pattern to ensure full coverage of the property using a tight 100-metre line spacing. Field crews successfully completed 2,142 line-kilometres over the 21,537-hectare property. The data acquired from the airborne geophysical survey will now for the first-time provide deep penetrating insight into the local geological environment that hosts the El Domo VMS deposit. The Company's geophysical consultants are now processing the MobileMT data for inclusion in a fully integrated target generation initiative ("TGI") that will also include all available geoscience data from Curipamba. The objective of the TGI is to create a priority listing of targets that will better guide ground-based follow-up in the field ahead of drilling. Once targets are validated, a priority list will be made for an initial regional drilling program that has been budgeted at 6,000 metres.

In the interim, technical staff at Curipamba are continuing geological mapping and prospecting, and the collection of surficial geochemistry samples that will continue to strengthen refinement of targets from the TGI. Upon completion of the regional drilling, all results will be analyzed in detail and remaining targets will be re-prioritized and re-ranked for future assessment

With the completion of the airborne geophysical surveys, the Company and Adventus have mutually agreed to extend the feasibility requirement of the Curipamba earn-in agreement to October 2021 to allow time for additional exploration work for potential new discoveries within the Curipamba project. There has been no material change to the earn-in agreement.

Planned Exploration

The Company is planning additional exploration drill holes in late 2019 and throughout 2020 at Curipamba after completion of the MobileMT airborne geophysical survey. Following the processing of acquired geophysical data, a detailed target generation initiative commenced, and diamond drills will be deployed to test newly developed exploration targets. New high-priority targets will be identified at Curipamba. Some drill targets may require access agreements by landowners. The certificates and related water permits required for drilling are being renewed. Several new certificates have been granted allowing for exploration drilling utilizing imported water, and new water permits are expected to be granted shortly to allow for drilling utilizing local water sources. Some drill targets require at least new certificates prior to drilling.

Exploration Alliance - Pijilí Project

The Pijilí Project consists of three concessions totalling 3,246 hectares that is subject to a US $5,000,000 spending commitment over four years. The Pijilí Project is located in the province of Azuay, approximately 150 km from the major port city of Guayaquil. The Pijilí Project is an untested epithermal gold-silver target, although there are opinions that there is a broader, larger scale porphyry target may be present.

The Pijilí Project has never been explored with modern exploration techniques, such as geophysics, nor has there been any systematic geological mapping, geochemical sampling, trenching and/or drilling undertaken. Small-scale, legally permitted artisanal mining operations adjacent to the property are following precious metal-bearing structures via several small open pits and underground tunnels. It is also important to note the presence of secondary copper mineralization that is visible along the walls of the small open pits. Company staff have noted copper sulphide-bearing (chalcopyrite) veins in a valley bottom at the confluence of major creeks that also requires additional follow-up.

An initial 18-month program is ongoing and entails detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. An airborne geophysical survey (MobileMMT) was completed on concessions for Pijilí Project that were flown in a systematic grid pattern to ensure full coverage and depth penetration. This was completed in March 2019. All required certificates and water permits for scout drilling on the three concessions have been received. Ongoing surface and concession rights acquisitions continue, as well as target generation work. Drilling at Pijilí is expected to commence in 2020.

Exploration Alliance - Santiago Project

The Santiago Project consists of a single concession that encompasses 2,350 hectares. It is located in a geological setting similar to the nearby Loma Larga deposit owned by INV Metals Inc. and is considered prospective for epithermal gold and silver and porphyry copper gold deposits. It features three large, surficial geochemistry anomalies for gold, copper, and zinc. Numerous vein occurrences have been identified on the property thus far, which have yielded good chip sampling results for both gold and silver, including the following highlights:

Española Vein: (up to 3 metres width)

- 2.0 m @ 28.10 g/t gold and 231.0 g/t silver
- 1.0 m @ 26.00 g/t gold and 242.0 g/t silver
- 1.0 m @ 18.20 g/t gold and 252.0 g/t silver
- 1.0 m @ 4.80 g/t gold and 442.0 g/t silver

Structure Quartz-Tourmaline: (3 metres width)

- 1.9 m @ 1.19 g/t gold, 14.3 g/t silver and 296 ppm molybdenum
- 3.3 m @ 0.59 g/t gold, 36.6 g/t silver and 390 ppm molybdenum

Ribs Zone and Ancha Vein: (up to 5 metres width)

- 1.0 m @ 1.29 g/t gold and >100 g/t silver
- 1.0 m @ 1.65 g/t gold and >100 g/t silver

Structure F.U.: (1.5 metres width)

- 1.4 m @ 4.80 g/t gold and 378.0 g/t silver
- 1.2 m @ 6.40 g/t gold and 136.0 g/t silver
- 1.2 m @ 4.20 g/t gold and 183.0 g/t silver

There have also been historically modest drilling campaigns by two operators on the property, including Newmont Mining Corporation in the mid-1990s that reported wide drill intercepts for copper-gold from surface. Unfortunately, these historic drill results cannot be verified, as the drill core is unavailable. Additional work, including drilling, will be required to validate these reported historical drill results.

The initial 24-month program is ongoing and entails detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. An airborne geophysical survey (MobileMMT) was flown in a systematic grid pattern to ensure full coverage and depth penetration. This was completed in April 2019. The project recently received a certificate to allow for drilling with imported water. A renewed water permit is expected shortly. Discussions with local communities continue, ahead of an expected drill program during 2020.

Qualified Person

Vice President Exploration for Adventus, Jason Dunning, M.Sc., P.Geo., a Qualified Person ("QP") as defined by National Instrument 43-101, is the Company's QP for the Curipamba, Pijili and Santiago Projects and has reviewed and verified the technical information provided.

Wholly-Owned Portfolio

The Company is also working on its strategy of advancing its 100%-owned projects prior to seeking partnership with mid-tier or major mining companies.

Macara Project

The Macara Project currently comprises concessions: (i) Macara Mina concession (288 hectares) leased from a third-party; and (ii) Bonanza mining concession (1,519 hectares) granted by the Ecuadorian government as follows:

(i) On November 6, 2017 the Company entered into an option agreement with Edgar Orlando Torres Cunalata ("Torres") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Mina Concession") located in the province of Loja, Ecuador. Pursuant to the terms of the Macara Option the Company has agreed to make cash payments totalling US $600,000 (the "Option Proceeds"), as follows:

- US $100,000 on signing (paid);
- US $50,000 on November 6, 2018 (paid);
- US $50,000 on November 6, 2019 (paid);
- US $200,000 on the earlier of a NI43-101 resource calculation or November 6, 2021; and
- US $200,000 on the earlier of a preliminary economics assessment of November 21, 2024.

Torres also retains a 0.5% NSR, which may be purchased by the Company for US $1,000,000 at any time.

Torres has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the Option Proceeds equally.

(ii) In July 2017 the Company was awarded a concession (the "Bonanza Concession), located in the provinces of Loja and Tacamoros, Ecuador.

The Macara Project lies within Célica volcano-sedimentary Formation (known as the Lancones Formation in neighboring Peru), which is intruded by the Cretaceous-age Tangula granodiorite batholith. This project is highly prospective for epithermal gold-silver, gold-copper porphyry and volcanogenic massive sulfide (VMS) deposits. The Macara Project is located 100km to the north of the Tambogrande VMS deposit in the Cretaceous Lancones basin of northwestern Perú, which hosts some of the largest Cu-Zn-Au-Ag-bearing massive sulfide deposits in the world.

Phase 1 exploration at the Macara Project, consisting of mapping and sampling (soils and rocks), has been completed. 240 soil samples, on a 100m x 100m grid were taken, with results as high as 9.94 g/t Au helping to define a 600m x 300m anomaly. 152 rock samples (outcrop and float) were taken, with the highest grade chip sample returning 29.6 g/t Au over 1.0 metre. Applications for appropriate drill, water-use and environmental permits have been submitted. The Company anticipates executing a first pass drill program of up to 3,000m during 2020.

Mapping at the Macara Project has identified a suite of basalts, andesites, and pillow lavas interpreted to be part of a tholeiitic volcanic arc. Gold and base metal mineralisation is spatially related to a complex of hydrothermal breccias and stockworks in pillow lavas that are silicified to varying degrees and that occasionally host barite. Where the pillow lavas are brecciated the pillows contains <1% pyrite, chalcopyrite and bornite with occasional sphalerite in the matrix, and there is less intense mineralization in the pillows themselves. Where the stockworks contain barite veinlets and exhibit more intense silicification, often characterized by iron oxide staining, the gold and silver grades are elevated.

Rumiñahui Project

In the first half of fiscal 2019, the Company continued community liaison at Rumiñahui, supporting the Community Association with projects such as road repairs and agri-initiatives. A scout drilling plan and associated environmental impact assessment have been approved. The application for a water-use permit is underway. The Company anticipates a Phase 1 drill programme of approximately 3,000m to start in late fiscal 2019 or early fiscal 2020.

Los Osos Project

On March 21, 2019 the Company entered into an option agreement with the vendor, Mr Francisco Soria Venegas, an employee of the Company, to acquire up to a 100% interest in one mineral concession (the "Los Osos Concession") via a series of staged payments over 48 months for a total sum of US $250,000 (US $35,000 paid as of the date of this MD&A).

The Los Osos Concession is a 229 hectare, single concession, exploration licence located in the Cerro Pelado-Cangrejos mineral district within the Province of El Oro in southwest Ecuador. The licence area hosts a system of veins rich in gold and silver, combined with hydrothermal breccias and mineralised gold-copper porphyries. Several quartz-tourmaline breccias mineralised with chalcopyrite and pyrrhotite are present on the property.

Under previous tenure, the area has been mapped, sampled, and subject to airborne geophysical surveys (magnetic and radiometric). Artisanal miners have historically worked some of the veins, and small scale mining has been active on the Los Osos Concession and the adjacent properties for over fifteen years. The Company is currently digitizing available historic exploration and other data on the property.

The Company intends to carry out Phase 1 geological exploration fieldwork at the Los Osos Project in late fiscal 2019 or early fiscal 2020.

Qualified Person

Kieran Downes, P. Geo., a Qualified Person ("QP") as defined by National Instrument 43-101, is the Company's QP for the Company's wholly-owned properties and has reviewed and verified the technical information provided.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2019			Fiscal 2018				Fiscal 2017
Three Months Ended	**Sep. 30 2019 $**	**Jun. 30 2019 $**	**Mar. 31 2019 $**	**Dec. 31 2018 $**	**Sep. 30 2018 $**	**Jun. 30 2018 $**	**Mar. 31 2018 $**	**Dec. 31 2017 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(239,933)	(274,972)	(1,214,910)	(243,898)	(381,675)	(300,740)	(198,615)	(291,882)
Other items	132,608	106,328	365,978	(2,770,870)	4,353,353	420,817	428,822	124,132
Net (loss) income	(107,325)	(168,644)	(848,932)	(3,014,768)	3,971,678	120,077	230,207	(167,750)
Other comprehensive income (loss)	(521,993)	(563,476)	(253,529)	1,582,193	Nil	Nil	Nil	435
Comprehensive (loss) income	(629,318)	(732,120)	(1,102,461)	(1,432,575)	3,971,678	120,077	230,207	(167,315)
Basic and diluted (loss) income per share	(0.00)	(0.00)	(0.01)	(0.02)	0.03	(0.00)	(0.00)	(0.00)
Balance Sheet:								
Working capital	4,324,303	4,945,970	5,472,417	5,558,915	6,690,557	1,746,981	713,022	574,041
Total assets	21,030,693	21,470,208	21,958,181	23,409,559	24,028,841	19,791,826	18,289,370	18,371,177
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended September 30, 2019 Compared to the Three Months Ended June 30, 2019

During the three months ended September 30, 2019 (“Q3/2019”) the Company reported a net loss of $107,325 compared to net loss of $168,644 for the three months ended June 30, 2019 (“Q2/2019”) a decrease in loss of $61,319. The fluctuation is primarily attributed to the following:

(i) during Q2/2019 the Company incurred drill rig stand-by costs of $127,938. No drill-rig standby costs were incurred in Q3/2019 as the Company was able to deploy the drill rigs to a third-party to recover its costs; and

(ii) during Q2/2019 the Company recorded audit fees of $60,596 compared to $nil in Q3/2019 due to the timing if the billings.

The above decreases were partially offset by the $138,798 increase in general exploration in Q3/2019 as the Company conducts due diligence on prospective exploration and evaluation assets.

Three Months Ended June 30, 2019 Compared to the Three Months Ended March 31, 2019

During the three months ended June 30, 2019 (“Q2/2019”) the Company reported a net loss of $168,644 compared to net loss of $848,932 for the three months ended March 31, 2019 (“Q1/2019”) a decrease in loss of $680,288. The fluctuation is primarily attributed to the following:

(i) recognition of share based compensation of $478,715 on the granting and vesting of 5,472,000 share options in Q1/2019. No share options were granted in in Q2/2019;

(ii) recognition of general exploration of $287,308 in Q1/2019 compared to a recovery of $6,432 in Q2/2019 as the majority of the regional exploration was conducted in Q1/2019; and

(iii) recognition of drill rig stand-by costs of $127,938 during Q2/2019 compared to $298,860 in Q1/2019.

The decrease was partially offset by recognition of a $367,315 gain in Q1/2019 on the sale of all of the Company’s investments.

Three Months Ended March 31, 2019 Compared to the Three Months Ended December 31, 2018

During the three months ended March 31, 2019 (“Q1/2019”) the Company reported a net loss of $848,932 compared to net loss of $1,638,298 for the three months ended December 31, 2018 (“Q4/2018”) a decrease in loss of

$789,366. The fluctuation is primarily attributed to the recognition of an overall unrealized loss on investments of $1,331,522 in Q4/2018 ($nil in Q1/2019) and partially offset by the recognition of share-based compensation in Q1/2019 of $478,715 ($nil in Q4/2018).

Three Months Ended December 31, 2018 Compared to the Three Months Ended September 30, 2018

During the three months ended December 31, 2018 ("Q4/2018") the Company reported a net loss of $3,014,768 compared to net income of $3,971,678 for the three months ended September 30, 2018 ("Q3/2018") an increase in loss of $6,986,446. The fluctuation is primarily attributed to:

(i) during Q4/2018 the recognition of an overall unrealized loss on investments of $1,331,522 compared to $nil in Q3/2018;

(ii) as a result of a detailed review conducted as part of the audit process there was a reclassification of other income of $1,173,253 and management fees of $662,265 in Q4/2018 to exploration and evaluation assets; and

(iii) during Q3/2018 the Company recognized a gain of property disposition of $2,482,075 compared to $44,397 in Q4/2018.

Three Months Ended September 30, 2018 Compared to the Three Months Ended June 30, 2018

During the three months ended September 30, 2018 ("Q3/2018") the Company reported net income of $3,971,678 compared to net income of $120,077 for the three months ended June 30, 2018 ("Q2/2018"). The $3,851,601 increase in income is primarily attributed to:

(i) recognition of a $2,482,073 gain on property dispositions relating to the Pijilí Project and Santiago Concession; and

(ii) recognition of an unrealized gain on inventory of $1,141,522 mainly on the appreciation of the quoted prices of the Adventus common shares held by the Company.

Three Months Ended June 30, 2018 Compared to the Three Months Ended March 31, 2018

During the three months ended June 30, 2018 ("Q2/2018") the Company reported a net income of $120,947 compared to net income of $231,077 for the three months ended March 31, 2018 ("Q1/2018"). The fluctuation is primarily attributed to the recognition of other income of $293,092 in Q2/2018 compared to $157,847 in Q1/2018 arising from the rental of its drill rigs for the drilling activities on the Curipamba Project.

Three Months Ended March 31, 2018 Compared to the Three Months Ended December 31, 2017

During the three months ended March 31, 2018 ("Q1/2018") the Company reported a net income of $231,077 compared to net loss of $167,750 for the three months ended December 31, 2017 ("Q4/2017"). The fluctuation is primarily attributed to:

(i) during Q1/2018 the Company recorded other income of $157,847 (Q4/2017 - $nil) arising from the rental of its drill rigs for the drilling activities on the Curipamba Project;

(ii) during Q1/2018 the Company received $129,320 (US $100,000) payment from Adventus on the Pijilí Project, of which $43,770 was credited to the capitalized costs on the Pijilí Project and the remaining $85,550 was recorded as a gain on property disposition of $85,550; and

(iii) during Q1/2018 the Company recorded $4,247 (Q4/2017 - $122,662) for legal expenses. During Q4/2107 the Company had significant legal expenses with respect to the preparation of agreements with Adventus and submissions to the TSXV.

Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2019

During the nine months ended September 30, 2019 (the "2019 period") the Company reported a net loss of $1,124,901, compared to a net income of $4,321,962 for the nine months ended September 30, 2018 (the "2018 period"). The fluctuation is mainly attributed to the following:

(i) during the 2018 period the Company recognized a $2,567,623 gain on property dispositions relating to the Pijilí Project and Santiago Concession;

(ii) during the 2018 period the Company recorded $1,028,693 other income derived from the rental of the Company's drill rigs;
(iii) during the 2018 period, recognition of an unrealized $1,139,782 gain on investments held, mainly on the appreciation of the quoted prices of the Adventus common shares held by the Company.
(iv) during the 2019 period the Company recorded operator fees of $120,129 compared to $347,777 during the 2018 period.

The above amounts were partially offset by the increase in net expenses from $882,770 during the 2018 period to $1,729,815 during the 2019 period. Excluding cost recoveries, expenses increased by $1,184,069, from $1,426,590 during the 2018 period to $2,610,659 during the 2019 period. Specific expenses of note are as follows:

(i) recorded share-based compensation of $503,681 on the granting and vesting of share options during the 2019 period compared to $60,000 during the 2018 period . During the 2019 period the Company granted options to purchase 5,472,000 common shares compared to 600,000 options granted during the 2018 period;
(ii) incurred salaries, compensation and benefits of $555,729 (2018 - $451,852). The increase reflects an increase in in corporate activities as a result of its various arrangements with Adventus;
(iii) recorded audit fees of $117,097 (2018 - $82,065). The increase reflected the escalation in the scope of the audit process in fiscal 2018 due to activities resulting from the various arrangements with Adventus;
(iv) incurred consulting fees of $139,473 (2018 - $72,012). During the 2019 period the Company engaged consultants for financial advisory services;
(v) incurred drill rig standby costs of $426,798 in the 2019 period as the Company maintains the drill rig in an operation ready status until it is needed; and
(vi) incurred corporate development fee of $42,448 (2018 - $16,992). During the 2019 period the Company conducted several market awareness programs.

Exploration and Evaluations Assets

During the 2019 period the Company incurred a total of $6,824,617 (2018 - $5,877,615) for exploration and evaluation assets comprising of $4,517,142 (2018 - $5,506,885) on the Curipamba Project and $2,307,475 (2018 - $370,730) on other projects. During the 2019 period Adventus funded a total of $6,342,306 (2018 - $6,418,325) for costs incurred by the Company, of which $595,457 (2018 - $301,782) was applied against property, plant and equipment, $4,866,005 (2018 - $5,552,009) against exploration and evaluation assets and $880,844 (2018 - $543,820) as an expense recovery. As at September 30, 2019, a balance of $52,804 (December 31, 2018 - $670,726) is due from the joint-venture partner and $278,872 (December 31, 2018 - $158,289) remains in restricted cash.

Details of the exploration and acquisition expenditures are as follows:

	Curipamba $	Exploration Alliance $	Other $	Total $
Balance at December 31, 2017	15,617,197	617,344	150,023	16,384,564
Exploration costs				
Assay analysis	-	37,718	-	37,738
Camp supplies	-	17,516-	-	17,516
Camp supervision and personnel	-	85,987	-	85,987
Community relations	1,093,008	-	-	1,093,008
Depreciation	37,416	-	-	37,416
Drilling and related costs	6,410,637	-	-	6,410,637
Exploration site	17,685	71,164	-	88,849
Geological	-	544,007	-	544,007
Legal		23,859	-	23,859
Permits		7,344	-	7,344
Salaries		100,099	-	100,099
Travel	-	20,801		20,801
	7,558,746	908,515	-	8,467,261

	Curipamba $	Exploration Alliance $	Other $	Total $
Acquisition costs				
Property / concession payments	259,251	114,614	92,171	466,036
Other				
Cost recoveries	(7,807,987)	(816,447)	-	(8,624,434)
Management fees	(662,265)	29,998	-	(692,263)
Drilling services	(1,173,253)	-	-	(1,173,253)
Sale of interest	-	(710,692)	-	(710,692)
Advance payment	(325,250)	-	-	(332,250)
Foreign exchange movement	1,484,978	9,190	26,707	1,520,875
	(8,483,777)	(1,547,947)	26,707	(10,005,017)
Balance at December 31, 2018	14,951,417	92,526	268,901	15,312,844
Exploration costs				
Assay analysis	113,489	125,803	-	239,292
Camp supplies	137,826	174,982	-	312,808
Camp supervision and personnel	354,153	30,796	-	384,949
Community relations	904,085	9,078	-	913,163
Drilling and related costs	150,906	-	-	150,906
Environmental studies	77,779	16,350	-	94,129
Equipment maintenance	99,069	-	-	99,069
Exploration site	187,648	99,589	-	287,237
Geophysics	806,003	1,209,817	-	2,015,820
Legal	28,027	1,715	-	29,742
Salaries	1,365,386	305,486	-	1,670,872
Travel	58,349	-	-	58,349
Vehicles	8,870	-	-	8,870
	4,291,590	1,973,616	-	6,265,206
Acquisition costs				
Property / concession payments	225,552	155,760	178,099	559,411
Other				
Cost recoveries	(4,517,142)	(2,129,376)	-	(6,646,518)
Management fees	(348,863)	-	-	(348,863)
Foreign exchange movement	(471,712)	(2,919)	(8,484)	(483,115)
	(5,337,717)	(2,132,295)	(8,484)	(7,478,496)
Balance at September 30, 2019	14,130,842	89,607	438,516	14,658,965

See also "Properties Update".

Financing Activities

No financings were conducted during the 2019 period.

During the 2018 period the Company received $1,478,903 on the exercises of warrants and issued 12,324,184 common shares of the Company.

Investing Activities

During the 2019 period the Company sold all of its investments in common shares of Adventus and Batero Gold Corp. for total proceeds of $3,223,404 and recorded a gain on sale of investments of $367,315.

Financial Condition / Capital Resources

As at September 30, 2019, the Company had working capital of $4,324,303. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the next twelve months. The Company believes that the option agreement with Adventus will provide the necessary capital to advance its core Curipampa Project to production status. In addition, the Company's Pijilí and Santiago Projects are now being funded by Adventus under the Exploration Alliance. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing should Adventus terminate the Option and/or the Exploration Alliance. Additional capital may be sought from the sale of additional common shares or other equity or debt instruments. There is no assurance that such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs.

Contractual Commitments

When applying for new concessions via the public tender process in Ecuador, the Company, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Company wish to retain possession of all the concession areas it holds as at September 30, 2019, the Company's commitment is as follows:

	US $
Fiscal 2019	23,825
Fiscal 2020	47,650
Fiscal 2021	7,907,421
	7,978,896

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 4 to the December 31, 2018 audited annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies other than:

Adoption of New Accounting Standard - IFRS 16

Effective January 1, 2019 the Company adopted IFRS 16,. which replaces IAS 17 - *Leases* and its associated interpretative guidance. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

A detailed summary of the Company's other significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 4 to the December 31, 2018 audited annual consolidated financial statements.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the 2019 and 2018 periods the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar, and the CFO, Pablo Acosta:

	2019 **$**	**2018** **$**
Mr. Salazar		
- Salaries and compensation	173,418	173,826
- Health benefits	2,924	2,833
- Share-based compensation	95,000	-
	271,342	176,659
Mr. Acosta		
- Salaries and compensation	73,329	69,530
- Health benefits	2,923	2,833
- Share-based compensation	55,000	-
	131,252	72,363
	402,594	249,022

Salaries and fees includes $101,669 (2018 - $nil) billed to the Company by a private company owned by the President and the Chief Financial Officer of the Company, for geological services provided by the President.

As at September 30, 2019 $nil (December 31, 2018 - $125,348) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During the 2019 and 2018 periods the following consulting expenses were incurred with respect to non-executive directors of the Company:

	2019 **$**	**2018** **$**
Consulting fees - Etienne Walters	17,900	17,670
Consulting fees - Nick DeMare	35,883	34,728
Consulting fees - Juan Ortiz	-	17,499
Consulting fees - Jennifer Wu	17,952	-
Consulting fees - Merlin Marr-Johnson	67,500	-
Share-based compensation - Etienne Walters	30,000	-
Share-based compensation - Nick DeMare	40,000	-
Share-based compensation - Merlin Marr-Johnson	31,515	-
Share-based compensation - Jennifer Wu	30,000	60,000
	270,750	129,897

As at September 30, 2019 $9,486 (December 31, 2018 - $nil) remained unpaid.

(ii) During the 2019 period the Company incurred a total of $41,875 (2018 - $40,812) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at September 30, 2019, $nil (December 31, 2018 - $4,775) remained unpaid.

During the 2019 period the Company also recorded $15,000 for share-based compensation for share options granted to Chase.

(c) During the 2019 period the Company incurred $167,454 (2018 - $168,032) for equipment rental services provided by Amlatminas S.A. ("Amlatminas") a private corporation controlled by Mr. Salazar and Mr. Acosta of which $nil (December 31, 2018 - $21,827) remained unpaid.

(d) During the 2019 period the Company incurred $22,726 (2018 - $13,906) for storage rental provided by Agrosamex S.A. ("Agrosamex"), a private corporation controlled by the son of the President of the Company.

(g) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with Edgar Orlando Torres Cunalata ("Torres") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession"). See "Macara Project" for details of the agreement.

Torres has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the option proceeds equally.

(h) *Cost Recoveries from Adventus*

Certain of the expenses incurred by the Company with related parties and remuneration paid to Company personnel have been recovered from Adventus pursuant to the earn-in under the Curipamba Option and the Alliance. The table below reflects what occurred during the 2019 period.

	Total **$**	**Recovered from Adventus** **$**
Salaries and Compensation		
Mr. Salazar	173,418	137,552
Mr. Acosta	73,329	43,060
Rentals		
Agrosamex (storage)	22,726	22,726
Amlatminas (equipment)	167,454	167,454

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's material mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares with no par value. As at November 28, 2019, there were 126,477,790 issued and outstanding common shares, 12,047,000 share options outstanding at exercise prices ranging from $0.12 to $0.14 per share, and 1,000,000 share purchase warrants outstanding at an exercise price of $0.12 per share.