

SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

This discussion and analysis of financial position and results of operation is prepared as at November 29, 2022 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2022 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

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Salazar's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Salazar's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Salazar's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Salazar have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Salazar believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Salazar does not intend, or assume any obligation, to update these Forward-Looking Statements.

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. As of the date of this MD&A 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, on the OTCQX under the symbol "SRLZF", and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador.

The Company's main activities had previously been the ongoing exploration activities on the Curipamba Project in Ecuador. In late fiscal 2017 the Company entered into an option agreement (the "Curipamba Option Agreement") with Adventus Mining Corporation ("Adventus") whereby Adventus could earn (the "Earn-In") a 75% interest in the Curipamba Project with Adventus funding costs of US \$25,000,000 over five years, including the completion of a feasibility study on the El Domo deposit. 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 of the date of this MD&A the Company has received total advance payments of US \$1,250,000.

On December 10, 2021, having filed the feasibility study ("Feasibility Study") titled "National Instrument 43-101 ("NI 43-101") Technical Report Feasibility Study - Curipamba El Domo Project", Adventus has completed the final milestone requirement under the Option Agreement. On December 31, 2021 (the "Option Exercise Date") the Company approved the transfer of a 75% ownership interest in Salazar Holdings, effectively reducing the Company's ownership interest to 25%. (See also "Curipamba Earn-in" below for more details.)

Upon achievement of commercial production, Adventus will receive 95% of the distributions 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 distributions 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 exploration alliance agreement (the "Alliance") to jointly explore Ecuador with the initial focus on zinc 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, Adventus and Dos Gemas entered into a letter agreement whereby the Company agreed to transfer the Pijili Project to Dos Gemas under the Alliance whereby Adventus has issued 2,536,232 Adventus common shares at an ascribed value of \$2,028,986, paid a total of \$195,705 (US \$150,000) cash and fulfilled its US \$1,000,000 minimum exploration commitments. The official transfer of the Pijili Project was completed in May 2021.

In May 2018 the Company, Adventus and Dos Gemas entered into an agreement whereby the Company agreed to transfer the Santiago Project to Dos Gemas under the Alliance whereby Adventus has issued 1,268,116 Adventus common shares, at an ascribed value of \$1,014,492, paid a total of \$97,118 (US \$75,000) cash and fulfilled its US \$500,000 minimum exploration commitments. The official transfer of the Santiago Project was completed in fiscal 2019. The Santiago Project is subject to a 1.5% net smelter royalty 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.

The Company continues to work on its strategy to discover, de-risk and define deposits within its wholly-owned portfolio. The Company intends to retain 100% ownership of its top future discovery prospects and to find mid-tier or major mining company partners for the more advanced work on its non-core discoveries.

COVID-19

Almost three years since COVID-19 was declared a pandemic, most countries have wound down their public health safety measures for the COVID-19 pandemic. However, new variants continue to be detected, making it challenging to declare the war on COVID-19 over. Although the overall impact of the pandemic on the Company to date has not been significant, it is not certain whether they will become a threat again in the future.

Property Update - Joint Venture Projects

Curipamba Earn-in

On December 10, 2021, Adventus and the Company filed the Feasibility Study, results of which were announced on October 26, 2021. Filing of the feasibility study, completed Adventus' final milestone requirement under the Option Agreement. Effective December 31, 2021 (the "Option Exercise Date"), pursuant to the Curipamba Option:

- (a) the aggregate amount of advances from Adventus for the Curipamba Project were capitalized in Salazar Holdings. Adventus was granted 75 Class A common shares representing 75% of the total issued and outstanding Class A common shares, and 95 Class B preferred shares, representing 100% of the total issued and outstanding Class B preferred shares; and
- (b) the Company, Adventus, Salazar Holdings and Curimining entered into a shareholders' agreement ("Shareholders' Agreement") and reconstitute the board of directors of Curimining ("Curimining Board") with two Adventus nominees and one Company nominee. The Shareholders Agreement was finalized on January 4, 2022.

As the rights of Adventus to the earn-in were achieved the Company approved the transfer of a 75% ownership interest in Salazar Holdings, effectively reducing the Company's ownership interest to 25%.

Pursuant to the Curipamba Option and the Shareholders' Agreement, Adventus has priority repayment of its investment in Curipamba according to an agreed distribution formula.

Curipamba - El Domo Feasibility Study

Highlights of the results of the Feasibility Study are as follows:

Mineral Resource Estimate Update

As part of the Feasibility Study, an update to the mineral resource estimate was completed, with an effective date of October 26, 2021 and is disclosed in accordance with National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects and prepared by SLR Consulting (Canada) Ltd. ("SLR"), formerly Roscoe Postle Associates. The updated estimate is shown in the following tables.

Table 1a. Total Mineral Resource for El Domo, Curipamba Project - October 26, 2021 (sum of tables 1b and 1c)

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	3.2	2.61	0.24	2.50	3.03	45	84.9	7.7	81.1	316	4,704
Indicated	5.7	1.83	0.24	2.64	1.98	45	104.5	13.9	150.6	364	8,265
M+I	9.0	2.11	0.24	2.59	2.36	45	189.4	21.6	231.7	680	12,969
Inferred	1.1	1.72	0.14	2.18	1.62	32	18.5	1.5	23.6	57	1,118

Table 1b. Pit Constrained Mineral Resource for El Domo, Curipamba Project – October 26, 2021

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	3.2	2.61	0.24	2.50	3.03	45	84.9	7.7	81.1	316	4,704
Indicated	3.8	1.38	0.30	2.77	2.29	52	52.6	11.3	105.2	280	6,370
M+I	7.1	1.95	0.27	2.64	2.63	49	137.5	19.0	186.3	596	11,074
Inferred	0.3	0.34	0.20	1.01	1.34	39	1.2	0.7	3.5	15	430

Table 1c. Underground Mineral Resource for El Domo, Curipamba Project – October 26, 2021

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	1.9	2.72	0.14	2.38	1.37	31	51.9	2.6	45.4	84	1,895
Inferred	0.8	2.31	0.11	2.68	1.74	29	17.3	0.8	20.1	42	688

Notes:

1. CIM Definition Standards (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off Net Smelter Return (“NSR”) value of \$29/t for Mineral Resources amenable to open-pit mining and the underground portion of the 2021 Mineral Resources are reported with mining shapes which were generated using a \$105/t NSR cut-off value.
3. The NSR value is based on estimated metallurgical recoveries, assumed metal prices, and smelter terms, which include payable factors treatment charges, penalties, and refining charges.
4. Mineral Resources are estimated using the metal price assumptions: \$4.00/lb Cu, \$1.05/lb Pb, \$1.30/lb Zn, \$1,800/oz Au, and \$24/oz Ag.
5. Metallurgical recovery assumptions were based on three mineral types defined by the metal ratio Cu/(Pb+Zn):
 - a. Zinc Mineral (Cu/(Pb+Zn) <0.33): 86% Cu, 90% Pb, 97% Zn, 68% Au and 78% Ag
 - b. Mixed Cu/Zn Mineral (0.33 ≤ Cu/(Pb+Zn) ≤ 3.0): 86% Cu, 82% Pb, 95% Zn, 55% Au and 67% Ag
 - c. Copper Mineral (Cu/(Pb+Zn) >3.0): 80% Cu, 37% Pb, 36% Zn, 14% Au and 29% Ag
6. NSR factors were also based on the metal ratio Cu/(Pb+Zn):
 - a. Zinc Mineral (Cu/(Pb+Zn) <0.33): 53.41 \$/t Cu, 7.99 \$/t Pb, 13.47 \$/t Zn, 30.91 \$/g Au and 0.39 \$/g Ag
 - b. Mixed Cu/Zn Mineral (0.33 ≤ Cu/(Pb+Zn) ≤ 3.0): 58.99 \$/t Cu, 7.05 \$/t Pb, 13.41 \$/t Zn, 25.12 \$/g Au and 0.34 \$/g Ag
 - c. Copper Mineral (Cu/(Pb+Zn) >3.0): 57.83 \$/t Cu, 6.84 \$/g Au and 0.19 \$/g Ag
7. Bulk density interpolated on a block per block basis using assayed value, the correlation between measured density values and iron content, and base metal grade. The bulk densities range between 2.1 t/m³ and 4.6 t/m³
8. Mineral Resources are inclusive of Mineral Reserves.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
10. The underground portion of the Mineral Resources are reported within underground reporting shapes and include low grade blocks falling within the shapes.
11. Qualified Person (“QP”) is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate
12. Numbers may not add due to rounding.

Feasibility Study Mineral Reserves

The basis of the Curipamba Feasibility Study is on the maiden open-pit Mineral Reserves that were estimated from the updated open-pit Mineral Resources and on the mine design by DRA (Table 2).

Table 2: Open-Pit Mineral Reserves Statement

Classification	Tonnes (kt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Proven Reserves	3,136	2.50	0.2	2.30	2.83	41	78.4	6.7	72.0	285	4,175
Probable Reserves	3,343	1.39	0.3	2.67	2.23	50	46.4	9.4	89.4	240	5,342
Proven + Probable	6,478	1.93	0.2	2.49	2.52	46	124.9	16.2	161.4	525	9,517

Notes:

1. Waste: Ore Strip Ratio 6.02 : 1 not including pre-strip waste and 8.59 : 1 including pre-strip waste
2. The effective date of the Mineral Reserve Estimate is October 26, 2021.
3. Mineral Reserves are reported in accordance with CIM Definition Standards (2014) and best practice guidelines (2019).
4. An NSR cut-off grade of \$32.99 was used for all material.
5. Mineral reserves were estimated at a gold price of \$1,630/oz, a silver price of \$21.00/oz, a lead price of \$0.92/lb, a zinc price of \$1.16/lb, and a copper price of \$3.31/lb; they include modifying factors related to mining cost, dilution, mine recovery, process recoveries and costs, G&A, royalties, and rehabilitation costs.
6. Figures have been rounded to an appropriate level of precision for the reporting of Mineral Reserves.
7. Due to rounding, some columns or rows may not compute exactly as shown.
8. The Mineral Reserves are stated as dry tonnes processed at the crusher.
9. Tonnages are presented in metric tonnes

Open-Pit Feasibility Study

The Feasibility Study is based only on open-pit Mineral Reserves, whereas the 2019 preliminary economic assessment included both the open pit and potential underground Mineral Resources (“2019 PEA”). A summary of the key Feasibility Study results with sensitivity scenarios for higher and lower metal prices can be found in the Feasibility Study. During the quarter ended September 30, 2022, two geotechnical and two hydrogeological related drills were under way to gather additional information to support the final engineering design of the El Domo open pit,

Underground Mine Expansion PEA Update

An updated PEA for the underground mine expansion was completed and assumes the same metallurgy, treatment charges, refining charges, penalty assumptions, transport charges, tax structure, royalties, and surface infrastructure as the open-pit Feasibility Study. A summary of the key PEA update results with sensitivity scenarios for higher and lower metal prices can be found in the Feasibility Study.

Future Steps for Curipamba

Following the completion of the Feasibility Study, Adventus is progressing towards the following workstreams prior to construction decision approval and ramp-up to full scale construction:

- Complete detailed engineering
- Additional geotechnical drilling and test work to support the detailed design
- Additional geochemistry test work
- Power line detailed engineering, permitting and preparatory work
- Commence site preparatory infrastructure work (fencing, on-site roads, clear & grub, etc.)
- Install the previously purchased construction camp (see July 14, 2021 news release)
- Purchase engineering / vendor data for long lead equipment to support the detailed design (ball mill, flotation cells etc.)
- Prepare request-for-proposal documentation and tender the major construction contracts (mining, earthworks, concrete, steel, mechanical/piping, electrical and instrumentation), in preparation for award
- Complete final land acquisition
- Receive ESIA approval, and sign-off on investment protection agreement

Project Financing

On August 5, 2022 Adventus finalized definitive agreements that constitute the Offtake Financing Agreement (the “OFA”) with Trafigura Pte Ltd (“Trafigura”) which secures up to US \$55,000,000 towards the advancement of the El Domo Project. This follows the binding commitment previously announced on January 17, 2022, together with the financial commitment by Wheaton Precious Metals Corp (“Wheaton”).

With OFA completion, the joint venture has secured up to US \$235,500,000 million for the advancement and future construction of the El Domo Project. Pursuant to the OFA, Trafigura will provide Adventus Mining with a senior debt facility (the “Facility”) of US \$45,000,000, US \$5,000,000 of which can be paid on an early deposit basis to be used for pre-construction activities at the El Domo Project. The remainder of the cash consideration is payable in two staged installments during future construction of the El Domo Project, subject to certain customary conditions precedent being satisfied.

Awarding of Mining Contract

On November 17, 2022 the Company announced that negotiations concluded for the award of the open pit mining contract to a joint-venture between STRACON S.A., a well-established Peruvian mining contractor with operations throughout the Americas, and RIPCONCIV, a large and respected Ecuadorian infrastructure construction contractor (“STRACON-RIPCONCIV JV”) for the development of the El Domo Project.

The mining contract has been structured in an alliance-partnership model to ensure focus on the best solutions for the El Domo Project and the optimal allocation of risks to the parties best equipped to manage and mitigate. The contract term is for a duration of forty-eight months which is projected to include the construction period as well as the first two years of operations. There is an option for the contract with STRACON-RIPCONCIV JV to be extended upon mutual agreement between the parties.

This contract is the largest anticipated to be awarded for the El Domo Project and includes scope generally consisting of open pit pre-strip and mining, and construction of the tailings facility, waste rock facilities, and associated mine infrastructure.

Technical Information and Quality Control & Quality Assurance (“QAQC”)

The engineering and technical content of the Feasibility Study and Underground PEA has been reviewed and approved by Mr. Dustin Small, P.Eng., Vice President of Projects for Adventus, a non-Independent Qualified Person, as defined by NI 43-101.

The Curipamba Project resource-related work program is being managed and reviewed by Adventus’s Vice President Exploration, Jason Dunning, M.Sc., P.Geo., a non-Independent Qualified Person within the meaning of NI 43-101. Salazar staff collect and process samples that are securely sealed and shipped to Bureau Veritas (“BV”) in Quito for sample preparation that includes crushing and milling to prepare pulps that are then split for shipment to their facility in Lima, Peru for analysis.

All assay data have undergone internal validation of QAQC; noting there is an established sampling control program with blind insertion of assay blanks, certified industry standards and sample duplicates for the Curipamba project. A QAQC program is also in place at BV and includes insertion of blanks, standards, and duplicate reanalysis of selected samples. BV’s quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. At BV, gold is analyzed by classical fire assay techniques with an ICP-AES finish, and both silver and base metals are analyzed by a 44-element aqua regia ICP-AES technique. Overlimit protocols are in place for gold, silver, copper, lead, and zinc.

Curipamba - El Domo Infill Drilling

On August 29, 2022, the Company and Adventus announced that it has commenced an infill drilling program with two diamond drill rigs. Details of the drill hole locations and the results are found in the news releases dated October 17, 2022 and November 15, 2022. All results from the infill drilling program will be used in updating the underground portion of the Mineral Resource estimate for El Domo in 2023, which will be part of a future feasibility study that will integrate the development of a potential underground operation in addition to the planned open pit.

Curipamba - El Domo Environmental and Social Impact Assessment (“ESIA”)

On November 18, 2021, the Company and Adventus announced that the ESIA for the Curipamba project has been completed and the environmental licensing process has been initiated with the Ecuadorian Ministry of Water, Environment and Ecological Transition (the “MAATE”). The completed ESIA is the culmination of over two years of environmental, community, and engineering activities led by Adventus, with the assistance of several internationally recognized and Ecuador-experienced consulting firms. In May 2022, El Domo received technical approval of the ESIA from the MAATE, and the Ministry of Energy and Mines of Ecuador issued the Certificate of Technical Feasibility for the construction of the El Domo tailings and waste rock facilities, a key requirement for the environmental licence from MAATE. Adventus is preparing for the public consultation phase. Following public consultation, feedback will be incorporated into the ESIA for final approval by MAATE and the issuance of the Environmental License which allows for submission and approval of relevant sectoral permits prior to the start of construction.

Curipamba - El Domo Investment Protection Agreement (“IPA”)

In June 2022, Adventus and the Company announced a preliminary commitment between the Ministry of Production, Foreign Trade, Investments and Fisheries and Adventus Mining and Salazar Resources with regard to an IPA for El Domo. The application submitted to the Ministry of Production, Foreign Trade, Investments and Fisheries of Ecuador in March 2022, includes a commitment to invest a total of approximately US \$270,000,000 over the next 12 years at El Domo, located in the canton of Las Naves, Bolivar Province. This future investment is in addition to the historical investment of approximately US \$50,000,000 by the participants up to the end of 2021. In return for the investment, Adventus and the Company are negotiating government guarantees on security of title and investment, reduced tax burdens on both income taxes and the capital outflow taxes, guarantees on infrastructure development, among other items, which are customary features in similar agreements the government has established on other major Ecuadorian mining projects.

On November 10, 2022, the Company and Adventus announced that the Government of Ecuador had approved by Resolution No. 203- CEPA 2022 dated November 1, 2022 the signing of the IC between the Government of Ecuador on one side and the parties consisting of Adventus, the Company and their subsidiary Salazar Holdings, in support of the development of the El Domo copper-gold mining project. For the foreign direct investments, the resolution grants

incentives including among other matters tax reduction in the income tax tariff, exemption from the capital outflow tax, and import exemption duties of capital goods and raw materials, as well as tax and legal stability and international arbitration. The government committed to signing within 120 days.

Curipamba - Climate Change Strategies

In March 2022, the Company and Adventus announced an agreement with Invert to assess the carbon footprint and develop a decarbonization roadmap and climate change policy for Curipamba. The Curipamba project is a high-grade copper-gold project with a low capital intensity, expected low greenhouse gas (“GHG”) emissions intensity when in operations. Curipamba’s carbon footprint is expected to benefit from the planned connection to the national power grid, presently 80% supplied by hydro-electric sources, and proximity to deep water ports. Adventus has received the final report and is further evaluating carbon related opportunities for El Domo and in Ecuador and will provide an update in 2023.

Curipamba Project - Regional Exploration

The Curipamba project is comprised of seven concessions representing about 21,500 ha and includes the El Domo deposit. Since completion of the MobileMT geophysical survey in 2019, the Corporation has made significant progress generating targets through the processing and integration of all geoscience data collected from surficial geochemistry, geological mapping, prospecting, drilling, and ground geophysical surveys. The various data sets were compiled in order to produce a matrix that will drive exploration logistics and planning on priority ranked targets. Targets were classified as either VMS-related, such as the El Domo deposit, or porphyry-related. In total, 15 targets had been defined and ranked in priority during the TGI process. Drilling commenced on the highest-ranking La Vaquera target approximately 8 km southwest of the El Domo deposit in March 2020 just before all field work was suspended due to COVID-19 health protocols.

A new VMS system has been identification at the Agua Santa target (see August 9, 2021 and December 7, 2021 news releases for maps and detailed drilling results). Since then, the Adventus successfully completed a total of 2,818 metres in 11 drill holes in that area. Drilling results from the Agua Santa target are detailed in the news release dated October 17, 2022.

Other high priority targets defined during the 2020 target generation initiative process remain untested (see January 21, 2020 news release). Of key importance is that most of these targets are new and have not seen significant exploration or drilling historically.

Exploration Alliance - Pijilí Project

The Pijilí Project consists of three concessions totalling 3,246 hectares that is subject to a \$5,000,000 spending commitment over four years. Pijilí 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 present.

Between July 2020 and March 2021, a total of twelve drill holes has been completed on the Mercy concession totalling 7,031 metres, all of which hit porphyry-style copper-gold-molybdenum mineralization. Ten of the twelve drill holes intersected greater than 100 metres of porphyry mineralization ranging between 100 to 424 metres. One of the drill holes also intersected a high-grade, near-surface silver-tungsten zone. The wide-spaced exploration drilling has traced porphyry-style mineralization approximately 2 km from the artisanal mine site (see June 8, 2020 and October 26, 2020 news releases) northwest to the northern Mercy concession boundary. (See April 20, 2021 news release for maps and detailed drilling results.)

Future Steps

For Rosa de Oro and Carmen de Pijilí concessions, the technical team will continue the target generation initiative focusing on the four high priority areas of El Pato, Rosa de Oro, Naranjas, and Papagayo. El Pato is the furthest advanced of the four high priority areas and it is developing into a prospective copper porphyry target. (see December 7, 2021 news release for sample summary.)

Exploration Alliance - Santiago Project

The Santiago Project consists of a single concession that encompasses 2,350 hectares and is currently 100%-owned by Salazar. It is in a geological setting similar to the nearby Loma Larga deposit owned by Dundee Precious 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.

A 2,500 metre drilling program was designed to twin the Newmont drill hole, but was delayed to accommodate additional community relations and social work with stakeholders that includes but is not limited to the Ecuadorian government and Indigenous leadership. (See June 15, 2020 news release for maps and historical drilling summary).

Qualified Person

Vice President Exploration for Adventus, Mr. Jason Dunning, M.Sc., P.Geo., a Qualified Person (“QP”) as defined by National Instrument 43-101, is the QP for the Exploration Alliance Projects in Ecuador and has reviewed and verified the technical information provided.

Wholly-Owned Portfolio

The Company continues to work on its strategy to discover, de-risk and define deposits within its wholly-owned portfolio. The Company intends to retain 100% ownership of its top future discovery prospects and to find mid-tier or major mining company partners for the more advanced work on its non-core discoveries.

The Company is working closely with regulators in Ecuador and has established detailed health & safety protocols to enable field work on its 100%-owned licences. The non-renewable resources sector has been designated as strategic and vital to the economy by the government. As such, field work is actively encouraged, while keeping the safeguarding of local communities, employees, and contractors as a priority. Key aspects include strict hygiene, physical distancing and appropriate quarantining.

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 an Ecuadorian individual (the “Macara Vendor”) 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. The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm’s length to the Company. Pursuant to the terms of the Macara Option the Company has paid US \$200,000 and agreed to make additional cash payments totalling US \$400,000 (collectively the “Option Proceeds”), as follows:
 - 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 or November 21, 2024.

The Macara Vendor retains a 0.5% NSR, which may be purchased by the Company for US \$1,000,000 at any time.

The Macara Vendor 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 Céllica 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 with gold caps at surface. 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, in 2019, 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 had anticipated executing a first pass drill program of up to 3,000m during fiscal 2020 prior to the disruption caused by COVID-19.

Ahead of drilling to target gold resources, the Macara Mina licence has been digitally mapped to provide a topographic model accurate to 5 cm. On November 12, 2020, the Company announced that it had commenced a ground-based gravity and magnetic geophysical survey comprising seventeen lines, spaced 100 m apart, for 31 line-kms in total. Deep Sounding, High Resolution Geophysics, Peru, were contracted to carry out the work and magnetic and gravity measurements were taken approximately every 100 m.

On January 14, 2021 the Company reported that the geophysical survey was completed in December 2020, the raw data had been received, that interpretation of the gravity and magnetic data was ongoing, and that a final report was being prepared. The Company also reported that it was advancing a 3,000m scout drilling application with plans to drill as soon as relevant permits are granted.

On April 13, 2021, the Company announced the results of an interpretation of the geophysical surveys conducted by Brian Williams, Consultant Geophysicist at Williams Geophysics Ltd (UK). A portion of the area in the southwest could not be surveyed due to prohibitively steep terrain. Due to the rugged topography the Magnetic Vector Inversion (“MVI”) and gravity interpretations were presented at -200m and -500m respectively below surface. MVI was used as that was found to best accommodate the remnant magnetic fields in the magnetic sources. The MVI anomaly is clear from -50m to -200m. The main magnetic body lies beneath the valley in the northern part of the grid, near the center of the large gold-bearing geochemical anomaly. This suggests that the gold is associated with the magnetic body, and the survey showed that the anomaly persists at depth. The magnetic sources appear to lie in an arc trending SSW from north to south across the grid. The gravity survey did not identify a large dense body that would have potentially indicated a massive sulphide occurrence but it did highlight an area of low density in the northern part of the license area. The gravity low coincides well with the hydrothermal breccias and gold anomalies shown in the rock samples. The anomaly improves in resolution with depth. At a depth of 500 m it shows a potential correlation between the gravity signal and the geochemical signal more clearly than shallower slices. The combined gravity and magnetic anomalies, coupled with the geology, indicate that the features may well be part of a feeder system or the host of the mineralization seen at surface. Thick units of pillow lavas are evident in the area, and the low density zone under the geochemical anomaly could be generated by an intrusion.

Rumiñahui Project

The Rumiñahui Project comprises two concessions located in the province of Pichincha, Ecuador.

With partial lifting of COVID-related restrictions in Ecuador, fieldwork at the Rumiñahui Project commenced in early July 2020 and started with stream sediment sampling, mapping and rock chip sampling. It was the first time that geologists had carried out systematic technical work at Rumiñahui since 2007 given the complexity of community relations initially encountered by the Company in the area. After lengthy community engagement and dialogue, the Company signed an access agreement allowing field work to progress. The sampling and mapping work helped to delineate targets that were planned to be drilled in 2021.

In fiscal 2021 two diamond drillholes were completed at Rumiñahui for a total depth of 1,327 m. The holes were designed to test the San Francisco anomaly that centered on a system of quartz veins with pyrite, chalcopyrite, and significant gold grades, related to a regional shear zone.

In February 2022 the Company announced that almost all the assays have been received from the holes, without significant mineralized intersections. The two holes, RUMI-001 and RUMI-002 intersected a thick complex of serpentinites intercalated with serpentinitized basalts and diorite intrusions. The alteration and metamorphism appeared to be related to the regional shear zone, with the dominant minerals being chlorite, serpentine, illite, and actinolite. Sulphide mineralization is weak with small amounts of pyrite and traces of disseminated chalcopyrite associated with localized micro-veinlets, and very occasionally in larger veins.

The collars of the holes were set back 250 m from the main anomaly due to access issues, and RUMI-001 was drilled at a dip of 60°, to pass approximately 400 m below the San Francisco river and anomaly. RUMI-001 was terminated at a downhole depth of 978 m, with assays returned for the first 914 m. RUMI-002 was terminated at a depth of 349m and all assays have been returned. No material intersections have been reported.

During the quarter management assessed additional geological and transactional opportunities for the Rumiñahui Project. The conclusion was that management determined to record an impairment charge of \$2,936,043 for all costs capitalized to the Rumiñahui Project.

Los Osos Project

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.

In January 2020 the Phase 1 geological exploration fieldwork at the Los Osos Project was completed and the Company identified extensive sulphide mineralization within porphyries, metamorphic rocks and hydrothermal breccias mapped and tested, peaking at 14.5 g/t gold over 0.6 m in a veined quartzite. An apparent correlation of gold and copper grades with sulphide intensity was noted, and numerous old workings for gold-silver in high-grade veins and in some hydrothermal breccia zones were mapped. One of the mineralized zones, Area A, was traced over approximately 50 m, despite limited exposure. Four samples were taken from a gully ranging from 0.4 g/t gold over a fault zone, to 14.5 g/t gold from a channel sample in veined quartzite. In a second mineralized area, Area B, a broadly continuous breccia body was identified in underground workings over approximately 100m, and mappable at surface approximately 600 m northeast of Area A. Thirty-three samples were taken from the underground workings, and range in grade from six separate samples that returned 0.1 g/t gold in channel samples, to a panel sample in breccia that returned 4.5 g/t gold.

In the northeast of the licence area there are several NE-SW trending quartz-breccia veins that are up to one meter in thickness and can be traced over several hundred meters. These arsenopyrite-pyrite-chalcopyrite veins contain significant gold and silver values and have been extensively worked by artisanal miners. Intense propylitic-argillic alteration and silicification can be observed across the property.

On September 23, 2020 the Company announced a 5,000m diamond drill program to test mineralized porphyry and associated veins and hydrothermal breccias identified in mapping and sampling. The plan was to drill up to 5,000m starting in October 2020 to test the depth-extent of gold-copper mineralization that is visible at the surface in porphyries and hydrothermal breccias.

On December 10, 2020 the Company reported the completion of hole OSO-01 at a depth of 647m with favourable visible geology, alteration and sulphides. On January 14, 2021 Salazar reported that hole OSO-02 had been completed at a depth of 576m prior to the cessation of drilling for the Christmas holiday period.

On February 12, 2021 the Company reported assays for holes OSO-01 and OSO-02. The holes focused on hydrothermal breccias and intrusive diorites with porphyry copper-gold potential. Encouragingly, the drilling intercepted significant zones of mineralization that are consistent with a large-scale gold system with 244 m of broad mineralization encountered in drill hole OSO-01.

Drill Results for OSO-01 and OSO-02					
Drill Hole	From (m)	To (m)	Width (m)¹	Au (g/t)	Cu (%)
OSO-01	0.0	243.7	243.7	0.31	0.06
<i>including</i>	0.0	69.0	69.0	0.58	0.02
<i>including</i>	25.0	28.0	3.0	4.59	0.03
	389.0	393.0	4.0	0.28	0.07

Drill Results for OSO-01 and OSO-02					
Drill Hole	From (m)	To (m)	Width (m) ¹	Au (g/t)	Cu (%)
	493.0	529.0	36.0	0.20	0.07
	541.1	553.3	12.2	0.21	0.04
	563.4	574.8	11.4	0.60	0.03
	625.0	631.0	6.0	0.31	0.02
OSO-02	319.0	320.0	1.0	22.90	-
	337.9	339.1	1.2	2.51	-
	539.0	540.8	1.8	1.45	-

1 Reported intervals are down-hole lengths and not true thickness.

OSO-01 successfully intersected hydrothermal breccias, 0.1 to 3% chalcopyrite, pyrite, pyrrhotite and arsenopyrite, clay alteration (sericite + chlorite), quartz veining, veinlets, and stockworks, with elevated to anomalous gold mineralization. All of which indicates that the hole was drilled into the upper part of a mineralized porphyry system.

The best continuous run of gold grades was present in the metamorphic (quartzitic) host rocks in OSO-01 from surface to 63 m downhole, with an average of 0.58 g/t gold and 0.02% copper over 69 m. Within this run, an interval of 3 m returned 4.59 g/t gold and 0.03% copper from a depth of 25 m. Salazar interprets the higher gold grades in the top section to be a function of a weathering process that caused some enrichment in the oxidized zone. OSO-01 continued into breccias and intrusions that were mapped in old workings, and gold and copper were present throughout the entire hole. The intersection of 244 m @ 0.31 g/t gold and 0.06% copper from surface is highly encouraging. It is also worth noting that not a single sample was below detection limits in the 644 m hole.

OSO-02 was collared in a >200 ppm copper-in-soil anomaly on a slope. It is possible the copper anomaly has been displaced down slope and the source of the anomaly is further up slope, near the overlapping copper and gold soil anomalies. In OSO-02, three veins returned grades above 1 g/t gold, with a maximum of 22.9 g/t gold within a 1 m sample at a down hole depth of 319 m, containing a 30 cm thick vein. In addition, a 1.2 m sample from 337.85 m to 339.05 m returned 2.5 g/t gold, and a 1.75 m sample from 539.00 m to 540.75 m returned 1.4 g/t gold. Furthermore, only seven samples of approximately 2 m each in the 576 m hole were below detection limits, suggesting that OSO-02 is on the margin of a mineralized system.

On April 13, 2021 the Company reported that hole OSO-03 (270°/-60°), a step-out to the north of hole OSO-01, was drilling to test the continuity of the mineralization intersected in OSO-01 in an area of coincident copper and gold anomalies in soil.

On June 8, 2021 the Company reported that drill holes OSO-03 and OSO-05, confirmed the widespread presence of mineralization from surface to depth, over 400 m, and open in all directions and at depth. Five holes (3,113m) had been completed. Results from OSO-01 (647 m) and OSO-02 (576 m) were previously reported.

Highlights from the drilling are as follows:

1. **OSO-03** returned significant mineralized intervals to a depth of 525 m downhole
 - 240 m @ 0.4 g/t Au, 0.1% Cu, and 7.1 g/t Ag from 7m, including:
 - 51 m @ 0.5 g/t Au, 0.1% Cu, and 25.1 g/t Ag from 7 m
 - 23 m @ 0.7 g/t Au, 0.1% Cu, and 3.0 g/t Ag from 224 m
 - 37 m @ 0.4 g/t Au, 0.1% Cu, and 27.6 g/t Ag from 345 m
 - 54 m @ 0.5 g/t Au, 0.1% Cu, and 1.1 g/t Ag from 471 m
2. **OSO-05** showed visual indications of mineralization to a depth of over 800 m downhole
 - Assays were pending
 - Located approximately 200 m northeast of OSO-03
 - Although planned to be 500-600 m long it was completed at a depth of 864 m due to continued mineralization

Hole OSO-03 was completed at a depth of 597 m and results had been received for the entire hole. Hole OSO-04 was drilled in the south of the area to test a surface anomaly and completed at a depth of 430 m. Samples to a downhole depth of 318 m from this hole had been returned but with no significant results. Hole OSO-05 was located 200 m

northeast of OSO-03 and completed at a depth of 864 m. The first 500 m of OSO-05 had been logged, sampled, and sent to the laboratory for assay.

Mineralization had been identified in assays over 200m between holes OSO-01 and OSO-03. OSO-05, with visual evidence of mineralization, is a further 200 m step-out to the northeast. Gold grading above 0.5 g/t over 50 m was identified in the upper 60 m of both OSO-01 and OSO-03, and it is open in all directions and at depth. Both holes also returned more than 240 m at gold grades above 0.3 g/t in the uppermost 250 m.

OSO-03 Results

Hole OSO-03 was designed to be an angled hole 500-600 m long, and was completed as planned at a down hole depth of 597 m. Like OSO-01, the hole was collared in metamorphic host rock before entering a suite of hydrothermal breccias, porphyritic andesites, dikes, and diorites. Sulphides were present throughout the hole, predominantly pyrrhotite and pyrite with lesser chalcopyrite and arsenopyrite. The rocks are silicified and exhibit moderate phyllic alteration, with gold, copper, silver and trace molybdenum present in core. Significant intersections are shown in the following table:

Significant Drill Intersections from Los Osos							
Hole	From (m)	To (m)	Width* (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
OSO-03	6.55	246.60	240.05	0.39	0.09	16.52	7.10
Including	6.55	57.50	50.95	0.52	0.08	9.48	25.12
Including	223.55	246.60	23.05	0.74	0.11	12.11	2.99
	345.25	382.00	36.75	0.37	0.06	27.58	0.77
	470.65	524.15	53.50	0.52	0.07	2.4	1.13
OSO-04	0.00	318.00	318.00	<i>no significant results returned</i>			
	318.00	430.00	112.00	<i>assays pending</i>			
*Reported intervals are down-hole lengths and not true thickness							

The gold content appears to be spatially related to the intrusion complexes, with some good grade continuity in the metamorphic host rocks and in the breccias. The andesites appear to be lower tenor and may be a post-mineralization or a late-stage intrusion.

Following completion of hole OSO-05 the drill rig was moved 500 m back to Pad 1 (the collar location of OSO-01) to drill west.

On August 13, 2021 the Company announced it had completed the Phase 1 drilling program at Los Osos and it reported the results from the final three holes drilled. In total, six holes were completed:

PHASE 1 DIAMOND DRILL HOLES						
Hole	Easting	Northing	Azimuth	Dip	EOH (m)	UTM Zone
OSO-01	626017	9606455	140	-60	676	PSAD Zone 17S
OSO-02	626117	9605622	90	-60	576	PSAD Zone 17S
OSO-03	626196	9606609	270	-60	597	PSAD Zone 17S
OSO-04	626124	9605205	300	-60	430	PSAD Zone 17S
OSO-05	626387	9606827	270	-60	864	PSAD Zone 17S
OSO-06	626017	9606455	270	-70	516	PSAD Zone 17S

Highlights from the drilling:

1. **OSO-05** returned mineralized intervals to a depth of 796 m downhole, with end of hole at 864 m
 - 30 m @ 0.4 g/t Au, 0.1% Cu, and 1.0 g/t Ag from 44 m, including:
 - 15 m @ 0.6 g/t Au, 0.1% Cu, and 1.1 g/t Ag from 54 m
 - 18 m @ 0.3 g/t Au, 0.1% Cu, and 1.4 g/t Ag from 223 m

2. **OSO-06** returned mineralized intervals to a depth of 514 m downhole, with end of hole at 516 m
- 87 m @ 0.2 g/t Au, 0.1% Cu, and 0.8 g/t Ag from 160 m
 - 133 m @ 0.2 g/t Au, 0.1% Cu, and 0.6 g/t Ag from 282 m
 - 17 m @ 0.4 g/t Au, 0.1% Cu, and 0.9 g/t Ag from 451 m

The Company reported the results from the last 112 m of OSO-04, and full hole results from OSO-05 and OSO-06.

Results

Holes OSO-04, OSO-05 and OSO-06 were designed to be angled holes 500-600 m long, or longer if still intersecting abundant sulphide mineralization at depth. Hole OSO-04 did not intersect significant amounts of sulphide and was stopped at a down hole depth of 430 m. Hole OSO-05 intersected abundant sulphide mineralization throughout its length and was eventually finished at a depth of 864 m. Although the hole was visually similar to OSO-03 and encouraged the continuation of the hole to its final depth, the results were lower grade than encountered in OSO-03.

Hole OSO-06 was collared from the same pad as OSO-01, but oriented to the west, rather than to the southeast. Whereas OSO-01 encountered an enriched zone from surface to the southeast, OSO-06 only entered elevated mineralization at a downhole depth of 87 m to the west. Throughout the length of the hole, the sulphide content was estimated to be lower than in holes OSO-01, OSO-03, and OSO-05 and a decision to end the hole at 516 m was taken.

All three holes were collared in metamorphic host rock before entering a suite of hydrothermal breccias, porphyritic andesites, dikes, and diorites. Sulphides were present throughout hole OSO-05 and OSO-06, in particular, predominantly pyrrhotite and pyrite with lesser chalcopyrite and arsenopyrite. The rocks are silicified and exhibit moderate phyllic alteration, with gold, copper, silver and trace molybdenum present in core.

Significant drill intersections from Los Osos

Hole	From (m)	To (m)	Width* (m)	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
OSO-04	0.00	430.00	430.00	<i>no significant results returned</i>			
OSO-05	41.00	70.61	29.61	0.45	0.06	10.00	1.01
<i>Including</i>	54.40	69.00	14.60	0.59	0.09	14.00	1.14
	96.00	121.76	25.76	0.19	0.07	8.06	1.01
	223.40	241.25	17.85	0.27	0.08	58.71	1.46
	398.35	460.80	62.45	0.38	0.04	2.46	0.79
	602.60	611.90	9.30	0.48	0.20	13.32	2.06
	745.84	796.00	50.16	0.18	0.07	9.24	1.56
OSO-06	13.30	91.25	77.95	0.24	0.03	16.10	1.16
	160.40	247.50	87.10	0.22	0.06	11.08	0.78
	281.60	414.8	133.20	0.22	0.06	5.80	0.60
	450.70	477.77	17.27	0.37	0.06	3.85	0.85

*Reported intervals are down-hole lengths and not true thickness

The high-grade vein structures in the northeast of the licence area remain undrilled.

Los Santos Concession

On December 8, 2020 the Company entered into a binding letter of intent (the “Los Santos LOI”) with Minera Mesaloma S.A. (“Mesaloma”) whereby the Company may acquire a 100% interest in the 2,215 hectares Los Santos Concession, in southwest Ecuador located approximately 10 km northeast of Los Osos.

On November 24, 2021 the Company and Mesaloma and other parties (collectively the “Optionor”) completed the definitive agreement (the “Mining Option and Shareholders’ Agreement”) under which the Company may acquire up to a 90% beneficial interest in the Los Santos Concession, by making option payments (the “Option Payments”) totalling US \$1,950,000. Upon the Company having earned a beneficial 90% interest in the Los Santos Concession the Company may acquire the remaining 10% interest by paying the Optionor US \$2,000,000 and granting a 1.5% NSR.

On January 14, 2021 the Company reported that mapping and sampling had already started with a view to generating drill targets that can be drilled later in the second half of 2021. Key areas of interest are situated where artisanal activity has been concentrated and also where areas of anomalous mineralization have been highlighted in previous exploration. The 2,215 hectare property is situated adjacent to the concessions hosting the 16.7 Moz Cangrejos deposits and it is approximately 10 km northeast of Los Osos project (Salazar 100%).

On April 13, 2021 the Company reported that field crews had mapped about 12% of the 2,215-hectare licence area with a number of soil and rock chip samples collected and assayed. The geochemical plots show that the gold and the copper anomalies are coincident, with gold values high relative to copper. The presence of porphyritic intrusions and artisanal development on structures has been noted, but so far the intense brecciation seen at Los Osos has not been encountered. Fieldwork was continuing with the aim of having drill targets developed by mid-year.

In December 2021 the Company announced a Phase 1 drill program of at least 1,200 meters would commence in January 2022.

In February 2022 the Company announced channel and rock chip samples from the Brecha Sur and Leon prospect areas confirmed gold, copper, and silver mineralization. The Company also announced the Phase 1 drill program was underway with two holes completed for a total of 526 meters.

The Esperanza prospect area is an area of 800 x 700 m cross-cut by abundant fine veinlets, with veining concentrated in three main structures of 1-20 m in width, and a strike-length in excess of 1 km. The veins and structures have a preferred north-south orientation and mineralization is characterized by quartz, fine grained pyrite and minor stibnite. Alteration is silicic-argillic, with minor illite and smectite. Two drill holes were collared in weakly sheared, partially metamorphized tonalites, oriented almost due west, with a dip of 60°. Drillhole DDHSAN-001A was completed at a downhole depth of 299 m, having intersected three principal zones of interest. Drillhole DDHSAN-002 was collared approximately 100 m south of the first hole, and completed at a downhole depth of 227 m, having intersected one zone of interest.

Diamond drillhole SAN-001A, azimuth 270°, dip 60°			
<u>From (m)</u>	<u>To (m)</u>	<u>Width (m)</u>	<u>Notes</u>
122	132	10	Sheared, intense sub-parallel quartz veins, microbreccias. Fine pyrite (5%), arsenopyrite (0.5%), chalcopyrite (0.5%), traces of sphalerite and a fine grain of visible gold at 125.6 m.
142	144.1	2.1	Sheared, intense sub-parallel quartz veins, microbreccias. Pyrite (5%), chalcopyrite (1%) and arsenopyrite (0.5%)
151	154	3	Sheared, intense sub-parallel quartz veins, microbreccias. Fine pyrite (5%), traces of chalcopyrite, arsenopyrite, and pyrrhotite.
Diamond drillhole SAN-002, azimuth 273°, dip 60°			
<u>From (m)</u>	<u>To (m)</u>	<u>Width (m)</u>	<u>Notes</u>
122	132	10	Sheared, intense sub-parallel quartz veins, microbreccias. Fine pyrite (5%), arsenopyrite (0.5%), chalcopyrite (0.5%), traces of sphalerite and a fine grain of visible gold at 125.6 m.
142	144.1	2.1	Sheared, intense sub-parallel quartz veins, microbreccias. Pyrite (5%), chalcopyrite (1%) and arsenopyrite (0.5%)
151	154	3	Sheared, intense sub-parallel quartz veins, microbreccias. Fine pyrite (5%), traces of chalcopyrite, arsenopyrite, and pyrrhotite.

Leon

As previously reported, Leon hosts a series of N-S sheeted vein sets, varying in intensity across approximately 180 m of E-W outcrop. The sheeted veins are characterized by the presence of quartz, chalcopyrite, pyrite, pyrrhotite, and oxidized sulphides. Alteration minerals include chlorite, actinolite, albite, biotite and carbonates. The vein sets are within a weakly sheared and metamorphized tonalite.

One hundred saw-cut channel samples have been taken across the outcrop, in three batches of 29, 20, and 51 samples respectively. Results for the first batch of samples have been returned, with a highlight intersection of 7.5 m @ 0.27 g/t Au and 0.25 % Cu. Two chip samples taken during first pass regional sampling near the creek returned 3.1 m @ 0.24% Cu, 0.1 g/t Au and 4.0m @ 0.15% Cu, 0.1 g/t Au.

Channel sampling results, Batch #1, Leon					
Sample #	Width (m)	Au_ppm	Cu_ppm	Ag_ppm	As_ppm
305304	4.0	0.058	1475	2.4	77
306143	1.5	0.036	94	0.2	75
306144	2.0	0.025	50	0.1	88
306146	1.5	0.023	66	0.1	36
306147	1.5	0.044	154	0.1	116
306148	2.0	0.145	68	0.1	29
305281	3.1	0.138	2351	3.2	58
306149	2.4	0.138	2491	3	48
306150	2.0	0.644	2807	2.9	25
306151	2.0	0.061	92	0.1	96
306152	2.0	0.014	78	0.1	44
306153	2.0	0.03	426	0.5	32
306154	2.0	0.055	373	0.5	18
306155	2.8	0.023	146	0.2	39
306156	1.2	0.029	115	0.2	32
306157	2.0	0.006	48	0.1	16
306158	2.5	0.469	67	0.1	21
306159	2.0	0.13	569	0.9	20
306161	2.0	0.019	111	0.1	6
306162	2.0	0.126	90	0.1	2.5
306163	1.5	0.014	146	0.3	12
306164	1.8	0.016	50	0.1	8
306165	1.8	0.017	58	0.1	5
306166	1.8	0.028	51	0.1	8
306167	2.0	0.107	104	0.1	2.5
306168	2.0	0.22	994	1.4	16
306169	2.0	0.023	52	0.1	6
306170	2.0	0.017	53	0.1	6
306171	1.8	0.016	82	0.1	26
306172	2.0	0.008	27	0.1	14

Brecha Sur

Brecha Sur translates as ‘South Breccia’ and is a broad anomalous zone characterized by breccias in the south of the concession. The numerous breccia outcrops exhibit a variety of characteristics, including some quartz-tourmaline breccias with specularite and iron oxides, and others further south with a matrix of oxidised material and clasts of quartz-feldspar porphyry. Associated with some of the breccia stockworks are zones of argillic alteration and of silicification associated with fine dark grey sulphides. As previously reported, a highlight of the reconnaissance sampling was 1.5 m @ 4.6 g/t Au and 8.6 g/t Ag.

Of the nine samples (see table below), eight were above 0.2 g/t Au and five returned grades above 1 g/t Au, with the highest being sample #305919 with 20.2 g/t Au and 1217 g/t Ag. As at Esperanza, the mineralization at Brecha Sur is oriented in line with the regional structural fabric NNE-SSW.

Grab sample results, Brecha Sur			
Sample ID	Au (g/t)	Ag (g/t)	Notes
305919	20.2	1,217	Breccia, stockwork
305972	18.3	35	Vein, structure
305696	4.6	9	Breccia blocks, with oxides
305918	3.3	4	Weathered breccia
305977	1.5	2	Altered granodiorite
305982	0.9	8	Altered tonalite
305981	0.7	9	Altered tonalite
305912	0.3	1	Breccia
305978	0.1	-	Altered granodiorite

In May 2022 the Company announced that the Phase 1 drilling was complete at Los Santos, El Oro Province. Thirteen holes (2,575 meters) were drilled and assays had been received from four holes. The Company also reported assay results from channel sampling and trenches. Exploration at Los Santos comprised mapping, sampling, and drilling.

Highlights are as follows:

- (i) *Brecha Sur* - trench #5 returned 14.5 m @ 19.5 g/t Au and 274 g/t Ag
- (ii) *Esperanza* - drillhole SAN-002 returned 1.2 m @ 1.9 g/t Au from 142.9 m
- (iii) *Leon* - drillhole SAN-003A returned 15.8 m @ 0.43 g/t Au from 57 m, and 32.7 m @ 0.2 g/t Au from 292.7 m
- (iv) *Rayo* - drillhole SAN-004 returned 52.4 m @ 0.2 g/t Au from 78.1 m

Los Santos Phase 1 drill program collar locations						
Target	Hole ID	East	North	Dip	Azimuth	Total Depth
Esperanza	SAN-001A	637947	9610689	-60	280	298.8
	SAN-002	637938	9610647	-60	270	227.0
Leon	SAN-003A	637619	9611896	-70	80	327.6
Rayo	SAN-004	637548	9611980	-50	290	439.0
Brecha Sur	SAN-005	636693	9607234	-60	125	245.0
	SAN-006	636655	9607128	-50	130	174.6
	SAN-007	636654	9607083	-50	130	94.2
	SAN-007A	636654	9607083	-42	320	35.0
	SAN-008	636754	9607165	-46	320	44.0
	SAN-008A	636754	9607165	-42	320	34.4
	SAN-008B	636754	9607165	-60	320	130.9
	SAN-009	635744	9613500	-60	110	224.1
Fortuna	SAN-010	635744	9613500	-85	290	275.0

Drilling results from Los Santos					
Target	Hole	From	To	Width	Results
Esperanza	SAN-001A	125.2	130.5	5.3	0.3 g/t Au
	and	142.9	144.1	1.2	1.9 g/t Au
	SAN-002				No significant results
Leon	SAN-003A	56.7	72.4	15.7	0.4 g/t Au
	and	247.6	254.1	6.6	0.2 g/t Au
	and	257.3	274.0	16.7	0.2 g/t Au
	and	292.7	325.4	32.7	0.2 g/t Au
Rayo	SAN-004	78.1	130.5	52.4	0.2 g/t Au

At Esperanza, two drill holes were collared in weakly sheared, partially metamorphized tonalites, oriented almost due west, with a dip of 60°. The holes targeted depth extensions of mineralization identified through surface

sampling. Both holes intersected sheared zones of veining and veinlets, with visible gold reported at a depth of 132 m in SAN-001. Although the zone of shearing and sulphide mineralization in SAN-001 was 10 m in thickness, the intersection carrying gold values was 1.2 m @ 1.9 g/t Au from a depth of 142.9 m. The core was assayed with conventional fire assay atomic absorption spectroscopy and metallic screen fire assay methods. The downhole intersection is lower grade and narrower than the channel sampling reported previously from surface (21.5 m @ 3.0 g/t Au).

The grade differences are interpreted to reflect enrichment of the geology at the surface relative to the underlying geology. The narrower widths are interpreted to reflect the fact that the channel sample was taken obliquely to the structure whereas the drillholes were orthogonal to structure.

At Leon and Rayo two holes were drilled across the main targets established by surface mapping and sampling. At Leon previously reported mineralization at surface included 7.5 m @ 0.27 g/t Au and 0.25 % Cu across one of a series of north-south sheeted vein sets, varying in intensity across approximately 180 m of east-west oriented outcrop. Additional results from the eastern section include 2 m @ 0.2 g/t Au and 0.25% Cu, and 2 m @ 2.2 g/t Au and 0.43% Cu. At Rayo previously reported sampling in an adit across a similar orientation of vein sets returned a best intersection of 8.0 m @ 8.0 g/t Au in an adit.

The drilling in both areas intersected similar geology downhole as that seen at surface, namely mineralized structures and vein sets with oxidation in fractures and quartz-pyrite mineralization, minor chalcopryrite and trace arsenopyrite. At Leon the results from SAN-003 indicate broad zones of gold mineralization, with several intervals between 247 m and 325 m downhole returning 0.2 g/t Au, as shown in the table above. The results from the hole at Rayo, 52.4 m @ 0.2 g/t Au, are of a similar tenor and thickness to the nearby geology at Leon. The high grades previously reported in the channel at Rayo are interpreted to reflect surface enrichment due to oxidation processes.

At Brecha Sur, mapping and trenching continued to reveal high grade mineralization at surface. The area appears to represent a conjugate set of structures formed in a compressive environment. Locally at Brecha Sur the host intrusive rock exhibits brittle deformation with en-echelon tension cracks visible at the metric to decimetric scale. The tension cracks often contain elevated levels of sulfide mineralization. These zones are associated with intense argillic alteration (kaolinite-alunite + illite-smectite-sericite) and a mineral association of pyrite + enargite (Cu) + tenantite (As+Ag) + tetrahedrite (Sb+Ag) + Ag sulfosalts (pyrargyrite). This suite of alteration and sulfides suggests these are high sulfidation (HS) lenses of mineralization. Trenching and channel sampling were carried out over a number of zones. The sampling was carried out by chip sampling in friable rock and using a rock saw in competent rock. Sample lengths were nominally 2 m, adjusted to lithologies.

Brecha Sur trench results				
Trench	Length (m)	Gold (g/t)	Silver (g/t)	Copper (%)
TBx1	6.5	2.2	3.5	-
TBx2	14.2	2.7	100.6	-
TBx3	5.7	19.6	328.9	0.4
TBx4	5.8	6.9	90.5	0.2
TBx5	14.5	19.5	274.0	0.2

Drilling to test the depth extent of these bodies has intersected similar alteration and mineral suites and hydrothermal breccias in core. The intensity of mineralization does, however, appear to be much less intense than that seen at surface. The altered and veined zones, and the hydrothermal breccias are thinner at depth than those intersected at surface. Results for drill holes SAN-005, SAN-006, SAN-007, SAN-007A, SAN-008, SAN-008A, and SAN-008B were pending.

At Fortuna, soil sampling identified a gold and copper anomaly centered on a tourmaline breccia. The breccia outcrop shows alteration and disseminated sulfide mineralization. It is hosted within a medium-coarse grained diorite. Two drill holes, SAN-009 and SAN-010, were collared within the breccia, and intersected strongly sodic-calcic alteration, increasing with depth, characterized by actinolite, albite, and epidote. The alteration is associated with sulfide mineralization of pyrite, chalcopryrite, magnetite, and molybdenite.

Diamond drill hole SAN-009, was completed at a depth of 224.1 m. From surface it intersected hydrothermal breccias until a depth of 135.50 m. Diamond drill hole SAN-010, was drilled sub-vertically away from SAN-009 and it was completed at a depth of 275.0 m. From surface SAN-010 intersected hydrothermal breccias until a depth of 178.0 m.

In June 2022 the Company announced that drilling had intersected a significant new gold zone at the Fortuna target. It also reported the final assays from the 2,575m (13 holes) Los Santos exploration drilling program.

Two holes were drilled into the Fortuna target area (“Fortuna”) in the northwest of the concession and intersected a new gold zone which starts at outcrop and extends to significant depth. Fortuna is 700 m away from the Cangrejos concession boundary and less than 2 km from the center of the Cangrejos main mineral resource, held by Lumina Gold. Lumina Gold quotes resources of 10.4 Moz gold in the Indicated category at a grade of 0.57 g/t Au.

Highlights include:

- (i) Drillhole SAN-010 (Fortuna) returned 103.0 m @ 0.52 g/t Au, 0.16% Cu, 217 ppm Mo from surface, including 67.6 m @ 0.73 g/t Au, 0.21% Cu and 271 ppm Mo from surface
- (ii) Drillhole SAN-009 (Fortuna) returned 22.3 m @ 0.67 g/t Au, 0.21% Cu, and 89 ppm Mo from 5.1m

Results have been returned from the remaining nine holes completed in the Phase 1 drilling program at Los Santos. Two holes were drilled on the Fortuna target and seven holes were drilled on the Brecha Sur target. The collar locations of all thirteen holes are shown in the table below.

Los Santos Phase 1 drill program collar locations						
Target	Hole ID	East	North	Dip	Azimuth	Total Depth
Esperanza	SAN-001A	637947	9610689	-60	280	298.8
	SAN-002	637938	9610647	-60	270	227.0
Leon	SAN-003A	637619	9611896	-70	80	327.6
Rayo	SAN-004	637548	9611980	-50	290	439.0
Brecha Sur	SAN-005	636693	9607234	-60	125	245.0
	SAN-006	636655	9607128	-50	130	174.6
	SAN-007	636654	9607083	-50	130	94.2
	SAN-007A	636654	9607083	-42	320	35.0
	SAN-008	636754	9607165	-46	320	44.0
	SAN-008A	636754	9607165	-42	320	34.4
Fortuna	SAN-008B	636754	9607165	-60	320	130.9
	SAN-009	635744	9613500	-60	110	224.1
	SAN-010	635744	9613500	-85	290	275.0

The results from holes SAN-005 to SAN-010 are shown in the table below. The results from holes SAN-001 to SAN-004 were previously reported in May 2022.

Drilling results from Los Santos							
Hole	From (m)	To (m)	Width (m)*	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
SAN-005	No significant results						
SAN-006	137	140.65	3.65	0.03	0.004	-	12.7
SAN-007	Unsampled						
SAN-007A	10.45	14.35	3.9	0.3	0.004	1	1.3
SAN-008	10.8	12.65	1.85	0.3	0.02	1	6.2
SAN-008A	7.1	10.4	3.3	1	0.01	1	2
SAN-008A	13.4	15.3	1.9	0.1	0.02	1	3.9
SAN-008B	5.2	11	5.8	1.08	0.03	1	5.8
SAN-009	5.1	27.35	22.25	0.67	0.21	89	1.4
and	39.6	45.65	6.1	0.2	0.08	12	0.9
and	84.55	105.2	20.7	0.21	0.14	10	0.8
and	124.75	135.48	10.7	0.2	0.14	54	0.8

Drilling results from Los Santos							
Hole	From (m)	To (m)	Width (m)*	Au (g/t)	Cu (%)	Mo (ppm)	Ag (g/t)
SAN-010	0	103	103	0.52	0.16	217	0.9
incl.	0	67.6	67.6	0.73	0.21	271	1.1
* Downhole widths							

Fortuna

Previous mapping and sampling at Fortuna identified a breccia pipe estimated to be approximately 100 m x 100 m in size. Fortuna is located approximately 1 Km from the Casique Tourmaline Breccia and approximately 2 km from the Cangrejos porphyry system, both of which are Lumina Gold properties.

Two holes were drilled from the same platform, SAN-009 to the east-southeast, and SAN-010 to the west-northwest. Both holes intersected gold and copper from surface and at depth. The mineralization was predominantly, but not exclusively, within the breccia pipe. Drillhole SAN-010 returned 103.0 m @ 0.52 g/t Au, 0.16% Cu, 217 ppm Mo from surface, including 67.6 m @ 0.73 g/t Au, 0.21% Cu and 271 ppm Mo from surface. Mineralization within the breccia was weaker after 136 m, and the hole exited the breccia body at 178.0 m downhole.

Drillhole SAN-009 returned an initial intersection of 22.3 m @ 0.67 g/t Au, 0.21% Cu, and 89 ppm Mo from 5.1 m. Three additional zones of mineralization of 6.1 m, 20.7 m, and 10.7 m were intersected further down the hole. The hole exited the breccia body at 135.5 m downhole, and mineralization extended beyond the breccia body into the country rock.

The higher-grade intervals are associated with zones of more intense brecciation and alteration. In these zones the matrix is dominated by fine grained magnetite, associated with clots of epidote and fine disseminated molybdenite. The presence of albite, actinolite, epidote and chlorite in the wider mineral suite indicates calc-sodic alteration. The multiple zones of mineralization internally within the breccia, at the boundary, and in the country rock suggest the presence of a robust hydrothermal system. The breccia pipe and the alteration features are interpreted to be apical features of a deeper porphyry body.

Brecha Sur

At Brecha Sur, previously reported mapping had identified a number of small lenses (20m x 10m) exhibiting classic high sulphidation mineralization in a brittle compressional structural regime. The main minerals are pyrite, arsenopyrite, enargite, tennantite, and Ag sulfosalts (pyrargyrite). Associated with the sulphide lenses is an advanced argillic assemblage consisting of kaolinite-alunite, illite-smectite, and sericite. Locally, they form hydrothermal breccias with quartz-sulphide aggregates.

Drilling in the area proved challenging as the geology found at surface was not encountered in the same style at depth. Whereas trenching had shown strong mineralization at surface, such as 14.5 m @ 19.5 g/t Au and 274 g/t Ag, drilling below the sulphide lenses did not intersect promising geology. The best drill result was 5.8 m @ 1.08 g/t Au, and that was from a depth of just 5.2 m downhole. As can be seen in the table above, the key intersections in the four holes SAN-007A to San-008B were all made at starting depths of shallower than 14 m. Hole SAN-006 targeted a well-triangulated structure at depth below known mineralization, and it only returned 3.65 m @ 0.03 g/t Au.

Future Plans

The intersection of mineralization at Fortuna is a play-opener at a very early stage of definition. The surface mineralization at Brecha Sur is also very strong, and a detailed review from Brecha Sur to the northeast will be undertaken by the Company in future work. A Phase 2 exploration plan at Los Santos, incorporating the new information and drillhole data will be developed.

El Potro Project

On August 30, 2021, the Company acquired the mineral title to the 1,175 hectare (“ha”) Correa-Jiron Concession 601062 (“El Potro Project”) in the mineral-rich Loja porphyry district, Ecuador for an initial payment of US \$50,000. The option agreement payments, to be paid to the vendors by the Company, over a five-year period total US \$1,150,000 of which US \$50,000 has been paid.

In November 2021, following due diligence, the Company indicated its belief that El Potro Project is a new porphyry discovery with significant exploration potential.

The El Potro Project lies in the southeast of Loja Province, southern Ecuador. Altitudes in the single contiguous concession area range from 3,000 m to 3,700 m and access is via gravel roads and mule track from the town of El Airo which is seven km to the west. The project area has been subject to small-scale artisanal mining activity since the Mining Concession was granted in 2010. The El Potro Project has been held by a consortium of private holders since 2010 and the area has not been subject to any recorded systematic exploration.

The area is crossed by a large system of transpressional faults, running north-northeast. A suite of Miocene Portacheula rocks is intruded into older (Jurassic) Chigüinday Trèss Lagunas units.

Preliminary mapping has identified porphyritic intrusions, argillic and Ca-K alteration signatures, locally intense stockworks, and a siliceous lithocap. The main stockwork is hosted in porphyry, and exhibits intense quartz veining with visible magnetite and molybdenite. The lithocap is estimated to be 60 m thick and several hundred meters wide. Artisanal mining has concentrated on sulphide-rich portions of the lithocap. Guides to the area demonstrated the gold content by sampling, crushing, and panning.

During due diligence, preliminary geological mapping on traverses was undertaken and 89 rock samples were collected. Assay results showed that 25 of the rock samples were below detection limit for gold, 13 samples were between 6 ppb and 100 ppb, and 49 were greater than 100 ppb. The table below highlights samples from nine areas with either gold above 0.1 ppm (g/t) or copper above 1000 ppm (0.1%).

Highlights from Due Diligence sampling programme

Sample ID	Width (m)	Au (ppm)	Mo (ppm)	Cu (ppm)	Ag (ppm)	Notes on alteration and mineralization
M54311	0.20	0.3	2	81	1.6	Argillic, manganese oxides and hematite
M54312	5.00	0.1	3	2010	51.9	Phyllic veinlets of quartz, oxidised pyrite
M54315	4.00	0.0	4	2283	5.7	Phyllic, epi, cpy veinlets, py, malachite, traces of bornite
M54318	8.00	0.8	<2	27	3.0	Intense argillic stockwork, drusy qtz, py, aspy, jarosite
M54319	10.00	0.1	2	22	1.7	Intense argillic stockwork, drusy qtz, py, aspy, jarosite
M54321	3.00	26.6	3	97	11.3	Intense oxidised stockwork, py, jarosite
M54322	3.00	9.0	<2	95	5.1	Intense oxidised stockwork, py, jarosite
M54323	1.00	0.8	<2	34	0.5	Argillic, intense oxidation, hematite
M54379	2.00	0.0	61	1109	1.0	Quartz-sericite
M54380	2.00	0.0	85	1966	0.9	Stockwork, qtz-mag-mo. Contact between porphyry / met

The Company is establishing accommodation and logistics at the site that will enable the team to support sustainable exploration programs. Mapping and sampling will continue with the aim of generating drill targets as quickly as possible.

Qualified Person

Kieran Downes, Ph.D., 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.

Three Months Ended	Fiscal 2022			Fiscal 2021			Fiscal 2020	
	Sep. 30 2022 \$	Jun. 30 2022 \$	Mar. 31 2022 \$	Dec. 31 2021 \$	Sep. 30 2021 \$	Jun. 30 2021 \$	Mar. 31 2021 \$	Dec. 31 2020 \$
Operations:								
Revenues	Nil							
Expenses	(307,889)	(472,535)	(379,330)	(693,334)	(320,080)	(336,372)	(325,714)	192,752
Other items	(2,738,168)	49,541	8,521	4,214,504	95,637	(19,186)	112,166	(2,008)
Net income (loss)	(3,046,057)	(422,994)	(370,809)	3,521,170	(224,443)	(355,558)	(213,548)	190,744
Other comprehensive income (loss)	653,547	353,261	(142,314)	349,378	708,469	(301,792)	(393,410)	(1,223,087)
Comprehensive income (loss)	(2,392,510)	(69,733)	(513,123)	3,870,548	484,026	(657,350)	(606,958)	(1,032,343)
Basic and diluted income (loss) per share	(0.02)	(0.00)	(0.00)	0.02	(0.00)	(0.00)	(0.00)	0.00
Balance Sheet:								
Working capital	996,236	1,577,861	3,061,571	4,759,535	5,533,993	5,297,917	7,006,485	1,807,920
Total assets	27,199,181	28,853,641	29,100,564	29,178,097	31,716,898	31,531,138	31,965,976	26,092,902
Total long-term liabilities	(136,601)	Nil						

Results of Operations

Three Months Ended September 30, 2022 Compared to the Three Months Ended June 30, 2022

During the three months ended September 30, 2022 (“Q3/2022”) the Company recorded a net loss of \$3,046,057 compared to a net loss of \$422,994 for the three months ended June 30, 2022 (“Q2/2022”) an increase in loss of \$2,623,063 due to the recognition of an impairment charge of \$2,936,043 on the Rumiñahui Project, partially offset by an increase in drill income, from \$69,490 in Q2/2022 to \$223,081 in Q3/2022, and a decrease in expenses, from \$472,535 in Q2/2022 to \$307,889 in Q3/2022.

Three Months Ended June 30, 2022 Compared to the Three Months Ended March 31, 2022

During the three months ended June 30, 2022 (“Q2/2022”) the Company recorded a net loss of \$422,994 compared to a net loss of \$370,809 for the three months ended March 31, 2022 (“Q1/2022”) an increase in loss of \$52,185 primarily due to the increase in the recognition of an equity loss in Salazar Holdings of \$95,599 in Q2/2022 compared to \$32,341 in Q1/2022.

Three Months Ended March 31, 2022 Compared to the Three Months Ended December 31, 2021

During the three months ended March 31, 2022 (“Q1/2022”) the Company recorded a net loss of \$370,809 compared to net income of \$3,521,170 for the three months ended December 31, 2021 (“Q4/2021”) an increase in loss of \$3,891,979 primarily due to the transfer of a 75% ownership interest in Salazar Holdings, resulting in a reclassification of foreign exchange of \$5,551,762 and offset by an impairment on the Curipamba Project of \$1,231,150 during Q4/2021.

Three Months Ended December 31, 2021 Compared to the Three Months Ended September 30, 2021

During the three months ended December 31, 2021 (“Q4/2021”) the Company recorded a net income of \$3,521,170 compared to net loss of \$224,443 for the three months ended September 30, 2021 (“Q3/2021”) an increase in income of \$3,745,613 primarily due to the transfer of a 75% ownership interest in Salazar Holdings, resulting in a reclassification of foreign exchange of \$5,551,762 and offset by an impairment on the Curipamba Project of \$1,231,150.

Three Months Ended September 30, 2021 Compared to the Three Months Ended June 30, 2021

During the three months ended September 30, 2021 (“Q3/2021”) the Company recorded a net loss of \$224,443 compared to net loss of \$355,558 for the three months ended June 30, 2021 (“Q2/2021”) a decrease in loss of \$131,115 primarily due to the \$74,533 improvement in drilling operations in which the Company incurred a drilling loss of \$70,329 in Q2/2021 compared to drilling income of \$4,024 in Q3/2021. In addition the Company recognized a foreign gain of \$86,910 in Q3/2021 compared to \$7,397 in Q2/2021.

Three Months Ended June 30, 2021 Compared to the Three Months Ended March 31, 2021

During the three months ended June 30, 2021 (“Q2/2021”) the Company recorded a net loss of \$355,558 compared to net loss of \$213,548 for the three months ended March 31, 2021 (“Q1/2021”) an increase in loss of \$142,010. The fluctuation is primarily attributed to the recognition of a drilling loss of \$66,851 in Q2/2021 compared to drilling income of \$108,207 in Q1/2021.

Three Months Ended March 31, 2021 Compared to the Three Months Ended December 31, 2020

During the three months ended March 31, 2021 (“Q1/2021”) the Company recorded a net loss of \$213,548 compared to net income of \$190,744 for the three months ended December 31, 2020 (“Q4/2020”) an increase in loss of \$404,292. The fluctuation is primarily attributed to the reallocation of drill standby costs to drill income, net of costs, in Q4/2020.

Three Months ended December 31, 2020 Compared to the Three Months ended September 30, 2020

During the three months ended December 31, 2020 (“Q4/2020”) the Company recorded a net income of \$190,744 compared to a net loss of \$156,681 for the three months ended September 30, 2020 (“Q3/2020”), an increase in income of \$347,425. The increase is primarily attributed to the reallocation of drill standby costs to drill income, net of costs, as the majority of drilling activities occurred in Q4/2020.

Nine Months Ended September 30, 2022 Compared to the Nine Months Ended September 30, 2021

During the nine months ended September 30, 2022 (the “2022 period”) the Company reported a net loss of \$3,839,860 compared to a net loss of \$793,549 for the nine months ended September 30, 2021 (the “2021 period”), an increase in loss of \$3,046,311. The fluctuation is primarily attributed to the \$2,936,043 impairment charge on the Rumiñahui Project, a \$177,588 increase in expenses, from \$982,166 during the 2021 period to \$1,159,754 during the 2022 period, and an equity loss in Salazar Holdings of \$251,599 during the 2022 period compared to \$nil during the 2021 period. The increases in expenses and equity loss was partially offset by increase in other income and drill income during the 2022 period.

Excluding cost recoveries, expenses decreased by \$116,268, from \$1,276,022 during the 2021 period to \$1,159,754 during the 2022 period. Specific fluctuations in expenses are as follows:

- (i) during the 2022 period the Company incurred \$38,497 (2021 - \$3,836) for corporate travel. Corporate travel was minimal the 2021 period due to COVID-19 travel restrictions;
- (ii) recognized share-based compensation of \$235,490 during the 2022 period compared to \$177,269 during the 2021 period on the vesting of share options and restricted share units; and
- (iii) salaries and benefits decreased by \$207,786 from \$365,951 in during the 2021 period to \$158,165 during the 2022 period. The decrease reflects the impact of the transfer of the 75% interest in Salazar Holdings, in which its activities had been consolidated prior to the transfer.

Exploration and Evaluations Assets

During the 2022 period the Company incurred a total of \$3,646,701 (2021 - \$16,153,952) for exploration and evaluation assets comprising of \$nil (2021 - \$13,151,160) on the Curipamba Project and \$3,646,701 (2021 - \$3,002,792) on other projects. During the 2021 period Adventus funded a total of \$14,816,648 for costs incurred by the Company, of which \$402,637 was applied against property, plant and equipment, \$14,120,155 against exploration and evaluation assets and \$293,856 as an expense recovery.

During Q3/2022 the Company completed its evaluation of the drilling results and geological and transactional opportunities on the Rumiñahui Project and determined to record a \$2,936,043 impairment charge for all capitalized costs.

Details of the exploration and acquisition expenditures for the 2022 period are as follows:

	Macara \$	Ruminahui \$	Los Osos \$	Los Santos \$	El Potro \$	Total \$
Balance at December 31, 2021	3,403,914	2,283,689	1,418,035	167,461	152,143	7,425,242
Exploration costs						
Assay analysis	12,805	-	-	109,796	72,977	195,578
Camp supervision and personnel	67,020	260,103	-	72,928	258,144	658,195
Camp supplies	14,889	52,186	-	17,678	37,106	121,859
Community relations	771	1,129	-	1,361	6,771	10,032
Depreciation	25,731	8,212	-	-	2,614	36,557
Drilling	-	-	-	1,000,463	-	1,000,463
Environmental studies	321	-	1,993	-	8,297	10,611
Equipment maintenance	10,892	-	-	9,627	-	20,519
Exploration site	114,929	17,366	962	102,824	107,253	343,334
Geological	-	718	359	8,293	-	9,370
Legal	89,181	31,325	900	6,155	8,500	136,061
Salaries	294,214	-	-	252,203	117,296	663,713
Supplies	27,705	7,166	-	-	7,076	41,947
Travel	10,502	12,390	-	-	-	22,892
VAT incurred	-	63,527	-	-	-	63,527
	<u>668,960</u>	<u>454,122</u>	<u>4,214</u>	<u>1,581,328</u>	<u>626,034</u>	<u>3,334,658</u>
Acquisition costs						
Property/concession/option payments	<u>23,848</u>	<u>39,669</u>	<u>2,497</u>	<u>168,495</u>	<u>77,534</u>	<u>312,043</u>
Other						
Foreign exchange movement	<u>233,877</u>	<u>158,563</u>	<u>81,337</u>	<u>109,455</u>	<u>48,851</u>	<u>632,083</u>
Impairment provision	<u>-</u>	<u>(2,936,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,936,043)</u>
Balance at September 30, 2022	<u>4,330,599</u>	<u>-</u>	<u>1,506,083</u>	<u>2,026,739</u>	<u>904,562</u>	<u>8,767,983</u>

See also “Properties Update”.

Financing Activities

No financings were conducted during the 2022 period. (See also “Financial Condition / Capital Resources”).

During the 2021 period the Company completed a non-brokered private placement of 18,572,000 common shares for total proceeds of \$6,500,200. The funds are being used to accelerate exploration of the Company’s 100% owned properties.

Financial Condition / Capital Resources

As at September 30, 2022 the Company had working capital of \$966,236. To date the Company has not earned any revenues from its mineral interests and the Company’s operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Subsequent to September 30, 2022 the Company announced that it was conducting a non-brokered private placement for the sale of up to 30,000,000 common shares of the Company at a price of \$0.10 per share to raise gross proceeds of up to \$3,000,000. As of the date of this MD&A the Company has completed the first tranche of the private placement and issued 19,801,872 common shares for gross proceeds of \$1,980,187. A finder’s fee of \$3,000 cash was paid and 1,000,000 common shares were also issued.

Contractual Commitments

The Company is obligated to fulfill certain investment obligations on its mineral concessions in Ecuador pursuant to the following rules:

- (a) 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.
- (b) Concessions in Ecuador that were not acquired via the public tender process require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year.

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 3 to the December 31, 2021 audited annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of the Company's accounting policies is included in Note 3 to the December 31, 2021 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 2022 and 2021 periods the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar, the CFO, Pablo Acosta and the Executive Vice-President Merlin Marr-Johnson:

	2022 \$	2021 \$
Mr. Salazar		
- Salaries and compensation	51,683	98,713
- Health benefits	3,564	3,477
- Share-based compensation (share options)	27,009	26,663
- Share-based compensation (RSUs)	18,460	12,764
	<u>100,716</u>	<u>141,617</u>

	2022 \$	2021 \$
Mr. Acosta		
- Salaries and compensation	60,133	87,111
- Health benefits	1,434	1,399
- Share-based compensation (share options)	8,310	8,204
- Share-based compensation (RSUs)	8,204	5,673
	<u>78,081</u>	<u>102,387</u>
Mr. Marr-Johnson		
- Consulting fees	99,000	99,000
- Share-based compensation (share options)	20,776	22,127
- Share-based compensation (RSUs)	15,383	10,637
	<u>135,159</u>	<u>131,764</u>
	<u>313,956</u>	<u>375,768</u>

As at September 30, 2022 \$36,427 (December 31, 2021 - \$11,000) remained unpaid.

(b) *Transactions with Other Related Parties*

- (i) During the 2022 and 2021 periods the following consulting expenses were incurred with respect to non-executive directors and a former corporate secretary (Freddy Salazar) of the Company:

	2022 \$	2021 \$
Consulting fees		
- Etienne Walter	17,505	16,837
- Nick DeMare	28,866	33,792
- Jennifer Wu ⁽¹⁾	-	7,064
- Mary Gilzean ⁽²⁾	17,505	6,642
Share-based compensation (share options)		-
- Etienne Walter	5,194	5,127
- Nick DeMare	5,402	7,823
- Mary Gilzean	38,682	19,079
Share-based compensation (RSUs)		
- Etienne Walter	3,589	2,482
- Nick DeMare	8,204	5,673
- Mary Gilzean	13,686	-
	<u>138,633</u>	<u>104,519</u>

(1) Ms. Wu resigned April 23, 2021.

(2) Ms. Gilzean was appointed a director on June 14, 2021.

As at September 30, 2022 \$10,280 (December 31, 2021 - \$6,339) remained unpaid.

- (ii) During the 2022 period the Company incurred a total of \$43,816 (2021 - \$48,723) 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, 2022 \$4,797 (December 31, 2021 - \$4,437) remained unpaid.
- (c) During the 2022 period the Company incurred \$184,752 (2021 - \$180,231) for equipment rental services and \$111,672 (2021 - \$137,801) for professional services provided by Amlatminas S.A. (“Amlatminas”) a private corporation controlled by Mr. Salazar and Mr. Acosta. As at September 30, 2022 \$nil (December 31, 2021 - \$74,298) remained unpaid.
- (d) During the 2022 period the Company incurred \$26,558 (2021 - \$25,908) for storage rental provided by Agrosamex S.A. (“Agrosamex”), a private corporation controlled by the son of the President of the Company.
- (e) During the 2022 period the Company incurred \$25,610 (2021 - \$147,921) for environmental studies provided by Cinge CIA LTDA (“Cinge”), a private corporation owned by the CFO of the Company.

- (f) During the 2022 period the Company incurred \$13,856 (2021 - \$4,712) for geological services provided by Sthjobs Services S.A., a private corporation owned by the CFO of the Company.
- (g) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with an Ecuadorian individual (the “Macara Vendor”) whereby the Company was granted an option (the “Macara Option”) to acquire a 100% interest in one concession (the “Macara Concession”). The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm’s length to the Company. See “Macara Project” for details of the agreement.

The Macara Vendor 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.

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 29, 2022, there were 173,513,945 issued and outstanding common shares, 6,887,000 share options outstanding at exercise prices ranging from \$0.12 to \$0.37 per share, 2,114,320 share purchase warrants outstanding at exercise prices ranging from \$0.12 to \$0.35 per share and 863,000 restricted share units.