Interim Management's Discussion and Analysis – Quarterly Highlights

For the nine-month period ended September 30, 2020

INTRODUCTION

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2020. The following information, prepared as of November 24, 2020, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for nine months ended September 30, 2020 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended December 31, 2019 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2020 condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

The Company's public filings, including its most recent unaudited and audited consolidated financial statements can be reviewed on the SEDAR website www.sedar.com.

FORWARD-LOOKING INFORMATION

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and project development;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters;
- local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which unless contained could cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

DESCRIPTION OF BUSINESS

The Company's business is the acquisition and exploration of mineral properties, focused on building multi-million ounce gold and silver resources in under-explored countries. In May 2020, the Company was granted an exclusive option to acquire a 60% interest in the Holly and Banderas gold-silver properties in Guatemala – see Property Review below.

Corporate Activity

Effective April 8, 2019, the Company consolidated its issued common shares on the basis of one new share for every seven existing shares (the "Consolidation"). The name and trading symbol of the Company remained unchanged. **All references in this Interim MD&A to loss per share, common shares, share purchase warrants and stock options reflect the Consolidation.**

In May 2020, Charles Straw and Michael Povey were appointed to the Board of Directors of the Company, and as Chief Executive Officer and Chairman, respectively. Simon Ridgway continues as a Director, and Jeremy Crozier stepped down from the Board. Messrs. Straw and Povey are focusing their efforts on building a portfolio of properties of merit for the Company.

Financings

On July 27, 2020, the Company completed a non-brokered private placement (the "July Financing") by issuing 20,000,000 units at $0.25 per unit, for gross proceeds of $5.0 million. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.30 for a period of two years from the closing date.

With an investment of approximately $1.42 million in the July Financing, Silvercorp Metals Inc. acquired beneficial ownership of 19.9% of the Company's issued and outstanding common shares and has the right to appoint one director to the Company's Board. In connection with the July Financing, the Company paid finder's fees totaling $311,833 in cash and issued a total of 1,497,330 finder's warrants with the same terms as the unit warrants. Net proceeds from the July Financing are intended to be used for exploration work on the Holly and Banderas properties located in Guatemala (see Property Review below), and for general working capital purposes.

On October 20, 2020, the Company completed a bought-deal public financing (the "Offering") with a syndicate of underwriters led by Haywood Securities Inc., and including Canaccord Genuity Corp. (collectively the "Underwriters"), and a concurrent private placement (the "Concurrent Private Placement"), for aggregate gross proceeds of approximately $8.6 million (the "October Financings"). Pursuant to the Offering, the Company issued 12,546,500 units, including 1,636,500 Units issued in connection with the exercise in full of an over-allotment option granted to the Underwriters, at a price of $0.55 per unit (the "Issue Price") for aggregate gross proceeds of $6,900,575.

Each unit consists of one common share in the capital of the Company and one-half of a warrant. Each whole Warrant entitles the holder thereof to purchase one common share at a price of $0.70 until April 20, 2022.

Pursuant to the Concurrent Private Placement, the Company issued 3,117,100 Units to Silvercorp at the Issue Price for aggregate gross proceeds of $1,714,405. Silvercorp, which held approximately 19.9% of the issued and outstanding shares of the Company prior to the Offering, exercised its participation right to maintain its 19.9% interest upon closing of the October Financings.

In connection with the Offering, the Underwriters received a cash commission of 6.0% of the gross proceeds of the Offering, subject to a reduced cash commission paid on sales to members of the president's list and were issued compensation options exercisable at any time prior to October 20, 2022 at a price of $0.55 per compensation option to purchase such number of units (the "Compensation Units") as is equal to 6% (reduced in the case of president's list sales) of the aggregate number of units issued pursuant to the Offering. Each compensation unit consists of one common share and one-half of a warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $0.70 until October 20, 2022.

In connection with the Concurrent Private Placement and a portion of the Offering, the Company paid a finder's fee to Roth Capital Partners LP of C$133,098.35 cash and 241,997 finder's warrants with the same terms as the Warrants. Net proceeds from the October Financings are intended to be used for the exploration and advancement of the Company's principal assets in Guatemala and for general working capital purposes.

Property Review

Holly and Banderas Properties, Guatemala

In May 2020, the Company signed an agreement whereby it has been granted by Radius Gold Inc. ("Radius") the exclusive option (the "Option") to acquire a 60% interest in the Holly and Banderas gold-silver properties in Guatemala. The Company may exercise the Option by raising a minimum $3.0 million (completed on July 27, 2020) and spending US$7.0 million on exploration of the Properties within 48 months from the date drilling permits for the properties are granted. An initial US$1.0 million must be spent on exploration within 12 months of receiving the required drill permits, including a minimum 3,000 metres of drilling. The Company also made a cash payment to Radius of $100,000. Upon exercise of the Option, the Company will enter into a standard 60/40 joint venture with Radius in order to further develop the properties.

The Company also has the exclusive right for 24 months following the execution of the Option to evaluate the other property interests of Radius in eastern Guatemala and to enter into an agreement to acquire an interest in any of such other properties on reasonable mutually agreed upon terms.

Operations and Permitting

Since Guatemala's international borders opened in September 2020, the Company has made significant progress establishing a presence in the country. Mr. Pedro Garcia has been appointed Country Manager to oversee the permitting and social development in the region. Drill planning and corresponding environmental reports for drilling at Holly and Banderas properties have recently been completed and drill permit applications for Holly submitted to the responsible authority. Banderas drill permit applications will be filed in the coming days. The Company has conducted formal meetings with the municipalities covering the Holly and Banderas targets which have been positively received. Access agreements with private landowners are ongoing, with a majority already signed at Holly and agreements at Banderas to follow. With a new geological, community relations, logistics and administrative team, the Company is building capacity for a large multi-target drill program in early 2021.

Holly Project: Drill Targets

The Company has defined compelling drill targets at Holly Ridge zone through analysis of all historic geological and geophysical data and comparison with recent discoveries in the region.

The Holly Ridge target is an east-west orientated topographic high at the fault boundary between Tertiary volcanics to the south and Paleozoic meta-sediments to the north. The Jocotan fault zone outcrops as an approximately 2km long by 50m wide zone of intensely clay/silica altered and stockwork veined breccia and conglomerate. A high grade gold in soil anomaly is co-incident with this target. The Jocotan fault at Holly is cut by a series of NE orientated high-grade gold and silver veins and veinlets. It was these NE veins and their extensions to the south of the ridge in the volcanic rocks that were targeted by former explorers. This work resulted in several high-grade intercepts, including:

HDD-001	14.2 m @ 4.14 g/t Au, 151 g/t Ag
HDD-005	3.6 m at 22.03 g/t Au, 697 g/t Ag

Of the 15 short historic drill holes at Holly project, 14 drill holes were drilled entirely within the volcanic rocks to the south of the Jocotan fault. Only one drill hole was located in the Jocotan fault conglomerate / breccia zone. This hole cut 23 meters of silicified and veined conglomerate / breccia that graded 3.78 g/t Au and 133 g/t Ag. No follow-up holes have been conducted to date and no drilling has tested the main structure or targeted the intersection of the EW orientated fault breccia zone and the NE orientated high grade veins/stockworks. Recent geophysical modelling has shown strong resisters at depth directly below the trace of the fault zone. A 5,000 metre drill program is planned for Holly and will commence upon granting of the permit, which is expected in January 2021.

Property Package

The Company is earning a 60% interest in the Holly and Banderas properties in Guatemala and has an exclusive option to evaluate Radius's 240,000 hectares of applications for mineral concessions in Guatemala. The property package covers a majority of the highly prospective terrain between Pan American Silver's world class Escobal Mine and Bluestone Resources' Cerro Blanco development project, where recent bonanza grade drill results continue to highlight the potential of the district. Holly and Banderas projects host high grade epithermal gold-silver drill ready targets.

Additional details of the Holly and Banderas properties are available on the Company's website.

Technical Information

Bruce Smith, M.Sc. (Geology), a member of the Australian Institute of Geoscientists, is the Company's Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Mr. Smith has prepared and approved the technical information contained in this interim MD&A.

RESULT OF OPERATIONS

All references to 'loss' in the results of operations discussion below refers to the loss attributed to equity shareholders of the Company.

Quarter ended September 30, 2020

During the quarter ended September 30, 2020 the Company incurred a loss $223,139, compared to a loss of $53,505 for the quarter ended September 30, 2019. Significant expenses for the three-month periods are as follows:

	Three months ended September 30, 2020	Three months ended September 30, 2019
Exploration expenditures	$ 100,852	$ -
Consulting and management fees	36,492	19,500
Legal and audit fees	34,450	-
Office and administration	12,547	13,013
Salaries and benefits	15,870	11,277
Shareholder communications	20,195	1,158

The loss for the quarter ended September 30, 2020 was higher than the comparative quarter due to exploration expenditures and property investigation activities relating to the Holly and Banderas properties whereas there were no such expenditures incurred in the comparative quarter. Consulting and management costs were higher for the current quarter because of more directors of the Company providing services to the Company. The legal and audit fees incurred in the current quarter were legal fees related to finalizing the Holly and Banderas option agreement.

Consulting and management fees for the current quarter consisted of fees paid to the CEO of the Company, fees paid to Michael Povey, a Director and Chairman of the Company, and fees to Simon Ridgway, a Director and former CEO of the Company whereas this cost for the comparative quarter consisted only of fees paid to the former CEO. A portion of the CEO and Chairman's fees were allocated to exploration expenditures. Office and administration costs relate mostly to an administrative cost sharing agreement with Gold Group Management Inc. ("Gold Group"), a private company controlled by Simon Ridgway which is reimbursed by the Company for certain shared rent and other corporate expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs relate primarily to Gold Group which provides administrative personnel, including the Company's Chief Financial Officer and Corporate Secretary.

Nine months ended September 30, 2020

During the nine-month period ended September 30, 2020 the Company incurred a loss of $341,328, compared to a loss of $180,276 for the nine-month period ended September 30, 2019. Significant expenses for the nine-month periods are as follows:

	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Exploration expenditures	$ 124,565	$ -
Consulting and management fees	73,742	52,500
Legal and audit fees	35,306	3,544
Office and administration	31,118	43,307
Salaries and benefits	31,569	53,189
Shareholder communications	21,555	2,720
Transfer agent and regulatory fees	17,902	19,152

As with the quarterly comparison, the current nine-month period recorded exploration expenditures and property investigation costs of $124,565 compared to nil for the comparative period. The current period also recorded higher consulting and management fees and legal and audit fees for the same reason as in the quarterly comparison. Office and administration and salaries and benefits costs were both lower for the current period which is due in part to cost cutting measures in response to the COVID-19 pandemic, including a reduction in the Company's portion of shared office and administration and salaries and benefit costs.

Also, as with the quarterly comparison, consulting and management fees for the current period consisted of fees paid to the CEO, Chairman, and Simon Ridgway, whereas the comparative period consisted only of fees paid to Mr. Ridgway.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly assets, working capital balance and operating results over the last eight quarters are summarized as follows:

	Sept '20	June '20	Mar '20	Dec '19	Sept '19	June '19	Mar '19	Dec '18
Total assets	$ 4,665,141	$ 291,118	$ 193,686	$ 232,044	$ 275,737	$ 327,198	$ 132,437	$ 167,559
Working capital (deficiency)	4,249,908	51,823	(6,164)	38,827	94,280	144,091	(161,519)	(292,217)
Loss and comprehensive loss attributed to equity shareholders of the Company	223,139	73,106	45,083	17,523	53,505	64,962	61,809	173,120
Basic and diluted loss per share attributed to equity shareholders of the Company	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.03

Total assets and working capital during the quarters ended December 31, 2018 and March 31, 2019 reflected relatively low cash positions and higher current liabilities. Total assets and working capital positions thereafter improved due to financing and debt settlement transactions completed in the quarter ended June 30, 2019, and significantly increased in the most recently completed quarter due to the completion of the $5.0 million private placement. The loss amounts for the quarters reflect that there was a minimal amount of exploration expenditures incurred during the quarter ended December 31, 2018 and then no such expenditures until the three most recently completed quarters when the Company incurred property investigation costs and then exploration expenditures in Guatemala.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company's exploration activities do not provide a source of income and therefore the Company has a history of losses and an accumulated deficit.

As at September 30, 2020, the Company had current assets of $4,503,188 and current liabilities of $253,280, resulting in working capital of $4,249,908.

During the period ended September 30, 2020, raised gross proceeds of $5.0 million from a non-brokered private placement and subsequently in October closed a bought deal public financing and concurrent private placement for gross proceeds of $8.6 million. The proceeds from these financings are intended to be used for working capital purposes and to fund exploration efforts in Guatemala.

With the proceeds of recently closed equity financings, the Company expects its capital resources to be sufficient to carry out its planned exploration expenditures and cover operating costs through the next twelve months.

Net cash used in operating activities during the period ended September 30, 2020 was $307,185 (2019: $247,293).

Net cash provided from financing activities during the period ended September 30, 2020 was $4,652,132 (2019: $370,095).

Net cash used in investing activities during the period ended September 30, 2020 was $100,000 (2019: $Nil).

OUTSTANDING SHARE, COMPENSATION OPTIONS, OPTIONS AND WARRANTS DATA

At the date of this Interim MD&A, the Company had outstanding 44,267,480 common shares and the following stock options and warrants:

No. of compensation options	Exercise price	Expiry date
741,870	$0.55	October 20, 2022

Each compensation option is exercisable to purchase one common share and one-half warrant. Each whole warrant is exercisable to purchase one common share at $0.70 until October 20, 2022.

No. of options	Exercise price	Expiry date
2,525,000	$0.57	October 6, 2030
325,000	$0.57	October 8, 2030
2,850,000		

No. of warrants	Exercise price	Expiry date
1,851,237	$5.60	March 8, 2022
11,497,330	$0.30	July 26, 2022
8,073,797	$0.70	April 20, 2022
21,422,364		

TRANSACTIONS WITH RELATED PARTIES

See Notes 7 and 9 of the condensed consolidated interim financial statements for the nine months ended September 30, 2020 for details of related party transactions which occurred in the normal course of business.

ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The Company's significant accounting policies are presented in the audited consolidated financial statements for the year ended December 31, 2019.

FUTURE ACCOUNTING CHANGES

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

IFRS 17 *Insurance Contracts*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has yet to assess the impact of IFRS 17 on its financial statements.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business in the mineral exploration industry. Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as, but not limited to, the following:

Global Pandemic

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 infections have been reported globally.

The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control.

The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can also result in operating and supply chain delays and disruptions, declining trade and market sentiment, reduced movement of people and labour shortages, and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance future exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund future exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of future property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of any of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of projects. Exploration and development of future projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of exploration and development which could result in the loss of properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company may hold mineral property interests which are located in emerging or developing nations where there may be a higher level of risk compared to developed countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in any nation can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but could incur exploration expenditures in other currencies. At this time, there are no currency hedges in place. A weakening of the Canadian dollar against foreign currencies could have had an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to properties, facilities and equipment of the Company, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties held by the Company which are unknown to management. Social risks vary from region to region and can have an adverse impact on the efficiency and viability of conducting exploration activities.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of projects as well as for the recruitment and retention of qualified employees.