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The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that affected Candente Gold Corp. ("Candente Gold") and its subsidiaries (collectively, the "Company") during the relevant reporting period and to the date of the report. This MD&A contains a review and analysis of financial results for the year ended March 31, 2020 and identifies business risks that the Company faces and comments on financial resources required for development of the business.

This MD&A supplements but does not form part of the consolidated financial statements of the Company and notes thereto for the year ended March 31, 2020, and consequently should be read in conjunction with the afore-mentioned consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRS"). Information in this MD&A is current as of July 29, 2020.

All amounts, unless specifically identified as otherwise, both in the Company's consolidated financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of gold and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable gold and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the gold and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be considered carefully, and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Usage of these terms may vary from the usage adapted by other companies and cannot be reconciled to comparable terms in the issuer's consolidated financial statements for the year ended March 31, 2020.

In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW

The Company is principally engaged in the exploration and development of mineral properties in Mexico and Peru. The Company is in the exploration stage as its properties have not yet reached commercial production.

As of April 2020, Candente Gold has a new growth strategy encompassing its Mexican assets to build a cash flowing business and gain access to properties with near surface exploration potential while maintaining El Oro as its flagship asset, and an integral part of the overall growth strategy. El Oro is a district scale gold project encompassing a well-known prolific high-grade gold-silver epithermal vein system in Mexico that has several undeveloped veins and has tremendous exploration potential. As of the date of this MD&A, the Company holds a 100% interest in the El Oro Property. The agreement recently entered into to acquire the SDA Plant and a lease on the El Dorado Historic Mines is the first step toward the new growth strategy.

BOARD OF DIRECTOR AND MANAGEMENT CHANGES

On June 6, 2019, the Company appointed Mr. Matthew Melnyk to the Board of Directors replacing Mr. Paul Barry who resigned.

On April 28, 2020, Mr. Melnyk was appointed Director of Operations.

Matters in prior periods related to the ongoing development of the various projects have been disclosed in previous MD&A's filed on SEDAR.

PROJECT SUMMARIES

Mexico

El Oro Property

The Company's principal asset is the El Oro gold-silver property located in the states of Mexico and Michoacan, Mexico ("El Oro Property"). The Company holds a 100% interest in the El Oro Property, having purchased in January 2017 the remaining 30% from a wholly-owned subsidiary of Goldcorp Inc. Management has been reviewing all previous exploration results on the project and re-focusing targets for future exploration. One key area is the border zone of the historical Esperanza and Mexico Mines where several high-grade gold-silver intersections in several veins and structures were intersected by previous drilling by the Company. Since this area was drilled, a structural study identified northeasterly controls to high grades, which fits the nature of this mineralized zone. Future drilling will target this border area as well as 31 other recently identified exploration targets. In addition to the El Oro Property, the Company has the right to process tailings left from pre-1930s milling of ores from the Mexico mine on the San Rafael vein in the El Oro District ("Mexico Mine Tailings"). The Company has been evaluating the potential for the historic tailings to generate near-term cash flow. The Mexico Mine Tailings have had extensive historic and recent assessments including drill testing and metallurgical test work. In addition to the Mexico Mine Tailings, the Company has a right of first refusal to also process three other tailings deposits. All four tailings deposits lie within the town of El Oro and are adjacent to existing road access, power and water services.

Studies by the Company have determined that the Mexico Mine Tailings contain an Inferred Resource* of 1,267,400 tonnes grading 2.94 Au g/t, 75.12 Ag g/t containing 119,900 ounces of gold and 3,061,200 ounces of silver.

In September 2017, the Company entered into a revised agreement with the Municipality of El Oro ("Municipality") for the access and processing rights to the tailings deposits. The agreement now provides the Company with the right to recover all available gold and silver from the tailings deposit and pay to the Municipality an 8% net profits interest. The Company is also entitled to retain the first $1,500,000 of the 8% net profits interest payable to the Municipality.

On March 8, 2016, the Company entered into an agreement with Sun River Crop. ("SRG" or "Sun River") to grant SRG the right and option to earn a 51% interest in the Company's tailings project in El Oro Mexico. On November 9, 2018, the 2016 Agreement was superseded by a new Letter of Intent ("LOI") granting SRG the right and option to further test and, if proven economic, develop and operate the Company's tailings project in El Oro Mexico through an indirect ownership of Candente Gold´s Mexican subsidiary, CCM EL Oro Jales, S.A. de C.V. ("CCM El Oro Jales"), according to the agreement CCM EL Oro Jales executed with the Municipality.

The LOI was superseded by a definitive agreement signed in November 2018. In order to exercise the option, Sun River is required to make staged payments totaling $300,000, over a period of fifteen months, commencing upon the date of signing of the LOI ($300,000 paid to date); bring the mine tailings properties into commercial production within 36 months of the effective date of the option agreement; and grant to the Company a 10% of net profits interest life of mine royalty on production from the properties. The definitive agreement also allows SRG to reduce the net profits interest payable to the Company to 5% by paying an additional $200,000 in increments of $50,000 at the end of each quarter, commencing 18 months from the date of the LOI. Upon making the totality of the staged payments and, if commercial production has been achieved on time, Sun River will indirectly acquire a 100% interest in CCM El Oro Jales. As of the current date, February 28, 2020, Sun River has paid the Company only $89,675 of the $200,000 required to reduce the net profits interest to 5%.

SRG will also be responsible for the obligation to pay an additional 8% net profits interest to the Municipality (the "El Oro Royalty"). Candente Gold (through its Mexican subsidiary CCM El Oro Jales) has the right to recover all available gold and silver from the Mexico Mine Tailings deposit and pay to the Municipality an 8% net profits interest royalty, after retaining the first US$1.5M from the El Oro Royalty. Sun River must direct the first US$1.5M from the El Oro Royalty to the Company. Therefore, upon commercial production, the Company will start receiving either a 10% or a 5% net profit interest royalty and also the first US$1,500,000 of the El Oro Royalty.

Sun River is a private mining company registered in Nevada and owned and operated by experienced gold mining investors, mineral economists, metallurgists, metallurgical engineers and business development entrepreneurs. The Board of SRG currently comprises four owners/directors most of whom have fifteen or more years working in Mexico exploring, permitting and operating mines.

*Note: Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the accuracy of the estimate. For more information, see "National Instrument 43-101 Technical Report on the Inferred Mineral Resource Estimate of the Mexico Mine Tailings" prepared by Nadia Caira, P.Geo. and Allan Reeves, P.Geo., dated August 25, 2014 with an effective date of July 8, 2014, available at www.sedar.com.

For the year ended March 31, 2017, bi-annual land holding payments were made by Goldcorp. When the Company acquired the remaining 30% of the El Oro property in January 2017, these payments became the responsibility of the Company, and, as at March 31, 2020, $756,392 (March 31, 2019 - $472,003) has been accrued as a liability to the Mexican government for land holding costs.

During the year ended March 31, 2019, the Company recorded an impairment charge of $7,949,175 on the El Oro property. The charge was in keeping with the Company's accounting policies and IFRS. Should the circumstances arise in the future, IFRS permits a reversal of charges. The Company will be maintaining the title to the property and will continue to seek opportunities to advance the project.

On April 28th, 2020, the Company announced the signing an Memorandum of Understanding ("MOU") with Magellan Acquisition Corp. ("Magellan") which gives Candente Gold the right to earn up to a 100% interest in the San Dieguito de Arriba beneficiation mill ("SDA plant") and take over a lease agreement on the El Dorado property, both located in Nayarit State, Mexico.

SDA Plant

The SDA Mill is a fully operational flotation plant which also includes a precious metals leach circuit - Merrill Crowe system and associated assets, licenses and agreements. The mill has a ten-year operating history at 100 tonnes per day but has the capacity to process ore at a rate of up to 200 tonnes per day. Historically its operation has been based on sales of flotation concentrates to smelters, and payment for precious metals content. The mill lies within the rich Sierra Madre Occidental mineralized belt, which historically has yielded millions of ounces of precious metals and offers multiple high-grade gold and silver epithermal vein opportunities.

The mill was operational from 2007 (by Minerales Vane S.A. de C.V.) until April 2017, processing ore from various operators in the region on a toll basis. The toll ores were tested prior to processing to estimate recoveries and concentrate grades. Typical reported recoveries were in the range 85 to 92% for gold and 72 to 77% for silver.

The mill was operational as recently as 2019 when processing of a bulk sample of approximately 600 tons was completed for a tolling opportunity in February 2019. While the results of the test were encouraging, the supplier experienced challenges in providing mineralized ore on a consistent basis and therefor the mill has not operated since.

El Dorado Gold-Silver Project

The El Dorado Gold-Silver Project is located in the Pacific Coastal Plain, State of Nayarit. within a district of epithermal vein systems. A number of prospective exploration targets have been defined along the El Dorado Vein structure related to historic mines (reported to have produced high grades), anomalous geochemical sample results and zones of structural complexity.

The principal vein system is the El Dorado epithermal vein trend comprising outcropping vein over 1.5 kilometers in length and additional discontinuous outcrops indicate a strike length of 3.5 kilometers. This structure hosts multiple mineralized zones including high-grade veins potentially minable underground, and lower-grade bulk tonnage stockwork zones that are observed to extend over tens of meters in width in both the hanging wall and footwall of the El Dorado vein system. In addition to the vein material there is also high level silicification and argillic alteration in outcrop, potentially indicative of good depth potential to the mineralizing system. (Magellan Gold Corporation, Form 10-K Annual Report US SEC dated Dec 31, 2018, File No. 333-174287)

El Dorado lies 50 kilometers south of the SDA Mill, 70 kilometers north-northwest of Tepic, the state capital, and 180 kilometers southeast of Mazatlan, Sinaloa. The project has excellent road and rail infrastructure. The property comprises a 50-hectare concession held under option by Magellan's wholly-owned subsidiary Minerales Vane 2 S.A. de C.V. from a Mexican private company, Ingenieros Mineros S.A. de C.V.

Peru

As at March 31, 2020, the Company has maintained in good standing portions of the Tres Marias and Las Brujas properties. These properties are early-stage gold and gold-silver exploration projects in Peru.

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2020 AND 2019

Operating Highlights	2020	2019	Change
Mexico			
Project administration	$ 3,631	$ 4,545	$ (914)
Mining fees	363,012	187,024	175,988
Option payments received	(89,675)	-	(89,675)
Total	$ 276,968	$ 191,569	$ 85,399

Year Ended March 31, 2020 Compared to the Year Ended March 31, 2019

The following is a comparison of the exploration costs incurred above for the year ended March 31, 2020 with those incurred in the year ended March 31, 2019.

Project administration - Costs included in project administration are salaries for the staff on site at El Oro and the costs of maintaining the base camp operations at El Oro. These costs haven been reduced in the current year due to management's decision to conserve cash.

Mining fees - The increase in the provision for mining fees is largely related to an increase in the rate charged for mining fees for fiscal 2020 as well as surcharges and penalties incurred for non-payment of fess from 2017 to 2019.

Option payments received – the option payments received are for the option on the El Oro property. As the property was fully impaired in 2019, the option payments are recorded as a recovery of mining expense rather than credited to unproven mineral right interests as they were in prior years.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Consolidated Financial Performance and Financial Position for the Year Ended March 31, 2020

	March 31, 2020		March 31, 2019		Change	
Cash	$	**6,767**	$	64,455	$	**(57,688)**
Unproven mineral rights interest	$	**291,104**	$	287,301	$	**3,803**
Total Assets	$	**305,430**	$	372,229	$	**(66,799)**
Share Capital	$	**24,247,717**	$	24,193,995	$	**53,722**
Net income (loss)	$	**(293,700)**	$	(8,342,209)	$	**8,048,509**
Loss per share	$	**(0.00)**	$	(0.08)	$	**0.08**
Audit and tax advisory	$	**37,332**	$	42,675	$	**(5,343)**
Legal	$	**12,863**	$	49,815	$	**(36,952)**
Management fees, office salaries and benefits	$	**59,306**	$	53,985	$	**5,321**
Office, rent and miscellaneous	$	**26,202**	$	22,392	$	**3,810**
Regulatory and filing fees	$	**14,626**	$	18,865	$	**(4,239)**
Share-based payments	$	**5,075**	$	31,187	$	**(26,112)**
Shareholder communications	$	**3,671**	$	6,931	$	**(3,260)**

The net loss for the year ended March 31, 2020 was $293,700 compared to $8,342,209 for the year ended March 31, 2019. The decrease in loss for the current year is largely due to the impairment of the El Oro property of $7,949,175 in 2019.

Material variances of amounts included in total general and administrative expenses for the year ended March 31, 2020 are as follows:

- Legal fees were $12,863 for the year ended March 31, 2020, compared to $49,815 for 2019, representing a decrease of $36,952. The decrease is related to 2018 legal invoices being recorded in 2019 resulting in an overstated legal expense for 2019.
- Share-based payments for the year ended March 31, 2020, were $5,075 compared to $31,187 in the prior year. The decrease is related to the granting of 1,850,000 options in fiscal 2019 and the re-pricing of previously granted options in that year. Only 250,000 options were granted in the current year.

Consolidated Financial Performance for the Three Months Ended March 31, 2020

The net income for the three months ended March 31, 2020, was $127,525 compared to a net loss of $8,051,722 for the quarter ended March 31, 2019. The decrease in loss for the current quarter is largely due to the impairment of the El Oro property of $7,949,175 in the quarter ended March 31, 2019.

	March 31, 2020		March 31, 2019		Change	
Net income (loss)	$	**127,525**	$	**(8,051,722)**	$	**8,179,247**
Audit and tax advisory	$	**7,706**	$	**10,473**	$	**(2,767)**
Legal	$	**4,541**	$	**37,721**	$	**(33,180)**
Management fees, office salaries and benefits	$	**15,437**	$	**13,977**	$	**1,460**
Office, rent and miscellaneous	$	**7,110**	$	**6,676**	$	**434**
Regulatory and filing fees	$	**2,103**	$	**2,408**	$	**(305)**
Share-based payments	$	**427**	$	**3,960**	$	**(3,533)**
Shareholder communications	$	**1,165**	$	**2,125**	$	**(960)**

Other variances are as follows:

- A gain from the reversal of prior year payables of $69,000 recorded in the quarter ended March 31, 2020 compared to a gain of $27,967 recorded in the quarter ended March 31, 2019.
- Legal fees were $4,541 for the three months ended March 31, 2020, compared to $37,721 for the same period in 2019, representing a decrease of $33,180. The decrease is related to 2018 legal invoices being recorded in 2019 resulting in an overstated legal expense for 2019.
- Share-based payments for the quarter ended March 31, 2020, were $427 compared to $3,960 in the quarter ended March 31, 2019. The decrease is related to the granting of 1,850,000 options in fiscal 2019. Only 250,000 options were granted in the current year.

LIQUIDITY AND CAPITAL RESOURCES

There is a working capital deficiency of $1,669,781 at March 31, 2020, including $717,642 in amounts due to related parties, which primarily consist of payables due to Candente Copper Corp., a company with shared administrative expenses, common directors and management.

The Company anticipates that during the next year, a substantial portion of available capital resources will be used to pay accounts payable and accrued liabilities and commitments related to ongoing exploration activities in Mexico and Peru. The Company anticipates the future need to raise additional capital to further project development in Mexico and Peru as well as receive continued vendor support.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds by entering into a joint venture agreement or through the issuance of securities or resource secured debt. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

COMMITMENTS AND CONTINGENCIES

Company has no material or significant commitments or contingencies other than the management and consulting agreements disclosed under related party transactions.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Subsequent to March 31, 2020, the Company entered into a Memorandum of Understanding("MOU") with Magellan Acquisition Corp. which gives the Company the right to earn up to a 100% interest in the San Dieguito de Arriba beneficiation mill and take over a lease agreement on the El Dorado property, both located in Nayarit State, Mexico by making the following payments in cash and common shares:

i. A payment of $5,000 upon the signing of the MOU (paid);
ii. 5,000,000 common shares upon the completion of due diligence and the signing of a definitive agreement to earn a 10% interest;
iii. Common shares with a value of $100,000 within 6 months following the signing of a definitive agreement to earn a 20% interest;

iv. Common shares with a value of $150,000 within 12 months following the signing of a definitive agreement to earn a 30% interest;
v. Common shares with a value of $275,000 within 18 months following the signing of a definitive agreement to earn a 50% interest;
vi. Common shares with a value of $400,000 within 24 months following the signing of a definitive agreement to earn a 70% interest and
vii. Common shares with a value of $500,000 within 30 months following the signing of a definitive agreement to earn a 100% interest.

The MOU is subject to TSX Venture approvals as well due diligence and the execution of a definitive agreement which is to be completed within 60 days of travel restrictions related to the COVID-19 Pandemic being lifted within Mexico and between the USA and Canada and Mexico.

The Company continues to review other potential transactions, but as of the date of this MD&A, none have been completed.

RELATED PARTY TRANSACTIONS

Related parties consist of companies owned by executive officers and directors. The following is a list of the related parties that the Company entered into trading transactions with:

- Ridley Rocks Inc. – Management and exploration fees.
- SW Project Management – Former Vice President, project management and engineering fees.
- Michael Thicke Geological Consulting Inc. – Exploration fees.
- Candente Gold Corp. – Shared expenses with a company related by common directors and management.
- Lotz CPA Inc. – Financial services, fees thereto.

The Company incurred the following fees and expenses in the normal course of operations for key management personnel for the years ended March 31, 2020 and 2019. Expenses have been measured at the exchange amount that is determined on a cost recovery basis.

			Year ended March 31,	
		2020		2019
Management fees	**$**	**59,175**	$	53,756
Share-based payments		**4,901**		25,260
	$	**64,076**	$	79,016

Share-based payments are the fair value of options expensed to directors and key management personnel during the years ended March 31, 2020 and 2019.

Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2020 includes $217,121 (March 31, 2019 - $176,845) owing to directors and officers and $500,521 (March 31, 2019 - $556,624) owing to Candente Copper Corp., a shareholder of the Company.

Management and Consulting Agreements

On March 1, 2018, the Company entered into a management agreement with a company controlled by the CEO of the Company to provide management services for an indefinite term. Under the agreement, in the event of termination without cause, the Company will pay a one-time termination payment of $200,000. In the event of a change of control, the individual will have the right at any time within 60 days to provide notice of termination and will receive a $500,000 one-time payment. The individual will also be entitled to the

$500,000 if they terminate the agreement or there is a termination without cause and a change of control occurs within one year of the effective date of such termination.

On September 28, 2018, the Company entered into a consulting agreement with a company controlled by the CFO of the Company to provide consulting services for an indefinite term. Under the agreement, in the event of termination without cause or the consultant terminating the agreement within 30 days after a change of control, the Company will pay a one-time termination payment of $28,500.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies are summarized in Note 3 of its consolidated financial statements for the year ended March 31, 2020. The preparation of consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. The Company regularly reviews its estimates; however, actual amounts could differ from the estimates used and, accordingly, materially affect the results of operations.

(a) Critical accounting estimates

i. Valuation of share-based payments and warrants

When options and warrants are issued, the Company calculates estimated fair value using a Black- Scholes valuation model, which may not reflect actual fair value on exercise. The Company uses historical Company stock prices and estimated dividend yield rates to arrive at the inputs that are used in the valuation model to calculate the fair value of options or warrants.

(b) Critical accounting judgments

i. Going concern

Management assesses the Company's ability to continue as a going concern.

ii. Unproven mineral right interests

Mineral properties include the cost of acquiring licenses, exploration and analysis, project administration, drilling, community and social values and environmental and health and safety. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area, or alternatively by sale of the property. Management is required to exercise significant judgment in determining the timing of the determination of the technical and economic feasibility of the mineral resource. The Company considers both external and internal sources of information in assessing whether there are any indicators that unproven mineral right interests are impaired.

iii. Functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment in which the entity operates and the Company reconsiders its functional currency and that of its subsidiaries if there is a change in events and conditions which determined the primary economic environment.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Leases

On April 1, 2019, the Company adopted IFRS 16, Leases. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. During the current year and at present, the Company has no leases. As such, the adoption of IFRS 16 did not have a material impact on the financial statements.

FINANCIAL RISK, FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company is exposed to certain financial risks in the normal course of its operations:

a. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a currency, i.e. in a currency other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's subsidiaries is the United States and Canadian dollars and some of the subsidiaries' transactions are denominated in Mexican Pesos and Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The only significant balance that is denominated in a currency other than the US dollar is the accrual for mining fees which is denominated in Mexican Pesos. The balance owing for mining fees at March 31, 2020 is $756,392. Therefore, a 10% change in the value of the Mexican Peso versus the US dollar would change the Company's net loss by approximately $75,639.

c. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk arises from cash and receivables. Cash are deposited in highly rated corporations and the credit risk associated with these deposits is low.

Fair value hierarchy

The consolidated statements of financial position carrying amounts for cash, and receivables and accounts payable, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured as Level 1. There were no transfers between levels during the year.

Capital management

The Company's capital structure is comprised of the components of shareholders' equity (deficit). The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met.

There were no changes in the Company's approach to capital management during the year and the Company is not subject to any restrictions on its capital.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

An evaluation of the design effectiveness of the Company's internal controls over financial reporting was conducted as of March 31, 2020 by the Company's management. Based on this evaluation, the Company's CEO and CFO have concluded that the design, disclosure controls, procedures and the effectiveness of the Company's internal controls over financial reporting was and is effective.

There were no changes in the Company's internal control over financial reporting during the period from April 1, 2019 to March 31, 2020 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RISK FACTORS

The Company is subject to a number of significant risks due to the nature and the current stage of its business and the effect of worldwide economic conditions. Exploration of mineral properties involves a high degree of technical, financial and social risk. While discovery of a mineral deposit may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish resources and reserves by drilling, constructing mining and process facilities, developing metallurgical processes and extracting base and precious metals from ore. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Risk factors that should be taken into account in assessing the Company's activities and any investment in the Company include, but are not limited to, those listed below. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

Economic conditions may prevent the Company from obtaining the capital required to continue Operations

The Company's ability to continue operations is contingent on its ability to obtain additional financing. Equity market conditions, funding environments and the price of the Company's common shares may make it dilutive and difficult to raise funds by the sale of the Company's shares. An investment in the shares of a junior resource company is considered to be a high-risk investment. The Company currently is in the process of raising capital to fund current operations and a working capital deficit, and there is no assurance that financing will be available to the Company in future periods.

History of Losses

The Company has incurred a net loss for the year ended March 31, 2020 of $362,699 and is expected to continue to generate losses while it continues to be an exploration-stage company. The Company anticipates significant expenditures for its mineral exploration programs. Since most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full, the Company expects to report net losses into the foreseeable future.

The long-term profitability of the Company's operations will be in part directly related to the success of its exploration programs, which are affected by numerous factors including the cost of such programs, the amount of mineral resources or reserves discovered and fluctuations in the price of any minerals produced.

Dilution

The Company does not generate any revenues from production and may not have sufficient financial resources to undertake by itself all of its planned exploration, feasibility and development programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in potential dilution to the Company's existing shareholders. The amount of additional funds required will depend largely on the success of the Company's exploration programs and extent of future development activities.

Further exploration programs will depend on the Company's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration and development programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties. Also, failure to meet the Company's share of costs incurred under joint venture arrangements to which it is a party may result in a reduction of its interests in mineral properties. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete the recommended programs.

No Known Mineral Reserves

All of the Company's mineral properties are in the exploration stage and are without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. However, few mineral properties that are explored are ultimately developed into producing mines.

In the event a commercially productive mineral reserve is discovered, substantial expenditures are required to develop mineral reserves for production, development of metallurgical processes for extraction and to develop the mining and processing facilities and infrastructure at the production site. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Title to Mineral Properties

The Company believes it has diligently investigated title to all of its hard rock mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, these properties may be subject to prior unregistered agreements or transfers, which may affect the validity of the Company's ownership of such properties. The Company entered into an agreement on June 13, 2013 for the sole rights to recover and reprocess various tailings deposits located within the Municipality of Hidalgo. Although the original term for this agreement ended December 2015, on March 15, 2016, the Company entered into an extension with the Municipality under similar terms.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of the Company's mineral properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. The Company makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to the Company, all reasonable steps would be taken to perfect title to the particular claims in question. The Company is not aware of any material defect in the title to its mineral properties.

A claim on any of the Company's mineral properties, especially if commercially productive mineral resources or reserves are located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim would affect the Company's current operations due to the high costs of defending against such claims and its impact on senior management's time.

Key Personnel

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, would require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, management personnel of the Company are officers and/or directors of other publicly-traded companies and will only devote part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration and development expertise. In the event a commercial mineral deposit is discovered on any of the Company's properties, the Company will likely require the expertise of such consultants and others for the development and operation of a producing mine.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped base-metal and precious-metal properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

Industry Operating Hazards and Risks

Mineral exploration and development involves many risks, including location of commercially productive mineral resources or reserves, which may not occur even with a combination of experience, knowledge and careful evaluation. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to resource companies, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides social disruptions, political instability and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the development and operation of mines and the conduct of exploration programs. Other risks include injury or loss of life, severe damage to or destruction of property, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. The occurrence of any of these operating risks and hazards may have an adverse effect on the Company's financial condition and operations.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that may have a material adverse effect upon its financial condition and operations.

Government Regulations and Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupation health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.
Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable

by the Company on reasonable terms which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining exploration, development or operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

To the best of the Company's knowledge, the Company is and will be operating in compliance with all applicable social and legal regulations. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of any future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new requirements.

Social Climate

Social acceptance to operate during the various stages of a mining project is an integral part of operating such that lack thereof provides a very real risk during the exploration, exploitation and closure stages of mine development. In addition, the fact that the means and tools to manage social acceptance are not an exact science adds to the level of risk.

The Company has established Shared Value and Corporate Social Responsibility policies and programs that includes:

- Regular communication with various members of the Community regarding their concerns and needs as well as our activities and objectives.

- Sustainable Development projects and alliances with International Non–Governmental Organizations ("NGOs") that are committed to improving the lives of families in under-developed regions.

The Company considers these initiatives as a foundation for building a positive and mutually beneficial long-term relationship with the various stakeholders in the project.

Environmental Liability

Although the Company is not aware of any formal claims for damages related to any impact that its activities have had on the environment, it may become subject to such claims in the future. An environmental claim could adversely affect the Company's business due to the high costs of defending against such claims and its impact on senior management's time.

The Company conducts exploration activities in Mexico and Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees.

Although the Company is committed to compliance with all environmental regulations currently applicable, environmental hazards may exist on the Company's mineral properties, which are not known to the Company at present, that have been caused by previous or existing owners or operators.

Also, environmental regulations may change in the future which could adversely affect the Company's activities including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations will become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Fluctuations in Metal Prices

Although the Company does not hold any known mineral reserves, its future revenues, if any, are expected to be in large part derived from the future mining and sale of base and precious metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to other new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of base and precious metals, and therefore the economic viability of the Company's operations cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Cyber Security Risks

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

COVID-19

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

SHARE CAPITAL

As of July 29, 2020, the Company had 110,206,923 common shares outstanding. As of July 29, 2020, the Company had 5,000,000 warrants outstanding and 7,500,000 outstanding share options.

DISCLOSURES

Additional Information as specified by National Instrument 51-102

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at http://www.sedar.com

APPENDIX A

Summary of selected annual information for each of the three most recently completed financial years

	March 31, 2020	March 31, 2019	March 31, 2018
Cash	**$ 6,767**	**$ 64,455**	$ 36,248
Unproven mineral rights interest	**$ 291,104**	**$ 287,301**	$ 8,456,942
Total Assets	**$ 305,430**	**$ 372,229**	$ 8,504,409
Share Capital	**$ 24,247,717**	**$ 24,193,995**	$ 24,193,995
Net loss	**$ (293,700)**	**$ (8,342,209)**	$ (434,937)
Loss per share	**$ (0.00)**	**$ (0.08)**	$ (0.00)

Summary of quarterly financial results

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net gain (loss)	127,525	(171,163)	(94,844)	(155,218)	(8,051,722)	(93,368)	(105,446)	(91,673)
Earnings (Loss) Per Share Attributable to Shareholders, Basic and Diluted	0.00	(0.00)	(0.00)	(0.00)	(0.08)	(0.00)	(0.00)	(0.00)