AMENDED AND RESTATED

SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

This discussion and analysis of financial position and results of operation is dated as at June 20, 2019 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2018 and 2017 of Salazar Resources Limited (the "Company" or "Salazar"). See page 20 "Other Information" for Company update subsequent to April 30, 2019 (the date of the original MD&A). 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. The Company presently has no proven reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently the Company considers itself to be an exploration stage company.

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

The Company's main activities have been the ongoing exploration activities on its Curipamba Project in Ecuador. In fiscal 2016 the Company entered into a royalty agreement with RCF VI SRL LLC ("RCF SRL"), an arm's length party, and sold a 1% net smelter royalty ("NSR") for US $2,375,000. A further 1% NSR was sold for US $2,375,000 in fiscal 2017. The Company also entered into an option agreement (the "Curipamba Option") with Adventus Zinc Corporation ("Adventus") to option a 75% interest in the Curipamba Project with Adventus funding costs of US $25,000,000 (the "Earn-In") over five years. Under the Curipamba Option Adventus has agreed to provide the Company with US $250,000 per year advance payments until achievement of commercial production, to a maximum of US $1,500,000. As operator, the Company also receives a 10% management fee on certain expenditures, with a prescribed minimum annual amount of US $350,000. Adventus has notified the Company that it has incurred or funded costs totalling US $10,074,012 as at December 31, 2018 towards the Earn-In.

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

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

In March 2018 the Company and Adventus agreed to transfer the Pijili Project to the Alliance upon completion by Adventus of the following consideration:

(i) payment of US $150,000 cash, of which US $100,000 has been received by the Company as of the date of this MD&A and the remaining US $50,000 is due upon official transfer of the Pijili Project to the Alliance;
(ii) on July 17, 2018 the Company received 2,536,232 Adventus common shares; and
(iii) funding by Adventus of a US $1,000,000 exploration budget on the Pijili Project by September 28, 2020. Adventus has notified the Company that, as at December 31, 2018, it has incurred or funded costs totalling US $1,259,325 towards the exploration budget.

The Company will officially transfer the Pijili Project to Dos Gemas after August 2019, due to a two-year transfer restriction under Ecuadorian Mining Law.

In May 2018 the Company and Adventus agreed to the transfer of the Santiago Project to be added to the Alliance upon completion by Adventus of the following consideration:

(i) cash payments totalling US $75,000 of which US $50,000 has been paid to the Company as of the date of this MD&A and the remaining US $25,000 is due upon official transfer of the Santiago Project to the Alliance;
(ii) on July 17, 2018 the Company received 1,268,116 Adventus common shares; and
(iii) funding by Adventus of a US $500,000 exploration budget on the Santiago Project by May 22, 2020.

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

Properties Update

Curipamba Project

Agreements

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

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

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

Exploration Update

The Company's principal asset, which has been the focus of its work programs, is the Curipamba Project where the precious metals rich El Domo VMS deposit has been discovered. On January 22, 2015 the Company filed on SEDAR an amended and restated preliminary economic assessment, dated January 16, 2015, prepared by Buenaventura Ingenieros S.A. in respect of the Company's 100% owned El Domo project in Ecuador. The amended technical report was prepared to address certain deficiencies raised by the British Columbia Securities Commission in respect of the previously filed technical report dated March 21, 2014, and there have been no material changes to the previously disclosed results of the preliminary economic assessment or to the previously disclosed mineral resource estimate prepared in respect of El Domo.

Planning for a 2018 regional work program at the Curipamba Project commenced in the fourth quarter of 2017 based upon a thorough target generation review of a large historical database that includes prospecting, geological mapping, surficial geochemistry, geophysics and drilling. Work in 2018 primarily targeted new VMS discoveries.

At the Sesmo target which is located 1,100 metres north of El Domo, work started in 2018 with a review of historical work near the target. This review was followed by prospecting, soil sampling, and a 22 line-kilometre IP geophysical survey, noting that the geophysical survey is key to refining targets for drilling. Geophysical work and drilling activities commenced in the first quarter of 2018, which continued through most of the year.

At the end of January 2018, a 18,000 metre drill program commenced at the Curipamba Project. As at the date of this MD&A, Company field crews are using two drill rigs at the Curipamba Project. One drill rig has been deployed to complete infill and definition drilling within the Whittle starter open-pit to collect material for a metallurgical program completed in the second half of 2018. The second drill rig primarily tested targets proximal to El Domo. Assay results from drilling will be released when they have passed quality assurance and quality control ("QA/QC") protocols.

Roscoe Postle and Associates Inc. ("RPA") has been engaged to produce a Preliminary Economic Assessment ("PEA") for the Curipamba Project that will include a Mineral Resource update with all 2018 drilling results. RPA was also retained to conduct additional engineering work including but not limited to overseeing the ongoing metallurgical work at Base Metallurgical Laboratories Ltd. ("BML"), Kamloops, British Columbia, Canada, an independent laboratory.

Additional exploration drill holes are planned for 2019 at the Curipamba Project after completion of a MobileMT airborne geophysical survey, expected by mid-2019. Following the processing of acquired geophysical data, a detailed target generation initiative will commence, and diamond drills will be deployed to test newly developed exploration targets.

Infill Drilling Results

The first phase of the infill drilling program commenced in early March 2018 within the Whittle starter open-pit area by decreasing drill spacing, which also generated material for a planned metallurgical program that would be used in a future engineering study. After successful completion of the first phase of infill drilling, a second, optimized phase commenced in September 2018 focusing on the northern portion of the open-pit area. Overall, drilling results confirmed the quality of the semi-massive to massive sulphide mineralization. All infill and exploration drilling results that have been disclosed in fiscal 2018, including CURI-240 to CURI-308, can be reviewed in detail on the Company's website at www.salazarresources.com.

Drill hole CURI-311 intersected two gold-rich zone of semi-massive to massive sulphide mineralization separated by a basalt intrusion. The first intercept of mineralization is from 131.26 to 140.00 metres for an approximate true thickness of 7.87 metres grading 2.78% copper, 1.93 g/t gold, 3.49% zinc, 54.9 g/t silver, and 0.42% lead. The second intercept of mineralization was then intersected from 144.80 to 149.28 metres for an approximate true thickness of 4.03 metres grading 2.11% copper, 1.26 g/t gold, 0.64% zinc, 27.4 g/t silver, and 0.09% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-311	131.26	140.00	10.35	3.85	5.12	10.34	139.0	0.95	*7.87*
	144.80	149.28	3.67	6.47	12.30	25.27	335.4	2.37	*4.03*

Drill hole CURI-312 intersected a wide section of mineralized grainstone from 121.25 to 145.65 metres for an apparent true thickness of 22.80 metres grading 0.47% copper, 2.86 g/t gold, 1.14% zinc, 79.1 g/t silver and 0.26% lead. A subset interval of the grainstone was significantly higher grade from 130.83 to 133.45 metres grading 0.31% copper, 3.06 g/t gold, 3.46% zinc, 509.2 g/t silver, and 1.60% lead. Under the grainstone is copper-rich massive sulphide mineralization from 145.65 to 158.20 metres for a true thickness of 11.92 metres, grading 4.00% copper, 2.04 g/t gold, 0.96% zinc, 25.8 g/t silver, and 0.07% lead. A subset interval of massive sulphide mineralization possesses significantly higher-grade from 145.65 to 149.25 metres, grading 10.40% copper, 3.77 g/t gold, 2.97% zinc, 72.9 g/t silver, and 0.20% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-312	121.25	145.65	24.40	0.47	2.86	1.14	79.10	0.26	*22.80*
including	130.83	138.30	7.47	0.49	2.06	2.70	200.2	0.71	*7.10*
including	130.83	133.45	2.62	0.31	3.06	3.46	509.2	1.60	*2.49*
	145.65	158.20	12.55	4.00	2.04	0.96	25.8	0.07	*11.92*
including	145.65	149.25	3.60	10.40	3.77	2.97	72.9	0.20	*3.42*

CURI-315 intersected massive sulphide from 101.38 to 117.13 metres for a true thickness of 13.39 metres, grading 1.73% copper, 0.76 g/t gold, 0.38% zinc, 12.6 g/t silver, and 0.03% lead. A subset of massive sulphide had higher grades from 101.38 to 103.33 metres, grading 10.37% copper, 2.00 g/t gold, 1.53% zinc, 58.1 g/t silver, and 0.06% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-315	101.38	117.13	15.75	1.73	0.76	0.38	12.6	0.03	*13.39*
including	101.38	103.33	1.95	10.37	2.00	1.53	58.1	0.06	*1.66*
including	106.19	108.13	1.94	1.50	1.22	0.27	5.1	0.02	*1.65*

Drill hole CURI-316 intersected a narrow section of well mineralized grainstone from 104.20 to 110.48 metres for an apparent true thickness of 5.34 metres grading 2.18% copper, 1.33 g/t gold, 2.42% zinc, 40.1 g/t silver and 0.20% lead. Under the grainstone is copper-rich semi-massive sulphide mineralization cut by several fault zones from 110.48 to 130.62 metres for a true thickness of 17.12 metres, grading 2.10% copper, 0.68 g/t gold, 0.77% zinc, 13.9

g/t silver, and 0.06% lead. A subset interval of massive sulphide mineralization possesses significantly higher-grade from 110.48 to 112.64 metres, grading 3.51% copper, 1.05 g/t gold, 2.53% zinc, 40.5 g/t silver, and 0.22% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-316	104.20	110.48	6.28	2.18	1.33	2.42	40.1	0.20	*5.34*
	110.48	130.62	20.14	2.10	0.68	0.77	13.9	0.06	*17.12*
including	110.48	112.64	2.16	3.51	1.05	2.53	40.5	0.22	*1.84*
including	123.73	128.36	4.63	2.94	0.56	0.15	9.7	0.02	*3.94*

Drill hole CURI-318 intersected a narrow section of well mineralized grainstone from 93.11 to 98.90 metres for an apparent true thickness of 4.87 metres grading 3.21% copper, 2.14 g/t gold, 0.49% zinc, 26.3 g/t silver and 0.05% lead. A subset interval within the grainstone was logged as semi-massive sulphide and it possessed higher grade from 93.91 to 96.14 metres, grading 7.19% copper, 3.37 g/t gold, 0.89% zinc, 32.6 g/t silver and 0.08% lead. The drill hole then intersected pyrite-rich massive sulphide mineralization from 106.23 to 116.06 metres for a true thickness of 9.33 metres, grading 0.19% copper, 0.68 g/t gold, 0.05% zinc, 6.0 g/t silver, and 0.01% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-318	93.11	98.90	5.79	3.21	2.14	0.49	26.3	0.05	*4.87*
including	93.91	96.14	2.23	7.19	3.37	0.89	32.6	0.08	*2.21*
	106.23	116.06	9.83	0.19	0.68	0.05	6.0	0.01	*9.33*

CURI-320 intersected a massive to semi-massive sulphide unit from 101.00 to 111.86 metres for a true thickness of 9.34 metres, grading 1.50% copper, 2.95 g/t gold, 2.49% zinc, 79.2 g/t silver, and 0.30% lead. A subset of the interval had higher grades from 106.18 to 108.90 metres, grading 2.51% copper, 8.50 g/t gold, 8.16% zinc, 250.6 g/t silver, and 0.93% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-320	101.00	111.86	10.86	1.50	2.95	2.49	79.2	0.30	*9.34*
including	106.18	108.90	2.72	2.51	8.50	8.16	250.6	0.93	*2.45*

Drill hole CURI-309, CURI-314, and CURI-319 intersected gold-rich, highly pyritic, lower-grade massive sulphide unit. In CURI-310, a basalt intrusion appears to have locally digested the VMS mineralization. Results for these drill holes is tabulated below.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-309	143.47	144.02	0.55	1.25	0.44	0.05	7.5	0.01	0.47
CURI-310	157.57	158.60	1.03	0.70	3.57	5.51	314.0	1.41	0.98
	158.60	165.19	6.59	1.26	2.17	1.99	31.5	0.11	*6.26*
	165.19	169.64	4.45	0.86	0.73	1.34	24.5	1.34	4.23
CURI-314	107.44	113.63	6.19	0.87	0.60	0.05	8.43	0.01	5.88
including	107.44	109.75	2.31	1.77	0.61	0.05	8.57	0.01	2.19
CURI-319	156.34	156.80	0.46	2.71	2.08	1.97	44.3	0.19	*0.39*

Drill hole CURI-324 intersected gold-rich, mineralized grainstone in the hanging wall of the massive sulphide mineralization. The grainstone occurs from 86.19 to 89.32 metres grading 0.18% copper, 1.86 g/t gold, 2.46% zinc, 31.6 g/t silver, and 0.13% lead. The massive sulphide mineralization was intersected from 89.32 to 91.11 metres grading 0.57% copper, 12.48 g/t gold, 13.87% zinc, 600.3 g/t silver, and 3.98% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-324	86.19	89.32	3.13	0.18	1.86	2.46	31.6	0.13	*2.74*
	89.32	91.11	1.79	0.57	12.48	13.87	600.3	3.98	*1.57*

Drill hole CURI-326 intersected a section of gold-rich, mineralized grainstone from 92.39 to 105.86 metres within a much broader section of grainstone. The intercept graded 0.50% copper, 1.76 g/t gold, 1.28% zinc, 24.8 g/t silver and 0.11% lead. A subset interval of the grainstone was significantly higher grade from 96.10 to 99.62 metres grading 0.18% copper, 3.35 g/t gold, 4.06% zinc, 65.2 g/t silver, and 0.32% lead. Stratigraphically under the grainstone is a thick interval of copper-rich massive sulphide mineralization from 105.86 to 123.74 metres, grading 4.45% copper, 5.04g/t gold, 2.09% zinc, 94.6 g/t silver, and 0.27% lead. A subset interval of massive sulphide mineralization possesses significantly higher-grade from 105.86 to 110.66 metres, grading 12.55% copper, 15.52 g/t gold, 7.45% zinc, 324.5 g/t silver, and 0.94% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-326	92.39	105.86	13.47	0.50	1.76	1.28	24.8	0.11	*12.46*
including	96.10	99.62	3.52	0.18	3.35	4.06	65.2	0.32	*3.26*
	105.86	123.74	17.88	4.45	5.04	2.09	94.6	0.27	*16.54*
including	105.86	110.66	4.80	12.55	15.52	7.45	324.5	0.94	*4.44*

CURI-328 intersected high-grade grainstone with abundant massive sulphide clasts from 90.10 to 111.30 metres that was complicated by the injection of a basaltic sill intrusion. The best intercept occurs from 90.10 to 100.00 metres grading 6.77% copper, 5.27 g/t gold, 2.50% zinc, 93.7 g/t silver, and 0.26% lead. A subset of grainstone had higher grades from 91.30 to 93.00 metres grading 20.04% copper, 11.31 g/t gold, 4.41% zinc, 193.8 g/t silver, and 0.38% lead. Beneath the grainstone is a narrow, copper-rich massive sulphide layer that is complicated by faulting from 111.30 to 113.03 metres, grading 4.53% copper, 3.24 g/t gold, 0.11% zinc, 24.8 g/t silver, and 0.03% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-328	90.10	100.00	9.90	6.77	5.27	2.50	93.7	0.26	*8.42*
including	91.30	93.00	1.70	20.04	11.31	4.41	193.8	0.38	*1.45*
	100.00	108.32	8.32	0.90	1.03	2.41	48.0	0.42	*7.07*
	108.32	111.30	2.98	1.20	5.87	2.79	57.3	0.16	*2.53*
	111.30	113.03	1.73	4.53	3.24	0.11	24.8	0.03	*1.47*

Drill hole CURI-330 intersected gold-rich grainstone from 81.20 to 84.84 metres, grading 0.21% copper, 4.05 g/t gold, 3.78% zinc, 97.0 g/t silver and 0.45% lead. Beneath the grainstone is a thin, copper-rich massive sulphide interval from 89.22 to 89.95 metres, grading 6.78% copper, 0.59 g/t gold, 0.06% zinc, 20.1 g/t silver and 0.01% lead. Directly in the footwall to the massive sulphide mineralization is wide section of low-grade hydrothermal breccia in the dacite volcaniclastic rocks from 89.95 to 118.94 metres, grading 0.03% copper, 1.55 g/t gold, 0.26% zinc, 18.3 g/t silver, and 0.07% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-330	81.20	84.84	3.64	0.21	4.05	3.78	97.0	0.45	*2.73*
	89.22	89.95	0.73	6.78	0.59	0.06	20.1	0.01	*0.55*
	89.95	118.94	28.99	0.03	1.55	0.26	18.3	0.07	*21.74*
including	89.95	92.72	2.77	0.22	1.34	2.12	25.4	0.50	*2.08*

Drill hole CURI-332 intersected a thick section of well mineralized grainstone and semi-massive to massive sulphide mineralization from 88.33 to 102.00 metres. The semi-massive sulphide mineralization occurs from 88.33 to 92.69 metres, grading 0.86% copper, 1.30 g/t gold, 0.94% zinc, 17.1 g/t silver and 0.10% lead. Stratigraphically under the semi-massive sulphide mineralization is a gold-rich grainstone interval from 92.69 to 94.90 metres, grading 0.47% copper, 3.12 g/t gold, 3.80% zinc, 40.5 g/t silver and 0.44% lead. Massive sulphide mineralization was intersected from 94.90 to 102.00 metres and is complicated by faulting, grading 4.49% copper, 2.32 g/t gold, 0.69% zinc, 16.2 g/t silver, and 0.02% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-332	88.33	92.69	4.36	0.86	1.30	0.94	17.1	0.10	*3.60*
	92.69	94.90	2.21	0.47	3.12	3.80	40.5	0.44	*1.82*
	94.90	102.00	7.10	4.49	2.32	0.69	16.2	0.02	*5.86*

Drill hole CURI-333 intersected mineralized grainstone within a broader interval from 79.00 to 83.00 metres, grading 0.32% copper, 1.36 g/t gold, 0.34% zinc, 20.7 g/t silver and 0.10% lead. Pyritic massive sulphide mineralization was intersected from 83.00 to 91.00 metres, grading 0.13% copper, 1.27 g/t gold, 0.69% zinc, 12.2 g/t silver, and 0.01% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-333	79.00	83.00	4.00	0.32	1.36	0.34	20.7	0.10	*3.30*
	83.00	91.00	8.00	0.13	1.27	0.69	12.2	0.01	*6.60*

Drill hole CURI-334 intersected a thick section of low-grade hydrothermal breccia in dacite volcaniclastic rocks in the hanging wall of the massive sulphide mineralization from 30.00 to 44.90 metres, grading 0.15% copper, 3.59 g/t gold, 1.99% zinc, 97.9 g/t silver and 0.48% lead. A subset interval within the low-grade hydrothermal breccia possessed higher grade from 33.00 to 37.00 metres, grading 0.20% copper, 8.49 g/t gold, 2.94% zinc, 199.6 g/t silver and 0.89% lead. The drill hole then cut an epiclastic section that included both grainstone and fine-grained facies with mineralized grainstone occurring from 63.40 to 66.61 metres, grading 0.06% copper, 2.41 g/t gold, 0.13% zinc, 16.8 g/t silver and 0.05% lead. Stratigraphically beneath the epiclastic section is a zinc-rich massive sulphide section occurs from 66.61 to 67.37 metres, grading 1.92% copper, 28.20 g/t gold, 42.81% zinc, 337.0 g/t silver, and 6.75% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-334	30.00	44.90	14.90	0.15	3.59	1.99	97.9	0.48	*13.41*
including	33.00	37.00	4.00	0.20	8.49	2.94	199.6	0.89	*3.60*
	44.90	48.56	3.66	1.43	0.32	1.02	20.8	0.11	*3.29*
	63.40	66.61	3.21	0.06	2.41	0.13	16.8	0.05	*2.89*
	66.61	67.37	0.76	1.92	28.20	42.81	337.0	6.75	*0.68*
	67.37	69.35	1.98	0.27	0.63	2.82	20.2	0.92	*1.78*
	44.90	48.56	3.66	1.43	0.32	1.02	20.8	0.11	*13.41*

Drill hole CURI-336 intersected a thick section of gold-rich grainstone in the hanging wall of the semi-massive to massive sulphide mineralization from 42.37 to 54.82 metres, grading 0.07% copper, 1.71 g/t gold, 0.29% zinc, 8.4 g/t silver and 0.11% lead. A subset interval within the grainstone possessed higher grade from 46.31 to 54.82 metres, grading 0.09% copper, 2.18 g/t gold, 0.32% zinc, 9.8 g/t silver and 0.12% lead. The drill hole then intersected semi-massive to massive sulphide mineralization from 54.82 to 78.84 metres, grading 5.41% copper, 6.40 g/t gold, 2.68% zinc, 58.6 g/t silver, and 0.15% lead. A zinc-rich semi-massive sulphide section occurs from 54.82 to 56.63 metres, grading 4.27% copper, 16.61 g/t gold, 13.98% zinc, 205.8 g/t silver, and 1.44% lead. This is followed by a copper-rich section from 56.63 to 71.00 metres, grading 8.37% copper, 7.83 g/t gold, 2.58% zinc, 67.5 g/t silver and 0.07% lead. The remaining massive sulphide is predominantly pyritic from 71.00 to 78.84 metres with negligible base and precious metals.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-336	42.37	54.82	12.45	0.07	1.71	0.29	8.4	0.11	11.83
including	46.31	54.82	8.51	0.09	2.18	0.32	9.8	0.12	*8.08*
	54.82	78.84	24.02	5.41	6.40	2.68	58.6	0.15	*22.82*
including	54.82	56.63	1.81	4.27	16.61	13.98	205.8	1.44	*1.72*
including	56.63	71.00	14.37	8.37	7.83	2.58	67.5	0.07	*1.37*
including	71.00	78.84	7.84	0.25	1.41	0.27	8.2	0.01	7.45
	78.84	86.70	7.86	0.02	0.94	0.03	3.9	0.02	*7.47*

CURI-337 intersected a faulted, gold-rich grainstone unit from 107.00 to 119.88 metres, grading 0.23% copper, 2.41 g/t gold, 0.97% zinc, 49.3 g/t silver, and 0.22% lead. A subset of the interval had higher grades from 108.00 to 109.70 metres, grading 0.37% copper, 6.22 g/t gold, 2.17% zinc, 161.0 g/t silver, and 0.76% lead. The drill hole was lost in a fault zone at 124.50 metres but did intersect massive sulphide mineralization from 119.88 to 122.61 metres, grading 3.31% copper, 11.50 g/t gold, 22.87% zinc, 457.2 g/t silver, and 0.44% lead.

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)	Approx. True Thickness (m)
CURI-337	107.00	119.88	12.88	0.23	2.41	0.97	49.3	0.22	11.59
	108.00	109.80	1.70	0.37	6.22	2.17	161.0	0.76	*1.53*
	119.88	122.61	2.73	3.31	11.50	22.87	457.2	044	*2.46*

Drill holes CURI-322, CURI-323, CURI-325, CURI-327, CURI-329 and CURI-331 were designed to test the limits of the known massive sulphide mineralization and further assess the pit wall geology. These drill holes all intersected favourable strata; however, no semi-massive to massive sulphide mineralization was intersected, but rather narrow, sporadic low-grade hydrothermal breccia units in footwall dacite volcaniclastic rocks. CURI-335, which was also designed for the same purpose, did intersect 4.87 metres of low-grade hydrothermal breccia mineralization from 48.80 to 53.67 metres grading 0.58% copper, 0.15 g/t gold, 3.80% zinc, 12.1 g/t silver and 0.01% lead.

Other Results

In the Sesmo area, technical staff conducted a thorough assessment of the 2018 drill holes due to the subtle nature of mineralization in order to relate their observations back to study positive assay results from CURI-254, CURI-254A, and CURI-274 (see April 30, 2018 and September 6, 2018 news releases). Several drill holes were selected for resampling including CURI-258, CURI-263, CURI-267 and CURI-271; unfortunately, except for some geochemically anomalous narrow intervals, no significant results have been returned. Subsequent drill holes CURI-307, CURI-308, CURI-313, and CURI-321 at the main showing similarly returned only geochemically anomalous narrow intervals, and no significant results. Technical staff continues their assessment of this interesting target area through prospecting, geological mapping, and 2019 airborne geophysical survey results to further enhance future targeting.

Preliminary Metallurgical Results

For the most recent metallurgical testwork, metallurgical composite samples were designed to produce commercial concentrates based on the relative abundance of base and precious metals in the feed material supplied from 2018 Phase 1 infill drilling at El Domo VMS deposit that would be both spatially and volumetrically representative of the current open-pit constrained Mineral Resource estimate that has been classified in accordance with CIM (2016) Definition Standards - Disclosure for Mineral Projects. The Indicated Mineral Resource, as reported by Adventus in January 2018, totals 8.8 million tonnes grading 1.62% copper, 2.34 g/t gold, 2.42% zinc, 48.0 g/t silver, and 0.27% lead. The Inferred Mineral Resource totals 2.6 million tonnes grading 1.29% copper, 1.09 g/t gold, 1.51% zinc, 29.0 g/t silver, and 0.14% lead (see January 31, 2018 news release). The National Instrument ("NI") 43-101 Technical Report prepared only for Adventus was authored by Independent Qualified Person Dr. Lars Weiershäuser, P.Geo., of Roscoe Postle Associates Inc. ("RPA"), based in Toronto, Ontario, Canada, who is a Qualified Person as defined by NI 43-101.

Sample material was derived from the drill core assay coarse reject material that was vacuum sealed with a nitrogen purge after laboratory sample preparation and stored securely at Bureau Veritas ("BV") facilities in Quito, Ecuador. A total of 1,512 kilograms were shipped from storage to BML, which is under contract for the metallurgical work. RPA is under contract to manage the metallurgical work and integrate its results into the upcoming PEA.

Conventional rougher and cleaner flotation testing was completed on the composites and the selected optimum metallurgical settings for the composites were taken to LCT, which simulates the metal recovery process. Locked cycle testing indicates the expected metallurgical performance from the test materials that could result in the production of commercial concentrate material. Selected LCT results are presented in Table 1.

Table 1: Locked Cycle Test Results for Mixed and Copper Composites

Composite	Product	Weight %	Assay					Distribution				
			Cu %	Pb %	Zn %	Ag g/t	Au g/t	Cu %	Pb %	Zn %	Ag %	Au %
Mixed Composite (LCT 49)	Cu Con	5.31	24.70	2.91	8.00	340.00	22.17	79.17	66.50	14.95	41.64	43.92
	Zn Con	4.29	3.12	0.72	53.40	270.00	13.45	8.07	13.28	80.54	26.69	21.51
	Flotation Feed	100.0	1.66	0.23	2.84	43.36	2.68	100.00	100.00	100.00	100.00	100.00

Composite	Product	Weight %	Assay					Distribution				
			Cu %	Pb %	Zn %	Ag g/t	Au g/t	Cu %	Pb %	Zn %	Ag %	Au %
Mixed Composite (LCT 52)	Cu Con	6.10	22.40	2.90	11.50	320.00	23.60	86.30	85.50	26.1	50.6	56.40
	Zn Con	3.50	1.38	0.32	53.8	210.00	6.90	3.10	5.50	70.3	19.1	9.50
	Flotation Feed	100.0	1.58	0.20	2.69	39.00	2.55	100.00	100.00	100.00	100.00	100.00
Copper Composite (LCT 59)	Cu Con	8.95	21.40	0.31	3.40	110.00	4.09	88.25	68.62	73.44	50.20	26.55
	Flotation Feed	100.0	2.17	0.04	0.41	20.00	1.40	100.00	100.00	100.00	100.00	100.00

The LCT results in Table 1 indicate a significant improvement in the metallurgical performance in comparison to previously released metallurgical results. The improvements to the metallurgical performance are the result of a different approach with respect to conventional flotation processes by rejecting more gangue material in the initial rougher stages from the source feed prior to commencing selective flotation to produce both copper and zinc concentrates. Details of the metallurgical testwork and the flowsheet will be available in the upcoming PEA.

The metallurgical information has been reviewed and approved by Avakash Patel, P.Eng., Vice President - Metallurgy and Processing, RPA, a "Qualified Person" as defined in NI 43-101 is independent of the Partners, and has been involved in the planning, observation and reporting all metallurgical test work.

Qualified Person and Quality Control & Quality Assurance

The scientific and technical information contained in this MD&A for the Curipamba Project has been reviewed and approved by Mr. Jason Dunning, M.Sc., P.Geo., Vice-President, Exploration for Adventus, a non-independent Qualified Person, as defined by National Instrument 43-101. Mr. Dunning has overall responsibility for joint venture exploration programs at Curipamba and the Exploration Alliance.

Joint venture 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.

Exploration Alliance - Pijilí Project

The Pijilí Project consists of three concessions totalling 3,246 hectares that is subject to a US $5,000,000 spending commitment over four years to obtain 100% ownership from the Republic of Ecuador. The Pijilí Project is located in the province of Azuay, approximately 150 km from the major port city of Guayaquil. The Pijilí Project is an untested epithermal gold-silver target, although there are opinions that there is a broader, larger scale porphyry target may be present.

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

The initial 18-month program will entail detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. An airborne geophysical survey was completed on concessions for Pijilí Project that were flown in a systematic grid pattern to ensure full coverage and depth penetration. Field crews successfully completed 91.4% line-kilometres at Pijilí Project. Initial drilling on targets is expected in the second half of 2019.

Exploration Alliance - Santiago Project

The Santiago Project consists of a single concession that encompasses 2,350 hectares and is currently 100%-owned by the Company. It is located in a geological setting similar to the nearby Loma Larga deposit owned by INV Metals Inc. and is considered prospective for epithermal gold and silver and porphyry copper gold deposits. It features three large, surficial geochemistry anomalies for gold, copper, and zinc. Numerous vein occurrences have been identified on the property thus far, which have yielded good chip sampling results for both gold and silver, including the following highlights:

Española Vein: (up to 3 metres width)

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

Structure Quartz-Tourmaline: (3 metres width)

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

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

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

Structure F.U.: (1.5 metres width)

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

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

The initial 24-month program will entail detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. An airborne geophysical survey was flown in a systematic grid pattern to ensure full coverage and depth penetration. Field crews successfully completed 94.2% line-kilometres at Santiago Project. Drilling will be considered once a target generation evaluation is completed.

Macara Project

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

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

- US $100,000 on signing (paid);
- US $50,000 on November 6, 2018 (paid);
- US $50,000 on November 6, 2019;
- 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 Company is also required to incur US $142,000 minimum exploration expenditures on the Macara Mina Concession over two years. Torres also retains a 0.5% NSR, which may be purchased by the Company for US $1,000,000 at any time.

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

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

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

Selected Financial Data

During fiscal 2018 the Company's subsidiaries changed their functional currency from the Canadian dollar to the United States dollar. See also "Changes in Accounting Policies - Change in Functional Currency".

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended December 31,		
	2018 **$**	**2017** **$**	**2016** **$**
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(1,124,928)	(1,443,285)	(1,947,134)
Other items	2,432,122	(113,045)	774,460
Net income (loss)	1,307,194	(1,556,330)	(1,172,674)
Other comprehensive income	1,582,193	217	1,740
Comprehensive income (loss)	2,889,387	(1,556,113)	(1,170,934)
Basic and diluted income (loss) per share	0.01	(0.01)	(0.01)
Balance Sheet:			
Working capital	5,558,915	574,041	1,431,519
Total assets	23,409,559	18,371,177	19,078,346
Total long-term liabilities	Nil	Nil	Nil

With respect to the information presented in the above table the Agreement with Adventus, as described in "Company Overview" of this MD&A, is the reason for the improvement in balances.

In 2017 and 2016 exploration activities and corporate activities were much reduced due to constrained capital. With the Agreement with Adventus on the Curipamba Project closing in late 2017 the Company became much more active in 2018. The 2018 results were significantly improved with substantial increase in net income. The main factor contributing to this increase was the sale of the Company's interests in the Pijilli and Santiago properties, particulars of which are discussed in "Company Overview" of this MD&A.

During fiscal 2018 the majority of the labour, materials and other costs incurred, drilling services and funding were denominated in United States dollars. Accordingly, the Company's subsidiaries changed their functional currency from the Canadian dollar to the United States dollar. For fiscal 2018 assets, liabilities and transactions of the Company's subsidiaries are therefore translated into Canadian dollars using the report date closing exchange rate. Income and expenses are translated into Canadian dollars at the average exchange rate over the reporting period. Exchange differences are presented in other comprehensive income and recognized in the accumulated other comprehensive income. As a result, in fiscal 2018, the Company recorded other comprehensive income of $1,582,193.

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

	Fiscal 2018				Fiscal 2017			
Three Months Ended	**Dec. 31 2018 $**	**Sep. 30 2018 $**	**Jun. 30 2018 $**	**Mar. 31 2018 $**	**Dec. 31 2017 $**	**Sep. 30 2017 $**	**Jun. 30 2017 $**	**Mar. 31 2017 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(243,898)	(381,675)	(300,740)	(198,615)	(291,882)	(483,564)	(362,248)	(407,739)
Other items	(2,770,870)	4,353,353	421,687	429,692	124,132	(59,531)	(59,143)	(16,355)
Net (loss) income	(3,014,768)	3,971,678	120,947	231,077	(167,750)	(543,095)	(421,391)	(424,094)
Other comprehensive income (loss)	1,582,193	Nil	(870)	(870)	435	435	(653)	Nil
Comprehensive (loss) income	(1,432,575)	3,971,678	120,077	230,207	(167,315)	(542,660)	(422,044)	(424,094)
Basic and diluted (loss) income per share	(0.02)	0.03	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Balance Sheet:								
Working capital	5,558,915	6,690,557	1,746,981	713,022	574,041	447,255	1,732,539	3,875
Total assets	23,409,559	24,028,841	19,791,826	18,289,370	18,371,177	17,882,452	18,391,518	18,799,732
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

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

During the three months ended December 31, 2018 (“Q4/2018”) the Company recorded a net loss of $3,014,768 compared to net loss of $167,750 for the three months ended December 31, 2017 (“Q4/2017”) an increase in loss of $2,847,018. The fluctuation is primarily attributed to:

(i) the recognition of an overall unrealized loss on investments of $1,331,522 in Q4/2018 compared to $nil in Q4/2017; and

(ii) as a result of a detailed review conducted as part of the audit process and on the recommendation of the Company’s auditor there was a reclassification of other income of $1,173,253 and management fees of $662,265 in Q4/2018 to exploration and evaluation assets. Crediting of all funds received from the optionee to carrying value of exploration and evaluation assets was seen as most appropriate under IFRS.

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

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

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

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

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

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

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

(i) recognition of a $2,482,073 gain on property dispositions relating to the Pijilí Project and Santiago Concession; and
(ii) recognition of an unrealized gain on inventory of $1,141,522 mainly on the appreciation of the quoted prices of the Adventus common shares held by the Company.

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

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

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

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

(i) during Q1/2018 the Company recorded other income of $157,847 (Q4/2017 - $nil) arising from the rental of its drill rigs for the drilling activities on the Curipamba Project;
(ii) during Q1/2018 the Company received $129,320 (US $100,000) payment from Adventus on the Pijilí Project, of which $43,770 was credited to the capitalized costs on the Pijilí Project and the remaining $85,550 was recorded as a gain on property disposition of $85,550; and
(iii) during Q1/2018 the Company recorded $4,247 (Q4/2017 - $122,662) for legal expenses. During Q4/2107 the Company had significant legal expenses with respect to the preparation of agreements with Adventus and submissions to the TSXV.

Three Months Ended December 31, 2017 Compared to the Three Months Ended September 30, 2017

During the three months ended December 31, 2017 ("Q4/2017") the Company reported a net loss of $167,750 compared to net loss of $543,095 for the three months ended September 30, 2017 ("Q3/2017") a decrease in loss of $375,345. The fluctuation is primarily attributed to the cost recoveries against expenses to reflect Adventus' funding of certain expenses.

Three Months Ended September 30, 2017 Compared to the Three Months Ended June 30, 2017

During the three months ended September 30, 2017 ("Q3/2017") the Company reported a net loss of $543,095 compared to net loss of $421,391 for the three months ended June 30, 2017 ("Q2/2017"). The fluctuation is attributed to an increase in legal expenses of $119,857 from $15,377 during Q2/2017 to $135,234 during Q3/2017, due to legal services incurred with respect to the preparation of agreements regarding the farm-out to Adventus and submissions to the TSXV.

Three Months Ended June 30, 2017 Compared to the Three Months Ended March 31, 2017

During the three months ended June 30, 2017 ("Q2/2017") the Company reported a net loss of $421,391 compared to net loss of $424,094 for the three months ended March 31, 2017 ("Q1/2017"). The fluctuation is attributed to a decrease in expenses of $45,491 from $407,739 during Q1/2017 to $362,248 during Q2/2017, offset against the recognition of a foreign exchange loss of $64,062 in Q2 compared to $17,974 in Q1/2017.

Three Months Ended March 31, 2017 Compared to the Three Months Ended December 31, 2016

During the three months ended March 31, 2017 ("Q1/2017") the Company reported a net loss of $424,094 compared to net loss of $1,054,189 for the prior three months ended December 31, 2016 ("Q4/2016") a decrease in loss of $630,095. The decrease in loss was mainly attributed to the recognition of share-based compensation of $790,000 in Q4/2016, compared to $nil in Q1/2017, and partially offset by an increase of $79,253 in foreign exchange loss in which the Company recorded a foreign exchange gain of $61,279 in Q4/2016 and a foreign exchange loss of $17,974 in Q1/2017.

Year Ended December 31, 2018 Compared to the Year Ended December 31, 2017

During the year ended December 31, 2018 ("fiscal 2018") the Company reported net income of $1,307,194, compared to a net loss of $1,556,330 for the year ended December 31, 2017 ("fiscal 2017"). The fluctuation is mainly attributed to the recognition of a $2,526,470 gain on property dispositions relating to the Pijilí Project and Santiago Concession. The gain on sale was determined based on cash payments received plus value of the Adventus shares received.

Expenses decreased by $318,357, from $1,443,285 during fiscal 2017, to $1,124,928 during fiscal 2018. Specific expenses of note are as follows:

(i) during fiscal 2018 the Company recorded $567,479 (2017 - $368,403) as general exploration activities. During fiscal 2018 the Company conducted significant due diligence property reviews as a result of the Exploration Alliance with Adventus;

(ii) recorded share-based compensation of $60,000 (2017 - $nil) on the granting of share options in fiscal 2018. No share options were granted or vested in fiscal 2017;

(iii) incurred salaries, compensation and benefits of $633,584 (2017 - $727,185). The decrease reflects an increase in capitalization of certain salaries and benefits to exploration and evaluation assets during fiscal 2018.

(iv) recorded audit fees of $84,103 (2017 - $59,041). The increase reflected the escalation in the scope of the audit process in fiscal 2018 due to activities resulting from the various arrangements with Adventus;

(v) recorded legal fees of $26,415 (2017 - $280,217). During fiscal 2017 significant legal services were incurred with respect to the preparation of agreement with Adventus and submissions to the TSXV;

(vi) incurred consulting fees of $241,779 (2017 - $52,745). During fiscal 2018 the Company engaged consultants for financial advisory services; and

(vii) incurred office expenses of $137,568 (2017 - $212,362). The decrease reflects the capitalization of certain expenditures to exploration and evaluation assets during fiscal 2018.

(viii) cost recoveries were $851,555 (2017 - $490,538). The cost recoveries represent funds received from Adventus for costs funded by Adventus but which are expensed for financial reporting purposes. The principal cost items which are funded, in part, by Adventus include general exploration, office and salaries.

Exploration and Evaluations Assets

During fiscal 2018 the Company incurred a total of $8,933,297 (2017 - $3,981,273) for exploration and evaluation assets comprising of $7,817,997 (2017 - $3,784,945) on the Curipamba Project and $1,115,300 (2017 - $196,329) on other projects. During fiscal 2018 Adventus funded a total of $10,918,946 for costs incurred by the Company, of which $423,886 was applied against property, plant and equipment, $9,643,505 against exploration and evaluation assets and $851,555 as an expense recovery. As at December 31, 2018, a balance of $670,726 is due from the joint-venture partner. During fiscal 2017 Adventus funded a total of $3,294,107 of which $1,654,481 was applied against property, plant and equipment, $1,149,088 against exploration and evaluation assets and $490,538 against expenses and, as at December 31, 2017, a balance of $615,288 remained as a deferred recovery of exploration costs.

Details of the exploration and acquisition expenditures are as follows:

	Curipamba $	Exploration Alliance $	Other $	Total $
Balance at December 31, 2016	16,489,415	571,037	2	17,060,454
Exploration costs				
Assay analysis	63,981	-	-	63,981
Camp supervision and personnel	1,177,540	-	-	1,177,540
Camp supplies	795,554	-	-	795,554
Community relations	413,401	-	-	413,401
Depreciation	37,416	-	-	37,416
Drilling and related costs	98,271	-	-	98,271
Environmental studies	15,061	-	-	15,061
Exploration site	179,710	3,604	-	183,314
Geological	212,687	-	-	212,687
Geophysics	177,711		-	177,711
Legal	29,264	-	12,396	41,660
Road maintenance	86,550	-	-	86,550
Vehicles	56,961	-	-	56,961
	3,344,107	3,604	12,396	3,360,107
Acquisition costs				
Property / concession payments	440,838	42,703	137,626	621,166
Other				
Cost recoveries	(1,149,088)	-	-	(1,149,088)
Sale of royalty interest	(3,192,950)	-	-	(3,192,950)
Advance payment	(315,125)	-	-	(315,125)
	(4,657,163)	-	-	(4,657,163)
Balance at December 31, 2017	15,617,197	617,344	150,023	16,384,564
Exploration costs				
Assay analysis	-	37,718	-	37,738
Camp supplies	-	17,516-	-	17,516
Camp supervision and personnel	-	85,987	-	85,987
Community relations	1,093,008	-	-	1,093,008
Depreciation	37,416	-	-	37,416
Drilling and related costs	6,410,637	-	-	6,410,637
Exploration site	17,685	71,164	-	88,849
Geological	-	544,007	-	544,007
Legal		23,859	-	23,859
Permits		7,344	-	7,344
Salaries		100,099	-	100,099
Travel	-	20,801	-	20,801
	7,558,746	908,515	-	8,467,261
Acquisition costs				
Property / concession payments	259,251	114,614	92,171	466,036
Other				
Cost recoveries	(7,807,987)	(816,447)	-	(8,624,434)
Management fees	(662,265)	29,998	-	(692,263)
Drilling services	(1,173,253)	-	-	(1,173,253)
Sale of interest	-	(710,692)	-	(710,692)
Advance payment	(325,250)	-	-	(332,250)
Foreign exchange movement	1,484,978	9,190	26,707	1,520,875
	(8,483,777)	(1,547,947)	26,707	(10,005,017)
Balance at December 31, 2018	14,951,417	92,526	268,901	15,312,844

The "cost recoveries" items in the above table represent the funding received from Adventus for exploration activities on the Company's projects.

See also "Properties Update - Agreements" on page 2.

Financing Activities

During fiscal 2018 period the Company received $1,478,903 on the exercises of warrants and issued 12,324,184 common shares of the Company. No further financings occurred during fiscal 2018 and 2017.

Financial Condition / Capital Resources

As at December 31, 2018, the Company had working capital of $5,558,915. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs for the next twelve months. The Company believes that the option agreement with Adventus will provide the necessary capital to advance its core Curipampa Project to production status. In addition, the Company's Pijilí and Santiago Projects are now being funded by Adventus under the Exploration Alliance. However, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing should Adventus terminate the Option and/or the Exploration Alliance. Additional capital may be sought from the sale of additional common shares or other equity or debt instruments. There is no assurance that such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs.

Subsequent to December 31, 2018 the Company sold all of its investments in common shares of Adventus and Batero Gold Corp. for total proceeds of $3,223,404.

Contractual Commitments

When applying for new concessions via the public tender process in Ecuador, the Company, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Company wish to retain possession of all the concession areas it holds as at December 31, 2018, the Company's commitment is as follows:

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

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. The total obligation of the Company for these concession areas for the fiscal 2019 is approximately US $1,783,000.

The Company anticipates that the bulk of these work commitments will be funded through the contractual arrangements that exist with Adventus.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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

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

Changes in Accounting Policies

Adoption of New Accounting Standards

(i) *IFRS 9 - Financial Instruments ("IFRS 9")*

The Company adopted all of the requirements of IFRS 9 as of January 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9 management has changed its accounting policy for financial assets retrospectively for assets that continued to be recognized at the date of initial application.

	Original Under IAS 39		**New Under IFRS 9**	
	Classification	**Carrying Amount $**	**Classification**	**Carrying Amount $**
Cash	FVTPL	764,062	FVTPL	764,062
Restricted cash	FVTPL	719,435	FVTPL	719,435
Accounts receivable	Loans and receivables	105,810	Amortized costs	105,810
Investments	Available for sale	4,350	FVTPL	4,350
Accounts payable	Loans and receivables	490,895	Amortized costs	490,895
Deferred recovery of exploration costs	Loans and receivables	615,288	Amortized costs	615,288

As the standard permits on transition to IFRS 9, the Company has not restated prior periods with respect to the new amortized cost measurement for financial assets and impairment requirements.

On transition, the Company's investments previously classified as available-for-sale have been re-designated fair-value through profit and loss financial instruments. The Company has recorded an adjustment, to opening deficit and accumulated other comprehensive loss, on transition for cumulative loss on these instruments of $58,800.

The adoption of IFRS 9 resulted in no further impact to the opening accumulated deficit or to the opening deficit on January 1, 2018.

(ii) IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15")

The Company adopted all of the requirements of IFRS 15 as of January 1, 2018. This new accounting pronouncement, which is effective for periods beginning on or after January 1, 2018, establishes principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

There was no significant impact on the Company's consolidated financial statements upon the adoption of IFRS 15, as the Company does not have any revenue from contracts with customers.

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

Change in Functional Currency

In September 2017 the Company entered into a number of agreements with respect to its subsidiary companies operating in Ecuador. During fiscal 2018 the majority of the labour, materials and other costs incurred, drilling services and funding were denominated in United States dollars. Accordingly, the Company's subsidiaries changed their functional currency from the Canadian dollar to the United States dollar.

For fiscal 2018 assets, liabilities and transactions of the Company's subsidiaries are therefore translated into Canadian dollars using the report date closing exchange rate. Income and expenses are translated into Canadian dollars at the average exchange rate over the reporting period. Exchange differences are presented in other comprehensive income and recognized in the accumulated other comprehensive income.

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 fiscal 2018 and 2017 the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar, and the CFO, Pablo Acosta:

	2018 **$**	**2017** **$**
Mr. Salazar		
- Salaries and compensation	97,205	153,091
- Bonus	-	44,616
- Health benefits	3,802	3,734
	101,007	201,441
Mr. Acosta		
- Salaries and compensation	78,483	56,397
- Health benefits	3,802	3,734
	82,285	60,131
	183,292	261,572

As at December 31, 2018, $7,912 (2017 - $nil) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2018 and 2017 the following consulting expenses were incurred with respect to non-executive directors of the Company:

	2018 **$**	**2017** **$**
Consulting fees - Etienne Walters	23,610	5,722
Consulting fees - Nick DeMare	46,621	38,940
Consulting fees - Juan Ortiz	23,543	5,645

AMENDED AND RESTATED

	2018 $	2017 $
Consulting fees - Jennifer Wu	25,185	
Share-based compensation - Jennifer Wu	60,000	-
	178,959	50,307

As at December 31, 2018, $nil (2017 - $5,645) remained unpaid.

(ii) During fiscal 2018 the Company incurred a total of $54,827 (2017 - $54,305) 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 December 31, 2018, $4,775 (2017 - $4,391) remained unpaid.

(c) During fiscal 2018 the Company incurred $249,793 (2017 - $nil) for equipment rental services provided by Amlatminas S.A. ("Amlatminas") a private corporation controlled by Mr. Salazar and Mr. Acosta of which $21,827 remained unpaid.

(d) During fiscal 2018 the Company incurred $26,440 (2017 - $nil) for storage rental provided by Agrosamex S.A., a private corporation controlled by the son of the President of the Company.

(e) During fiscal 2018 the Company incurred $124,925 (2017 - $312,418) for geological services provided by Amlatminas S.A. ("Amlatminas") a private corporation controlled by Mr. Salazar and Mr. Acosta. As at December 31, 2018, $117,436 (2017 - $86,109) remained unpaid.

(f) During fiscal 2017 the Company purchased a vehicle for $75,630 from Agrosamex S.A., a private corporation controlled by the son of the President of the Company. The vehicle is located in Ecuador. The audit committee considered and approved the purchase price. The back-up to the purchase price was based on fair market value of similar vehicles. The vehicle is used at various job sites in Ecuador to move Company workers to site and between sites.

(g) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with Edgar Orlando Torres Cunalata ("Torres") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession"). See page 10 "Macara Project" for details of the agreement.

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

(h) *Cost Recoveries from Adventus*

Certain of the expenses incurred by the Company with related parties and remuneration paid to Company personnel have been recovered from Adventus pursuant to the earn-in under the Curipamba Option and the Alliance. The table below reflects what occurred during fiscal 2018.

	Total $	Recovered from Adventus $
Salaries and Compensation		
Mr. Salazar	97,205	46,160
Mr. Acosta	78,483	58,065
Geological Services		
Amlatminas	124,925	124,925
Rentals		
Agrosamex (storage)	26,440	26,440
Amlatminas (equipment)	249,793	249,793

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 April 30, 2019, there were 126,477,790 issued and outstanding common shares, 12,647,000 share options outstanding at exercise prices ranging from $0.12 to $0.14 per share, and 1,000,000 share purchase warrants outstanding at an exercise price of $0.12 per share.

Other Information

The Company prepared its initial annual MD&A as at April 30, 2019. As a result of a continuous disclosure review by the BC Securities Commission the Company has prepared this "Amended and Restated" MD&A for the year-ended December 31, 2018 as at June 20, 2019. The Company is providing a short summary of key events between May 1, 2019 and June 20, 2019.

The Company's financial condition (see page 16) improved with the sale of 3,804,348 common shares of Adventus Zinc received from the disposition of the Santiago Concessions and Pijili Project. The Company generated cash proceeds of approximately $3,220,000 from the sale of its Adventus Zinc shares.

In regards to the Company's exploration and evaluation assets the focus remained on the Curipamba Project. On June 14, 2019 the Company filed on SEDAR, an independent NI 43-101 compliant report titled "Technical Report on the Preliminary Economic Assessment for the Curipamba Project - El Domo Deposit, Central Ecuador" prepared by Roscoe Postle Associates Inc. The report is on the mineral resource estimate and the results of a Preliminary Economic Assessment for the El Domo volvanogenic massive sulphide deposit locate within the Curipamba Project.

Work continues on the Exploration Alliance properties, primarily Santiago and Pjijli. The work at this stage is early stage exploration activities with the objective of identifying drill targets.