



INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019 and 2018

November 29, 2019

The following discussion and analysis is prepared as of November 29, 2019, and should be read in conjunction with the condensed interim consolidated financial statements of Marifil Mines Limited (the "Company") for the three and nine months ended September 30, 2019, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the notes thereto.

Marifil Mines Limited is classified as a "venture issuer" for the purposes of National Instrument 51-102.

Introduction

This section contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under "Forward-Looking Information".

Forward Looking Information

This MD&A contains "forward-looking information" and "forward-looking statements" (together, "forward looking statements") within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements also relate to the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company's exploration and development activities; the Company's ongoing drilling program; the Company's future exploration and capital costs, including the costs and potential impact of complying with existing and proposed environmental laws and regulations; general business and economic conditions; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that such statements were prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such factors and assumptions include, amongst others, the effects of general economic conditions, the supply and demand for gold and other precious and base metals the level and volatility of prices of precious and base metals, the availability of financing to fund the Company's ongoing and planned exploration and possible future mining operation on reasonable terms, changing foreign exchange rates and actions by government authorities, market competition, risks involved in mining, processing, exploration and research and development activities, the political climate in Argentina, the Company's ongoing relations with its employees and with local communities and local governments, and uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described in this MD&A under "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. Forward-

looking statements are made based on management's experience, beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law.

Investors are cautioned against attributing undue certainty to forward-looking statements.

OVERVIEW

Marifil Mines Limited ("Marifil" or the "Company") was incorporated on December 2, 2003 under the Yukon Business Corporation Act. On January 17, 2014, the Company changed its reporting jurisdiction from the Yukon to British Columbia. The Company is in the business of acquiring, exploring, and evaluating mineral resource properties in Argentina. The Company is a reporting issuer in the Provinces of Alberta, British Columbia, and Ontario. The Company's Common Shares trade on the TSX Venture Exchange under the symbol MFM.

Effective May 12, 2017, the Company effected a share consolidation on a five for one basis. As such, the Company's issued and outstanding shares of common stock were decreased on the basis of five old shares for one new share. Effective January 22, 2018, the Company effected a share consolidation on a two for one basis. As such, the Company's issued and outstanding shares of common stock were decreased on the basis of two old shares for one new share. This MD&A and the accompanying consolidated financial statements give retroactive effect to such share consolidations named above and all share and per share amounts have been adjusted accordingly.

The Company operates in Argentina through its subsidiaries: (1) a wholly-owned subsidiary called Marifil S.A., which is a private corporation incorporated in Rio Negro Province under the laws of Argentina. The Company acquired Marifil S.A. by issuing 1,100,000 of its Common Shares to the Marifil S.A. shareholders when the Company completed its Initial Public Offering ("IPO") on January 31, 2005; (2) a 51% owned subsidiary called Minas San Roque S.A., which is a private corporation incorporated in Rio Negro Province under the laws of Argentina and formed by the Company in 2012 to carry out exploration of the San Roque property.

On December 31, 2018, three new Canadian subsidiaries of the Company were incorporated: Prosperity Growth Ltd., Synergistic Resources Ltd., and Emirates Growth Ltd.

The Company's business model involves identifying properties: adding value through judicious, cost effective exploration, and then farming out these properties to other mining companies. Over time, as our various projects mature, it is the Company's intent to become a hybrid royalty company whereby we will have a mix of royalties, working interests, and carried interests in our projects.

Marifil has pursued a model which has seen the Company acquiring prospective properties and preparing these projects for Joint Venture, with the Company maintaining significant carried interests. This enables the Company to maintain exposure to value increases on several projects while also potentially generating option payments to add to the balance sheet and mitigating exploration risk.

INTERIM MD&A QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

The Company did not undertake field operations on any its Argentine mineral properties during the third quarter ended September 30, 2019. The most significant event was the completion and then public release of the full text of the National Instrument (NI) 43-101 Technical report on September 12, 2019 for the Company's flagship San Roque property ("Property"). The Property is located in Rio Negro province and holds a substantial epithermal polymetallic sulfide deposit containing gold, silver indium, zinc and lead.

The Company engaged Tetra Tech Canada Inc. ("Tetra Tech") in the first quarter to independently produce the NI 43-101 Technical Report with a mineral resource estimate to be prepared in accordance NI 43-101 - Standards of Disclosure for Mineral Projects and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves.

The mineral resource estimate portion of the report was finalized during the quarter and subsequently announced in a news release on July 22, 2019 after a series of lengthy computer program runs were made by Tetra Tech to assure the integrity of the estimated resource results. Tetra Tech establish a conceptual open pit constrained Inferred Mineral Resource estimate using an average gold equivalent ("g/t AuEq") cut-off grade of 0.58 grams per tonne yielding 32,891,400 tonnes with a tenor of 0.46 grams per tonne gold, 12.08 grams per tonne silver, 11.90 grams per tonne indium, 0.78 percent zinc, and 0.39 percent lead. This converts to 1.42 g/t AuEq containing 1,499,900 ounces of AuEq using metal prices of US\$1,267.00/oz for gold, US\$17.00/oz for silver, US\$1.00/lb for lead, US\$1.20/lb for zinc, and US\$10.80/oz for indium. The gold content of this equivalent resource is 486,600 troy ounces.

The Company views this as a positive outcome upon which it believes it can significantly expand with continued work programs. The next anticipated San Roque work program focuses on performing bench scale metallurgical amenability recovery tests using an internationally recognized testing laboratory. Tetra Tech has submitted a co-management plan and budget for accomplishing this. Decisions are pending.

Along with receipt of the NI 43-101 report, the Company collected from Tetra Tech a well-organized and complete technical dataset that underpins the report's recommendations for perfecting and expanding the resource estimates and also for drill testing associated exploration targets. This robust data package is an added value asset also beneficial for achieving a corporate financing to continue work on the property.

The Company owns a 51 percent interest in the property with its partner NovaGold Resources Inc. holding the remaining 49 percent. The Company operates the property activities.

Property Update: Las Aguilas, nickel-copper-cobalt-platinum Property, San Luis Province

The Las Aguilas property ("Property") is located in central Argentina in the Province of San Luis. It is approximately 800 kilometers west of Buenos Aires. The nearest urban center is the city of San Luis, approximately 35 kilometers to the south. Good roads access the property all year.

Over the years the Company has held mining concessions on four minas totaling 359.4 hectares which comprised the Property. Those minas are: Marco Antonio of 28.4 hectares, Las Aguilas I of 201.0 hectares, Las Aguilas II of 100.0 hectares, and Virorco of 30.0 hectares. Altogether, these minas hold the National Instrument 43-101 resource as announced by the news release: "Marifil Receives NI 43-101 Resource Estimate for Las Aguilas Nickel Platinum Deposit", dated May 11, 2011 and filed on SEDAR at www.sedar.com on the same day. The Company estimates that since 1970 approximately US\$15 million has been spent on the Property and exploring the 100 km long ultramafic rock belt it occurs within. Marifil and its former joint venture partners account for over half of that.

Mining concessions grant the title holder the right to conduct further exploration works after a discovery has taken place, and to exploit all the in-place deposits within the boundaries of the mina. The transfer of a mina title (or change of control) is not subject to governmental approval. Mining concessions are not subject to a life term and, therefore, to the extent the title holder does not incur any of the concession termination events set forth in the Argentine Mining Code ("AMC"), the concession will last until the extinction of the mineral reserves. The two essential obligations to keep the title of a mining concession in good standing are the payment of an annual mining fee ("canon") and the lodgment of and compliance with an investment plan. Additionally, a mining concession (i.e. the mina title holder) can eventually be revoked if a mina has been inactive for more than four years in accordance with the terms of section 225 of the AMC. Non-compliance with these obligations provides for the loss of title and consequent termination of the concession. Mining concessions are granted on minas that are vacant on account of revocation. The prior owner of a concession declared vacant is not allowed to refile for ownership of the mina for a period of one year.

The Company has maintained the canon payments current and has complied with filing investment plans for the four Las Aguilas mine concessions. However, over the last few months the Company has been notified by the San Luis Provincial Mines Department ("SLPMD") that three of the Las Aguilas minas (Marco Antonio, Las Aguilas 1 and Virorco) have been revoked and declared vacant. The SLPMD noted that the Company had not done any physical work on those minas for over four years and hence pronounced it was in violation of section 225 of the AMC. It was the Company's intent to delay further work on those minas as under present metal market conditions the NI 43-101 defined mineral resources on Las Aguilas property would not be economically exploitable. Plans were to reinitiate work on the Property at such time metal market conditions may improve.

Once the Marco Antonio and Virorco mina vacancies were made of public notice, two unrelated and independent locals were able to immediately acquire them. Aware of the new ownerships, the Company acted quickly to negotiate separate deals with them whereby the Company could purchase the two minas within a two year period by terms of Exploration and Option to Purchase contracts. The new owners want the commercial terms of their agreements with the Company kept confidential notwithstanding a provision in both agreements for a purchasable 0.5% Net Smelter Return royalty on their mina should the Company exercise its call option to purchase it.

The SLPMD notified the Company of its title revocation of the Las Aguilas 1 mina on August 21, 2019. Public notice of such is yet to be announced, but believed to be imminent. Thereafter if possible, the Company may approach and attempt to obtain an Exploration and Option to Purchase contract with whoever the new owner may be.

The Company recently assessed impairments affecting its Las Aguilas property. San Luis is considered a rogue province by federal authorities. The Company takes note the New Federal Mining Agreement signed on June 13, 2017 sets general principles and guidelines for the mining sector. The signatory parties are the federal government and the Argentine provinces. The agreement intends to make uniform the different rules and practices adopted by the provinces for the mining sector in past years. The Province of San Luis ("PSL") has not signed onto this agreement. The Company also notes the PSL has employed restrictive mining legislation banning the use of chemicals in ore processing, and has passed legislation giving it powers to directly regulate mining. This conflicts with the intent and spirit of Argentina's National Mining Code. Ongoing conflicts over this and numerous other issues between the federal government and the PSL have not been resolved. Accordingly, the Company has written down the carrying value of the Las Aguilas property to zero, and intends to maintain that until the prohibitive legislation is revised, amended or annulled.

Although no field activities were conducted on the Las Aguilas property during 2019, on September 13th the Company signed a collaborative agreement with the National University of the South ("NUS") whereby the

Company has now moved all salvageable Las Aguilas drill cores (amounting to about 19,000 meters) from a rental storage warehouse in Mendoza to the NUS in Bahia Blanca. Additionally, the agreement allows for various technical and scientific projects and studies to be conducted on the drill cores by university staff and students, and in return the Company gets safe, secure and free drill core storage while maintaining full access to it and use of it. The Las Aguilas base and precious metal sulfide deposit has attracted a lot of research interest in academia as it is the only known nickel resource of significance in Argentina. The Company expects this will be a beneficial relationship where research findings will help to enhance the understanding and value of the mineral deposit.

Other key highlights from the three and nine months ended can be summarized as follows:

- On March 18, 2019, the Company closed a private placement of 14,000,000 units at \$0.05 per unit for gross proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.07 per share for 24 months from the date of issuance. In connection with the private placement, \$4,250 share issuance costs were paid in cash.
- During the nine months ended September 30, 2019, the Company issued 1,907,142 shares pursuant to warrant exercises and received \$180,000 cash.

Summary of Quarterly Results

The table below sets forth selected results of operations for the Company's eight most recently completed quarters (in Canadian dollars). All figures are in accordance with IFRS.

Period ending	Quarter	Total Revenues	Loss attributable to owners of the Company	Basic and fully diluted loss per share	Total Assets	
September 30, 2019	Q3	-	(508,081)	(iv)	(0.01)	4,239,581
June 30, 2019	Q2	-	(299,124)	(i)	(0.01)	4,568,152
March 31, 2019	Q1	-	(292,830)	(ii)	(0.01)	4,715,821
December 31, 2018	Q4	-	(342,096)	(iii)	(0.04)	4,223,373
September 30, 2018	Q3	-	(338,282)	(iv)	(0.01)	3,848,409
June 30, 2018	Q2	-	(326,746)	(i)	(0.01)	4,274,266
March 31, 2018	Q1	-	(563,337)	(ii)	(0.03)	4,308,220
December 31, 2017	Q4	-	(163,301)	(iii)	(0.01)	2,877,364

- (i) The Company experienced a slightly lower loss in the quarter ending June 30, 2019 as compared to the previous year's second quarter. The decrease in loss was due to lower general and administration fees overall.
- (ii) The Company experienced a reduced loss in the quarter ending March 31, 2019 as compared to the previous year's first quarter primarily due to expenses incurred the prior year's first quarter which did not recur in the quarter ending March 31, 2019. These expenses were a \$100,000 bonus and a further \$121,461 in share-based payments associated with stock options and the ongoing vesting expense related to the CEO's management contract. The reduced loss is also caused by a reduction in share-based payments expense associated with the granting of stock options; for the quarter ending March 31, 2019 expense was \$21,644 compared to \$83,511 for the three months ended March 31, 2018.
- (iii) The Company experienced a larger loss in the quarter ending December 31, 2018 as compared to the previous year's fourth quarter. This increase in loss was due primarily to an increase of \$169,096 to investor relations & shareholder info related to marketing activities as the Company became operational again, and an increase in director's fees of \$16,040 due to the addition of compensation for a director which increased fees by USD \$2,500 and share-based payments associated with the granting of options of \$13,485. Foreign exchange loss also increased by \$56,860 due to changes in the Argentinian peso. These increases are partially offset by a decrease in management fees of \$4,035 and a reversal of impairment loss on the Las Aguilas property of \$37,776.
- (iv) The Company experienced a larger loss in the quarter ending September 30, 2019 as compared to the previous year's third quarter. The increase was due to primarily to a \$165,485 combined increase in marketing and investor relations expenses over the prior period, along with increased finance costs relating to amounts due to related parties.

Results of Operations for the three months ended September 30, 2019 and 2018

Operating Expenses

Period Ending	September 30, 2019	September 30, 2018	Change \$	Change %
General and administrative:				
Consulting fees	29,507	18,372	11,135	61%
Directors fees	14,136	18,135	(3,999)	-22%
Filing fees	1,273	2,000	(727)	-36%
Investor relations & shareholder info	52,500	127,808	(75,308)	-59%
Management fees	80,949	81,619	(670)	-1%
Marketing	240,793	-	240,793	100%
Office and miscellaneous	14,233	6,452	7,781	121%
Professional fees	22,721	(18,758)	41,479	-221%
Total general & administrative expense	456,112	235,629	220,483	94%
Foreign exchange loss (gain)	(1,040)	107,439	(108,479)	-101%
Write-down of other receivables	36,230	-	36,230	100%
Finance costs	17,377	1,241	16,136	1300%
General Exploration	4,342	(6,027)	10,369	-172%
Admin charge income	(4,940)	-	(4,940)	100%
Net loss for the period	(508,081)	(338,282)	(169,799)	50%
Net loss attributable to:				
Owners of the Company	(505,440)	(338,282)	(167,158)	49%
Non-controlling interests	(2,641)	-	(2,641)	-100%
	(508,081)	(338,282)	(169,799)	50%

During the period, the Company incurred a loss of \$508,081 compared to a loss of \$338,282 in 2018. Marifil had incurred slightly decreased expenses during the comparative period due to reductions in non-recurring costs related to the re-commencement of operations. Changes from period to period can be explained primarily by the following factors:

- (a) Consulting fees increased by \$11,135 due to a \$7,500 increase in the corporate administration fees, and a \$15,000 increase pursuant to a consulting contract with a director for advisory services which commenced on April 1, 2019. These increases are offset by a decrease of \$12,803 in consulting fees related to operations in Argentina.
- (b) Directors fees decreased by \$3,999, due to a decrease of \$829 in share-based compensation expense related to the vesting of stock options, and a decrease of \$3,170 due to the cessation of director fees paid to Greg Burnett.
- (c) Filing fees decreased by \$727 due to reduced capital activity in the current period.
- (d) Investor relations and shareholder info decreased by \$75,308 due to additional costs incurred in the prior period for short-term IR consultants.
- (e) Management fees decreased by \$670 and are consistent with the prior period. Items of note are an

additional \$13,226 incurred in the prior period due to increased management fees associated with the San Roque drill program in 2018. This is offset by a \$15,000 increase in the current period due to the accrual of bonus shares earned by Executive Vice President Richard Walters.

- (f) Marketing expenses increased due to an additional \$240,793 incurred for a digital marketing campaign in the current period.
- (g) Office and miscellaneous expense increased by \$7,781 increases in rent costs of \$3,000, and insurance costs of \$929 and increases in other general office expenditures.
- (h) Professional fees increased by \$41,479 due to a \$39,435 reduction in professional fees incurred in Argentina, and an overall increase of \$1,544 in the current period.

Results of Operations for the nine months ended September 30, 2019 and 2018

Operating Expenses

Period Ending	September 30, 2019	September 30, 2018	Change \$	Change %
General and administrative:				
Consulting fees	83,503	50,031	33,472	67%
Directors fees	53,213	82,190	(28,977)	-35%
Filing fees	40,251	80,727	(40,476)	-50%
Investor relations & shareholder info	128,874	308,998	(180,124)	-58%
Management fees	241,845	526,194	(284,349)	-54%
Marketing	320,036	-	320,036	100%
Office and miscellaneous	57,231	64,129	(6,898)	-11%
Professional fees	103,218	72,929	30,289	42%
Total general & administrative expense	1,028,171	1,185,198	(157,027)	-13%
Foreign exchange loss (gain)	(3,936)	39,547	(43,483)	-110%
Write-down of other receivables	36,230	-	36,230	100%
Finance costs	47,242	3,620	43,622	1205%
General Exploration	9,208	-	9,208	100%
Admin charge income	(10,850)	-	(10,850)	100%
Net loss for the period	(1,106,065)	(1,228,365)	122,300	-10%
Net loss attributable to:				
Owners of the Company	(1,097,394)	(1,228,365)	130,971	-11%
Non-controlling interests	(8,671)	-	(8,671)	-100%
	(1,106,065)	(1,228,365)	122,300	-10%

During the period, the Company incurred a loss of \$1,106,065 compared to a loss of \$1,228,365 in 2018. Marifil had incurred decreased expenses during the comparative period due to reductions in non-recurring costs related to the re-commencement of operations. Changes from period to period can be explained primarily by the following factors:

- (a) Consulting fees increased by \$33,472 primarily due to an additional \$30,000 incurred in the current period pursuant to a consulting contract with a director for advisory services which commenced on April 1, 2019.
- (b) Directors fees decreased by \$28,977 primarily due to a \$20,381 decrease in share-based expense due to the vesting of options in the current period as compared to the prior period, and a decrease of \$5,434 due to the cessation of director fees paid to Greg Burnett.
- (c) Filing fees decreased by \$40,476 for the nine months ended September 30, 2019 compared the prior period due to an additional \$41,600 incurred in the prior period for the Company's application to trade on the OTC.
- (d) Investor relations decreased by \$180,124, primarily due to additional costs incurred in the prior period of \$140,299 with one-time IR consultants.
- (e) Management fees decreased by \$284,349 due to an additional \$121,461 in share-based payments associated the CEO's management contract, a management bonus of \$100,000, an additional \$37,475 in share-based compensation, and increased management fees associated with the San Roque drill program incurred during the prior period.
- (f) Marketing expenses increased by \$320,036 due to production costs of \$53,186 incurred for a promotional video and \$266,850 incurred for a digital marketing campaign.
- (g) Office and miscellaneous expenses are consistent with the prior quarter.
- (h) Professional fees increased by \$30,289 primarily due to a reduction in legal fees in the prior period as \$19,729 in legal fees incurred were directly attributable to share issuances so they were recorded as share issuance costs rather than expensed, and an additional \$8,787 incurred in the current period for audit fees over and above those accrued.

CAPITAL RESOURCES

The Company's cash decreased by \$213,499 during period ended September 30, 2019 to \$32,621.

Management continues to monitor the capital markets for opportunities to raise additional funds.

On March 18, 2019, the Company closed a non-brokered private placement of 14,000,000 units at \$0.05 per unit for gross proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.07 per share for 24 months from the date of issuance.

During the nine months ended September 30, 2019, the Company issued 1,907,142 shares pursuant to warrant exercises and received \$180,000 cash.

As of September 30, 2019, the Company had no major long-term expenditure commitments outside of consultancy obligations and mineral property option payments. The Company has approximately \$400,000 in aggregate annual expenditures and property maintenance fees and will have to raise capital or sell assets to meet these working capital requirements.

Net proceeds from the share issuances are intended to be used for working capital purposes.

The Company has \$32,621 in cash to settle \$841,507 in current liabilities and working capital deficiency of \$704,347 at September 30, 2019 compared to a working capital deficiency of \$287,299 at December 31, 2018. \$401,804 in trade payables and other liabilities are held by directors and officers, which the Company plans to embark on a plan to propose debt settlements to parties in order to improve the Company's financial position.

The Company's cash is highly liquid and held at major financial institutions.

Increase (Decrease) in Cash for the nine months ended,			
	September 30,		September 30, 2018
	2019		
Operating Activities	\$	(837,055)	\$ (1,085,976)
Investing Activity		(252,194)	(825,744)
Financing Activities		875,750	1,975,271
Total Change in Cash		(213,499)	63,551
Cash, Beginning of the period		246,120	33,487
Cash, End of the period	\$	32,621	\$ 97,038

Going concern

The Company has not generated revenue from operations. The Company incurred a net loss of \$1,106,065 for the period ended September 30, 2019 and as of that date the Company's accumulated deficit was \$18,270,760. The Company has a working capital deficiency of \$704,347. The Company's continuation as a going concern is contingent on the completion of financings to adequately cover the company's deficit. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which cast significant doubt about the Company's ability to continue as a going concern.

Operating Activities

Cash used in operating activities primarily consist of general and administrative expenditures. The \$248,921 decrease in the use of cash for operating activities for the nine months ended September 30, 2019 is mainly attributable to decreased management fees and directors' fees.

Investing Activity

\$252,194 cash used in investing activity for the nine months ended September 30, 2019 was attributable to expenditures on mineral properties.

Financing Activities

Cash from financing activities for the nine months ended September 30, 2019 was attributable to the completion of a private placement for a total net proceeds of \$695,750, and the Company received \$180,000 pursuant to exercise of warrants.

The Company will fund its ongoing operations and any capital commitments that it enters through the sale or joint venture agreement of one of its properties, through the issuance of common shares, or issuance of debt financing.

If the Company were to miss an annual property tax payment or periodic obligatory lodgment of and

compliance with an investment plan with the government or fall out of compliance with the shareholder agreement with NovaGold, it could negatively affect the Company by jeopardizing the Company's rights and or title to the property or the Company's ownership percentage or rights in a JV agreement with another Company.

OFF-BALANCE SHEET ARRANGEMENTS

Management contracts

The Company has a contract with Executive Vice President Richard Walters. Mr. Walters can earn up to \$188,000 in management bonuses should certain performance milestones be achieved. As of September 30, 2019, cash bonuses of \$14,000 have been incurred and \$15,000 in bonus shares have been earned.

The Company has a contract with Robert Abenante. Mr. Abenante can earn up to 1,000,000 bonus shares over a period of two years should he reach certain performance milestones. 175,000 bonus shares have been earned and are ready for release.

Property option payments

On May 16, 2018, the Company entered into an option agreement with Compania Minera Esperanza (Esperanza) which requires the following payments:

Option payments	US Dollars
May 8, 2018	\$ 20,000
November 16, 2018	20,000
May 16, 2019	20,000
November 16, 2019	20,000
May 16, 2020	40,000
November 16, 2020	40,000
May 16, 2021	100,000
November 16, 2021	100,000
May 16, 2022	250,000
November 16, 2022	250,000
May 16, 2023	1,000,000
	\$ 1,860,000

Thirty days before the end of every semester of this contract, the Company must notify Esperanza if it will choose to continue the contract. After this notice has been given, the Company is then obligated to make the corresponding payment. Once the Company complies with the total of the payments, the Company will have acquired 100% of the Carachi Pampa III lithium property.

As at September 30, 2019, the Company had paid the first installment of US \$20,000 in connection with this agreement. A clean title certificate has been delivered for Carachi Pampa IV, but Marifil has not received an unencumbered title certificate for Carachi Pampa III. The terms of the option agreement are suspended until unfettered title documentation is obtained for Carachi Pampa III. Likewise, the terms for the adjacent Carachi Pampa IV claim are suspended as it is integral to the same lithium option agreement.

TRANSACTIONS WITH RELATED PARTIES

The financial statements of the Company's subsidiaries are included in the consolidated financial statements. The

Company's Argentine subsidiaries are Marifil S.A., which is wholly-owned, and Minas San Roque S.A, in which the Company has a 51% ownership. The Company's Canadian subsidiary, Oxbow Holdings Corp., was dissolved on January 1, 2018. On December 31, 2018, three new subsidiaries of the Company were incorporated in Canada: Prosperity Growth Ltd., Synergistic Resources Ltd., and Emirates Growth Ltd.

The remuneration of directors and other members of key management personnel during the nine months ended September 30, 2019 and 2018 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2019	2018	2019	2018
Management fees	\$ 76,945	\$ 52,420	\$ 213,539	\$ 181,389
Management bonus	-	-	-	100,000
Share-based payments	10,166	13,505	48,324	165,937
Director fees	9,900	13,070	33,195	38,629
Consulting fees	15,000	-	30,000	-
	\$ 112,011	\$ 78,995	\$ 325,058	\$ 485,955

For the three and nine months ended September 30, 2019, management fees comprised of accounting fees of \$18,000 and \$54,000, respectively, of Alex McAulay of ACM Management Inc. (2018 - \$18,000 and \$54,000) and \$30,000 and \$90,000, respectively, to 1053345 BC Ltd., Robert Abenante, (2018 - \$30,000 and \$190,000) as well as \$20,817 and \$43,442, respectively, to R.R. Walters Consulting, Richard Walters (2018 - \$4,420 and \$37,389), and \$8,127 and \$26,097, respectively, to Daniel Buffone (2018 - \$21,354 and \$58,541) for management consulting.

Directors fees were accrued to directors Greg Burnett, Michael Sweatman, John Hite, and John Pearson at \$2,500 USD per quarter. However, pursuant to a new consulting agreement effective April 1, 2019, Marifil agrees to pay a corporation controlled by Greg Burnett, Carob Management Ltd., a consulting fee of \$5,000 per month in lieu of director fees. For the three and nine months ended September 30, 2019, director fees total \$9,900 and \$33,195, respectively (2018 - \$13,070 and \$38,629).

For the three and nine months ended September 30, 2019, pursuant to a new consulting agreement effective April 1, 2019, Carob Management Ltd. has earned consulting fees of \$15,000 and \$30,000, respectively (2018 - \$nil and \$nil).

For the three and nine months ended September 30, 2019 and 2018, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits. These transactions would be recorded at the exchange amount, which is the amount agreed to by the transacting parties.

As at September 30, 2019 and December 31, 2018. The assets and liabilities of the Company include the following amounts receivable and payable from directors and officers:

	2019	2018
Advances ⁽¹⁾	\$ 10,487	\$ 31,970
Trade payables and other liabilities ⁽²⁾	\$ 401,804	\$ 324,913

⁽¹⁾ This amount is due from Daniel Buffone and is non-interest bearing, unsecured and due on demand.

⁽²⁾ Includes \$4,000 (December 31, 2018: \$18,000) in rent fees accrued to 1022698 BC Ltd. A company controlled by Robert Abenante.

During the three and nine months ended September 30, 2019, the Company recorded finance costs of \$1,188 and \$2,399, respectively (September 30, 2018: \$931 and \$2,100) in connection with interest accrued under a loan with John Hite.

During the three and nine months ended September 30, 2019, the Company recorded finance costs of \$11,535 and \$37,658, respectively (September 30, 2018: \$nil and \$nil) in connection with interest accrued on amounts due to Robert Abenante and 1053345 BC Ltd.

As of September 30, 2019, the carrying value of short-term loans payable to John Hite and Richard Walters including accrued interest was \$51,238 and \$3,310 respectively (December 31, 2018: \$49,081 and \$3,411).

During the nine months ended September 30, 2019, \$61,990 (December 31, 2018: \$102,712) in management fees payable to R.R. Walters Consulting, and Daniel Buffone was capitalized to mineral properties.

During the nine months ended September 30, 2019, the Company entered into a lease agreement with a company owned by an officer. The terms of the lease are \$2,000 per month, month to month, and may be terminated, at the Company's option, with six months' notice.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to board, regulatory and sometimes shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of the date of this report, the Company has possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the nine months ended September 30, 2019 and 2018, our company incurred the following expenses:

	2019		2018
Capitalized acquisition costs	\$ 23,020	\$	123,897
Capitalized exploration costs	210,615		572,731
Operating expenses	1,106,065		1,228,365
	<u>\$ 1,339,700</u>	<u>\$</u>	<u>1,924,993</u>

Please refer to Note 6 of our consolidated financial statements for the nine months ended September 30, 2019 for a detailed description of the capitalized costs presented on a property by property basis.

OUTSTANDING SHARE DATA

Effective January 22, 2018, the Company effected a share consolidation on a two for one basis. As such, the Company's issued and outstanding shares of common stock were decreased on the basis of two old shares for one new share.

As at September 30, 2019, the Company had 42,965,538 warrants outstanding. In addition, stock options, granted to key employees, directors, officers, and consultants, to purchase 2,335,000 shares were outstanding at various exercise prices. The fair value of cash and cash equivalents and other assets are measured based on level 1 of the fair value hierarchy.

a) Warrants

As at September 30, 2019 warrants outstanding were as follows:

Grant date	Outstanding and Exercisable	Exercise Price	Remaining life (yrs)	Expiry Date
October 31, 2014	660,000	\$2.00	0.58	October 30, 2019
May 1, 2015	405,000	\$2.00	1.08	April 29, 2020
November 1, 2015	1,000,000	\$2.00	1.59	October 30, 2020
April 1, 2016	1,000,000	\$1.00	2.00	March 31, 2021
August 10, 2016	699,680	\$1.00	2.36	August 8, 2021
April 24, 2017	1,030,000	\$0.50	3.07	April 23, 2019
February 16, 2018	20,348,000	\$0.10	0.88	February 16, 2020
October 10, 2018	5,730,000	\$0.15	1.53	October 9, 2020
March 18, 2019	14,000,000	\$0.07	1.97	March 18, 2021
Warrants Exercised	Exercised	Exercise Price		
March 25, 2019	(200,000)	\$0.10		
June 25, 2019	(150,000)	\$0.10		
June 27, 2019	(200,000)	\$0.10		
June 28, 2019	(200,000)	\$0.10		
July 15, 2019	(200,000)	\$0.10		
July 15, 2019	(100,000)	\$0.10		
July 26, 2019	(357,142)	\$0.07		
August 7, 2019	(200,000)	\$0.10		
August 12, 2019	(200,000)	\$0.10		
August 14, 2019	(100,000)	\$0.10		
Total outstanding	42,965,538			

On March 18, 2019, the Company closed a non-brokered private placement of 14,000,000 units at \$0.05 per unit for gross proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.07 per share for 24 months from the date of issuance.

As of the date of this filing on August 29, 2019 warrants outstanding were 42,965,538.

Of the warrants outstanding at September 30, 2019, 13,642,858 have an exercise price of \$0.07. 5,730,000 have an exercise price of \$0.15. 2,065,000 have an exercise price of \$2.00. 1,699,680 have an exercise price of \$1.00. 1,030,000 have an exercise price of \$0.50. 18,798,000 have an exercise price of \$0.10. The 1,030,000 warrants issued on April 24, 2017 had their exercise price increased from \$0.50 to \$1.00 on April 24, 2019.

All warrants priced at \$0.50 and \$1.00 have an acceleration clause whereby if at any time the Company's common shares trade on the Exchange at a price of more than \$2.00 for 20 consecutive trading days, the Issuer will have the right to accelerate the expiry of the Warrants by giving notice, via a news release issued within 5 business days of the last day of such 20 consecutive trading day calculation period, of its exercise of such right and thereafter the Warrants will, without further notice or act by Issuer, automatically expire and be of no further force and effect at 4:00 p.m. (PST) on the date that is 20 business days after the issuance of said news release.

b) Stock options

As at September 30, 2019 options outstanding were as follows:

	Outstanding	Exercise Price	Expiry Date
Directors, Officers	85,000	\$1.00	April 5, 2020
Directors, Officers, and Consultants	400,000	\$0.50	June 28, 2020
Directors, Officers	1,200,000	\$0.15	February 5, 2020
Directors, Officers, and Consultants	650,000	\$0.11	August 21, 2023
	2,335,000		

c) Common shares

The Company has authorized an unlimited number of common shares without par value. As of September 30, 2019, there were 60,075,432 shares issued and outstanding (December 31, 2018 – 44,168,290) if all warrants and options issued were exercised, a total of 105,375,970 shares would be issued and outstanding.

March 18, 2019, the Company closed a non-brokered private placement of 14,000,000 units at \$0.05 per unit for gross proceeds of \$700,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.07 per share for 24 months from the date of issuance.

During the nine months ended September 30, 2019, the Company issued 1,907,142 shares in connection with warrant exercises.

FAIR VALUE HIERARCHY

The Company's financial instruments consist of cash, other receivables, trade payables and other liabilities, and loans payable to related parties. The fair value of the Company's other receivables, trade payables and other liabilities, and loans payable to related parties approximate the carrying value, which is the amount on the consolidated statements of financial position due to their short-term maturities or ability of prompt liquidation. The Company's cash, is measured at fair value under the fair market hierarchy, based on level one quoted prices in active markets for identical assets.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in 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 marker data (unobservable inputs).

The Company classifies cash and cash equivalents as level 1 financial instruments. As at September 30, 2019, the Company had \$32,621 in cash and cash equivalents.

CRITICAL ACCOUNTING ESTIMATES

The Company is a venture issuer; therefore, this section is not applicable. For more information on critical accounting estimates refer to Note 3 in the financial statements for the year ended December 31, 2018.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended December 31, 2018 and have been consistently followed in the preparation of the consolidated condensed interim financial statements for the three and nine months ending September 30, 2019.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AND RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Adopted During the Period

Effective January 1, 2019, the following standards were adopted:

- **IFRS 16 Leases ("IFRS 16")**
Effective January 1, 2019, the Company adopted IFRS 16 which supersedes IAS 17 Leases ("IAS 17"). The Company has applied the new standard retrospectively without restatement. The Company has concluded that the adoption of IFRS 16 did not require adjustments at the date of application.

Other Information

Other information can be found at the following websites www.sedar.com or www.marifilmines.com.

This Management Discussion and Analysis has been reviewed and approved by Richard Walters, Executive Vice President and he acts as the Company's Qualified Persons responsible for preparing and approving all technical information disclosed, as required by National Instrument 43-101.

Subsequent Events

None.