

**INTERNATIONAL ICONIC GOLD EXPLORATION CORP.  
(formerly Marifil Mines Limited)**

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 and 2020

November 29, 2021

*The following discussion and analysis is prepared as of September 30, 2021, and should be read in conjunction with the condensed interim consolidated financial statements of International Iconic Gold Exploration Corp. (formerly Marifil Mines Limited) (the "Company") for the nine months ended September 30, 2021, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the notes thereto.*

*International Iconic Gold Exploration Corp. (formerly 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**

International Iconic Gold Exploration Corp. (formerly Marifil Mines Limited) (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. On September 29, 2021, the Company changed its name to International Iconic Gold Exploration Corp. The Company’s common shares trade on the TSX Venture Exchange under the symbol ICON.V.

The Company operates in Argentina through its subsidiaries: (1) a wholly-owned subsidiary, Marifil S.A., incorporated in the 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, Minas San Roque S.A., incorporated in the Rio Negro Province under the laws of Argentina and formed by the Company in 2012 to carry out exploration of the Company’s 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 primary business is the development of its core precious metal assets and to continue exploring its primary assets and expanding its portfolio into other precious metals via mergers and acquisitions. The Company will also continue to find ways to best monetize its non-core assets.

## **INTERIM MD&A QUARTERLY HIGHLIGHTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

All of the Company’s mineral property assets are in Argentina. The global economic devastation that has accompanied the COVID-19 pandemic continued to be especially severe in Argentina during the third quarter ended September 30th with another wave of dramatically rising infections and deaths. Despite this, the Argentine government eased restrictions on foreign traveler entries into the country, now instead requiring only an “Argentine Affidavit” for entry. The Affidavit is basically a vaccination, health status and proof of medical insurance document. With this, Argentines are now allowed back into the country. However, on June 16, 2021 the US Center for Disease Control issued a Level 4 (the highest level – “Do Not Travel”) for Argentina which remained in effect until October 4, 2021 when a Level 3 “Reconsider Travel” was issued for Argentina. This high level of health risk and continued Argentine government restrictions on commerce, particularly internal commerce, continued to adversely impact the Company’s business activity and the Argentine mining industry in general.

There was no field mineral exploration activity of significance associated with the Company’s mineral properties in the third quarter. The Company’s Argentine representatives continued to focus their efforts on expanding, solidifying and maintaining the Company’s extensive mining property package in good legal standing. Particularly, it continues safekeeping its flagship gold asset which is the majority owned San Roque property.

In early 2020, the Company’s board of directors adopted a revised business strategy to sell or otherwise relinquish its non-core assets and shift its focus exclusively to gold. The Company’s principal non-core asset is the Las Aguilas nickel-copper-cobalt deposit in San Luis Province, Argentina. Las Aguilas is the largest and only nickel deposit in Argentina and hosts significant NI 43-101 indicated and inferred resources, the details of which are available in its technical report filed on [sedar.com](http://sedar.com) on June 20, 2011.

The Company continues to safe keep its flagship gold asset which is the majority owned San Roque property located in Rio Negro Province of Argentina. Rio Negro is a mining friendly province with a proactive local government intent on increasing local investment and creating long term jobs growth. The San Roque mining rights are all in good standing, with the heart of the land package covering the resources being 94.5 square kilometers of granted federal mining concessions. The Company has defined a precious metal endowed (mainly gold) polymetallic epithermal deposit of some 33 million tonnes of which the Company believes significant portions may be economically extractable (see sedar.com filing of September 12, 2019 – Technical Report NI 43-101).

On May 20, 2021, the Company signed a Services Agreement with Tetra Tech Canada Inc. for metallurgical testing technical oversight for the San Roque project. A metallurgical engineer and a geologist both with Tetra Tech then proceeded to design a drill core sampling program intended generate sufficient representative material from existing drill core storage to accomplish an early stage metallurgical evaluation. Tetra Tech’s recommendation was completed on June 27, 2021. It fundamentally consists of 13 composite samples of drill cores representing three basic metallurgical domains of the polymetallic deposit, these being Oxide, Mixed Oxide and Sulfide, and Sulfide. This preliminary extractive metallurgical testing program was designed to supply results for use in accomplishing a revised NI 43-101 Technical Report with Preliminary Economic Analyses.

During the quarter the drill core samples comprising the 13 composites were collected. These consist of the integration of 61 individual samples from 19 drill holes representing 68 meters of cores weighing 216 kilograms. This sample suite is sufficient in variety and quantity to fulfill the objectives of the metallurgical extractive testing program.

Also, contracts were signed with SGS Mineral Services in San Juan, Argentina for dispatching and transporting the samples to Canada and with SGS in Burnaby, Canada for effecting the metallurgical operations. SGS has 80 years of metallurgical testing experience in Canada. The samples were in route to SGS in Burnaby by August, 2021.

In keeping with its new business strategy, the Company has shifted its Argentina only policy to entertaining potential business deals for gold properties in other countries around the world. While this is ongoing, it nonetheless is continuing to opportunistically acquire gold properties of merit in Argentina. Its current focus is on the Castaño gold district in San Juan province, a top mining friendly jurisdiction in Argentina.

The Company continued its efforts during the second quarter to build and to consolidate a larger land position in the historic Castaño mining district, located on the east front of the Andes Mountains at moderate altitudes of 2,000 to 3,000 meters. This district displays numerous precious plus base metal vein prospects and small abandoned mines. These showings are thought to be symptomatic of hydrothermal metals zoning peripheral to nearby igneous intrusive hosted gold-copper deposits.

The Castaño district lies within a north trending geologic structural (deep seated faults) belt of hydrothermally altered intrusives (granodiorite and quartz-monzonite porphyries) and associated hydrothermal breccias showing geochemically anomalous gold and copper. This structurally controlled mineral belt exceeds 100 kilometers in length. Exploration work done by a major international mining company nearly 20 years ago outlined numerous target areas. One is at a regional cross structural intersection with an area of more than 1.5 square kilometers of hydrothermal alteration in appropriate host rocks that requires in their expressed opinion “further detailed work and drill-testing”, which to date has not been done.

There is intense revitalized industry interest in the Castaño mineral belt. Numerous junior mining companies have competed for and acquired claim positions in the district, notably Sable Resources in joint venture partnership

with mining investment giant South 32 of Australia. Another is Canadian junior, Turmalina Metals Corporation. Turmalina has announced a high grade gold-silver-copper discovery within the Castaño mineral belt just ten kilometers north of the Company's mining claims. Their discovery is based on 47 drill holes that penetrate a circular tourmaline (a crystalline boron silicate mineral) breccia pipe about 100 meters in diameter hosting gold-silver and base metal (mainly copper) sulfide mineralization that is likely rooted in a kilometer deep igneous intrusion of porphyry copper nature. An aggressive drilling campaign is continuing. The Company believes there is a high probability this discovery will become an important gold-copper mine in the Argentine mining panorama.

Company agents are closely monitoring ongoing developments in the province's Cadastral Registry (legal mining claims map) watching for acquisition, consolidation and deal opportunities. It is in discussions with other mining claim owners for such purposes. The Company currently controls 2,733 hectares (ha) consisting of exploration (2,685 ha) rights and mining concessions (48 ha). Additionally, it is waiting on the San Juan Mines Department to complete processing its application for 60 ha of mining concessions. The Company is also waiting on the Mining Department's decisions on whom or as to how the mining rights awards for two parcels totaling 814 ha that were simultaneously applied for by numerous companies (including the Company and Turmalina) and individuals are to be awarded. Determination by lottery is under consideration.

The Company has a substantial technical data base generated by former explorers of the Castaño district and its own geological field investigations there. It has identified numerous and various types (sediment, soil, regolith and outcrop) of geochemical gold anomalies as well as tourmaline breccia pipes on the mine rights it holds and/or has applied for. The Company is in a strategic position to swiftly define high quality drilling targets for major gold deposits.

**Other key highlights:**

During the nine months ended September 30, 2021, the Company completed a private placement of 40,000,000 units at \$0.05 per unit for gross proceeds of \$1,983,665. 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 \$0.055 per share for 36 months from the date of issuance.

During the nine months ended September 30, 2021, the Company received gross proceeds of \$70,000 from the exercise of 1,000,000 common share purchase warrants and issued 1,000,000 common shares at an exercise of \$0.07.

During the nine months ended September 30, 2021, the Company received an additional \$20,000 loan from the government under the Canada Emergency Business Account (CEBA), offered as part of the response to the Covid-19 global pandemic. As at September 30, 2021, the Company has received a total of \$60,000 under this program. The loan is interest free until December 31, 2022, and no principal payments will be due until December 31, 2022. \$20,000 of the loan will be forgiven if the balance is repaid prior to December 31, 2022. If the balance is not paid by December 31, 2022, the remaining balance will be converted to a three-year term loan at 5% annual interest, paid monthly, effective January 1, 2023. The final balance must be repaid no later than December 31, 2025.

## RESULTS OF OPERATIONS AND FINANCIAL CONDITION

### 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.

Three months ended	Quarter	Total revenues	Loss attributable to owners of the Company	Basic and fully diluted loss per share
September 30, 2021	Q3		\$ (223,563)	(0.00)
June 30, 2021	Q2	-	\$ (221,907)	(0.00)
March 31, 2021	Q1	-	\$ (177,010)	(0.00)
December 31, 2020	Q4	-	\$ (151,700)	(0.00)
September 30, 2020	Q3	-	\$ (171,279)	(0.00)
June 30, 2020	Q2	-	\$ (210,586)	(0.00)
March 31, 2020	Q1	-	\$ (131,386)	(0.00)
December 31, 2019	Q4	-	\$ (512,381)	(0.01)

During the third quarter ended September 30, 2021, net loss increased by \$1,656 as compared to the prior quarter primarily due to an increase in general and administration expenses and share-based compensation of \$24,407 and \$10,861 respectively, compared to the prior quarter. The increase in these expenses was largely due to an increase in professional fees and the issuance of stock options during the quarter. This increase was partially offset by an increase in foreign exchange gain and an increase in gain on swap of \$24,027 and \$9,341 respectively, compared to the prior quarter.

During the second quarter ended June 30, 2021, net loss increased by \$44,897 compared to the prior quarter primarily due to office and miscellaneous expenses and professional fees increasing by \$15,339 and \$18,965, respectively, compared to prior quarter. The increase in these expenses was largely related to the preparation for the Company's Annual General Meeting ("AGM") which was held within the quarter, and significant business development costs.

During the first quarter ended March 31, 2021, net loss increased by \$25,310 compared to the prior quarter due to a \$12,344 increase in management fees to increase the temporarily reduced fees in the prior periods back to the contractual rates and an increase in finance costs of \$2,643 due to increased interest-bearing balances. Additionally, government assistance income recognized during the fourth quarter of 2020 was \$5,713 higher than government assistance income recognized in the first quarter of 2021.

During the fourth quarter ended December 31, 2020, loss remained consistent with the prior quarter with a minor decrease of \$19,579 due to a general reduction in activity due to the pandemic.

During the third quarter ended September 30, 2020, loss decreased by \$39,307 compared to the prior quarter primarily due to the following changes: recovery of other receivables of \$36,230, representing a 2018 ITC claim that was approved and received during the quarter, a \$36,579 decrease in management fees due to the accrual of \$15,000 milestone bonus and a \$20,367 increase in fees payable to the Executive Vice President in the second quarter of 2020 which did not recur for the third quarter, and a \$10,500 decrease in investor relation & shareholder info due to an adjustment of accruals in the second quarter of 2020; these decreases are offset by a \$18,960 increase in professional fees due to an under accrual of legal fees in the prior period and a \$30,547 increase in finance costs due to the buildup of interest-bearing overdue payables compared to the previous quarter.

During the second quarter ended June 30, 2020, loss increased by \$79,200, compared to the prior quarter primarily due to the following changes: a \$64,531 increase in management fees due to the accrual of a \$15,000

milestone bonus and a \$20,367 increase in fees payable to the Executive Vice President, and an increase of \$15,000 in fees payable to the Chief Executive Officer due to the reversal of a previously agreed upon decrease of fees which had taken affect in the first quarter of 2020, a \$21,000 increase to investor relations & shareholder info due to the adjustment of accruals; these increases are offset by a \$2,443 decrease in filing fees due to annual sustaining fees being charged in the prior quarter, and a \$2,097 decrease in office and miscellaneous due to reduced activity.

During the first quarter ended March 31, 2020, loss decreased by \$380,995, compared to the prior quarter primarily due to the following changes: a \$22,500 decrease in investor relations & shareholder info due the expiration of a contract with a previous IR consultant, a and \$38,249 decrease in professional fees due to \$25,500 in audit and tax services fees related to 2019 which were recorded in the prior quarter and decreased legal fees in the first quarter of 2020 due to reduced activity; also, the following charges occurred in the fourth quarter of 2019 and did not recur in the first quarter of 2020: impairment of exploration and evaluation assets of \$122,953, share-based compensation of \$26,209 relating to ongoing vesting of options, and a write-down of other receivables of \$169,907 which included all VAT amount due to an Argentinian subsidiary which became uncollectable.

During the fourth quarter ended December 31, 2019, loss increased by \$4,300 compared to the prior quarter primarily due to the following changes: increases to professional fees primarily due to 2019 audit and tax costs of \$25,500 accrued in the fourth quarter, an increase of \$122,953 in impairment of exploration and evaluation assets recorded in the fourth quarter, and an increase in write-down of other receivables of \$133,677 due to the \$169,907 in uncollectable VAT that was written of in the fourth quarter offset by \$36,230 recorded in the third quarter of 2019 to write off GST ITCs which were initially disallowed; these increases are offset by a decrease of \$240,568 in marketing due to fees incurred for a digital marketing campaign during the third quarter of 2019 that did not recur in the fourth and a \$46,991 decrease in finance costs due changes in interest arrangements on overdue payables.

## Results of Operations for the three months ended September 30, 2021, and 2020

### Operating Expenses

Period Ending	September 30, 2021	September 30, 2020	Change \$	Change %
<b>General and administrative:</b>				
Consulting fees	65,738	57,000	8,738	15%
Filing fees	558	1,894	(1,336)	(71%)
Investor relations & shareholder info	25,500	10,500	15,000	143%
Management fees	70,479	66,066	4,413	7%
Marketing	19	-	19	100%
Office and miscellaneous	13,046	10,488	2,558	24%
Professional fees	71,164	26,868	44,296	165%
<b>Total general &amp; administrative expense</b>	<b>246,504</b>	<b>172,816</b>	<b>73,688</b>	<b>43%</b>
Accretion expense	1,465	-	1,465	100%
Foreign exchange loss (gain)	(27,412)	(3,457)	(23,955)	(693%)
Finance costs	24,961	39,177	(14,216)	(36%)
Administrative charge income	(2,543)	(1,027)	(1,516)	148%
Share-based compensation	10,861	-	10,861	100%
Recovery of other receivables	-	(36,230)	36,230	100%
Gain on swap	(30,273)	-	(30,273)	(100%)
<b>Net loss for the period</b>	<b>223,563</b>	<b>171,279</b>	<b>52,284</b>	<b>31%</b>
<b>Net loss attributable to:</b>				
Owners of the Company	220,345	168,216	52,129	31%
Non-controlling interests	3,218	3,063	155	5%

During the period, the Company incurred a loss of \$223,563 compared to a loss of \$171,279 in 2020. Changes from period to period can be explained primarily by the following factors:

- (a) Professional fees increased by \$44,296 mainly for the preparation of the various services and consulting agreements drafted in the quarter, and from additional accounting fees being charged.
- (b) Recovery of other receivables decreased by \$36,230 due to the recovery of other receivables not being present in the current quarter.
- (c) Gain on swap increased by \$30,273 due to the Company purchasing and transferring equities from the parent to its subsidiaries and subsequently being sold which did not occur in the comparative quarter.
- (d) Foreign exchange gain increased by \$23,955 due to fluctuations in the foreign exchange rate between the Canadian dollar and Argentine Peso.

## Results of Operations for the nine months ended September 30, 2021, and 2020

### Operating Expenses

Period Ending	September 30, 2021	September 30, 2020	Change \$	Change %
<b>General and administrative:</b>				
Consulting fees	179,738	171,000	8,738	5%
Filing fees	13,216	12,431	785	6%
Investor relations & shareholder info	46,500	31,500	15,000	48%
Management fees	193,461	206,825	(13,364)	(6%)
Marketing	5,347	-	5,347	100%
Office and miscellaneous	88,767	28,789	59,978	208%
Professional fees	104,043	39,403	64,640	164%
<b>Total general &amp; administrative expense</b>	<b>631,072</b>	<b>489,948</b>	<b>141,124</b>	<b>29%</b>
Accretion expense	3,855	-	3,855	100%
Foreign exchange (gain) loss	(33,668)	3,395	(37,063)	(1092%)
Finance costs	70,082	58,458	11,624	20%
Admin charge income	(4,837)	(2,320)	(2,517)	108%
Income from government assistance	(3,680)	-	(3,680)	(100%)
Share-based compensation	10,861	-	10,681	100%
Write-down of other receivables	-	(36,230)	36,230	(100%)
Gain on swap	(51,205)	-	(51,205)	(100%)
<b>Net loss for the period</b>	<b>622,480</b>	<b>513,251</b>	<b>109,229</b>	<b>21%</b>
<b>Net loss attributable to:</b>				
Owners of the Company	<b>616,353</b>	<b>508,098</b>	<b>108,225</b>	<b>21%</b>
Non-controlling interests	<b>6,127</b>	<b>5,153</b>	<b>974</b>	<b>19%</b>

During the period, the Company incurred a loss of \$622,480 compared to a loss of \$513,251 in 2020. Changes from period to period can be explained primarily by the following factors:

- (a) Professional fees increased by \$64,640 mainly for the preparation for the Company's AGM which was held within the period along with costs associated with the drafting of various services and consulting agreement, and additional accounting fees.
- (b) Office and miscellaneous expense increased by \$59,978 primarily due to \$45,000 of business development and marketing services which were not present in 2020.
- (c) Gain on swap increased by 51,205 due to the Company purchasing and transferring equities from the parent to its subsidiaries and subsequently being sold which did not occur in the prior period.
- (d) Foreign exchange gain increased by \$37,063 due to fluctuations in the foreign exchange rate between the Canadian dollar and Argentine Peso.

## CAPITAL RESOURCES AND LIQUIDITY

The Company's cash increased by \$1,619,083 during period ended September 30, 2021 to \$1,673,645. Management continues to monitor the capital markets for opportunities to raise additional funds.

As of September 30, 2021, the Company had no major long-term expenditure commitments outside of consultancy obligations and mineral property option payments. The Company has approximately \$700,000 in aggregate annual expenditures and property maintenance fees and will have to raise capital or sell assets to meet these working capital requirements.

At September 30, 2021, the Company has \$1,673,645 in cash to settle \$1,992,518 in current liabilities and a working capital deficiency of \$233,420 compared to a working capital deficiency of \$1,584,671 at December 31, 2020.

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

### *Going concern*

The Company has not generated revenue from operations. The Company incurred a net loss of \$622,480 for the period ended September 30, 2021 and as of that date the Company's accumulated deficit was \$20,053,625. The Company has a working capital deficiency of \$233,420. The Company's continuation as a going concern is contingent on the completion of financings to adequately cover the Company's working capital deficit and planned exploration activities. 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.

<b>Increase (decrease) in cash for the nine months ended,</b>				
	<b>September 30, 2021</b>		<b>September 30, 2020</b>	
Operating activities	\$	(343,612)	\$	(19,674)
Investing activities		(110,970)		(23,629)
Financing activities		2,073,665		66,000
Total change in cash		1,619,083		22,697
Cash, beginning of the period		54,562		26,296
Cash, end of the period	\$	1,673,645	\$	48,993

### *Operating Activities*

During the nine months ended September 30, 2021, cash used in operating activities primarily consist of general and administrative expenditures.

### *Investing Activity*

The amount of \$110,970 cash used in investing activity for the nine months ended September 30, 2021 was attributable to expenditures on mineral properties.

### *Financing Activities*

The amount of \$2,073,665 cash received from financing activities for the nine months ended September 30, 2021 was attributable to the proceeds received from the private placement of 40,000,000 units and the

exercise of 1,000,000 common share purchase warrants as discussed under the quarterly highlights section.

During the nine months ended September 30, 2021, the Company received \$20,000 government assistance loan under the CEBA program as discussed under the quarterly highlights section.

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 its properties or the Company's ownership percentage or rights per the NovaGold shareholder 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 ("MSR"), in which the Company has a 51% ownership. The Company's wholly-owned Canadian subsidiaries are 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, 2021 and 2020 were as follows:

	<b>For the nine months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
Management fees	\$ 193,461	\$ 206,825
Consulting fees	45,000	45,000
Share-based compensation	2,626	-
	<b>\$ 241,087</b>	<b>\$ 251,825</b>

These transactions are recorded at the exchange amount, which is the amount agreed to by the transacting parties.

For the nine months ended September 30, 2021 and 2020, key management personnel were not paid any post-employment benefits, termination benefits or any other long-term benefits.

Management fees are comprised of the following:

	<b>For the nine months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
1053345 BC Ltd. (controlled Robert Abenante, President and CEO)	\$ 100,000	\$ 88,500
R.R. Walters Consulting (controlled by Richard Walters, Executive Vice President and Director)	27,409	50,829
ACM Management Inc. (controlled by Alex McAulay, CFO)	54,000	54,000
Daniel Buffone, Director	12,052	12,496
	<b>\$ 193,461</b>	<b>\$ 206,825</b>

Pursuant to a new consulting agreement effective April 1, 2019, the Company, agreed to pay Carob Management Ltd., a corporation controlled by Greg Burnett, a consulting fee of \$5,000 per month in lieu of directors fees. For the nine months ended September 30, 2021, consulting fees to Carob Management Ltd. totaled \$45,000 (2020 - \$45,000).

During the nine months ended September 30, 2021, the Company issued 500,000 units at a price of \$0.05 per unit pursuant to a private placement to Greg Burnett, a director of the Company and issued 2,800,000 units at a price of \$0.05 per unit pursuant to a private placement to 1053345 BC Ltd.

As at September 30, 2021 and December 31, 2020, the assets and liabilities of the Company include the following amounts receivable and payable from directors and officers:

	September 30, 2021	December 31, 2020
Trade payables and other liabilities:		
1053345 BC Ltd., management fees and interest	\$ 429,010	\$ 331,973
Robert Abenante, expenses <sup>(1)</sup>	75,469	64,005
1022698 BC Ltd., rent <sup>(1)</sup>	-	4,000
Alex McAulay, expenses <sup>(1)</sup>	3,429	3,429
ACM Management, management fees and interest	92,395	103,601
R.R. Walters Consulting, management fees and interest	174,376	129,709
Daniel Buffone, management fees <sup>(1)</sup>	46,082	47,438
Carob Management, consulting fees and interest	138,837	113,653
John Pearson, directors' fees <sup>(1)</sup>	-	16,931
Greg Burnett, directors' fees <sup>(1)</sup>	23,322	8,322
Michael Sweatman, directors' fees <sup>(1)</sup>	-	21,482
John Hite, directors' fees <sup>(1)</sup>	-	25,397
	<b>\$ 982,920</b>	<b>\$ 869,940</b>

<sup>(1)</sup> These balances are non-interest bearing, unsecured and payable on demand.

During the nine months ended September 30, 2021, the Company recorded finance costs of \$43,251 (2020: \$20,152) of accrued interest on accrued fees due to 1053345 BC Ltd., ACM Management, R.R. Walters Consulting, and Carob Management. Interest is accrued at 10% per annum compounded monthly.

As of September 30, 2021, the following loans were due to related parties:

- Short-term loan payable to Richard Walters of \$3,177 (December 31, 2020 - \$3,185). The amount is non-interest bearing, unsecured and is repayable on demand.
- Promissory note payable to Greg Burnett of \$15,367 (December 31, 2020 - \$14,046). The note is unsecured, is interest-bearing at 12% that is accrued monthly. The note has a maturity date of April 30, 2021 and can be settled in either cash or common shares of the Company. If settled in shares, the terms will be agreed upon between the Company and the note holder. If the Company does not fully repay each note upon maturity, the Company shall pay a penalty of 10% on the principal of the note. During the nine months ended September 30, 2021, the Company recorded finance costs of \$1,335 (2020: \$574) in connection with the note.
- Promissory note payable to 1053345 BC Ltd. of \$15,367 (December 31, 2020 - 14,046). The note is unsecured, is interest-bearing at 12% that is accrued monthly. The note has a maturity date of April 30, 2021 and can be settled in either cash or common shares of the Company. If settled in shares, the terms will be agreed upon between the Company and the note holder. If the Company does not fully repay each note upon maturity, the Company shall pay a penalty of 10% on the principal of the note. During the nine

months ended September 30, 2021, the Company recorded finance costs of \$1,335 (2020: \$574) in connection with the note.

During the nine months ended September 30, 2021, \$4,654 (December 31, 2020: \$8,647) in management fees payable to Daniel Buffone was capitalized to mineral properties.

## 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, 2021 and 2020, the Company incurred the following expenses:

	<u>2021</u>		<u>2020</u>
Capitalized exploration costs	110,970		23,629
Operating expenses	622,480		513,251
	<u>\$ 733,450</u>	\$	<u>536,880</u>

Please refer to Note 6 of our consolidated financial statements for the nine months ended September 30, 2021 for a detailed description of the capitalized costs presented on a property-by-property basis.

## OUTSTANDING SHARE DATA

As at November 29, 2021, the Company had 101,075,432 common shares outstanding, 9,000,000 stock options outstanding and 41,030,000 warrants outstanding.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

### Financial instrument risk

The Company is exposed, through its operations, to the following financial risks:

- a) Market risk
- b) Credit risk
- c) Liquidity risk

The Company is exposed to risks that arise from its financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies, and processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive quarterly reports from the Company's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the

objectives and policies it sets.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as foreign currency exchange, interest rates, and commodity and equity price risk.

(i) Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and Argentine peso as well as the Canadian dollar and the U.S. dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. The Company's operations are in Canada and Argentina.

Exposure to foreign currency risk increased overall during the period due to an increase in trade payables denominated in U.S. dollars, this is partially offset by a reduction in cash held in both foreign currencies.

As at September 30, 2021, if the Canadian dollar had weakened 5% against the U.S. dollar and 20% against the volatile Argentine peso, with all other variables held constant, comprehensive loss would have been \$7,709 lower. Conversely, if the Canadian dollar had strengthened 5% against the U.S. dollar so, with all other variables held constant, comprehensive loss would have been \$7,709 higher.

(ii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not have any variable rate debt. The interest earned on cash and cash equivalents is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

(iii) Commodity price risk:

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity price movements to determine the appropriate course of action to be taken by the Company.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and other receivables. The Company believes it has no significant credit risk related to its cash as the majority of its cash is held at a large Canadian bank. The Company's other receivables consist mainly of input tax credits receivable from the Government of Canada and the Government of Argentina and, as a result, the Company does not believe it is subject to significant credit risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at September 30, 2021, the Company had cash of \$1,673,645 to settle current liabilities of \$1,992,518. The Company will require additional financings to meet its short-term financial obligations.

A total of \$1,992,518 of the Company's financial liabilities as at September 30, 2021 was due on demand.

#### **Basis of fair value**

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, 2021, the Company had \$1,673,645 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 4 in the audited financial statements for the year ended December 31, 2020 and Note 4 of the condensed interim consolidated financial statements for the nine months ending September 30, 2021 and 2020.

#### **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, 2020 and have been consistently followed in the preparation of the condensed interim consolidated financial statements for the nine months ending September 30, 2021 and 2020.

#### **ADOPTION OF NEW STANDARDS AND INTERPRETATIONS, AND RECENT ACCOUNTING PRONOUNCEMENTS**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

#### **OTHER INFORMATION**

Other information can be found at the following websites [www.sedar.com](http://www.sedar.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**

On October 7, 2021, pursuant to a services agreement with a Company belonging to an officer of the Company, the Company agreed to issue an aggregate of 250,000 common shares of the Company, representing the bonus earned by the Contractor pursuant to the services agreement. In accordance with Section 2.24 of National Instrument 45-106 the common shares are not subject to the four month and one day hold period. As part of the services agreement the Company agreed to pay concurrently and on a pro-rated basis at the same time as payment to any director, officer or contractor accrued consulting fees of \$137,342 (US\$108,302), \$14,000 (US\$10,403) in accrued milestone bonus and \$9,225 (US\$7,258) in accrued interest.

As part of the services agreement, the Company agreed to repay the Contractor the following amounts:

- Interest free loan outstanding in the amount of \$3,170 (US\$2,500);
- Reimbursement of expenses in the amount of \$4,380 (US\$3,454);
- Consulting fees of \$5,395 (US\$4,270) for August 2021; and
- Consulting fees of \$3,601 (US\$2,850) for September 2021.

On November 3, 2021, the Company entered into a share purchase agreement with NovaGold Argentina Inc. ("NovaGold"), pursuant to which NovaGold has sold all 5,051,537 of the shares of MSR that it owned to Marifil S.A. ("Marifil") in consideration for \$2,000,000 payable by Marifil as follows:

- Payment of \$250,000 on November 3, 2021 (paid);
- Delivery of a promissory note for \$750,000 which is repayable on or before November 1, 2022; and
- Delivery of a promissory note for \$1,000,000 which is repayable on or before November 1, 2023.