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**Management's Discussion and Analysis
For the Nine Months Ended September 30, 2020
Dated: November 30, 2020**

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Valterra Resource Corporation

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Nine Months Ended September 30, 2020

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Valterra Resource Corporation (the "Company") is for the nine months ended September 30, 2020, and is dated November 30, 2020. This MD&A was prepared to conform to National Instrument 52-102F1 and was approved by the Board of Directors prior to its release. This analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020, and the Company's audited financial statements for the year ended December 31, 2019, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's functional and presentation currency is the Canadian dollar and all amounts included herein are in Canadian dollars, unless otherwise indicated.

The Company's shares are listed on the TSX Venture Exchange ("VQA.V"), the Frankfurt Stock Exchange ("3VA.F") and the OTCQB Marketplace ("VRSCF").

Additional information relating to the Company is available at valterraresource.com and at sedar.com.

B. Qualified Persons

Robert Macdonald, MSc. P. Geo., is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulfide deposits.

C. Conversion Tables

Precious metal units and conversion factors					
ppb - Part per billion	1 ppb	=	0.0010 ppm	=	0.000030 oz/t
ppm - Part per million	100 ppb	=	0.1000 ppm	=	0.002920 oz/t
oz - Ounce (troy)	10,000 ppb	=	10.0000 ppm	=	0.291670 oz/t
oz/t - Ounce per ton (avdp.)	1 ppm	=	1.0000 ug/g	=	1.000000 g/tonne
g - Gram					
g/t - Gram per metric ton	1 oz/t	=	34.2857 ppm		
mg - Milligram	1 Carat	=	41.6660 mg/g		
kg - Kilogram	1 ton (avdp.)	=	907.1848 kg		
ug - Microgram	1 oz (troy)	=	31.1035 g		

D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements.

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D. Summary of Mineral Properties, continued

Swift Katie

The property consists of 19 contiguous MTO mineral claims, covering over 83 square kilometres, and is located near Salmo, British Columbia. The area has hosted several important mining districts and is underlain by rocks considered very favourable for the discovery of gold-quartz veins and porphyry-style mineralization.

Most recently, drilling tested three areas along an approximate 1,000 metre strike length of the target structure which had been previously traced by a combination of surface rock and soil sampling, historical trenching, and shallow drilling from the 1980's and by the Company in 2016. Only part of the full strike-length of the structural target has been drill tested; several additional target areas have been prioritized for testing in future programs.

The previous drilling also successfully confirmed high-grade gold mineralization in two locations along the tested strike-length of the target structure and returned a significant cumulative thickness of +1g/t Au mineralization in hole SK17-015. Both gold-enriched areas are open along strike and down dip and require additional drill testing.

Drill highlights at Swift include:

- **30.9g/t Au and 17.8g/t Ag over 0.8m within a broader 2.5m zone averaging 11.5g/t Au and 6.7 g/t Ag from hole SK17-015;**
- **an additional 22.6m interval averaging 1.1g/t Au and 0.5g/t Ag from hole SK17-015;**
- **9.7g/t Au and 7.6g/t Ag over 1.4m within a broader 8.6m interval averaging 3.1g/t Au and 2.0g/t Ag from hole SK17-019;**
- **0.96 g/t Au over 6.6m in hole SK16-011;**
- **13.3 g/t Au, 201 g/t Ag & 0.33% Cu over 3.5m from hole SK14-002; and**
- **1.83 g/t Au over 10m from hole 87-6, including 5.15g/t Au over 2.0m***

** Historical assay results have not been verified and should not be relied upon as such.*

Higher grade gold values were returned from quartz veins and silicified intervals within a strongly foliated and quartz-carbonate-altered volcanic rock, which can form zones several tens of metres thick in any given drill hole. Alteration appears largely structurally controlled and forms an anastomosing network of northeast-striking shear zones that dip moderately to the southeast.

Gold mineralization has been intersected in relatively shallow drilling (<200 metre depth) with the thickness of some intercepts, particularly in hole SK17-015 comparable to mineralized intervals at Prize Mining's Kena Gold Project, located 30 kilometres to the northeast, which is currently modelled as a bulk-tonnage porphyry gold target.

Exploration results to date support the Company's belief that a widespread gold-enriched, vein system exists at the Swift target and a large alkali porphyry system exists at the Katie target. Further work will be designed to continue to expand the known mineral systems and to evaluate several other targets that remain to be tested on the property.

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D. Summary of Mineral Properties, continued

Weepah

On June 23, 2020, the Company gave notice of termination of the option agreement.

Los Reyes

The property consists of two claims totalling 45 hectares located 12 kilometres south of the city of Jimenez, Mexico and which cover a highly prospective Cu-Au Skarn target within La Faja de Plata, one of the world's most productive regions for polymetallic Skarn and Carbonate Replacement Deposits. The property is two kilometres from highway, power and rail. It is strategically located along a prominent northwest-trending regional structure formed along the western margin of the Sierra Madre Oriental that hosts numerous high-grade current and past operating mines including Naica (26Mt @ 213g/t Ag, 5.9% Pb, 5.6% Zn and 0.4% Cu) and the Velardena district (+15Mt @ 175g/t Ag, 0.5g/t Au, 4.0% Pb, 5.0% Zn, and 2.5% Cu).

The initial target is a +800 metre-long Cu-Au-rich skarn zone located at the eastern contact between a coarse-grained Tertiary-age granodiorite intrusion and Cretaceous-age limestones and shales. The exploration target is locally over 100 metres wide and contains multiple zones of strongly copper-enriched mineralization. The near-surface mineralization is strongly oxidized with copper-oxide minerals such as malachite occurring at surface and in mineral dumps at the edges of the historic workings. Several prospect pits and shallow shafts occur along the target skarn zone.

Historic reports indicate workings were developed to no more than 60 metres depth, which is likely the approximate base of the oxide zone. Individual ore bodies were irregular with some reported to be 60 metres wide and up to 125 metres thick. Records of historical data on the property are limited but indicate: surface high-grade copper values up to 8.0% Cu; a strong IP chargeability anomaly, only 100 metres to 200 metres depth below surface, which correlates with the target skarn zone; and indications of strong gold enrichment in the copper zones from limited drilling on the property.

(Data is historical in nature and has not been independently verified by the Company and should not be relied on as such).

In October 2019, crews mobilized for a surface exploration program comprising an approximate 4.8 kilometre DCIP geophysical survey, detailed surface mapping and sampling along the Cu-Au skarn target which is locally over 100 metres wide and contains multiple zones of strongly copper-enriched mineralization. Near surface mineralization, exposed in shallow artisanal workings and adjacent dump material, is strongly oxidized.

Surface sampling of waste dumps related to the artisanal workings and limited outcrop chip samples returned 22 of 28 samples with Cu values >1% Cu at an average grade of 3.1% Cu and up to 5.9% Cu. The anomalous samples contain elevated precious and base metal values up to 0.57g/t Au, 25.3g/t Ag, 0.47% Mo and 1.7% Zn (see Table 1). Anomalous samples were collected along the full 800m strike-length of the exploration target on the property with most of the samples collected in 5 clusters adjacent to open cuts and pits related to the historically mined portions of the trend.

The DCIP data was acquired on five survey lines with variable line spacing between 125 metres and 250 metres. Two lines were acquired simultaneously, with the off-line current injection data providing some 3D information between the survey lines. Both the 2D and the 3D data were inverted using UBC-GIF inversion codes.

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D. Summary of Mineral Properties, continued

Los Reyes, continued

A strong conductive response, identified along the intrusive contact, projects for 400m through four of the five main areas of historic workings and defines the primary target area for future drill targeting. Conductivity and chargeability anomalies in the 2D inversions are identified on each of the five survey lines and are spatially associated or immediately adjacent to areas of known historical surface mineralization which helps further refine drill targeting.

The Company is initially targeting a five to ten million tonne, shallow high-grade Cu-Au potential resource localized along the length of the exposed skarn zone. Further work will examine the deeper potential of the mineralizing system, including the potential for a porphyry Cu-Au deposit being the source for the shallow high-grade mineralization.

Acquisition Costs

Mineral property acquisition costs as at September 30, 2020 were:

	Swift Katie	Weepah	Los Reyes	Total
	\$	\$	\$	\$
Balance as at December 31, 2018	254,678	218,840	112,813	586,331
Additions, net of recoveries	-	162,776	153,135	315,911
Impairments	(254,678)	(381,616)	(265,948)	(902,242)
Balance as at December 31, 2019	-	-	-	-
Additions, net of recoveries	-	-	160,077	160,077
Impairments	-	-	(160,077)	(160,077)
Balance as at September 30, 2020	-	-	-	-

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the nine months ended September 30, 2020 and 2019 were:

	Swift Katie		Weepah		Los Reyes		Total	
	\$	\$	\$	\$	\$	\$	\$	\$
	2020	2019	2020	2019	2020	2019	2020	2019
Equipment rental and field supplies	-	3,400	-	-	13,601	-	13,601	3,400
Geological services	-	-	-	5,195	460	-	460	5,195
Project supervision	-	-	2,853	-	11,582	-	14,435	-
Other	-	-	384	-	885	1,033	1,269	1,033
	-	3,400	3,237	5,195	26,528	1,033	29,765	9,628
General							16,549	608
							46,314	10,236

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E. Results of Operations

The Company incurred a net loss of \$492,295 for the nine months ended September 30, 2020 (2019 - \$107,931). A summary of variances is as follows:

	2020	2019	Change
	\$	\$	\$
Consulting	35,810	9,875	25,935
Exploration and evaluation	46,314	10,236	36,078
Investor relations	107,600	12,036	95,564
Office and general	15,886	15,430	456
Professional fees	88,274	24,921	63,353
Regulatory fees and taxes	25,658	26,904	(1,246)
Shareholders communications	3,250	2,450	800
Transfer agent	4,950	2,236	2,714
Travel	-	2,261	(2,261)
Foreign exchange loss	4,476	1,582	2,894
Mineral property impairment	160,077	-	160,077

As per the Company's mandate to acquire, explore, and develop mineral resource properties, the Company continues to invest in its mineral properties (*D - Summary of Mineral Properties*) subject to available resources. Effective November 1, 2018, the Company received notice that it was in default of a service agreement for provision of office accommodation and other personnel services and that these services would no longer be provided until the default is remedied (*H - Related Party Transactions*). Investor relations increases were attributable to a marketing program and other investor outreach. Consulting and Professional fees increased as a result of previously unbilled legal fees (*H - Related Party Transactions*) relative to corporate matters and the proposed acquisition of Poconé Mining Mineração Ltda ("*PMM*") (*O - Proposed Transactions*).

Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars. The Company continues to consider the ability of the Company to raise sufficient financing to be an indicator of impairment and recorded an impairment provision against capitalized costs relating to certain mineral properties.

F. Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for the last eight quarters:

	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31
	2020	2020	2020	2019	2019	2019	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss	316,237	112,238	63,820	1,011,040	30,746	41,313	35,872	26,592
Basic and diluted loss per share	\$0.01	\$0.01	\$0.01	\$0.11	\$0.00	\$0.01	\$0.00	\$0.00

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F. Summary of Quarterly Results, continued

Due to the nature of its current operations, the Company earned no revenue during the periods presented. Quarterly fluctuations mainly relate to mineral property exploration expenditures and impairments which occur as projects are identified and results are analyzed or other indicators arise. Certain costs decreased effective November 1, 2018 as a result of a cessation of services agreement (*H - Related Party Transactions*). Significant impairment charges were recognized in three months ended December 31, 2019 and September 30, 2020.

G. Financial Condition, Liquidity and Capital Resources

As at September 30, 2020, the Company had a working capital deficit of \$883,100 (December 31, 2019 - \$946,549). Wherever possible, the Company has been negotiating its trade payables and reviewing its future commitments to identify opportunities to reduce or delay spending and payments. However, the Company does not generate any revenue from operations and does not have sufficient capital to meet the requirements for its administrative overhead and maintaining its mineral interests. For the foreseeable future, the Company will need to rely on raising capital in the equity markets and/or enter into joint venture agreements with third parties to provide working capital and to finance its mineral property activities. There can be no assurance that the Company will be able to obtain adequate future financing. Failure to do so could result in delay or indefinite postponement of further exploration and reduction or termination of operations.

During June & July 2020, the Company closed two tranches of a non-brokered private placement and issued 28,170,000 units at a price of \$0.05 per unit for gross proceeds of \$1,408,500. On November 6, 2020, the Company announced a further private placement consisting of up to 20,000,000 units at a price of \$0.075 per unit for total gross proceeds of \$1,500,000. On November 30, 2020, the Company closed the first tranche of this private placement and issued 7,220,330 units for total gross proceeds of \$541,525. Net proceeds are being used towards the costs associated with the acquisition of, and funding, PMM, certain other property maintenance payments and working capital.

A Notice of Claim filed in Small Claims Court regarding disputed amounts owed to a certain vendor remains outstanding in an amount of \$25,000 plus interest and costs.

H. Related Party Transactions

The Company entered into the following related party transactions:

- (a) Fees in the amount of \$2,664 (2019 - \$2,822) were charged by a company controlled by a director and officer of the Company for mark-up on out of pocket expenses. Effective November 1, 2018, the Company received notice that it was in default of an agreement under which office space and administration, consulting, professional fees, investor relations and geological consulting services were provided. Amounts payable as at September 30, 2020 were \$248,039 (December 31, 2019 - \$303,107).
- (b) Fees in the amount of \$40,660 (2019 - \$nil) were charged by a law firm controlled by a director and officer of the Company. Fees are included in professional fees, mineral property acquisition or exploration expenditures or share issue costs where applicable. Amounts payable as at September 30, 2020 were \$55,053 (December 31, 2019 - \$20,514).

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H. Related Party Transactions, continued

- (c) Fees in the amount of \$9,000 (2019 - \$9,000) were charged by an officer of the Company for consulting services. Amounts payable as at September 30, 2020 were \$8,150 (December 31, 2019 - \$16,275).
- (d) Fees in the amount of US\$14,400 (2019 - US\$4,350) were charged by a director of the Company for geological consulting services. Amounts payable as at September 30, 2020 were \$23,315 (US\$17,500) (December 31, 2019 - \$6,027 (US\$4,650)).
- (e) Amounts payable as at September 30, 2020 related to fees charged by a company controlled by a director of the Company for geological consulting services were \$nil (December 31, 2019 - \$2,100).
- (f) Loans totalling \$30,000 (December 31, 2019 - \$72,500) were advanced by a company controlled by a director and officer of the Company. A total of \$106,041 was repaid with respect to funds advanced of \$102,500 and interest accrued of \$3,541 at an interest rate of 5% per annum.

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. With the exception of interest-bearing loans, amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment. The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. A summary of compensation awarded to key management, including amounts in (c) and (d) above, was as follows:

	2020	2019
Short-term benefits	\$ 28,495	\$ 14,783
Total	\$ 28,495	\$ 14,783

I. Outstanding Equity and Convertible Securities

i) Issued and outstanding

As at November 30, 2020, the Company had 46,968,477 common shares issued and outstanding.

ii) Stock Options

As at November 30, 2020, stock options outstanding and exercisable were:

Exercise Price	Expiry Date	Balance September 30, 2020	Granted	Balance November 30, 2020
\$0.50	March 27, 2022	410,000	-	410,000
\$0.08	October 19, 2025	-	100,000	100,000
		410,000	100,000	510,000
Weighted average exercise price - outstanding		\$0.50	\$0.08	\$0.42
Weighted average contractual life remaining (years) - outstanding		1.49		2.02
Weighted average exercise price - exercisable		\$0.50	\$0.08	\$0.48
Weighted average contractual life remaining (years) - exercisable		1.49		1.53

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I. Outstanding Equity and Convertible Securities, continued

iii) Share Purchase Warrants

As at November 30, 2020, share purchase warrants outstanding were:

Exercise Price	Expiry Date	Balance	
		September 30, 2020	November 30, 2020
\$1.00	October 5, 2021	1,658,400	1,658,400
\$1.00	October 5, 2021	354,500	354,500
\$1.00	October 5, 2021	12,000	12,000
\$1.00	December 29, 2021	281,510	281,510
\$1.00	December 29, 2021	10,560	10,560
\$0.50	March 28, 2021	775,366	775,366
\$0.50	March 28, 2021	2,919	2,919
\$0.50	April 23, 2021	345,000	345,000
\$0.50	April 23, 2021	14,000	14,000
\$0.50	August 1, 2023	390,000	390,000
\$0.50	August 1, 2023	5,600	5,600
\$0.50	September 18, 2023	1,070,340	1,070,340
\$0.10	June 15, 2024	7,260,000	7,260,000
\$0.10	June 15, 2024	177,800	177,800
\$0.10	July 9, 2024	20,910,000	20,910,000
\$0.10	July 9, 2024	398,300	398,300
\$0.125	November 30, 2023	-	3,610,165
\$0.125	November 30, 2023	-	6,650
		33,666,295	37,283,110
Weighted average exercise price		\$0.19	\$0.125
Weighted average contractual life remaining (years)		3.43	3.23

As at November 30, 2020, share purchase warrants issued and contingently exercisable were:

Exercise Price	Expiry Date	Balance	
		September 30, 2020	November 30, 2020
\$0.50	August 11, 2022 (Note 1)	30,000	30,000
\$0.50	Note 2	30,000	30,000
\$0.50	Note 3	30,000	30,000
\$0.50	Note 4	30,000	30,000
		120,000	120,000
Weighted average exercise price		\$0.50	\$0.50
Weighted average contractual life remaining (years)		3.39	3.22

(1) Expire two years from Los Reyes property payment of US\$100,000 due on August 11, 2020 (paid)

(2) Expire two years from Los Reyes property payment of US\$200,000 due on August 11, 2021

(3) Expire two years from Los Reyes property payment of US\$300,000 due on August 11, 2022

(4) Expire two years from Los Reyes property payment of US\$3,250,000 due on August 11, 2023

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J. Financial Instruments

The Company's financial instruments include: cash, loan and reclamation bonds which are classified as financial assets at amortized cost and accounts payable and accrued liabilities and due to related parties which are classified as financial liabilities at amortized cost. The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. Loan and reclamation bonds are non-interest-bearing, have no maturity date and carrying values approximate fair value.

These financial instruments have no material risk exposure. Risk is managed with respect to cash by risk management policies that require significant cash deposits or short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. In addition, all investments must be less than one year in duration.

K. Events After the Reporting Period and Outlook

Other than the proposed acquisition of PMM (*O - Proposed Transactions*), there are no other material events subsequent to the date of this document.

The Company is confident that its properties have potential warranting continued exploration and activities over the ensuing year will focus on this. The Company also expects to continue its strategy of acquiring properties and collaborating with experienced mining companies to develop such properties to advance them to production.

L. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

M. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three independent directors who meet at least quarterly with management and at least annually with the external auditors to review accounting, internal control, financial reporting, and audit matters. There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

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N. Risks and Uncertainties

The principal business of the Company is the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources.

Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Operating History and Availability of Financial Resources

The Company currently has no operating revenues and, therefore, may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Until the Company begins generating positive cash flow, operations will continue to be financed primarily through the issuance of securities and such reliance on the issuance of securities for future financing may result in dilution to existing shareholders.

Furthermore, the amount of additional funds required may not be available under favourable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

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N. Risks and Uncertainties, continued

Price Volatility and Lack of Active Market

For some time, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Government Regulations and Environmental Risks and Hazards

The Company conducts exploration activities in Canada and Mexico and is planning for activities in Brazil. It is therefore subject to various federal, provincial, state laws, rules and regulations. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

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N. Risks and Uncertainties, continued

Environmental hazards may exist on the Company's properties, that are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current or former property interests that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

COVID-19

Beginning in late 2019, the outbreak of a novel strain of coronavirus ("COVID-19") spread rapidly to many parts of the world. In March 2020, the World Health Organization declared COVID-19 a pandemic. The pandemic resulted in measures to contain the virus including quarantines, travel restrictions, and the temporary closure of stores and facilities in most of the world. The negative economic impact of these measures together with the uncertainty of the situation led to significant volatility in equity markets.

While governmental initiatives to reduce the economic impact and more recent measures to reopen the economy may mitigate volatility, the impact on the Company will depend, to a large extent, on future developments and new information that may emerge regarding COVID-19, factors which are beyond the Company's control. Given the extent of the crisis, it is difficult to estimate the ultimate impact or duration of the situation on the Company.

O. Proposed Transactions

The Company has launched a new strategy with a near to mid-term goal to generate revenue through the acquisition and development of small under-capitalized laterite-type freehold gold deposits with processing mills, that have significant scope for growth in the Poconé Gold District, Brazil.

The first step in this new strategy is the acquisition of a private Brazilian company, Poconé Mining Mineração Ltda ("PMM"). On June 2, 2020, the Company entered into a Letter of Intent to acquire PMM. The acquisition was formalized into a definitive purchase agreement on September 3, 2020, under which the Company will issue 8,000,000 shares and 8,000,000 warrants to the owners of PMM, whereby each warrant is exercisable to purchase one common share at an exercise price of \$0.10 for a period of four years. The purchase agreement remains subject to regulatory approval.

With the acquisition of PMM, the Company will own the Lima property and will also hold an option to purchase a 100% interest in the Livramento Gold Project. As part of its due diligence, the Company engaged a Brazil based, independent consulting firm, GE21, to assist in the evaluation of the property assets of PMM. Technical reports are being prepared and will be filed on SEDAR when completed.

Valterra Resource Corporation

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Management's Discussion and Analysis

For the Nine Months Ended September 30, 2020

O. Proposed Transactions, continued

Lima

The Lima property is located within the Poconé Mining District, in central Brazil's Cuiabá Basin (Baixada Cuiabana), in the southern part of the state of Mato Grosso, just 10 minutes' drive from the historic mining town of Poconé. Recent due diligence sampling on the property returned high-grade gold (+100g/t Au) from fire assay analyses, in two vein chip samples from two historic exploration trenches located in the northern part of the property. Additional analyses are being conducted on these samples, including metallic/screen fire assays, in order to determine more precise gold grades of the samples and the appropriate preparation and analytical protocols for the upcoming trenching program on the property. The Poconé Mining District reportedly produces over 250,000 ounces of gold annually from 17 different active laterite/saprolite mines with the Company's Lima Property immediately adjacent to the currently producing Edmar gold mine. Initial evaluation of nearby operations and regional geophysical data suggest strong exploration potential for additional high-grade gold-quartz veins in the area of the existing trenches and throughout the rest of the 156ha property.

Livramento

The Livramento property is situated 64 kilometres from Lima and is located 40 kilometres south of Cuiaba, the state capital of Mato Grosso. The property consists of a 250ha freehold property with 5 PLG mining and environmental licences of 50ha each and full infrastructure on site, including a 30 tph gravity recovery plant and a large earth moving fleet. Under previous ownership, the property has been in intermittent operation since 2017. The Company plans to upgrade the processing plant to increase through-put and to restart trial mining operations. Initial areas with prospective structures and veins for bulk sampling have already been identified.

Gold mineralization in the Poconé Gold Belt is characterized by very deep and strongly weathered overburden of saprolite with the presence of epigenetic mineralized quartz veins. These kinds of deposits are exploited in dozens of small open-pit mines by direct free-digging operations without the need for blasting. The veins at the Livramento property consist of massive quartz with free gold and some box-work of oxidized sulfide and carbonate minerals along fractures. On the west side of the mineralized zone is a major NE-SW break that may represent a major target to be detailed by structural mapping, geophysics, and a future drilling program to assess the potential of a major mineralized structure including possibly higher-grade veins beneath the lateritic weathering.

The Company plans to initiate an exploration strategy to delineate and expand vein targets on both the Livramento and Lima properties toward the identification and development of NI43-101 mineral resources and recently commenced a 5,000 tonne bulk sampling program at Livramento to better evaluate the grades of the existing vein system on the property. The Company has mobilized additional equipment from storage and is utilizing the extensive existing infrastructure at Livramento to undertake this bulk sample. Livramento has an installed 30 tonne per hour mill that is in good condition and has commenced processing material.

Prospective structures and veins for bulk sampling and resource delineation have already been identified. A workforce of 10 has commenced sampling, and management expects to gradually increase the workforce to 20 once the sampling programme moves from one to two 8-hour shifts.

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Management's Discussion and Analysis

For the Nine Months Ended September 30, 2020

O. Proposed Transactions, continued

The focus of this initial bulk sample will be on testing the extent and grade of mineralization in existing pits and on trenching new exploration areas beneath shallow soil on virgin ground. The first gold pour from the bulk sample mill-run is expected in early December.

Other than normal course review of monthly submittals there are no other proposed transactions contemplated as at the date of this report.

P. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.