



Management's Discussion and Analysis

Fidelity Minerals Corp.

Period ended October 31, 2021

(Expressed in Canadian dollars, unless otherwise noted)

December 29, 2021

For further information on the Company, reference should be made to its public filings on SEDAR at www.sedar.com. Information is also available on the Company's website at www.fidelityminerals.com. This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements for the year ended July 31, 2021, and the unaudited condensed consolidated interim financial statements for the three months ended October 31, 2021, and related notes thereto which have been prepared in accordance with International Financial Reporting Standards. This MD&A contains certain Forward Looking Statements which is described at the end of this MD&A.

OVERVIEW

The Company is a TSX-Venture Exchange, Frankfurt and Santiago listed company devoted exclusively to mineral exploration and development in Peru.

The Company is in the process of exploring its resource properties and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

OUTLOOK

The Company is positioned to take advantage of opportunities in Peru on the basis of an established Peru-based team experienced in small to medium sized projects in the country.

The Company's medium-term objectives include:

- Cost-effectively delineate gold, copper and silver resources from the existing project portfolio;
- Opportunistically expand the project portfolio, with accretive acquisitions; and
- Define a >1 million-ounce gold (1 Moz-eq) gold resource within 3 years.

The Company has significantly increased in footprint across several projects in line with the Company's objective of building strategic positions at key projects before the prospectivity of these projects is enhanced further by planned near-term exploration activities. Several credible parties have expressed an interest in earning-in to Fidelity's projects. Securing a substantial project footprint is a critical requirement in being able to gain the interest of larger parties. The Company has also embarked on a number of permitting related initiatives, which are expected to potentially enable fast-tracked access to several projects, including for bulk-sampling, should this be warranted.

On October 7, 2021 the Company announced that as a result of a review by the British Columbia Securities Commission ("BCSC"), the Company issued a news release to clarify its disclosure set out in its July 21, 2021 news release, its corporate website, and two presentations posted to the website. These disclosures are treating historical resources at the Las Huaquillas property as current resources and have triggered the requirement of the Company to file a NI 43-101 Technical Report under section 4.2(2) of NI 43-101. The Company acknowledges that the mineral resources mentioned in the July 21, 2021 news release, corporate website, and two presentations posted to the website are not supported by a current and compliant NI 43-101 technical report, contrary to NI 43-101, and therefore that the estimates should not be relied on until they have been verified and supported by a technical report. Fidelity will commence work

immediately on writing a NI 43-101 technical report for the Las Huaquillas property. The NI 43-101 technical report will not report current mineral resources, but will report resources as being historical in nature. Additional work will need to be done to classify mineral resources on the Las Huaquillas property as current. The timeframe to complete publication of this NI 43-101 technical report will be six to eight weeks. Once completed, the Company will file the current and compliant NI 43-101 technical report on SEDAR.

On November 3, 2021, the Company announced that Rial Minera SAC (“Rial”) which owns the highly prospective Core Las Huaquillas precious and base metal property (the “Project” or “CLH”) in northern Peru, and for which the Company holds a 50% interest, has engaged Ximena Mining Group S.A.C (“XMG”) to permit an exploration drilling program on the Project. XMG is a Peruvian environmental and technical engineering consultancy company, with over 18 years of experience, with 12 environmental management instruments approved over the last five years. XMG is registered to perform environmental studies at the Peruvian Ministry of Energy and Mines, SENACE (Peruvian Environmental Certification Service), the Peruvian Ministry of Housing, Construction and Sanitation and other Peruvian Government Agencies. XMG will carry out the environmental monitoring FTA, water use permit, CIRA archaeological report, and all other activities to obtain the permit required to conduct drilling operations at the Project.

On December 2, 2021, the Company announced results from confirmatory sampling of nine (9) rock and outcrop exposures at the highly prospective Core Las Huaquillas precious and base metal property (the “Project” or “CLH”) in northern Peru, and for which Fidelity holds a 44.5% interest and holds an option to acquire an additional 5.5%. The confirmatory sampling was completed as part of a site visit by Luc Pigeon B.Sc., M.Sc., P.Geol (the “Author”), a Qualified Person in the context of National Instrument 43-101 who is authoring a new NI 43-101 technical report on the Project as announced by the Company on October 7, 2021. The best result obtained was a sample collected from quartz veins exposed at the entrance of one of the underground working portals within the Los Socavones zone that returned a result of 9.653 g/t Au, 126 g/t Ag and 1.08 % Pb.

Going concern

At October 31, 2021, the Company had working capital deficit of \$177,381 and had not yet achieved profitable operations. In addition the Company had accumulated losses of \$12,632,251 since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work program on its mineral properties, meet its on-going levels of corporate overhead and commitments, keep its properties in good standing and discharge its liabilities as they come due. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. In the past, the Company has been successful in obtaining financing, although there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

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

CERRO DORADO, PERU

Overview

Cerro Dorado holds an option and permits to operate the Rey Salomon gold mine (NI 43-101 compliant property) with 2km of underground development, 32 identified veins, and a 60 tonnes per day carbon-in-pulp processing plant permitted for up to 100 tonnes per day. The entire mineral property under option by Cerro Dorado is comprised of 4 concessions totalling 1,172 hectares located in the department of Arequipa, province of Caravelí, Peru.

As part of the consideration the company will issue up to 266,667 common shares to Chazel subject to and upon satisfaction of the following milestones:

- 133,333 common shares upon the sale by the Company of 1,000 ounces of gold-contained ore or dore from either the Rey Salomon gold mine or the associated plant; and
- 133,333 common shares upon the sale by the Company of an additional 2,000 ounces (for an aggregate of 3,000 ounces) of gold-contained ore or dore from either the Rey Salomon gold mine or the associated plant.

On October 1, 2019, the Company entered into a binding agreement with certain private Peruvian interests ("the Purchasers"), to sell Cerro Dorado which includes all the property, plant and equipment to immediately commence the final capital investments required to upgrade and commission the Cerro Dorado CIL plant in Arequipa, Peru. The transaction involves staged payments to the Company and will conclude with the final transfer of the Cerro Dorado SAC subsidiary to the Purchaser, at completion. Cerro Dorado SAC holds title to four mineral concessions, including the Rey Salomon mine and the Cerro Dorado gold plant.

The binding agreement commits the Purchasers to perform certain capital improvements to the plant, including the purchase and installation of a weigh-scale, metallurgical and assay laboratory, tailings liner and other production related improvements, and to make quarterly payments to the Company over a twelve month period. The total Cerro Dorado cash consideration for the sale of Cerro Dorado SAC was US\$1,430,000, with the first payment of US \$100,000 paid upon execution of the agreement.

On October 13, 2020, the Company revised payment terms. As a result of COVID-19 related regulatory delays and disruptions the Company worked with the Purchaser to negotiate amended payment terms for the remaining US\$930,000. On October 9, 2020, the Company executed an addendum to the original sale purchase agreement. On April 22, 2021, the payment schedule was further amended.

The revised payment terms for the outstanding balance, is outlined below:

- US\$100,000 on October 10, 2020 (received)
- US\$100,000 on November 25, 2020 (received)
- US\$100,000 on January 25, 2021 (received)
- US\$100,000 on April 23, 2021(received)
- US\$100,000 on May 28, 2021(received subsequent to period end)
- US\$100,000 on June 25, 2021 (received subsequent to period end)
- US\$330,000 on July 24, 2021 (received subsequent to period end)
- **US\$930,000 TOTAL**

As at the date of this report the Company has received the full amount of the consideration and has completed the sale of Cerro Dorado.

GREATER LAS HUAQUILLAS, PERU

Overview

On February 11, 2019, the Company completed the acquisition of a 44.5% interest in a portfolio of mineral concessions which collectively constitute part of the Greater Las Huaquillas (GLH) project; a highly prospective precious and base metal project in northern Peru. The concessions are located to the immediate south of the border with Ecuador, where recent exploration success and corporate activity in the Ecuadorian mining sector, highlights the increasing interest in this historically underexplored region. The GLH project is interpreted by the Company to be located within a key north-south trending mineralised belt that extends through southern Ecuador into northern Peru.

Based on historical exploration, 5 mineralised zones, consisting of 4 mineralisation types including epithermal and porphyry style mineralisation types have been identified at the GLH project. The most advanced of these mineralised zones, the Los Socavones Zone, was partially appraised by a previous operator (Sulliden 1996-1999).

In 1998, Sulliden (Garipey & Vachon,1999) estimated that a 500m section of the 2,200m long Los Socavones Zone hosts a geological resource of 6.57 Mt grading 2.12 g/t Au and 25.2 g/t Ag; equivalent to 446,000 ounces of gold and

5.3 million ounces of silver at a 1 g/t Au cut-off. The resource was reported to remain open at depth and along strike. This historic resource, based on 10 drill holes and 20 mineralized intercepts, was estimated by Sulliden to a depth of 200m, and is reported as an historic resource estimate in an NI 43-101 Technical Report prepared for an unrelated party in 2011 (refer below). The Company has not conducted any work to establish the relevance & reliability of the historical estimate.

On December 22, 2020, the Company announced that it had acquired and re-processed significant historical induced polarization and ground magnetic data, with the newly re-processed geophysical data demonstrating remarkable correlation between the modelled chargeability and disseminated copper mineralization known from 1997 historical drilling. Reprocessed ground magnetics suggests structural control of the San Antonio and Cementerio porphyry zones. The qualitative correlation of chargeability with historical drilling indicating copper mineralization is well illustrated (see figure 1) which supports future application of deep IP for effective drill targeting. The Company has expanded the land position around the Las Huaquillas acquisition through the claiming of additional concessions which are 100% owned by Fidelity Minerals.

On December 2, 2021, the Company announced results from confirmatory sampling of nine (9) rock and outcrop exposures at the highly prospective Core Las Huaquillas precious and base metal property (the “Project” or “CLH”) in northern Peru, and for which Fidelity holds a 44.5% interest and holds an option to acquire an additional 5.5%. The confirmatory sampling was completed as part of a site visit by Luc Pigeon B.Sc., M.Sc., P.Geol (the “Author”), a Qualified Person in the context of National Instrument 43-101 who is authoring a new NI 43-101 technical report on the Project as announced by the Company on October 7, 2021. The best result obtained was a sample collected from quartz veins exposed at the entrance of one of the underground working portals within the Los Socavones zone that returned a result of 9.653 g/t Au, 126 g/t Ag and 1.08 % Pb.

The CLH Project features extensive historical exploration completed by Sulliden Exploration Inc. (“Sulliden”) and others through 1999. This work included soil sampling, geophysics and over 5,700m of diamond drilling (26 drill holes), and the excavation of approx. 1,200m of underground development on three levels in the Los Socavones Zone. This work defined five (5) mineralised zones, consisting of four (4) mineralisation types including epithermal Au-Ag (Los Socavones), and porphyry Cu style mineralisation (Cementerio and San Antonio) at the Project.

The confirmatory sampling was completed by the Author as part of a site visit required to support the writing of the new NI 43-101 technical report. This included limited verification of geologic mapping, alteration, and geochemical sampling completed by Sulliden in 1999. The Author collected a total of nine (9) grab samples: three (3) north of the San Antonio zone, four (4) along road cuts within the Los Socavones and San Antonio zones, and two (2) from exposed veins at the entrance portal of two (2) underground workings within the Los Socavones zone. The Author had previously visited the Cementerio zone in 2011 and verified the geology and alteration at that time for another issuer. The Author confirms the following:

- Significant alteration occurs within both the Cementerio and San Antonio zones. Furthermore, the location of the diorite and alteration mapped by the Author concurs with the historical geological mapping.
- Two (2) underground working portal locations were measured using a hand-held GPS with a reported accuracy of 2m. The PSAD56 portal locations reported in the historical maps and reports are accurate with their transformed WGS84 X, Y values falling within the GPS error radius. This confirms that the locations reported by Sulliden were of excellent quality and must have been acquired by a sub-metre accuracy differential GPS or surveyed using benchmarks and a total station.
- Grab samples C001437 and C001438 collected from quartz veins exposed at two (2) underground working portals within the Los Socavones zone returned 1.062 g/t Au and 9.653 g/t Au respectively. Sample C001438 is also characterized by 126 g/t Ag and 1.08 % Pb.
- Sample C001437 is composed of dark grey quartz with 6-7 percent disseminated and veinlet pyrite. A minor amount of iron oxides are also present.
- Sample C001438 is composed of a milky quartz matrix cross-cut by grey quartz veinlets. The rock contains approximately 6% disseminated pyrite and up 15% fracture- and vug-controlled iron oxides.

- Sample C001436 collected within the San Antonio zone is characterized by an anomalous Au content of 0.504 g/t Au and with an elevated Cu content reaching up to 0.547 % Cu.

Table 1 presents the results from all nine samples collected as part of the Authors site visit.

Sample	Datum	Easting	Northing	Elev m	Au ppm	Ag ppm	As ppm	Cu %	Fe %	Mn ppm	Mo ppm	Pb %	S %	Sb ppm	W ppm	Zn ppm
C001430	WGS84-17s	714131	9435488	1441	0.01	0.9	15	0.004	2.23	579	-1	0.001	0.01	16	-10	76.7
C001431	WGS84-17s	714034	9435575	1469	0.35	6.1	318	0.031	6.83	>10000	6	0.029	0.05	8	-10	874
C001432	WGS84-17s	713944	9435439	1479	0.81	0.7	157	0.003	14.4	175	-1	0.013	0.35	5	-10	23.1
C001433	WGS84-17s	713295	9437146	1041	0.1	0.8	-3	0.068	4.71	516	-1	0.000	0.01	-5	-10	46.3
C001434	WGS84-17s	713255	9437109	1040	0.05	0.6	3	0.014	5.81	232	1	0.000	0.09	-5	-10	12.2
C001435	WGS84-17s	713481	9436699	1134	0.02	0.5	4	0.037	5.89	70	14	0.000	0.04	-5	-10	11.7
C001436	WGS84-17s	713667	9436138	1333	0.5	2.5	-3	0.547	2.87	917	-1	0.001	0.04	-5	-10	37.9
C001437	WGS84-17s	714333	9435656	1337	1.06	12.1	842	0.005	5.36	85	-1	0.050	3.19	8	-10	151
C001438	WGS84-17s	714385	9435651	1313	9.65	126	245	0.069	4.62	106	2	1.08	1.00	34	11	309

Table 1: Geochemical sample results from the CLH Project

On July 8, 2021, the Company’s Peruvian subsidiary Minera LBJ SAC signed a binding agreement with Alexander Ernesto Vidaurre Otayza and Lida Avelina Pimentel Jibaja, who own the other 55.5% of the Las Huaquillas project, to acquire an additional 5.5% of Rial Minera SAC (“Rial”). Upon closing of the transaction, the Company will hold a 50% interest in Rial (and thereby CLH).

Per the terms of the agreement, the Company can acquire an additional 5.5% ownership of the Project by completing the following:

- Total cash consideration of USD \$500,000 payable in two instalments. The first instalment of USD \$300,000 to be paid upon signing the agreement. (Paid subsequent to year end). An additional USD \$200,000 to be paid three months after signing (Paid subsequent to year end).
- The Company will fund up to USD \$3,000,000 in underground sampling and exploration drilling to underwrite the publication of a new NI 43-101 technical report aimed at declaring inferred resources and to be completed within 18 months following receipt of drilling permit approvals.

There has not been sufficient drilling and/or sufficient previous exploration at Las Huaquillas upon which to base a mineral resource or mineral reserve estimate compliant to the standards of National Instrument 43-101. It should be noted that the historical resource related information outlined has been derived from: NI 43-101 Technical Report (the “Technical Report”) on the Las Huaquillas Au, Ag, Cu Property, Cajamarca, Peru (15 August 2011).

For additional information, refer to the Disclaimer & Forward Looking Statements section at the end of this report. The technical information in this announcement has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 (“NI 43-101”) and has been reviewed and approved on behalf of the Company by Mr. Dean Pekeski, P. Geo., of Kraven Geological Inc., a Qualified Person under NI 43-101.

PORPHYRITIC COPPER PROJECT, PERU

Overview

Porphyritic Copper comprises three contiguous concessions covering 4,000Ha, located in an active mining and development district in La Libertad, Northern Peru. The Project hosts near surface manifestations of visible copper mineralization, as well as small-scale artisanal gold workings.

On April 22, 2021, the Company announced that it had mobilized its geological team to commence reconnaissance exploration and sampling during February 2021. The field program was cut short by a sudden country-wide mandatory quarantine order related to COVID-19. The team nevertheless was able to collect eleven rock samples. Infrastructure

proximal to Porphyritic Copper excludes any significant towns or villages, and the team undertook initial reconnaissance based out of a mobile tent camp.

Porphyritic Copper is mostly underlain by monzodioritic intrusive rocks members of the Coastal batholith. The initial field work identified NW-SE and E-W fault systems thought to be associated with mineralization. The mineralization occurs in veins and veinlets of quartz, calcite, tourmaline, magnetite, muscovite, chalcopyrite, epidote and malachite in varying proportions. Silicification and oxidation occurs near the veins and low-grade argillic alteration is also present near faults.

Initial sampling of the mineralized structures confirms the occurrence of anomalous copper concentrations reaching 1.94% Cu over 0.30 m (C002820) and 1.56% Cu over 0.60 m. Sample C002820 is also characterized by an anomalous gold concentration of 0.82 g/t Au. The low sulphur concentrations indicate that the copper within the sampled rock mostly occurs in the form of copper oxides. Silver, lead and zinc concentrations are low with values ranging from below the detection limit to 7.1 ppm Ag, 5 ppm to 725 ppm Pb and 42 ppm to 273 ppm Zn respectively. Samples were shipped to the SGS laboratories in Lima for major and trace elements determination (PRP93, FAA313 Au and ICP14B analytical methods).

Sample results are summarized in Table 1. Sample locations and results are shown in Figure 1.

Sample	Easting m	Northing m	Type	Length m	Au g/t	Ag ppm	As ppm	Cu %	Fe %	Pb %	S %	Sb ppm	Zn ppm
C002820	789008	9065174	Canal	0.3	0.824	7.1	48	1.94	2.71	86	0.74	86	261.5
C002821	788932	9065502	Canal	0.1	0.078	0.4	10	0.32	1.8	29	0.04	-5	77.9
C002822	788730	9065783	Canal	1.5	-0.005	-0.2	24	0	2.76	5	-0.01	-5	44.7
C002823	787877	9066225	Rock Chip	2	-0.005	-0.2	5	0.01	4.96	84	0.01	5	111.6
C002824	790190	9065339	Canal	0.6	0.091	5.7	181	1.56	3.43	537	0.03	451	273.4
C002825	791110	9065424	Canal	2	0.011	-0.2	43	0.02	3.46	24	0.02	31	62.6
C002826	790162	9064378	Rock Chip	1	0.108	4.6	139	0.53	6.6	725	0.12	88	117.6
C002827	788981	9064607	Canal	1	0.15	5.3	19	0.41	2.58	54	0.13	-5	84
C002828	788993	9064594	Canal	0.15	0.142	1.2	155	0.01	>15	105	0.22	9	71.1
C002829	789261	9064353	Canal	0.3	0.04	0.4	32	0.52	1.49	47	0.01	15	41.7
C002830	787771	9066292	Rock Chip	1	-0.005	0.4	6	0	2.29	26	-0.01	-5	46

Table 1: Porphyritic Copper geochemical sample results (Datum: WGS84-17s).

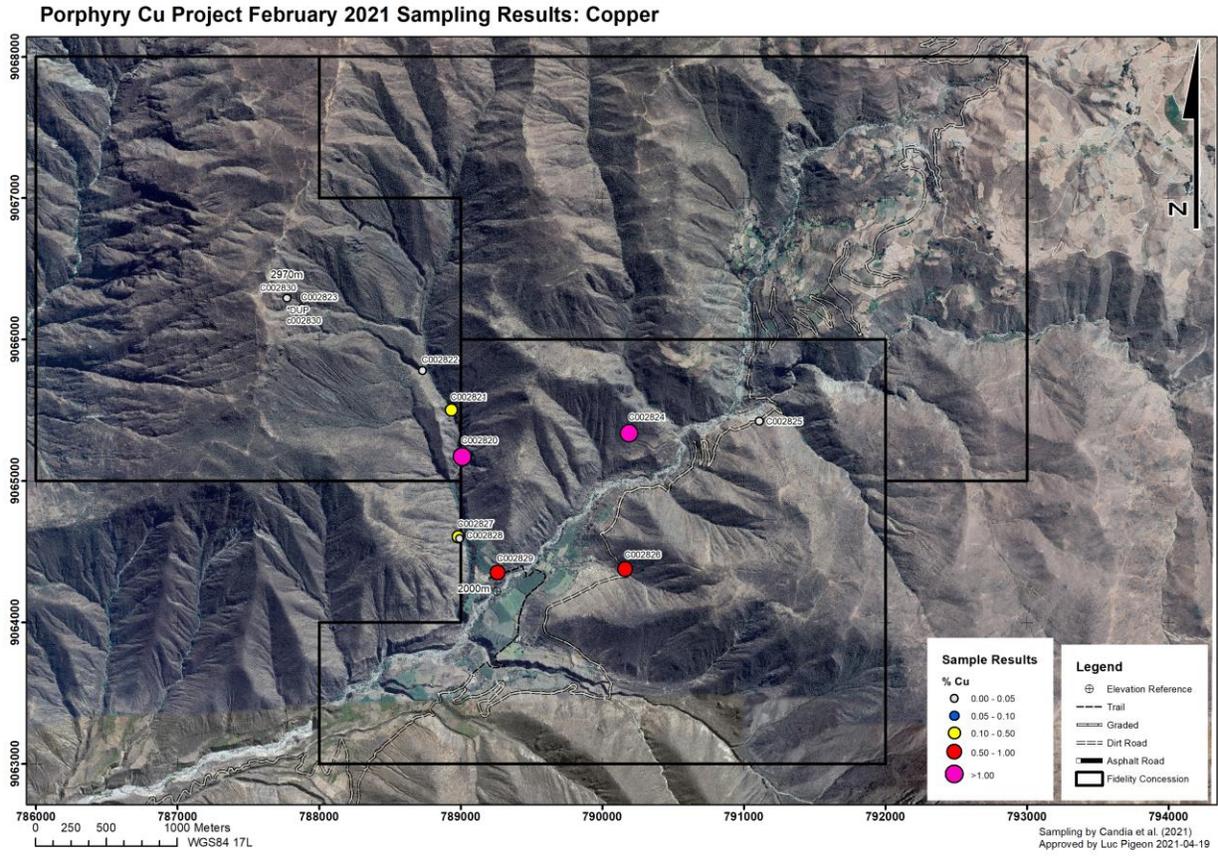


Figure 1: Porphyritic Copper geochemical sample location map with results

Photos of Sample C002824 (vein rock) showing white quartz, chalcopyrite, magnetite, tourmaline and iron oxides are shown below.



Milestone Payments of C\$500,000 and C\$250,000 are payable to the vendor if, within 5 years, a NI 43-101 compliant resource of >500,000T of contained copper is published by Fidelity Minerals (Milestone 1), and/or a transaction exceeding C\$5,000,000 is consummated (Milestone 2), respectively. Management has determined that Milestone 1 and 2 are unlikely and therefore allocated a 0% probability of achieving them.

CERRO EL BRONCE PROJECT, PERU

Overview

The Cerro El Bronce project consists of 2 concessions totalling 600Ha located in the Ancash province of Peru. Historical exploration at the project has identified a number of important copper minerals including malachite, pyrite and chalcopyrite with peak copper values of up to 6.8% Cu. In addition to the copper mineralization, at least 8 mesothermal gold veins have been identified at the project. Historical sampling of the Bronce Vein returned peak values of 20.3 g/t Au and 41.0 g/t Ag, with the seven-sample average of 8.29 g/t Au and 7.78 g/t Ag. The general project area has previously undergone small-scale artisanal working, with historical reports delineating relatively shallow high-grade gold resources.

The Cerro El Bronce project is entirely surrounded by concessions controlled by major gold mining companies including Newmont, which are actively exploring adjacent concessions. In the event the Company sells the concessions to an unrelated third party in the future, the vendors will receive 10% of the cash profits generated from the sale. The determination of cash profits essentially consists of the sale proceeds minus total expenditures made by the Company on the project up to the time of the sale, including transaction costs and taxes and duties related to the sale transaction

LAS BRUJAS PROJECT, PERU

Overview

The Las Brujas project is located in the Cajamarca province of Peru. The original project (1,900ha) acquired by Fidelity Minerals in June 2019, was expanded 8,400ha in total during the period. The project is accessible by road and is located within 10km of the La Zanja high sulphidation gold mine, and 20km and 23km from the Tantahuatay epithermal (Au/Ag) and Cerro Corona porphyry (Cu/Au) mines, respectively. The project features extensive argillic, advanced argillic, and quartz-sericite alteration over a 3 x 6 km area, where gold mineralization occurs in silicified volcanic rocks and hydrothermal breccias. Anomalous gold values have been reported from more than three extensive zones (including surface chip samples over 10 metres grading 1.5 g/t Au). Previous exploration at the project identified an apparent geochemical signature that appears typical of an epithermal precious metal system. The Project is hosted in the Calipuy Formation, which also hosts the world-class Yanacocha and Pierina gold deposits, and is situated within the "Yanacocha External Caldera", which hosts several economic deposits within 50 kilometres of Yanacocha, in the Western Andes of Peru. Yanacocha is one of the largest heap leachable gold mines in the world, mining an occurrence of over 50M Oz.

The Las Brujas expansion has been driven by encouraging surface sampling results (to 5,000ha) and more recently by the modelling of the geological relationships between regional epithermal gold systems and their adjacent and related porphyry gold-copper systems (interpreted to be geological analogues of Tantahuatay – AntaKori / Cerro Corona). Expansion at Las Brujas is guided by remote sensing work that indicates surficial evidence of alteration that may reflect intrusive and hydrothermal activity to the east of the alteration observed in connection with the gold-bearing prospects which observations correlate with circumstantial indicators and inferred area structure also derived from remote sensing imagery.

The geological mapping and sampling projects were initiated September 9, 2020 within the Las Brujas Gold 2 Concession where the Company holds certain permission from the land owners to carry out prospecting work. The mapped area is mostly underlain by andesitic volcanic and sub-volcanic rocks of the Calipuy Formation including porphyritic andesite and dacite as well as volcanic agglomerate (Figure 2). Microdiorite intrusions and dykes are ubiquitous. The area is characterized by moderate to intense pervasive hydrothermal argillic alteration along faults and fracture systems. Units proximal to the mineralized zones show a localised zebra-like banding texture formed by rusty orange iron oxide rich clay bands separated by light grey clay bands. The gold mineralization occurs within breccia, stockwork and veinlet systems accompanied by iron oxides and silica. The mineralization locally also contains

disseminated pyrite as well as pyrite, quartz and jasper veinlets. The gold mineralization shows a spatial correlation to the porphyritic andesite contacts and a NE-trending fault systems.

To date 1,223 samples have been collected at the Las Brujas Gold project. Most sample sites lie within the Las Brujas Gold 2 Concession. The samples were shipped to the SGS laboratories in Lima for major and trace elements determination (PRP93, FAA313 Au and ICP14B analytical methods).

The surface sampling has isolated a notable 50m by 100 m area comprising a tectonic breccia rock that is gold anomalous (refer Figure 3). One hundred and five channel samples (n=105) were collected within the anomalous area of which 24 samples are characterized by Au concentrations above 0.2 g/t Au. Notably a 5m true width channel sample (n=7) returned 2.8 g/t Au near the southern contact with a porphyritic andesite unit (Table 1).

The mineralization is also characterized by copper concentrations that vary from 19 to 411 ppm Cu. Silver, lead and zinc concentrations are negligible. Sulphur concentrations are mostly below the detection limit of 0.01% S whereas Iron concentrations vary from 2.5% Fe to above the 15% Fe detection limit. Arsenic concentrations reach up to 5,590 ppm within the Au-enriched samples whereas the antimony concentrations remain low with most results below 66 ppm.

A ground magnetic survey was carried out between October and November 2020 covering approximately 713 hectares mostly within the Las Brujas 2 and Tongod II Concessions (Figure 4). The survey identified three large magnetic anomalies and several smaller ones that appear to correlate with andesitic volcanic and subvolcanic rocks. The gold mineralization appears to be concentrated near the boundaries of the magnetic features, though mineralization is also evident within certain of the magnetic features.

Sample	Easting	Northing	Length	Au	Ag	As	Cu	Fe	Mn	Pb	S	Sb	Zn	Mass	Type
	m	m	m	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	g	
C002460	736843	9253398	1.00	1.415	-0.2	1493	63.0	3.89	17	13	-0.01	11	6.0	1410	Channel
C002461	736843	9253399	1.00	0.729	-0.2	1263	98.6	3.56	14	20	0.02	18	10.1	1060	Channel
C002462	736843	9253400	1.00	3.841	-0.2	3146	57.6	3.07	12	25	-0.01	16	2.6	1050	Channel
C002463	736843	9253401	1.00	6.098	0.9	5375	34.2	3.29	11	31	-0.01	19	2.6	2200	Channel
C002464	736843	9253402	1.00	6.139	1.0	5590	36.0	3.84	13	30	-0.01	20	3.5	1330	Channel
C002465	736844	9253402	1.00	1.011	-0.2	876	57.7	2.98	12	13	0.01	11	4.3	2070	Channel
C002466	736845	9253402	1.00	0.236	-0.2	624	35.3	2.72	14	14	0.01	7	2.3	2520	Channel
			AVG:	2.78											

Table 1: Assay results

On June 15, 2021, the Company announced results for 433 samples recently collected, including 36 samples displaying anomalous gold concentrations ranging from 0.1 to 0.96 g/t Au. The most significant Au intersects were 0.96 g/t Au over 1.3m, 0.45 g/t Au over 3.5m and 0.41 g/t Au over 3.5m. Silver concentrations are mostly below the detection limit with only one sample displaying a minor Ag enrichment of 9 g/t. The results of selected gold anomalous samples are given in Table 2 whereas Figure 5 displays the location and general results of the 2021 sampling campaign to date.

Sample	Datum	Easting	Northing	Elev m	QAQC	Lot	SType	Width m	Cert_id	Au ppm	Ag ppm	As ppm	Ca %	Cr ppm	Cu ppm	Fe %	Mn ppm	Mo ppm	Pb ppm	S %	Sb ppm	W ppm	Zn ppm	Mass g
L001055	WGS84-17s	737251	9252203	3127	Original	Lot20	Canal	1.5	GQ2100959	0.205	0.3	144	0.01	91	85.5	3.96	17	44	23	0.02	8	-10	20.7	2450
L001086	WGS84-17s	737098	9252751	3269	Original	Lot21	Canal	1.0	GQ2100996	0.222	0.4	181	0.01	96	40.9	5.31	50	43	162	0.02	138	-10	28.8	2030
C002981	WGS84-17s	737435	9251422	3020	Original	Lot18	Rock Chip	5.0	GQ2100853	0.25	9	713	-0.01	100	475.1	14.95	24	6	36	0.04	115	-10	33.9	1940
L001047	WGS84-17s	737573	9252043	3055	Original	Lot20	Canal	1.0	GQ2100959	0.265	0.5	588	-0.01	261	412.7	7.87	35	8	73	0.03	187	-10	43.5	2030
L001121	WGS84-17s	737159	9252506	3259	Original	Lot21	Canal	1.2	GQ2100996	0.344	0.8	552	-0.01	17	116.7	5.38	787	5	20	0.01	25	-10	32.1	3080
L001088	WGS84-17s	737171	9252755	3262	Original	Lot21	Canal	1.0	GQ2100996	0.358	0.5	348	0.01	11	287.8	4.13	99	3	500	0.02	56	-10	37.7	1830
L000974	WGS84-17s	737186	9252453	3249	F-Dup	Lot19	Canal	3.5	GQ2100952	0.414	0.2	328	-0.01	67	55.6	5.04	45	8	27	0.02	16	-10	26.3	2710
L001038	WGS84-17s	737450	9251913	2998	Original	Lot20	Canal	1.0	GQ2100959	0.416	0.4	189	0.02	66	334.1	3.88	133	28	31	0.02	7	-10	16.5	1960
L000990	WGS84-17s	737390	9252287	3181	Original	Lot19	Rock chip	2.0	GQ2100952	0.417	0.2	605	0.01	137	149.6	11.52	85	2	30	0.03	15	-10	46.1	1840
L001180	WGS84-17s	737338	9252638	3215	Original	Lot22	Canal	1.2	GQ2101093	0.426	-0.2	492	-0.01	19	36.6	12.74	>10000	1	225	0.02	47	-10	539	2460
L000973	WGS84-17s	737186	9252453	3249	Original	Lot19	Canal	3.5	GQ2100952	0.446	-0.2	345	-0.01	61	57.2	4.76	41	5	22	0.02	15	-10	26.3	2870
L001101	WGS84-17s	737200	9252592	3254	Original	Lot21	Canal	1.3	GQ2100996	0.961	0.4	544	-0.01	55	77.9	4.38	437	3	86	0.01	21	-10	66	2070

Table 2: Anomalous sample results from the Las Brujas Gold 2 and Tongod II Concessions (Datum: WGS84-17s).

The gold mineralization is also characterized by copper concentrations that vary from 29 to 647 ppm Cu. Lead and zinc concentrations reach up to 751 ppm Pb and 539 ppm Zn respectively within the Au-enriched samples. Other non-

Au-enriched samples locally display moderate base metal anomalies that reach up to 779 ppm Cu, 3611 ppm Pb and 539 ppm Zn. Arsenic concentrations reach up to 726 ppm As within the Au-enriched samples whereas the antimony concentrations reach up to 187 ppm Sb.

The highest Au concentrations to date are related to moderately argillic-altered porphyritic dacitic rock displaying a mottled or zebra-like texture formed by limonite in the rock matrix. The matrix also contains sericite and magnetite. The mineralized zone identified in 2020 located approximately 800m to the north northwest is also characterized by a similar alteration texture. Figure 6 are photographs showing the rock and textures associated with sample L001101 which returned 0.96 g/t over 1.3m.

The company recently reached an agreement with local land owners east of the 2020 sampling area within the Las Brujas 2 and Tongod II Concessions opening up approximately 400 hectares for continued geological mapping and sampling as well as further ground magnetometer survey. The company is also in negotiations with other land owners to conduct an Induced Polarization survey over the most prospective are where gold mineralization was identified within the Las Brujas 2 Concession.

Luc Pigeon B.Sc., M.Sc., P.Geo., a Qualified Person in the context of National Instrument 43-101, has read and approved the technical content above. Mr. Pigeon has been present on site at the project to assist and advise the team, and has also been in Lima supervising the delivery of samples to the laboratory.

In the event the Company makes a decision to mine at the Las Brujas project, the Company will establish a 75:25 unincorporated JV with the original project vendors, where the majority interest in the JV is owned by the Company. In the event that the Las Brujas project is sold, any right by the Vendors to participate in a JV will expire.

In the event the Company sells the concessions to an unrelated third party in the future, the original project vendors will receive 10% of the cash profits generated from the sale. The determination of cash profits essentially consists of the sale proceeds minus total expenditures made by the Company on the project up to the time of the sale, including transaction costs and taxes and duties related to the sale transaction.

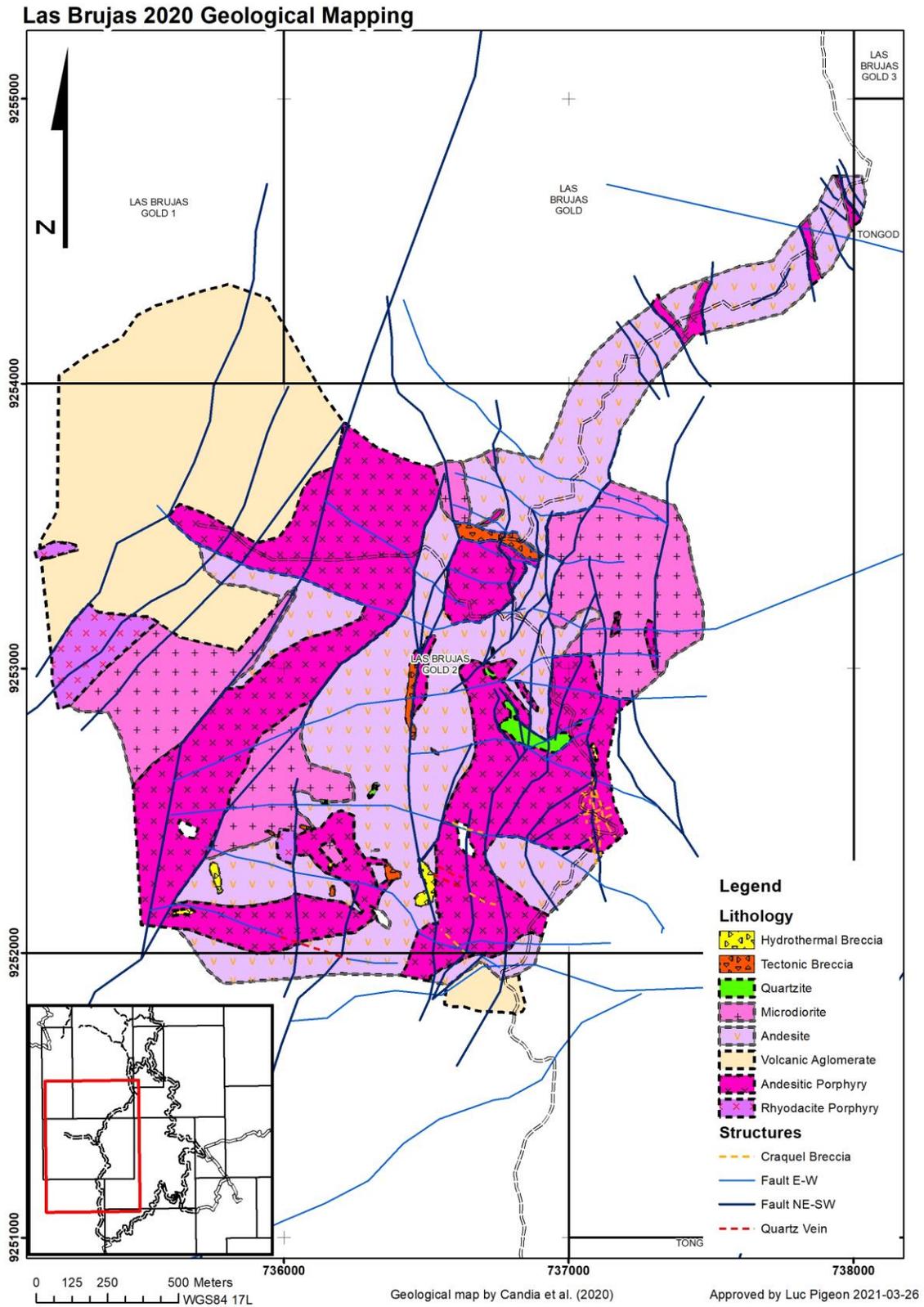


Figure 2: Geological Map of the Las Brujas Gold 2 Concession

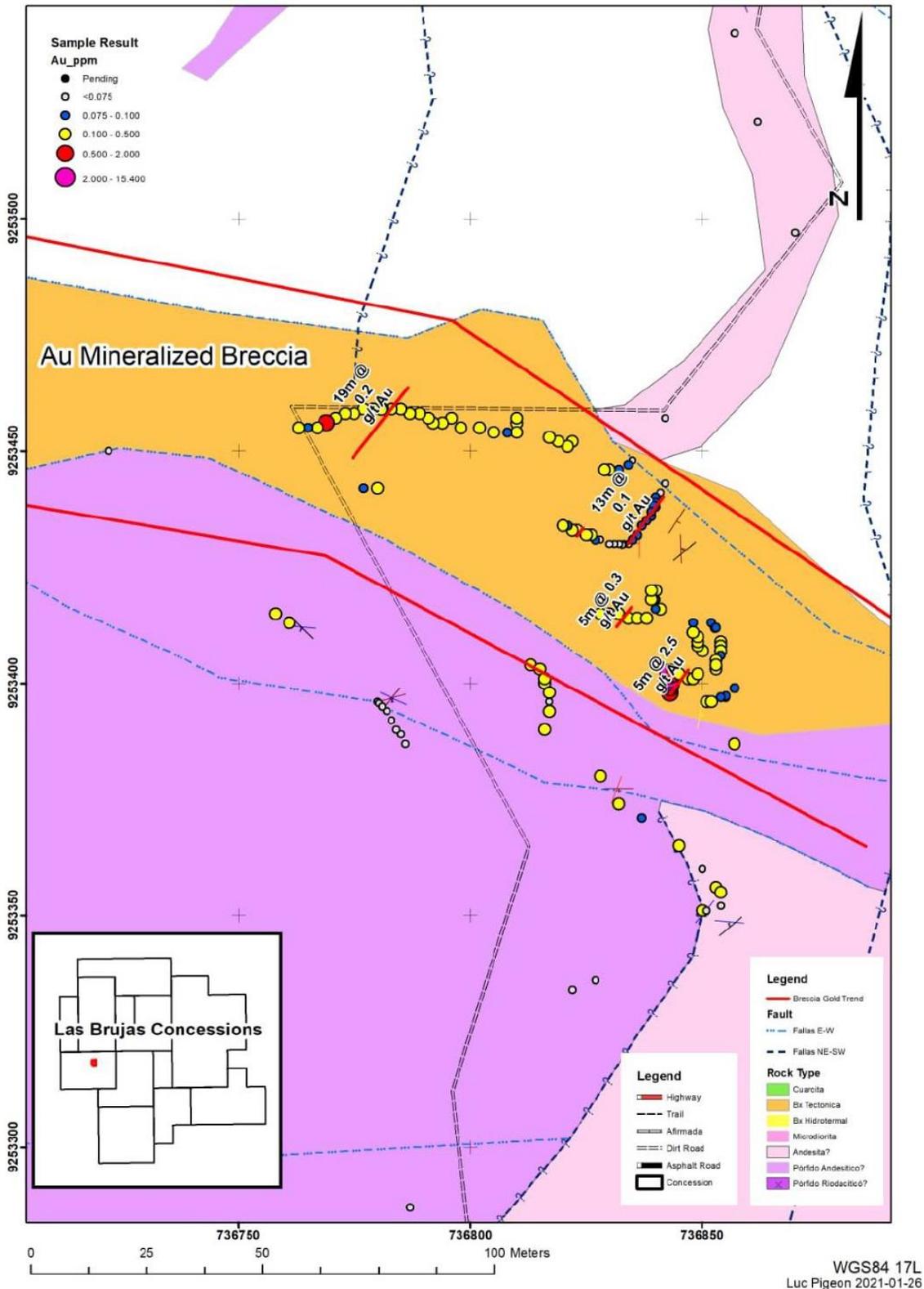


Figure 3: Las Brujas Sampling at the El Alambique Prospect to end-2020

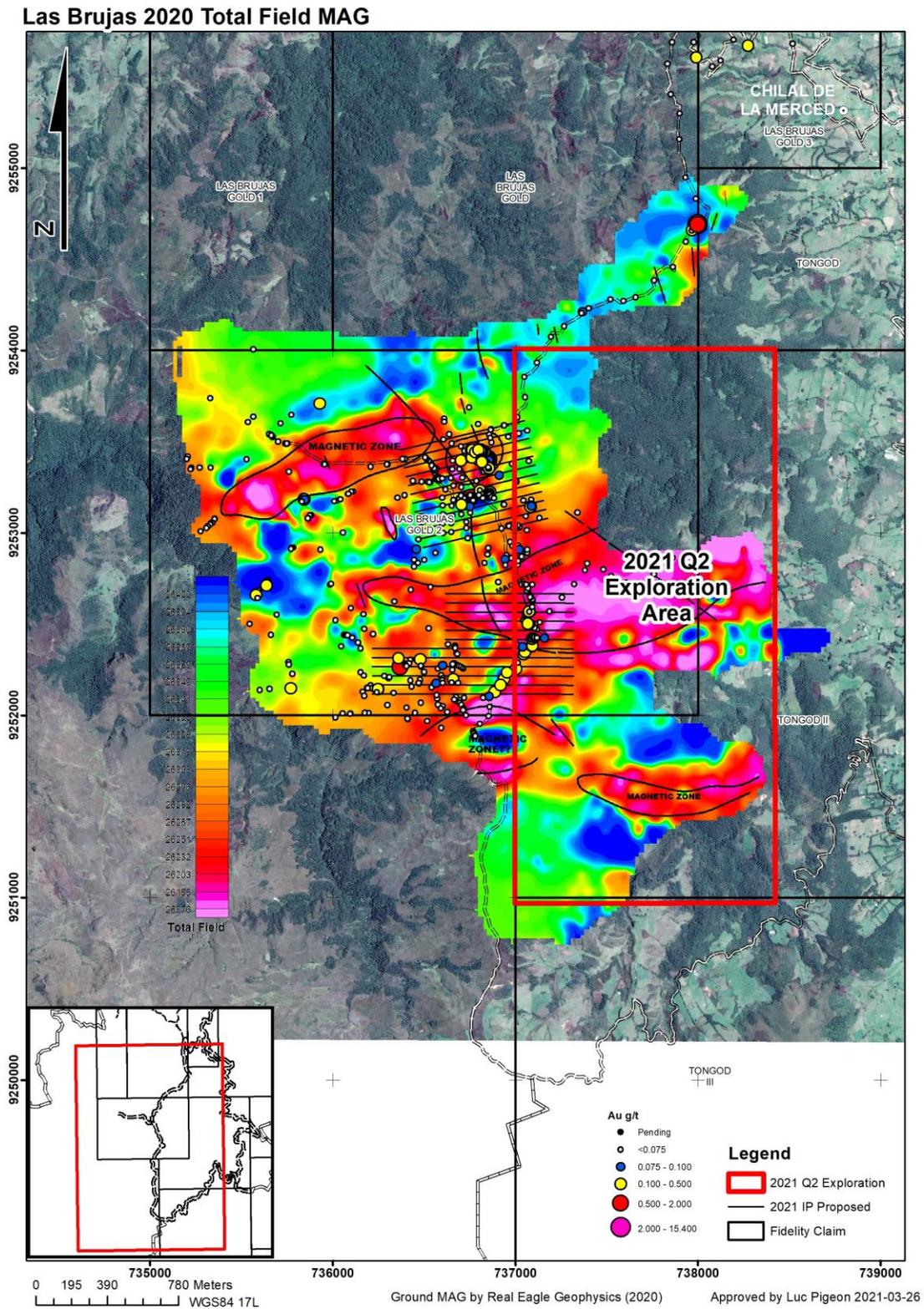


Figure 4: Ground Magnetic Survey Results for the Las Brujas 2 and Tongod II Concessions

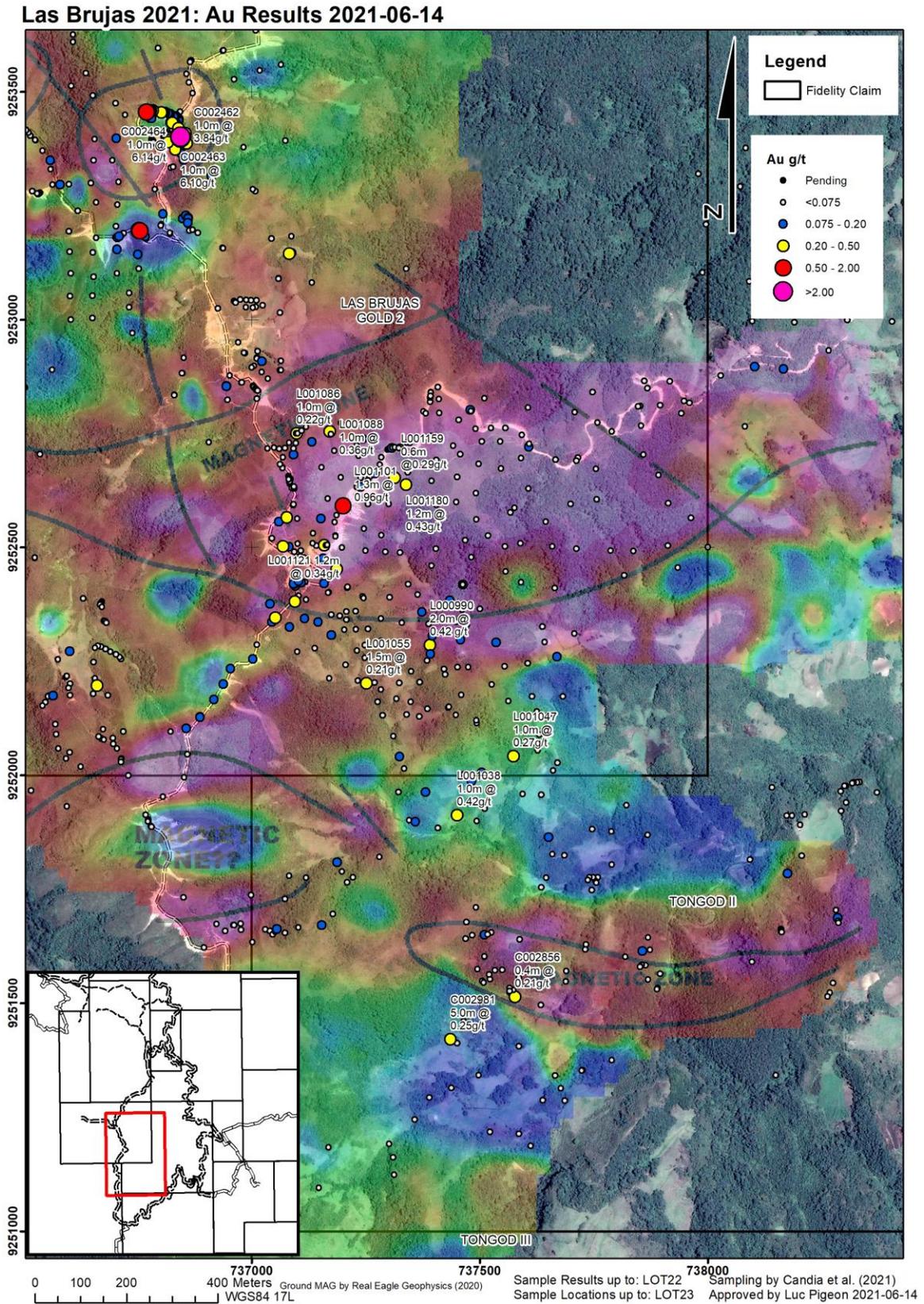


Figure 5: Las Brujas Gold 2 and Tongod II Concessions geochemical sample location map with results.

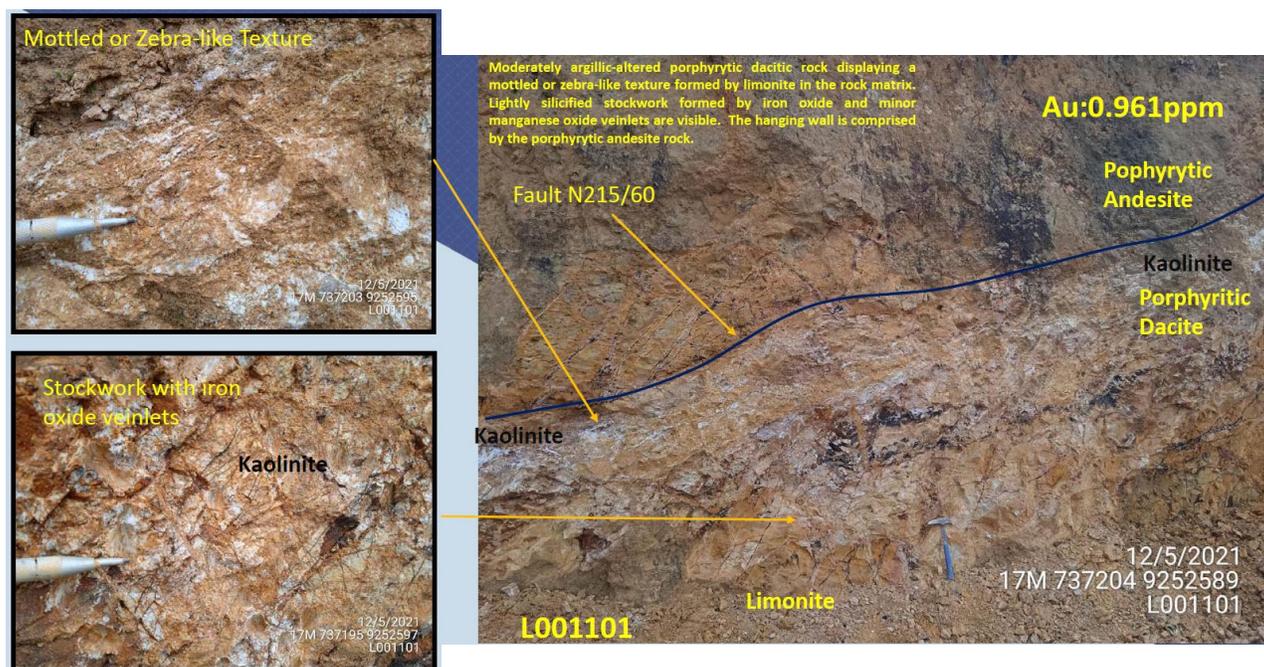


Figure 6: Photographs of sample L001101 which returned 0.96 g/t over 1.3m.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended October 31,	
	2021	2020
Cash outflows from operating activities	(81,200)	(179,192)
Cash inflows from financing activities	250,000	293,367
Cash inflow (outflows) from investing activities	(229,334)	5,630
Effect of exchange rate changes on cash	-	-
Net cash inflows (outflow)	(60,534)	119,010
Cash balance	55,653	171,837

As at October 31, 2021, the Company's net working capital deficit was \$177,381 compared to net working capital of \$396,845 as at July 31, 2020.

Cash outflow from operating activities was \$81,200 in the period ended October 31, 2021, which was lower than 2020 and relates to the change working capital items, net of corporate expenses

Cash inflow from financing activities was \$250,000 in the period ended October 31, 2021, which was lower than comparative period in 2020. During the current period the Company received a loan for \$250,000.

Cash outflows from investing activities was \$229,334 in the period ended October 31, 2021 compared to an inflow of \$5,630 in 2020. The increased outflow is related to exploration costs incurred during the year net of Cerro Dorado proceeds received during the period.

The Company’s ability to continue as a going concern is dependent on the Company’s ability to raise funds.

SUMMARY OF CONSOLIDATED PROFIT AND LOSS

	Note	Three months Ended October 31,	
		2021	2020
General and administration expenses			
Administrative fees		\$ (6,393)	\$ (18,110)
Consulting fee		(109,385)	(56,051)
Foreign exchange		48,535	(22,438)
Investor communications		(72,058)	-
Legal and professional fee		(14,521)	(10,098)
Stock-based compensation	10	-	(90,495)
		(153,822)	(197,192)
Other expense			
Gain on settlement of accounts payable		-	20,000
Loss for the period		\$ (153,822)	\$ (177,192)
Loss per share			
Basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average shares outstanding			
Basic and diluted		61,703,671	42,811,725

Revenue was nil in all periods as the Company has not yet begun operations or monetized any of its assets.

Net loss in the current period ended October 31, 2021 was lower than the comparative period in 2020 as a result of a foreign exchange gain and no stock-based compensation being recognized in the current period. Overall expenses have increased in the current period compared to the comparative period.

QUARTERLY RESULTS	October 31, 2021	July 31, 2021	April 30, 2021	Jan 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020	Jan 31, 2020
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net loss	(115,822)	(110,283)	(359,082)	(158,737)	(177,192)	(586,659)	(66,491)	(226,274)
Basic & diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.02)	(0.00)	(0.01)
Total assets	5,621,322	5,501,917	5,723,391	4,885,802	5,162,990	4,984,256	4,958,582	5,075,855

Three months ended October 31, 2021 compared to historical quarters in 2020 & 2019

Net loss in the current quarter was lower than all comparative quarters in except for Q4 2021 and Q1 2020 and is the result of timing of expenses incurred.

Change in total assets

Total assets as at October 31, 2021 have fluctuated over the years as the Company has sold its Cerro Dorado plant and received the proceeds receivable and then re-invested a portion of the cash received in the current project portfolio.

SHAREHOLDERS' EQUITY

The Company's authorized capital stock consists of an unlimited number of common shares without par value. As at October 31, 2021, the Company had 61,703,671 common shares, 4,835,000 stock options and 33,207,864 share purchase warrants outstanding. As at the date of this report, the Company had 73,783,671 common shares, 4,835,000 stock options and 20,505,107 share purchase warrants outstanding.

Subsequent to the period ended October 31, 2021, the Company issued 12,080,000 common shares as a result of warrants exercises for gross proceeds of \$650,000.

The following is a summary of the stock options outstanding as at the date of this report:

Number of stock option outstanding and vested	Exercise price per stock option	Expiry date
10,000	\$1.05	January 17, 2022
1,725,000	\$0.075	January 24, 2025
1,950,000	\$0.075	July 6, 2025
900,000	\$0.105	August 12, 2025
250,000	\$0.15	March 9, 2026
4,835,000	\$0.12	

The following is a summary of the share purchase and broker warrants outstanding as at the date of this report:

Number of warrants	Exercise price per warrant	Expiry date
206,666	\$1.50	January 13, 2022
2,625,000	\$0.40	February 8, 2024
7,568,121	\$0.07	August 10, 2022
10,105,320	\$0.15	April 16, 2023
20,505,107		

REGULATORY DISCLOSURES

Off balance sheet arrangements

The Company does not have any off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions as at October 31, 2021 other than as disclosed elsewhere in this document.

Financial instruments

The Company's financial instruments consist of cash, other receivables, accounts payable and accrued liabilities, loan payable and promissory notes and advances. The fair value of these financial instruments approximates the carrying value due to the short maturity or current market rate associated with these instruments.

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

- Level 1 Unadjusted quoted prices in active markets for identical assets and liabilities
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3 Inputs that are not based on observable market data

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, and marketable securities. The Company's cash is held through large Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The accounts payable and income taxes payable is due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. Some of these investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their properties. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash and cash equivalents or fixed income securities. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity.

Foreign Exchange Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in the United States and Peru. Certain costs and expenses are incurred in US dollars and Peruvian sol. The Company attempts to mitigate currency risk through the preparation of short and long term expenditure budgets in the foreign

currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable.

The Company's financial assets and liabilities as at October 31, 2021 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

	Canadian Dollars	US Dollars	Total
Financial assets			
Cash	\$ 47,379	\$ 8,274	\$ 55,653
Other receivables	6,599	-	6,599
Cerro Dorado proceeds receivable	-	230,553	230,553
	53,978	238,827	292,805
Financial liabilities			
Accounts payables and accrued liabilities	(154,253)	(107,776)	(262,029)
Promissory notes and advances	-	(250,000)	(250,000)
Net financial (liabilities) assets	\$ (100,275)	\$ (118,949)	\$ (219,224)

The Company's financial assets and liabilities as at July 31, 2021 are denominated in United States Dollars, Canadian Dollars, and Peruvian Soles, and are set out in the following table:

	Canadian Dollars	US Dollars	Total
Financial assets			
Cash	\$ 94,063	\$ 22,124	\$ 116,187
Other receivables	14,593	-	14,593
Cerro Dorado proceeds receivable	-	411,044	411,044
	108,656	433,168	541,824
Financial liabilities			
Accounts payables and accrued liabilities	(106,977)	(131,825)	(238,802)
Net financial (liabilities) assets	\$ 1,679	\$ 301,343	\$ 303,022

The Company's reported results will be affected by changes in the US dollar to Canadian dollar and US dollar to Peruvian Sol exchange rate. As of October 31, 2020, a 10% appreciation of the Canadian dollar relative to the US dollar would have decreased net financial liabilities by approximately \$11,895 (July 31, 2021 - \$30,134). A 10% appreciation of the US Dollar relative to the Canadian dollar would have had the equal but opposite effect. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk.

Related Party Transactions

The Company’s related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors or companies with common directors of the Company.

The remuneration of the Company’s directors and other key management personnel during the years ended October 31, 2021 and 2020 are as follows:

	October 31, 2021	October 31, 2020
Consulting fees	\$ 81,300	\$ 30,000
Professional fees	-	6,000
Share-based payments	-	60,330

As at October 31, 2021 the Company had amounts payable of \$36,431 (July 31, 2021 - \$16,483) to these parties. These amounts are unsecured and non-interest bearing.

On December 5, 2017, the Company entered into an unsecured promissory note with Lions Bay. The loan accrued interest at a rate of 6% per annum. The principal and interest were due on December 5, 2018 and are now payable on demand. During the period ended October 31, 2021 the advances per the promissory note totaled \$250,000 (July 31, 2021 - \$nil). During the period ended October 31, 2021, \$nil was settled in shares (July 31, 2021 - \$36,830). During the period ended October 31, 2021 \$nil (July 31, 2021 - \$nil) was recorded as interest expense.

Capital Risk Management

The Company’s objective of capital management is to ensure that it will be able to continue as a going concern, continue the exploration of mineral properties, and identify, evaluate, and acquire additional resource properties. The capital of the Company consists of shareholders’ equity. The Company is meeting its capital risk objectives by successfully raising, from time to time, the required funds through debt and equity.

Internal controls and procedures

During the period ended October 31, 2021, there has been no significant change in the Company’s internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company’s annual financial statements for the year ended July 31, 2020 (together the “Annual Filings”). The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at <http://www.sedar.com>.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Accounting estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could materially differ from these estimates.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

(i) Depreciation and depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production ("UOP") method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves and a portion of measured and indicated and inferred resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on mineral reserves.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(ii) Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

For asset acquisitions, contingent share consideration is an estimate of the fair value of the contingent amounts expected to be payable in the future. The fair value is based on number of contingent shares, the share price of the Company on the date of acquisition and management's expectations of probability.

(iii) Deferred taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized income tax assets

(iv) Decommissioning and restoration provision

The Company assesses its reclamation provisions at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent, cost, and timing of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate, and changes in discount rates. These uncertainties may result in future expenditures differing from the amounts currently provided.

(v) Contingent consideration

For asset acquisitions, contingent share consideration is an estimate of the fair value of the contingent amounts expected to be payable in the future.

Significant judgments in applying accounting policies

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

(i) Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in profit or loss. The assessment of fair values, including those of the cash-generating units, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of assets could impact the impairment analysis.

(ii) Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploratory drilling and evaluation costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

(iii) Functional currency

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

(v) Stage of development

The Company has determined that all are properties held should be classified as exploration and evaluation assets. In making this determination, the Company must assess whether or not the properties meet the criteria for technical feasibility and commercial viability to be recognized as development stage assets.

Accounting policies

Please refer to the audited annual financial statements for the year ended July 31, 2021 for the Company's significant accounting policies, which was filed on SEDAR

Risk and uncertainties

The operations of the Company are speculative due to the nature of its business which is the investment in the exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Operating Hazards and Risks

Exploration and development of natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Title to Assets

Although the Company has or will receive title options for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries.

The successful exploration and development of the Company's properties is dependent on support from local communities. A community agreement may be required to permit the Company to conduct exploration activities on its projects. There is no assurance that such an agreement can be reached or, if reached, subsequently renewed or extended. The Company is committed to working in partnership with its local communities in a manner which fosters active participation and mutual respect. The Company works towards minimizing negative project impacts, encouraging certain joint consultation processes, addressing certain decision making processes and towards maintaining meaningful ongoing dialogue. The Company regularly consults with the communities close to its exploration and development activities.

Management

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Requirement of New Capital

As an early exploration/development company, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise, by way of debt and equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth. It is the intention of the company to invest in cash-flowing assets, to migrate the business into a situation where the need to raise capital on the markets for continued operation is reduced over time.

Metals Pricing Risk

The feasibility of the Company's mineral exploration and development is significantly affected by changes in the market price of gold, copper and silver. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control. The level of interest rates, the rate of inflation, world supply of gold and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Risk of Foreign Operations

In Peru, the jurisdiction in which the Company has its operations and mineral properties, the Company is subject to various political, economic and other uncertainties, including the risks of civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, and changing political conditions. In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such changes may have a material adverse effect on the Company's operations.

Other Significant Risks

In addition to the foregoing, the Company's business risks include operating hazards, environmental and other government regulations, competition in the marketplace, and the market for our securities. Its properties are located in Peru and are subject to the laws and regulations of that country. The Company carries on its exploration activity outside of Canada. Accordingly, it is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar and foreign currencies, in particular the US dollar and the Peruvian soles. Such fluctuations may materially affect the Company's financial position and results.

Forward-Looking Statements

This MD&A contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to such risks and uncertainties. Many factors could cause our actual results to differ materially from the statements made, including those factors discussed in filings made by us with the Canadian securities regulatory authorities. Should one or more of these risks and uncertainties, such as the actual results of current exploration and development programs, the general risks associated with the mining industry, the price of gold and other metals, reduced funding, currency and interest rate fluctuations, increased competition and general economic and market factors, occur or should assumptions underlying the forward-looking financial statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. We do not intend and do not assume any obligation to update these forward-looking statements, except as required by law. Shareholders are cautioned not to put undue reliance on such forward-looking statements.

The technical information in this report relating to the Greater Las Huaquillas project has been derived from: NI 43-101 Technical Report (the "Technical Report") on the Las Huaquillas Au, Ag, Cu Property, Cajamarca, Peru (15 August 2011) prepared by Luc Pigeon, P.Geo., of Gateway Solutions SAC, a Qualified Person under NI 43-101. The Company has not sought any form of consent from either the Qualified Person, or the Issuer which commissioned the Technical Report, but rather references this Technical Report in an historical context as the report was originally submitted for exchange approval on August 15, 2011. It should be noted that there has not been sufficient drilling and/or sufficient previous exploration at Las Huaquillas upon which to base a mineral resource or mineral reserve estimate compliant to the current standards of National Instrument 43-101, and the Company has not undertaken any independent verification of the data contained in that report by a Qualified Person or Persons acting for the Company. There has been no additional or independent verification site visits, sampling or analytical work undertaken by the Company with respect to the Las Huaquillas property. The Company has relied entirely upon historic disclosure relating to the Las Huaquillas project in preparing this report.

This MD&A has been approved by the Board of Directors of the Company, and contains certain information that is current to the date of this report. Events occurring after that date could render the information contained herein inaccurate or misleading in a material respect. The Company may, but is not obligated to, provide updates to forward-looking statements, including in subsequent news releases and its interim MD&A as filed with regulatory authorities. Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at <http://www.sedar.com>.

Qualified person

The technical information in this Management Discussion and Analysis has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the Company by Luc Pigeon B.Sc., M.Sc., P.Geo.

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SSE: MNYCL