RIVERSIDE RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE NINE MONTHS ENDED JUNE 30, 2020

INTRODUCTION

The management discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Riverside Resources Inc. (the "Company" or "Riverside") for the nine months ended June 30, 2020. In order to better understand the MD&A, it should be read in conjunction with the unaudited financial statements and related notes for the nine months ended June 30, 2020 and audited financial statements and related notes for the year ended September 30, 2019. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to August 20, 2020 and in Canadian dollars unless otherwise stated.

Additional information relating to the Company, including its Information Circular for the financial year ended September 30, 2019, is available under the Company's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

CORPORATE OVERVIEW

The Company is a mineral exploration and development company listed on the TSX Venture Exchange under the symbol "RRI" and is engaged in the acquisition, exploration and development of exploration and evaluation assets in the Americas including Canada, the United States and Mexico where the technical team collectively has more than 100 years of exploration experience and has been part of more than five discoveries that have gone into production.

The Company combines the experience of mine discoverer John-Mark Staude (President, CEO, Director), Freeman Smith (Vice President Exploration), and Alberto Orozco (VP Corporate Development) with the finance and business management expertise of Rob Scott (CFO), Brian Groves (Director), James Clare (Director), Walter Henry (Director) and Carol Ellis (Director). Management has experience in developing significant shareholder value and they have assembled a team that can build a valuable and successful organization.

HIGHLIGHTS OF EVENTS OCCURING DURING AND SUBSEQUENT TO JUNE 30, 2020

Statutory plan of arrangement

On April 1,2020, the Company received a requisite shareholder approval for a strategic reorganization of its exploration business. In connection with the reorganization, Capitan Mining Inc. ("Capitan" or "SpinCo"), will complete the acquisition of its interest in the Peñoles Property from the Company for $3.5 million to be paid by issuing 17,500,000 common shares ("SpinCo Shares") to the Company. The Company will then complete a share capital reorganization by way of statutory plan of arrangement ("Arrangement") whereby the Company will spin-out the SpinCo Shares to Riverside's shareholders.

On August 14, 2020, the Company completed the statutory plan of arrangement to spin out the shares of Capitan to the shareholders of Riverside. Capitan and its shareholders hold 100% interest of the gold-silver resource at the Peñoles Project.

Under the Arrangement, Riverside's current shareholders will receive Capitan Shares by way of a share exchange, pursuant to which each existing common share of Riverside will be exchanged for one new common share of Riverside (each, a **New Riverside Share**") and 0.2594 of a Capitan Share. Holders of Riverside options and warrants will be entitled to receive the same number of New Riverside Shares and 0.2594 of that number of Capitan Shares. On completion of the Arrangement, Riverside shareholders and holders of Riverside options and warrants will maintain their interest in Riverside and will obtain a proportionate interest in Capitan.

Sale of short-term investments

On May 1, 2020, the Company agreed and sold 900,000 shares of Arizona Metals Corp. to a third party for net proceeds of $450,000.

On July 27, 2020, the Company sold 1,000,000 shares of Silver Viper Minerals Corp. and 500,000 shares of Arizona Metals Corp for net proceed of $748,326.

Option payments

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). On July 20, 2020, the Company received US$90,467 on signing the Agreement and to reimburse the Company for prepaid maintenance fees. Subsequently, the Company received US$312,614 as exploration advances for the next three months (from July to September 2020) generation exploration on July 27, 2020. Please refer to the section of "OPERATIONS" for details.

On July 15, 2020, the Company entered into an Definitive Option Agreement with Carlyle Commodities Corp. ("Carlyle") whereby Carlyle could acquire a 100% interest in the Cecilia Property, a silver-gold project, by paying $200,000 in cash, issuing 4,500,000 common shares, and incurring exploration expenditures of $2,500,000 over a three-year period as below, while retaining a 2.5% Net Smelter Royalty (NSR). On June 23, 2020, the Company received $10,000 on signing of LOI. Subsequently, the Company received 1,500,000 common shares on July 13, 2020 as well as received $40,000 as per Option Agreement on July 16, 2020. Please refer to the section of "OPERATIONS" for details.

Options and warrants exercise

As of August 14, 2020, there are 3,555,343 common share purchase warrants were exercised at the price of $0.22 per share for gross proceeds of $782,175.

As of August 14, 2020, the Company has received a total of $100,560 in common share for options exercise.

CAPITAL STOCK

As at June 30, 2020, the Company had $27,400,879 in capital stock and 63,241,188 common shares outstanding.

Shares issued for mineral property

On January 31, 2020, the Company issued 400,000 common shares with a fair value of $56,000 to Gunpoint in accordance with the letter agreements for the Cecilia property.

Options and Performance Bonus Shares

Stock option and performance bonus share activity for the period ended June 30, 2020 included the following:

(a) 723,000 stock options expired unexercised

(b) 1,265,000 options were granted, exercisable at a price of $0.135 per common share for a period of 5 years.

(c) 150,000 options were granted, exercisable at a price of $0.16 per common share for a period of 5 years.

Stock option and performance bonus share activity for the year ended September 30, 2019 included the following:

(a) 140,500 options were forfeited.

(b) 785,000 options were granted, exercisable at a price of $0.17 per common share for a period of 5 years.

(c) 265,000 bonus shares issued at a fair value of $47,700 to certain executive officers and consultants.

Warrants

There were 17,516,875 share purchase warrants outstanding as June 30, 2020 (September 30, 2019 – 17,516,875).

The Company's exploration team remains active in Mexico and Canada. The Company has added three gold projects in Ontario, Canada continuing to cost-effectively build a strong asset portfolio of gold, silver and copper exploration projects. The Company continues to focus on northern and central Mexico where it has exploration partners funding programs that focus on gold, silver and copper and is seeking new partnerships in Ontario, Canada where the company has added projects in the Beardmore Geraldton Greenstone Gold Belt.

OPERATIONS

Strategic Funding Agreement with BHP in Sonora, Mexico

On May 16, 2019, the Company signed of a two-year, US$2,000,000 Exploration Financing Agreement with BHP Exploration Chile SpA ("BHP") for the funding of generative exploration in the copper producing belt of Mexico (the "Program"). The Program focuses on identifying and developing exploration opportunities for new large copper discoveries within an Area of Interest ("AOI") using Riverside's technical knowledge base of copper systems and strong generative exploration team strategically based in Hermosillo, Sonora. BHP and Riverside pool their data, including decades of historical work into an integrated database. Riverside leverages geophysical, geochemical and geological technical platforms into a new targeting synthesis to complete tenure acquisitions and this program continues.

BHP will fund US$1,000,000 on an annual basis for a minimum of two (2) years for generative grass-roots exploration within northeastern Sonora in the region of many copper deposits and some very large copper operations. The exploration area being explored is in the central part of the Laramide Copper Belt that continues northward into Arizona and New Mexico, hosting numerous large, Tier 1 copper deposits. For example, the third largest copper mine in the world, the Buenavista del Cobre Operations in Cananea, is located within the AOI.

Properties that are identified and deemed to be of interest will become Defined Projects ("DPs"), which will move to a second phase of the Program whereby BHP would fund up to an additional US$5,000,000 of exploration work and make success fee payments to Riverside on a per project basis (see "Exploration Funding Agreement" below).

Exploration Funding Agreement

Overview

The two-year, US$2,000,000 Exploration Financing Agreement was signed on May 15, 2019. The Program will target projects containing primarily copper, with the objective of advancing quality copper prospects through three (3) distinct stages: Project Generation Phase, Project Operation Phase and Joint Venture Stage.

Project Generation Phase (I)

During the Project Generation Phase, Riverside will act as the operator and earn a monthly fee plus 10% on internal activities and 5% on third party external contractor work with an estimated ~US$85,000/month for generative work. Riverside's technical team will carry out generative exploration and work up targets with the aim of moving prospects toward the Project Operation Phase (II).

Project Operation Phase (II)

A prospect that is advanced to the Project Operation Phase will become a DP and will trigger a success fee of US$200,000 payable to Riverside for each prospect so advanced. Riverside can earn a bonus of an extra US$200,000 if at least three projects are progressed to DP making a total of US$800,000 in DP success fees. BHP will fund up to US$5,000,000 for drilling and further exploration on each DP, having the option to become the operator of such DP. Riverside has the option to contribute between 10% and 20% of the exploration expenditures ("Riverside's Contribution to Expenses") during this phase, with BHP funding the balance (80-90%) should Riverside elect to participate. BHP may discontinue funding with respect to a specific DP at any time in which case Riverside would be entitled to 100% interest in the project and depending on the funds expended to date, BHP may retain a net smelter returns royalty interest.

Joint Venture Stage (III)

BHP may elect to advance a DP to the Joint Venture Stage, at which time title to the project would be transferred to a joint venture company and the parties would enter into a formal joint venture partners' agreement. If Riverside's cash contribution reaches a minimum of 10% in Phase (II), the Company's deemed initial interest in the joint venture company will be 20%. If Riverside's Contribution to Expenses to a DP is less than 10%, Riverside will have no interest in the Joint Venture. For each DP that is advanced to the Joint Venture Stage, Riverside will be entitled to a success fee of US$1,500,000 if Riverside's Contribution to Expenses to a DP is at least 10% and US$300,000 if it is less than 10%. At the point of Joint Venture formation, with respect to a DP in which Riverside has at least a 10% interest, (a) Riverside may sell its interest earned as a result of its Contribution to Expenses to BHP at the rate of US$100,000 for each 1% interest sold; and (b) BHP may purchase the difference between 20% and Riverside's actual Contribution to Expenses at the rate of US$300,000 for each 1% interest purchased.

Operational Details

A Technical Committee ("TC") will be formed to approve Work Programs and Budgets during Phase (I) and (II). The TC will have two representatives from each of BHP and Riverside with equal voting powers for both groups for DP's operated by Riverside. For DP's operated by BHP, BHP will have the casting vote on the TC.

On January 29, 2020, the Company received an additional US$195,000 as exploration advances for the refinement exploration from January to March 2020.

On June 23, 2020, the Company received US$720,000 as exploration advances for the generation exploration during the next six months (from July to December 2020) in the second year.

On June 22, 2020 Riverside announced the continuation of the Exploration Agreement with BHP Exploration Chile SpA ("BHP") for the funding of generative copper exploration in the copper producing belt of Sonora, Mexico (the "Program"). An increase of funding for the next six months from BHP to the level of providing to Riverside US$720,000 to commence the first half of the second year of the Program to continue to grow the portfolio of copper projects. This is an increase of US$220,000 from the initial plan and better captures the interest to progress toward a Defined Project. These funds fully cover the continued generative grass-roots copper exploration and project acquisitions within the Laramide copper belt. BHP will make the following US$720,000 deposit at the next 6-month mark near the end of this calendar year.

The second year of the program provides BHP-Riverside with an opportunity to push ahead with drill targeting areas, evaluating staked mineral tenures and acquiring and exploring third party properties within the EFA ("Exploration Funding Agreement") framework. The new US$720,000 generative funds will be supplemented by additional target specific funding based on technical merit that will be able to focus on expanding and de-risking the copper portfolio Riverside and BHP are building together in Sonora, Mexico. This year the program will progress towards drill decisions with provided funding made available towards drill testing.

Canada

In 2019, the Company acquired a 100% interest in the Oakes, Longnose and Pichette projects in western Ontario, Canada.

Oakes Gold Project, Wester Ontario

On July 29, 2019, the Company released news on staking and acquiring the Oakes Gold Project located in western Ontario. Riverside's initial sampling at the Oakes Project returned three high-grade surface samples from a stripped area. Two of the five samples taken from trench 1 returned 19.7 g/t and 31.9 g/t gold. Another sample 30 m along strike to the east returned 6.9 g/t gold. These initial results demonstrate the high-grade discovery potential for the Project. Preliminary prospecting and mapping work traced the known quartz-carbonate vein beyond the high-grade sample location over a strike length of 400 m, and historical surveys and field observations indicate that this target may extend over a strike length of up to 2 km.

The Oakes Project is located in the Oakes Township just north of Canadian National Highway 11 and about 2 km north of the town of Long Lac, Ontario. The Oakes Township covers part of the well-endowed Beardmore-Geraldton Greenstone Belt region, located northeast of Thunder Bay, Ontario. Riverside's exploration team is exploring for orogenic gold mineralization hosted in large shear zones in the area, and plans to complete additional mapping, sampling and survey work in the coming months. Access is considered excellent, with year-round paved and gravel roads to support survey and drilling work during all seasons.

Regional History

The Geraldton region has a long and rich mining history and has produced 4.1 million ounces of gold over the past 100 years including the combined MacLeod-Cockshutt Mine, which produced 1.5 million ounces of gold up to 1970. More recently, the Hardrock Project held by Greenstone Gold Mines (jointly owned by Centerra Gold and Premier Gold Mines) has elevated attention to the area by announcing their intention to mine their gold resource near Geraldton, Ontario. The Hardrock Project mineral resources include: 1.4 million measured and indicated ounces and 1.36 million inferred ounces of gold.

The Oakes Project is located 20 kilometers from the past producing Long Lac Gold Mine and Greenstone Gold's Hardrock Deposits at Geraldton, Ontario.

Riverside's Exploration Work

Riverside's first phase of work included 29 rock samples taken from both outcrops and old trenches. The recent work confirmed three previously identified areas and three additional target zones. There are two predominant target orientations one which trends east-west and is associated with contact zones that have been delineated by VLF (Very Low-Frequency) and IP (Induced Polarization) chargeability geophysical surveys; and a second target zones trend at 340 degrees north-west that is defined by linear magnetic lows, field geology and soil geochemistry. The past magnetic surveys conducted by previous operators is also helpful in outlining diabase dikes and geological contacts where overburden masks the underlying bedrock. Most of the old drill collars could not be located in the field, but sampling of silicified and mineralized outcrop in the general area of the old drill collars returned anomalous (0.5-1.0 g/t) results for gold, suggesting the right geological environment and rationale for the historical drilling. Riverside's sampling program focused on the soil anomalies and trenches conducted by Golden Chalice Resources in 2010-12.

HG Target

Trench #1 in particular showed several shears, the largest being 3 m wide and exposed over an 80 m long strike within the trench. Two quartz-carbonate shears were sampled by Riverside in Trench #1. These shears are within mafic volcanic bedrock with sulphide mineralization primarily pyrrhotite and pyrite. Two of the five samples taken from this trench returned 19.7 and 31.9 g/t gold. Another sample 30 m to the east returned 6.9 g/t gold and an additional sample 275 m along trend returned 1 g/t gold. These Riverside samples are on trend with drill hole GL-93-2, drilled by Greater Lenora Resources Corp. in 1993 which returned >3 g/t gold within sheared metavolcanics rocks. Riverside believes this drill intercept and the trench samples demonstrate a 400 m strike length for the HG Target that could extend, based on interpretation of geology and geophysics for 2 km in total strike length, which will be confirmed with follow up field exploration studies.

Brinklow Target

Similar parallel targets were delineated to the south of the HG Target. These zones are oriented roughly east-west and coincident with VLF, IP chargeability and soil geochemistry anomalies. The Brinklow zone may align with the historical hole DDH50-01 which intersected anomalous gold (>3 g/t) within mafic volcanics at only 7.6 m downhole.

Crib Target

The southernmost target extends from the pipeline right-of-way to the southeast corner of the Project and is located along the boundary of mafic volcanic and pillow basalts that also coincides with a VLF and partial soil anomaly.

Two other N-NW trending targets were also identified. One of these targets is identified by historical drill holes #1, #3 and #4, which all returned anomalous gold intercepts >3 g/t gold. One grab sample by Riverside south and on trend from these holes returned anomalous gold (0.7 g/t) and may define another target area. The trend of this zone is the same as another zone identified near the eastern boundary. This 'eastern structure' target is delineated by a strong linear magnetic low, interpreted as a fault, and a large, coincident north-south trending gold in soil anomaly.

December 11, 2019, Riverside announced that it has completed the second round of exploration work at the Oakes Gold Project in the Beardmore-Geraldton Greenstone Belt located to the east of Red Lake and west of Timmins, Ontario.

Riverside's second phase of work included seven rock samples taken primarily from old stripped areas not previously sampled by Riverside. Historical geophysical work appears to show a direct correlation with the WNW trend of the high-grade gold samples taken to date. VLF (Very Low-Frequency) work conducted in the 1990s was used to delineate linear features and outlined geological contacts, faults and mineralized veins. At Oakes, the VLF anomalies trend east-west at about 100 degrees subparallel to geological contacts. This recent work appears to show that one of two holes drilled in 1993 intercepted the HG zone at a depth of 117 m below the surface showing. Hole (GL-93-2) drilled by Greater Lenora Resources Corp (GLR) in 1993 was located to test a soil geochem anomaly of 880 ppb Au. The hole was collared at dip -45 degrees at an azimuth of 180 degrees and drilled to a total depth of 154.9 m. This hole intersected a semi massive pod (approx. 8.2 m in core length) of pyrrhotite and pyrite (trace chalcopyrite) within a greater volume of quartz veins and silicification with 9 g/t gold assayed over 1.5 m within this 8.2 m interval.

The induced polarization (IP) work was conducted in 2010 after the soil sampling and drilling from the 1990s. The IP work produced a similar geophysical trend to the earlier VLF survey showing a 900 m long chargeability anomaly that aligns with Riverside's surface rock sampling. The geophysical survey work shows that the mineralization may extend both east and west along strike.

At the HG Target in November 2019 – Riverside discovered more high grades. Three trenches have been completed along the HG zone. Trench #1 shows several shears, the largest being 3 m wide and exposed over an 80 m long strike within the trench. Two quartz-carbonate shears were sampled by Riverside in Trench #1. Three of the five samples taken from this trench returned 19.7 g/t, 31.9 g/t and 6.9 g/t gold. Trenches 2 and 3 were sampled in November by Riverside with one of two samples taken at

Trench #3 returning 6.8 g/t gold. This sample appears to align with drilling conducted by GLR in 2010 which returned >3 g/t gold within sheared metavolcanics rocks and is open along strike for further exploration drilling.

The Third Phase of Oakes Work Reported February 2020:

On February 27, 2020 Riverside reported that the Company has doubled the land tenure at its Oakes Project and provides new exploration results and interpretations from its 100% owned western Ontario gold projects.

Geophysics data was reprocessed to refine targets in preparation for the summer 2020 field program. The geophysics and integrating drill data from historical work that included two drill campaigns, VLF, Mag and induced polarization (IP) geophysics in addition to a soil chemistry survey and trenching defines high potential near surface drill targets that can now be tested in 2020. A past IP (2010) survey followed by a trenching campaign identified three mineralized shears coincident with VLF geophysical anomalies. These shears have been refined through Riverside's inversion modeling and GIS data integration creating a new target model at Oakes.

The new inversion geophysics model demonstrates the potential continuity and potency of the trend which also corresponds to the earlier VLF survey showing a 900 m long chargeability anomaly that aligns with Riverside's surface rock). Riverside's work combined with this geophysical model demonstrates significant continuity over mining lengths and could prove to be much larger in areal extent which has helped to better discriminate the extensions and show the HG, Brinklow and Crib zones and shows that the 3 zones are still open to the east and west. Future work could focus on expanding the target trends.

Longrose Gold Project

In February 2020 Riverside combined the surface geochemistry with structural geology tracing out the known mineralized structures and completed targeting work at the Project. The main shear zones are associated with anticlinal and synclinal hinges and axial planar similar to the near by former mine operations. At Longrose and elsewhere the interbeds of banded iron formation provide a reductant trap for ore fluids and gold in structures cutting the banded iron formation. Riverside's mapping at Longrose has now been compiled and integrated into GIS which shows that folding is a key control and provides new well-defined targets for near term drilling. Mineralization on surface is delineated through mapping of isolated locations and tracing through past drilling in the area along with alteration associated with high strain fold zones. These fold zones show silicification within the metasedimentary rock host similar to that found at the Leitch Mine and more generally common in the Greenstone Belts of Ontario.

Integration of historical geophysics indicates a trend of structures subparallel to the strike of geological units generally southwest northeast which fit regional controls in the belt. Geophysical magnetic lows parallel strong magnetic highs which is mapped as the southern iron formation zone and provides a target that can be tracked downward to illuminate folding controls. As well, a north-northwest trending low that intersects the magnetic high of the iron formation and another linear magnetic-low features that extend westward from the Leitch Mine provides another drill target on Longrose. Parts of the Longrose area are covered by swampy topographic lows and are believed to be associated with a recessive shear structure, part of a regional syncline. The drill targets at Longrose focus on the anticlinal hinges, cross structures and larger none mineralized shears.

At Longrose, mineralized shear zones that host gold comprise sulfides and silicification zones that could be readily identified by a modern IP survey. IP geophysics data could be used in conjunction with the regional and detailed magnetic survey to define the four types of conceptual drilling targets developed by Riverside: (1) Strike-slip fault along which right-lateral displacement has disrupted thick iron formation units; inferred fault follows a regional volcanic-sedimentary contact, a prospective conduit for gold mineralization; (2) Trace of axial plane of westward-closing fold; possible site of shear fault that could host high-grade Au-quartz veining; (3) Trace of inferred shear structure that has evidently caused asymmetric 'drag-fold' defined by iron formation; and (4) Trace of possible shear structure denoted by 'kink' fold in iron formation

Pichette Gold Project

November 26, 2019, Riverside announced the progression of the Company's Canadian business growth model with the acquisition of the Pichette Gold Project (the "Project") near Jellicoe, in the Beardmore-Geraldton Greenstone Gold Belt in western Ontario. Pichette marking the third high-grade orogenic gold prospect generated by Riverside in 2019. The work at

Pichette included prospecting, mapping and surface sampling of target regions traceable from regional aeromagnetic data and outcrop mapping. Pichette is located to the east of the former producing Hardrock Gold Mine ("Hardrock").

The Pichette Project is located in the Vincent Township at Nezah and Canadian National Highway 11 about 60 km west of the mining town of Geraldton, Ontario. The Project covers part of the well-endowed Beardmore-Geraldton Greenstone Gold Belt region. The Vincent Township is 28 kilometers east of the Beardmore and the Leitch Mine which produced 850,000 ounces of gold at an average grade of about one ounce per ton[1].

Riverside's first phase of work included reviewing the historical core and old gold workings in addition to prospecting, mapping and sampling. The recent work confirmed two previously identified gold mineralized areas in addition to several new mineralized zones. There are two predominant target orientations on the project one which trends east-west and is associated with large shears related to banded iron formation and contact zones; and a second target trend that strikes at 030 degrees northeast and is defined by cross-cutting faults and/or dikes. Magnetic surveys have been helpful in outlining banded iron formation, diabase dikes and geological contacts where overburden masks the underlying bedrock. Several of the old drill collars were located and the core from the 1983 diamond drilling campaign was reviewed in the Ministry of Northern Development and Mines core warehouse in Thunder Bay which is available for part of the future work.

Pichette Targets Updated:

In February 2020, additional work on Pichette by Riverside refined the two main areas of gold mineralization along the contact with metasedimentary rocks and also associated with banded iron formation. There are two predominant target orientations on the project: (1) east-west shears commonly related to banded iron formation and contact zones; and (2) cross-cutting faults and/or dikes that strikes at 030 degrees northeast can next be field sampled in the coming summer. There are several 3m wide shear zones defined by strongly foliated (phyllitic) material which is undrilled and provides immediate targets. At Pichette gold is typically associated with larger folds. Folds at Pichette plunge gently to the west similar to mineralization in Geraldton. This similar structural setting at Pichette makes this target modelling a good analog for further work.

Mexico

Millrock Property Package, Sonora

On June 26, 2019, Riverside announced it had entered into a binding Letter Agreement, signed on June 25, 2019 to purchase a 100% undivided right, title and interest in five (5) projects from Millrock Resources Inc.

Los Cuarentas Gold-Silver Project

The Los Cuarentas Project is located 170 km northeast of Hermosillo and nearby Silver Crest Metal's Las Chispas Project and Premier Gold's Mercedes mine. Los Cuarentas is a low sulfidation epithermal Au and Ag target characterized by strong argillic and phyllic alteration surrounding low sulfidation epithermal veins that host gold and silver mineralization. Several target zones have been identified and most are ready for drilling such as: Santa Rosalia, Santa Rosalia Sur, El Sombrero and El Chapo.

La Union Gold Project

La Union in western Sonora is part of the orogenic gold belt and has chemistry and geology indicative of high potential new discoveries. The old mining areas have not been drill explored and the broader structures are wide open for further expansion. There are high grade structure for gold and base metals and the district has seen previous mining in this region of western Sonora, Mexico.

El Valle Gold-Silver Project

El Valle is north of Riverside's Ariel porphyry Cu project and is a volcanic related Au-Ag vein system with a large 28-metre-wide quartz vein mined during the 1940s (small inlier claim). El Valle is located in northeastern Sonora, 26 km east of the La Caridad Mine operation complex which is Mexico's second largest copper operation and has been producing for over 100

[1] *Ontario Geological Survey – Open File Report 5823*

years. This acquisition grows Riverside's tenure and progresses the Company's plan to consolidate the highest quality mineral districts to present to partners for joint venture.

Llano del Nogalo Copper Project

Llano del Nogalo is a series of claims that fit within an area where other companies are active. The porphyry Cu prospecting and nearby drilling has intersected geologically permissive rocks and Riverside will look to form a partnership to consolidate the district.

El Pima

El Pima is a concession inside of the Agnico Eagle owned Santa Gertrudis Mining Complex. Riverside will look to partner or sell the claim. El Pima contains mineralization on the tenement and requires further exploration around the sediment hosted gold mine and many open pits of Agnico Eagle.

Los Cuarentas Gold Project, Sonora, Mexico)

On September 11, 2019 Riverside announced that the Millrock acquisition has been completed and summary of recent compilations and new work on the Los Cuarentas Project. Work at Los Cuarentas Project could be expanded from the previous results. In 2018, Millrock completed a surface sampling program that returned numerous multi-gram assays including one up to 17.5 g/t Au over 1 m. An induced polarization survey (IP) was also completed by Centerra Gold in 2016 while under option from Millrock that identified a strong resistive body that appears to coincide with the surface expression of the Santa Rosalia Sur vein systems. Riverside has identified three (3) targets from mapping and sampling through integrating past and current data to refine a go forward work program. The Santa Rosalia target is the highest priority of the 3 targets and is defined by past open cut and underground vein mining where recent sampling has shown a strike length of more than 500 m and open to the east and west.

On June 17, 2020, the Company entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for the Company's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). (please see full transaction details below after the targets summary)

Targets:

Santa Rosalia:
The Santa Rosalia target is a mineralized structural zone extending for approximately 1 km (see press release January 20, 2020) and part of the uplifted northern block. The Santa Rosalia "vein zone" is defined as multiple sub-parallel mineralized silica-infilled fractures leading to formation of well-developed veins. Those veins can be seen in well-developed structural zones which could be as large as 8 m wide. The latest sampling program highlighted high-grade samples returning 18 g/t Au in a single 0.5 m wide vein, 2.3 g/t Au in quartz vein floats and 0.5 g/t Au along a 1 m channel sample across the entrance of an adit. Additional observation at Santa Rosalia show shallow, hydrothermal textures such as chalcedony quartz, suggesting most of the system has been preserved and likely extends to depth.

Santa Rosalia Sur:
Similar to the Santa Rosalia target, the Santa Rosalia Sur target is part of the uplifted northern block. The latest mapping and sampling program highlighted and confirmed the presence of high-grade gold up to 14.8 g/t Au in hydrothermal breccia that extends 200 meters along strike. Laterally, the stockwork bordering the hydrothermal breccia returned 3 g/t Au. As previously described in the press release of January 20, 2020, the mineralized zone is affected by post-mineral faulting to the north, west and south. Although the mineralized bedrock has been dropped-down to the south, the alteration and lower grade gold (1-3 g/t) mineralization can still be traced for an additional 800 meters to the south along the trend.

El Sombrero:
El Sombrero target can be defined as a northwest oriented zone of hydrothermally altered of volcanic package. High temperature alteration mineralogy as well as extensive silicification are primarily located along the El Sombrero structure and extend approximately 10 meters on each side of the fault. This observation makes El Sombrero a priority for deeper testing as it is identified as a possible feeder structure.

El Sombrero Norte:
El Sombrero target is mostly covered by post-mineral andesite (see Figure 1 above), however windows of hydrothermal alteration as well as silicified rhyolite dikes indicate that historical samples have been taken along a structural feature, defined now as a new target. This structure is defined as a parallel splay of the Mine fault, which is the main host for the Santa Rosalia high-grade mineralization. Historical samples from Millrock 2017 sampling program returned the highest grade on the property 29.4 g/t Au and another 8.6 g/t Au.

El Sombrerito:
El Sombrerito is a new discovery that includes old workings. Historical samples taken by Millrock in 2018 returned up to 16.5 g/t Au and 11 g/t Au from 0.5 m wide stacked veinlets. Mapping identified rhyolite dikes within a thick cover of post-mineral unit. Riverside's geologists defined the area as a new structural target, which shows potential as a parallel splay in between Santa Rosalia Sur and El Sombrero.

Santa Rosalia Norte:
Approximately 450 meters to the north of Santa Rosalia additional old workings were discovered. Outcrops show steam-heated alteration mineralogy and the presence of silicified rhyolitic dikes. This area warrants more work to expand the size of the identified mineralized zone.
On January 20, 2020 **Riverside** reported on rock sampling and field work from the Project. Riverside rock samples from the Santa Rosalia Mine area s returned high grade gold grading greater than 5 g/t Au and up to 25.7 g/t Au and 119.7 g/t Ag (see **Table 1**). Riverside's exploration team mapped and sampled known historical work areas to validate the accuracy of the high-grade samples collected in the past and to confirm two of the primary targets at Santa Rosalia and Santa Rosalia Sur.

Table 1: Six Best Gold Assay Results from Riverside's Selective Sampling at Los Cuarentas

Sample #	Au (ppm)	Ag (ppm)	Target	Type	Rock
RRI-5779	25.7	4.5	Santa Rosalia	dump	breccia
RRI-5782	10.2	9	Santa Rosalia	select	andesite/veinlets
RRI-5789	6.8	65.1	Santa Rosalia Sur	1-m channel	sheeted vein
RRI-5784	6.27	119.7	Santa Rosalia	float	vein/breccia
RRI-5780	5.3	5.6	Santa Rosalia	rock chip	stockwork
RRI-5790	5.1	75	Santa Rosalia Sur	rock chip	sheeted vein

Early 2020 Further work on Cuarentas Targets:

Santa Rosalia:

The Santa Rosalia mineralized zone consists of multiple sub-parallel gold-bearing low sulfide quartz veins following an east-west trend called the Santa Rosalia Mine fault. This fault extends for approximately 1 km where gold values are significant and open. Flexure of the Santa Rosalia Mine fault and fault intersections host high-grade gold bearing veins and breccia shoots. Those well-developed structural zones are typically 1 to >3 m in width and as large as 8 metres in width, where Riverside's sample returned 25.7 g/t Au in vuggy quartz vein and 5.3 g/t Au in the vein-bounded stockwork. The vein material at surface shows evidence of hydrothermal boiling with bladed quartz after calcite.

Santa Rosalia Sur:

Santa Rosalia Sur is characterized by a well-defined 800 m long strike structural zone showing evidence of hydrothermal alteration. The mineralized system outcrops on top of a reddish hill with a rhyolite dome similar to key mining districts in Mexico and the structure is a sheeted set of shallow dipping veins hosted in clay altered andesitic to dacitic rocks. The observed mineralization consists of stockwork, hydrothermal breccias and sheeted quartz veins formed by a multistage silica filling with near-boiling level textures such as banded quartz veins and commonly moss and lattice textures.

The mineralization extends at surface for at least 50 metres along a northwestern trend is 30 m in width and demonstrates high-grade gold samples averaging 1.8 g/t Au**.** Two samples within sheeted veins located 25 metres apart returned 1.9 and 6.8 g/t Au from 1 m channel samples. Historical results returned multiple high-grade samples in the same area up to 14.8 g/t Au. The outcropping vein zone is bounded to the south and to the east by post-mineral faults leading to possible vertical displacement of the mineralized body.

Santa Rosalia Sur encompasses a dozen small old workings. Most of them are located along the northern end of the hill and target high-grade sheeted veins. The extent of the old workings are not currently known.

El Sombrero:

As initially described in Riverside's press release dated September 11, 2019, the alteration is very extensive and shows higher temperature alteration minerals such as dickite, pyrophyllite and kaolinite. The highly silicified cap and the high-level boiling alteration mapped at El Sombrero extend along an E-W structural trend called the El Sombrerito, which constitutes a target at depth and further work during early 2020 is now beginning to document the expansion potential.

On April 21, 2020 Riverside report results from the spring 2020 program of rock-chip sampling and target mapping at the Project. Riverside collected channel samples along the primary targets and developed a better understanding of the structural setting identifying two additional vein systems and finding surface exposures with high-grade gold. The new sampling results increase the Company's confidence in the potential for Los Cuarentas project to host a near-surface, high-grade gold vein system.

In addition to the assay results, the Company also completed permitting for drilling and obtained local access agreements with the surface ranch owners enabling the project to move ahead in a positive way in the coming months. The recent sampling program included 31 new rock-chip samples and Riverside geologists took the opportunity to update and create a new geological map. The new assay results show continuity along the principal mineralized zones and included five high-grades gold.

Table 1: Top Five of 31 Gold Assay Results from Riverside's Second Sampling Program

Sample ID	Au (g/t)	Target Zone	Sample Type	Rock Type
RRI-6023	18.00	Santa Rosalia	rock chip	vein
RRI-6010	12.30	Santa Rosalia Sur	float	vein/breccia
RRI-6014	7.19	Santa Rosalia Sur	rock chip	breccia/vein
RRI-6012	2.99	Santa Rosalia Sur	rock chip	andesite/stockwork
RRI-6019	2.29	Santa Rosalia	float	vein/andesite

Los Cuarentas Option Agreement with Hochschild Mining

On June 24, 2020 Riverside announced that it had entered into a Definitive Option Agreement (the "Agreement") with Minera Hochschild Mexico, S.A. de C.V. ("Hochschild"), a wholly-owned subsidiary of Hochschild Mining PLC for Riverside's 100% owned Los Cuarentas Gold-Silver Project (the "Project"). This Agreement enables the Project to immediately move ahead with a robust exploration program and reflects the belief, by both parties, of the potential for rapid discovery of new gold-silver deposits.

The intention for the program is to move rapidly toward drill testing and build upon the targeting work that Riverside has completed to-date. Los Cuarentas hosts historical mine workings and multiple know veins, multi-gram gold sampling at surface with no known drilling.

Riverside will act as the project operator during at least the first two years of the Agreement, with the option to extend for an additional year at Hochschild's request. As operator, Riverside will be entitled to collect administration fees of 10% on contracts of less than US$100k and 5% on contracts or more than $100k and will manage the exploration program.

Transaction Details:

Phase I Earn-In Option:

- Hochschild will pay Riverside approximately US$90,000 on signing the Agreement and to reimburse Riverside for prepaid maintenance fees;
- Hochschild to incur expenditures as listed on the table below totaling at least US$8,000,000 of qualifying exploration expenditures before the fifth anniversary of the effective date of the executed Agreement.

Table 1: Phase I Earn-In Option (Qualifying Expenditures)

By June 18, 2021 1st anniversary of the Effective Date	Expenditure of US$700,000
By June 18, 2022	Expenditure of US$1,000,000
By June 18, 2023	Expenditure of US$1,000,000
By June 18, 2024	Expenditure of US$2,300,000
By June 18, 2025	Expenditure of US$3,000,000

Phase II Earn-In Option:
In order to exercise the Phase II Earn-in Option, Hochschild shall pay for all Qualifying Expenditures incurred during the Phase 1 Earn-In periods and incur an additional US$3,000,000 plus costs necessary to prepare a Feasibility Study (FS) in accordance with CIM standards before the eighth anniversary of the Effective Date.

Table 2: Phase II Earn-In Option (Qualifying Expenditures)

June 2025 – June 2026	Expenditure of US$1,000,000
June 2026 – June 2027	Expenditure of US$1,000,000
June 2027 – June 2028	Expenditure of US$1,000,000
Feasibility Study (FS)	Undefined Expenditure Amount

Upon Hochschild's completion of the Phase II Earn-In and Riverside's acceptance, the parties can form a Joint Venture with Riverside having a 25% interest, and Hochschild having 75% interest. Riverside will have the option to sell its interest in the Project to Hochschild for US$20,000,000, while retaining a 1% Net Smelter Royalty (NSR).

Cecilia Gold Project, Sonora

The Cecilia project is located 40 km southwest of the Mexico-U.S.A. border town of Agua Prieta in Sonora, Mexico and is easily accessed by paved highway and dirt roads. The project is a low sulphidation epithermal Au-Ag rhyolite flow dome complex and is 6,897 ha (69 km^2) in size. Riverside geologic team has completed mapping of targets on the main claim areas, worked on structural geology targeting for the high grade gold zones and integrated data from the as an on-going effort to complete updated cross sections, systematic targeting and three dimensional modeling.

Option Agreement with Carlyle Commodities

On July 15, 2020 Riverside announced that it has entered into a Definitive Option Agreement (the "Agreement") with Carlyle Commodities Corp ("Carlyle"), for Riverside's 100% owned Cecilia Gold-Silver Project (the "Project"). The Agreement would grant Carlyle 100% undivided right, title, and ownership to the Cecilia Project for an aggressive work program, cash payments, shares over-time and a 2.5% NSR with Riverside managing as operator. Riverside developed several targets after consolidating claims and expanding the Project further through the Mexican lottery to grow to a consolidated ~80km² tenure package.

Please see the Transaction Details section below for more information on the Agreement. The planned work program with Carlyle Commodities Corp builds upon previous sampling, mapping, and structural work that the Company completed. The soil lines combined with the 3D modeling of past drill holes and projection of the surface mapped geology to depth begins to develop a range of precious metals targets that can be tested.

The Cecilia Project:

In 2017 Riverside consolidated and acquired the Cecilia Gold-Silver Project located in NE Sonora, Mexico near the US/Mexico border. The Cecilia Project is a district scale gold and silver low sulfidation epithermal system centered on multiple mineralized rhyolitic flow-dome complexes. One of the workings at the Cerro Magallanes dome returned high grades up to 133.7 g/t Au and 335 g/t Ag.In addition to the rhyolite domes epithermal type mineralization the underlying sedimentary Cabullona group and Paleozoic limestone provide an additional environment for replacement style mineralization at depth.

Since the acquisition of the Project, Riverside has completed a number of sampling programs with impressive results, it has increased the size of the Project to >7,700 hectares, produced new maps and has identified new mineralized zones and targets at Cecilia.

Transaction Details:

Table 1: Option Payment Schedule

Payment Date	Cash Payment ($C)	Shares	Special Warrants as Shares	Expenditures
Upon execution of the LOI	$10,000 (Received)	-	-	-
Upon Closing	$40,000 (Received)	1,500,000(received)	3,000,000	
12 months from Closing	$50,000	-	-	$750,000
24 months from Closing	$50,000	-	-	$500,000
36 months from Closing	$50,000	-		$1,250,000
TOTAL:	**$200,000**	**1,500,000**	**3,000,000**	**$2,500,000**

At Cerro Magallanes work defines four main target areas with assay intervals on outcrops that are perpendicular to the existing structures to estimate the true surface widths of the different featured zones. The channel sampling program included 305 samples ranging from <0.05 to 19.00 g/t Au. Sampling shows consistent gold from the top of Cerro Magallanes at the San Jose Target northeast along the Agua Prieta-North Breccia Target and through the Central and East Target areas.

Channel samples with gold values of note include:

- San Jose Target – 47m @ 1.12 g/t from underground workings
- Agua Prieta – North Breccia – 10m @ 3.34 g/t from surface channel
- Central Target- 14m @ 2.44 g/t from underground workings
- East Target – 11.5m @ 1.57 g/t from surface channel

Target on Cerro Magallanes

North Breccia

The North Breccia is a wide breccia zone formed along the north margin of the main composite rhyolite dome with historic drill intercepts (Cambior DDH 138-95-08) of 30.4 m @ 1.41 g/t Au). Rock channel sampling by Riverside's returned 10m @ 3.34 g/t Au (both ends remain open).

The North Breccia extends upslope to the southwest more than 600 m merging with the Agua Prieta Zone and intersecting the San Jose NW trending Target Zone at the topographic peak of the dome complex. The North Breccia was historically rock chip channel sampled, returning good gold grades. The intersection of the North Breccia and the San Jose structure remain a top priority for drill testing. At the North Breccia and elsewhere on Cecilia the rhyolite dome is the main host unit where gold mineralization has been predominantly found in the breccia matrix. The North Breccia target is typical of dome margin breccias and is like deposits found in Peru, Bolivia, and Colorado where gold is largely hosted in the matrix. These deposit types are favorable hosts for bulk mining scenarios.

San Jose (West Area)

The west area of Cerro Magallanes is bisected by a large northwest trending structural zone of up to 60 m wide and hosts more than half a dozen old gold mine workings. Mineralized structures show predominantly silica alteration and commonly dip steeply to the NE with widths of 10-30 m. Sampling by Cambior (1995) within the workings returned 47m @ 1.12 g/t Au along the structural zone, while sampling across the structure by Riverside returned 8m @ 1.50 g/t Au in cross cut #26. The San Jose Target strikes more than 700 m in length and has not yet been drilled, however, historical sampling by Cambior along the structure on surface returned 3 to 9 g/t gold in 2m chip channel samples. These veins show classic epithermal multigenerational opening and filling typical of feeder zones like those at the San Julian Mine in Chihuahua also of the same mid-Tertiary age.

Agua Prieta Target (striking NE)

The Agua Prieta and North Breccia form a somewhat continuous zone of gold-bearing silicified breccia that extends northwest, downslope from its intersection with the San Jose target to mid-slope of Cerro Magallanes. Sampling on the dome margin here shows anomalous values and frequent higher-grade gold zones in silicified and brecciated rhyolitic rock. The new channel sampling has delineated the drill target that lies above the North Breccia. This target begins near surface and extends downward toward the subvolcanic conglomerate and sediments outcropping near the base of Cerro Magallanes. Cerro Magallanes overall appears analogous to the Pitarilla deposit in Durango, Mexico. Pitarilla hosts >500M Oz Ag grading approximately 100 g/t silver. Pitarilla was discovered by the exploration team at Silver Standard (now SSR Mining Inc.), which included Ron Burk, Technical Advisor to Riverside Resources.

The Agua Prieta target has potential to host high-grade structural gold mineralization along the margins of the dome feeder zones and is supported by sampling at the North Breccia Target which returned: 10m @ 3.34 g/t Au and 5m @ 4.04 g/t Au.

Central Target area

The Central Target has undergone small-scale open pit and focused underground mining. Historical underground rock-chip channel sampling by Cambior (1995) in this area returned: 14m @ 2.44 g/t Au. Riverside surface channel sampling on the Central Target returned 3.5m @ 2.7 g/t Au and 11m @ 0.84 g/t Au. Geochemistry sampling by Riverside where prior work largely did not assay for trace elements shows elevated values in Te, As, F, Pb and Mo which is typical within highly magmatically evolved rhyolite domes. This geochemistry is similar to mining camps in Fresnillo, Zacatecas, and Guanajuato in the Mesa Central and Sierra Madre Occidental dome fields.

Old workings on the northern slopes of Cerro Magallanes from the 1950-60s chased near surface high-grade structures but did not explore at depth. These old workings drifted-in along several different orientations near one another suggesting possible bulk tonnage targeting scenarios may exist. Riverside will be working to assess this scenario following the positive results of the rock channel sampling.

East Target area

The East Target comprises high-grade, fault-controlled, Ag-rich veins along the margin of the Puma Dome located east of Cerro Magallanes dome. Gold in chip channel samples by Riverside along the trace of a portion of the fault structures returned 11.5m @ 1.57 g/t Au. Grab samples from dump material in this area returned silver values of up to 200 g/t Ag.
The East Target is 200 m lower in elevation than Cerro Magallanes peak and might be showing vertical zoning from gold high on Cerro Magallanes to silver lower down closer to the underlying Cretaceous sedimentary rocks.

Casa de Piedra target

The Casa de Piedra target is east of Cerro Magallanes on the recently added Riverside concession, Cecilia 1. The target zone comprises a 2 km long shear fault vein with abundant epithermal mineralization and textures. Casa de Piedra has not seen any exploration making it a high-profile drill target. This target was first identified through soil geochemistry in June 2018 where anomalous Pb, Cu, Te and Hg were noted. In the field the Casa de Piedra target is defined by a 30 m wide N-NE trending structural corridor of altered Cretaceous clastic sedimentary bedrock. Within the main mineralized structure, widespread sericitic, silica and kaolinitic alteration is common including buddingtonite alteration; buddingtonite being a clay often found in proximity to precious metal veins. The structural zone is infilled with quartz veining, quartz veinlets and stockwork and in some areas banded quartz, vuggy quartz and grey calcite. Textures in outcrop are dominated by intact-banded veins and silicified zones and only minor vein breccias. Transport of the clasts appears to be rotated but with minor displacement; anastomosing breccia veins are common in outcrop.

Later carbonates are noted, and some carbonate appears to be leached from the matrix surrounding the quartz, leaving a stringy, net texture with residue of the Mn-oxides and crustiform quartz. This mineralized structure is cross-cut by northwest-trending rhyolitic dikes that do not appear to influence mineralization. Rock sampling (24) in this area returned one sample that assayed 0.9 g/t Au and also included other elements typical of the upper parts of hydrothermal veins. This shear vein is not unique, a second large vein system, Los Llanos described below.

Los Llanos target

The Los Llanos target is located east of the Casa de Piedra vein shear structure east of the Cerro Magallanes peak. The Los Llanos target was first defined by reconnaissance and soil geochemistry where anomalous Pb, Cu and Zn were noted. In the field the Los Llanos target is defined by a 20-30 m wide structural corridor of altered sandstone presently mapped as being 1 km in strike length and trending northeast. Gold mineralization is found in narrow anastomosing veins sometimes as stockwork but primarily as a silicified zone marked by reddish-brown iron oxides. This corridor also hosts rhyolite dikes which are sometimes parallel to the mineralized zone but also cut the zone. To the best of our understanding no exploration work has been done in this area thus making it a newly discovered vein zone. Some evidence of placer mining was noted in the area suggesting gold may have come from this vein; further exploration work is warranted on the Llanos target.

Cruz Target

The Cruz target lies within a large structural corridor northeast of Cerro Magallanes within horst and graben structural terrain. This large northwest trending regional structure extends tens of kilometers and comes across the northeast portion of the Project, is visible on satellite images, and forms a major structural topographic feature in northeastern Sonora. At the outcrop level, mineralization is noted in veins and stockwork alteration zones of up to 100 meters wide. These zones comprise anastomosing quartz veins with breccia that generally strike N-NE (020) and dip vertical to steeply to the west. Within this 100 m wide zone stockwork show syntaxial and druzzy textures. Gold mineralization is associated with pervasive, widespread sericitic and silica alteration; sulphides are rare but noted in this area. Where these veins cut conglomerate bedrock wide areas of silicified material is noted, two out of seven samples taken from this area returned gold grades of 1.6 g/t and 2.3 g/t Au. These veins continue through the conglomerate into the adjacent granitic bedrock. Geochemistry in this area shows high Pb, Zn and Cu indicating mineralization in the northern portion of the concession may be lower down in a epithermal system.

Cruz II Target

The Cruz II Target is located in the eastern portion of the Cecilia 1 concession. This target is also a structural corridor of silicification and veining currently mapped at about 2 km in strike length. The structure/vein strikes N-NE (020-030) and cuts through several sedimentary geological units varying in width from several meters to 20 m. Mineralized areas include anastomosing, stockwork or parallel veins with breccias; breccia is sometimes rounded but often angular. Terraspec analysis of altered rock shows pervasive silica and sericite alteration with illite in some areas. In hand sample the alteration is dominated by silicification and Fe-oxides. Individual veinlets are up to 30 cm wide with 3 to 5 parallel veins within a larger 20 m corridor. Stockwork veining, where present, is typically orthogonal and made more obvious by the hematitzation of rare pyrite, sphalerite and galena. Two of eleven samples from Riversides first pass of this area returned gold values of 0.5 g/t Au. Rock geochemistry also shows elements typical of a low-sulphidation epithermal system.

Peñoles Project, Durango

The Peñoles Project, 100% owned by the Company, comprises a large land package of approximately 2,600 hectares located in north-central Durango State within the globally important Central Mexico Silver Belt will be Spun Out through a Shareholder Approved Plan of Arrangement during August of 2020. Peñoles is an advanced project having been partially delineated for gold and silver mineralization with 86 drill-holes (approx. 11,500 metres total). These drill-holes have been used to define a NI43-101-compliant Inferred Resources for the Capitan gold deposit and the nearby Jesus Maria silver deposit. The reader is referred to the Company’s website and SEDAR filings for detailed information on the resource estimates and on the various exploration programs that have been completed on the Project.

Riverside continued detailed field studies, modeling of the geology, targeting and three-dimensional geology volume evaluations. Project work, access efforts and long-term access agreement continue to be progressed. The community efforts include helping with local programs and hiring local people for work and special projects in the community.

The data modeling identified high-grade target zones at a regional scale which outlines the possibilities for brownfields new discoveries in the overall district. During the past months, neighboring company Fresnillo completed drilling on their ground and Riverside looks to integrate knowledge gained into a more complete project modeling.

Tajitos Gold Project, Sonora

Located in north-western Sonora State, Mexico, the Tajitos Gold Project consists of two concession block areas. The core Tajitos claim group and the easterly lying El Tejo group of concessions make up the Project. The Project is strategically situated in the *Caborca Orogenic Gold Province* which includes the major gold mines at La Herradura, Noche Buena, Chinate and San Francisco Mines among other producers. The core claim at Tajitos covers a number of northwesterly striking gold-bearing quartz veins and shear faults that were exploited by small underground mines, now abandoned but still accessible. Riverside geologists conducted field work on the structural control of gold mineralization recently and the adjacent to the east Mexican gold producer, Fresnillo plc is advancing its Tajitos gold project where a 300,000-ounce gold deposit has been reported to exist and higher resource estimates have been provided in the past.

The gold mineralization intersected in earlier drill-holes generally occurred in fault zones and along lithologic contacts like major mines in the area. Due to the wide spacing of the drill-holes a reliable definition of the strike and dip orientations of the mineralized zones could not be refined yet and further drilling is warranted to better determine the extent and tenor of gold mineralization on the Tajitos property.

In addition to the eight boreholes drilled by Centerra on the Tajitos claim group, a program of reverse circulation drilling on the El Tejo claim group was also completed with partners. Twelve RC holes, totaling 1,728 meters, were drilled at Tejo to probe the bedrock lying beneath an extensive and thick cover of alluvial gravels. This work sets the project on a good position going forward to progress and build upon the geology and geochemistry developed previously. Tajitos in 2020 has seen field work, geochemistry, target work with the geophysics and discussions with parties for the project to progress.

La Silla Gold-Silver Project, Sinaloa

The La Silla Project east of Mazatlan in Sinaloa Mexico is a former mining operating district with high grade silver and gold mineralization on Riverside mineral tenure concessions. The project currently 100% owned and controlled by Riverside has had recent field work and mapping, sampling, targeting completed. Two adjoining concessions totaling 1,031.5 hectares are controlled by Riverside. In addition, another two concessions totaling 1,039.3 hectares were also worked up. Veins on both blocks have been progressed at the Project.

Riverside conducted data integration, review of geology, geochemistry and considerations for strategic steps. The project continues to have interesting growth target potential.

At the Ciruela and El Roble prospects rock-chip samples have delivered high grade metals and work in the field continues at these target areas.

The Company terminated in January 2020 the previously signed Definitive Agreement from a year earlier January 30, 2019, with Sinaloa Resources Corp. (“Sinaloa”) whereby Sinaloa could acquire a 70% interest in the La Silla Property.

As at January 28, 2020, the Company had not received the $100,000 payment in common shares that were due on January 28, 2020 from Sinaloa. Furthermore, Sinaloa has not incurred the required spending in exploration expenditures due on January 28, 2020. Riverside took back the control for the La Silla project.

Australia (Sandy) Gold Project, Sonora

The Sandy Gold Project is located in NW Sonora, Mexico within the prolific Sonora Megashear Gold Belt.

On March 21, 2019, the Company reported initial results from the Company's first-phase exploration program at the recently staked Sandy Project located in northwestern Sonora, Mexico. Riverside continues to leverage its knowledge and experience in NW Mexico to cost-effectively acquire new prospective concessions with strong potential for new discoveries.

Riverside geologists have completed near surface sampling, mapping and geophysics to work up initial target areas at the Project. Riverside's exploration team is targeting intrusion related and orogenic gold mineralization hosted by altered granite and linked with large structures adjacent to gneiss bedrock.

The sampling done to date by Riverside has been concentrated on two areas in the center of the project with past historical mine workings associated with felsic intrusive stock and gneiss. A sample from one of these old workings returned 38.8 g/t Au. Chip channel samples of 1.5 meter in length returned gold results of 9.3 g/t, 4.7 g/t and 3.7 g/t Au. A total of 71 samples have been analyzed so far and further work at Sandy is anticipated to continue to define the structural nature and intrusion association to the gold.

Higher gold grades appear to be associated with intersecting structures within strongly foliated granitic intrusive bedrock. Primary structures strike NW-SE and dip between 40 and 70 degrees to the east in a general structural character with similar orientation and style to some of the shear zone gold mines in the region. Other smaller faults are noted striking roughly north south and dipping steeply to the east which cut the main shear zone and could possibly hide extensive expansions of the gold system under shallow cover. The cross structures have been intruded by mafic dikes that show pervasive propylitic alteration indicating potential deeper intrusion related gold mineralization. The highest-grade gold material was found associated with a set of variously dipping felsic dikes which could be associated with the intrusive system. Silicification and minor quartz veining is noted associated with the structures and with through-going vein mineralization. The wall rock associated with these structures often shows sericites and silica alteration.

Of note while visiting the property are the vast placer-gold workings immediately north of the project area. The source of the placer gold has not been determined and may be derived from intrusive bedrock within the Sandy project.

Suaqui Verde and Suaqui Grande, Sonora

Riverside developed copper targets on both the Suaqui Verde and Suaqui Grande properties which are near each other and both have copper potential. The Company conducted site work and progressed discussions for the district play. Copper growth areas were reviewed, and further work progressed.

The scientific and technical data contained in the property descriptions pertaining to the Company's portfolio were reviewed by Freeman Smith, P.Geo. who is responsible for ensuring that the geologic information provided in this section of the Management Discussion and Analysis is accurate and acts as a "qualified person" under National Instrument 43-101 Standards of Disclosure for Mineral Project.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Company at September 30, 2019 and for each of the prior two fiscal years prepared in accordance with IFRS. The selected consolidated financial information should be read in conjunction with the audited consolidated financial statements of the Company.

Canadian Dollars	2019	2018	2017
Finance, property and other income	$ 1,348,584	$ 176,702	$ 90,770
Net loss	(1,310,831)	(1,462,695)	(684,191)
Net loss per share, basic and fully diluted	(0.02)	(0.03)	(0.02)
Cash and cash equivalent and short-term investments	5,143,379	2,868,824	5,024,291
Total assets	12,341,457	8,869,608	10,069,859

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Three-month period ended June 30, 2020

For the three months ended June 30, 2020, the Company had a net income of $284,187, resulting in an earning per share of $0.01. The income was related to an unrealized gain on short-term investments of $561,520 and a realised gain on short-term investment of $210,820, which were partially offset by the increases in investor relations, general and administration as well as property investigation and evaluation expenses. The increases in the investor relations, general and administration and property investigation and evaluation expenses are mainly contributed to the costs of strategic reorganization. The Company intends to bill back all the related spin-out transaction costs after the completion of Capitan's listing on TSX-Venture exchange.

Nine-month period ended June 30, 2020

For the nine months ended June 30, 2020, the Company had a net income of $293,146, resulting in an earning per share of $0.00. The gain was related to finance income of $37,055, other income of $49,634 and the unrealized gain on short-term investment of $1,552,258 mainly due to a significant increase on Arizona Metals Corp. fair market value as at June 30, 2020. Accordingly, the Company sold 4,400,000 common shares from Arizona Metal Corp. for net proceeds $784,207 yet recognized a realized loss on short-term investment of $174,294 on Arizona Metal Inc's shares at the trading date. The net income also was partially offset by the operating expense of $1,171,507.

Three-month period ended June 30, 2019

For the three months ended June 30, 2019, the Company had a net income of $80,672, resulting in an earning per share of $0.00. The gain was related to finance income of $16,273, other income of $439,666 as a result of the Company received 2,000,000 common shares from Croesus Gold Corp ("Croesus"). As a result of certain provisions in the agreement with the Company, an unrealized gain on short-term investments of $78,323, which were offset by operating expenses of $357,528 and write-off of exploration and evaluation assets $96,062.

Nine-month period ended June 30, 2019

For the nine months ended June 30, 2019, the Company had a net income of $314,212, resulting in an earning per share of $0.01. The gain was related to finance income of $26,664, other income of $974,602 as a result of the Company received 2,000,000 penalty shares from Croesus Gold Corp due to the certain provisions of the agreement, and the Company received 1,000,000 common shares from Sinaloa Resources Corp ("Sinaloa") as per option agreement for La Silla property, an unrealized gain on short-term investments of $204,594 and a gain on debt settlement of $26,846 which were offset by operating expenses of $822,432 and write-off of exploration and evaluation assets $96,062.

Exploration and evaluation assets

Nine months ended June 30, 2020

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the nine months ended June 30, 2020, the Company recorded $861,527 in acquisition and exploration of its properties as follows:

- Mexico
  - Peñoles $102,442
  - Tajitos $ 71,870
  - La Silla $ 33,605
  - Australia $ 19,139
  - Ariel $ 6,473
  - Cecilia $224,988
  - Teco $ 22,190
  - Suaqui Verde $ 1,793
  - Cuarentas $109,523

  - La Union $ 37,073
  - El Valle, Llano & Pima $ 1,897

- Canada
  - Western Ontario $ 230,534

The Company acquired a 100% interest in the Australia Project which is made up of two concessions: Sandy and Sandy 2 on February 28 and October 12, 2018 respectively.

The Company acquired a 100% interest in Suaqui Verde Property on December 18, 2018.

The Company acquired a 100% interest in the Oakes, Longnose and Vincent projects in western Ontario, Canada on April 1, 2019.

As at December 31, 2019, the Company has officially acquired a 100% interest in Los Cuarentas, La Union, El Valle, Llano del Nogalo and El Pima.

On January 31, 2020, the Company paid $125,000 in cash and issued 400,000 common shares at a fair value of $56,000 for Cecilia property as per option agreement with Gunpoint Exploration Ltd.

On June 23, 2020, the Company received $10,000 on signing on the LOI agreement with Carlyle Commodities Corp. Subsequently, the Company entered into a Definitive Option Agreement of Cecilia Project with Carlyle Commodities Corp and received $40,000 option payment on July 15, 2020.

During the quarter ended June 30, 2020, the Company terminated the option with Sinaloa Resources Corp. for La Silla property as a result of Sinaloa failed to commit the clauses of the option agreement as at January 28, 2020. Therefore, Sinaloa has not further obligation with respect to La Silla projects.

Nine-month period ended June 30, 2019

The Company capitalizes all exploration costs relating to its resource interests whereas pre-exploration costs are expensed as incurred. During the nine months ended June 30, 2019, the Company recorded $1,288,085 in acquisition and exploration of its properties as follows:

- Mexico
  - Peñoles $ 257,731
  - Tajitos $ 248,383
  - La Silla $ 77,905
  - Australia $ 7,519
  - Thor $ 30,717
  - Ariel $ 15,495
  - Cecilia $ 552,538
  - Teco $ 25,388
  - Suaqui Verde $ 23,846

- Canada
  - Western Ontario $ 48,563

The Company recovered $141,213 of the acquisition and exploration expenditures for land taxes reimbursement on Penoles property from the Government of Mexico and the Company recovered $135,000 of the acquisition and exploration expenditures through an option agreement with Sinaloa on La Silla property during the nine months ended June 30, 2019, which reduced the cumulative exploration costs.

The Company acquired a 100% interest in the Australia Project which is made up of two concessions: Sandy and Sandy 2 on February 28 and October 12, 2018 respectively.

The Company acquired a 100% interest in Suaqui Verde Property on December 18, 2018.

The Company acquired a 100% interest in the Oakes, Longnose and Vincent projects in western Ontario, Canada on April 1, 2019.

During the nine months ended June 30, 2019, the Company terminated the option with the underlying concession holder and has not further obligation with respect to Thor projects. There were $96,062 historical capitalized costs associated with these projects have been wrote off.

Full particulars of the deferred exploration costs are shown in Note 9 to the Condensed Interim Consolidate Financial Statements.

Recoveries and Other Income

Nine-months ended June 30, 2020

Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the nine months ended June 30, 2020 the Company recognized rental recovery of $18,000 from First Helium, which was recorded in other income. As well, the Company recognized the exploration equipment and vehicle rentals recovery of $31,634 from the BHP alliance program.

Nine-month period ended June 30, 2019

During the nine months ended June 30, 2019, the Company received recoveries of $141,213 in cash with respect to the refunds on land taxes on Peñoles property and $135,000 of the acquisition and exploration expenditures through an option agreement with Sinaloa on La Silla property. Finance income and other income for the nine months ended June 30, 2019 were $26,664 and $974,602 respectively.

As at June 30, 2019, the Company had received an additional 4,300,000 shares from Croesus Gold Corp., ("Croesus") a private company, as a result of certain provisions in the agreement with the Company. As a result, the company recognized $931,674 in other income during the nine months ended June 30, 2019.

Other income consists of revenue from receiving option payment by common shares, exploration equipment and vehicle rentals to the alliance and work programs.

Expenses

During the nine months ended June 30, 2020, the Company incurred $39,055 in depreciation, $215,633 in consulting fees, $27,000 in directors' fees, $219,248 in investor relations fees, $288,130 in professional fees, $121,069 in share-based compensation, and $156,558 in general and administrative expenses. In addition, the Company incurred $59,979 in rent. The Company earned $37,055 in finance income, $49,634 in other income, and $1,552,258 unrealized gain on short-term investment, offset by $174,294 realized loss on sale of short-term investments. The increases in the investor relations, general and administration, professional fees and property investigation and evaluation expenses are mainly contributed to the additional costs of strategic reorganization. The Company intends to bill back all the related spin-out transaction costs after the completion of Capitan's listing on TSX-Venture exchange.

During the nine months ended June 30, 2019, the Company incurred $12,337 in depreciation, $230,467 in consulting fees, $30,000 in directors' fees, $177,302 in investor relations fees, $124,139 in professional fees, $82,912 in share-based compensation, and $86,067 in general and administrative expenses. In addition, the Company incurred $58,044 in rent. The Company earned $26,664 in finance income, $974,602 in other income, and $26,846 gain on debt settlement, $204,594 in unrealized gain on sale of short-term investments.

Compared to the previous year, decreases in net income was primarily due to an increase in unrealized gain on short-term investment by $1,347,664 by recognizing the fair market value of Arizona Metal Corp's common shares as per IFRS 9

Financial Instrument's requirement and a decrease in other income by $924,968, partially offset by an increase in share-based compensation by $38,157 and an increase in legal, compliance and audit fees by $163,991 with respect to the costs of plan of arrangement .There were no significant variations in other operating expenses over the comparative years.

General and administrative expenses consist of filing fees, director's fees, rent, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations. Rent and general office expenses decreased compared to the same period in the prior year as the Company spent less funds on promotional and marketing activities, financial advisory and investor relations services and the Company entered into a new contract of rental agreement of Canadian office, resulting in reduced costs in rent.

Share-based payments increased as a result of more share option grants. During the nine months ended June 30, 2020, the Company recorded share-based payments of $121,069 (2019 - $82,912) for the vested portion of the options granted and during the periods. Share-based payments expense recorded in the comparative period of the previous fiscal year was lower as there were less options granted during that year.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Canada, Mexico and the United States.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company’s ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company’s control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company’s continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in Canadian dollars.

Quarter end	Finance income	Property and other income	Unrealized gain/(loss) on short-term investments	Net income (loss)	Earnings (Loss) per share (basic & fully diluted)
30-Jun-20	1,652	11,077	561,520	284,187	0.01
31-Mar-20	22,748	32,557	354,541	(677,235)	(0.01)
31-Dec-19	12,655	6,000	(1,345,279)	686,194	0.01
30-Sep-19	15,927	331,391	339,689	(1,625,043)	(0.03)
30-Jun-19	16,273	439,666	78,323	80,672	0.00
31-Mar-19	6,868	209,936	186,084	81,900	0.00
31-Dec-18	3,523	325,000	(59,813)	151,640	0.00
30-Sep-18	5,249	125,753	(345,308)	(710,776)	(0.02)

During the three months ended June 30, 2020, the net income was primarily due to the Company recognized an unrealized gain on short-term investments of $561,520 that was mainly triggered by a significant increase in the fair market value of Arizona Metals Corp's common shares as at June 30, 2020. As well, the sale of 4,400,000 Arizona Metals Corp's common shares for recognizing an realized gain on short-term investment of $210,820.

During the three months ended March 31, 2020, the net loss was primarily due to the Company recognized a realized loss on short-term investments of $354,541 that was mainly triggered by a significant decrease in the fair market value of Arizona Metals Corp's common shares as at March 31, 2020. As well, an increase in the professional fee of $197,277 as a result of the Company incurred additional legal, accounting and compliance services with respects to the strategic reorganization of its exploration business.

During the three months ended December 31, 2019, the net income was primarily due to the Company recognized an unrealized gain on short-term investments of $1,345,279 that was mainly triggered by a significant increase on the fair market value of Arizona Metals Corp's common shares as at December 31, 2019.

During the three months ended September 30, 2019, the increase in net loss was primarily due to the Company recognized the provision tax penalty of $1,131,026 in connection with the lawsuit against with the Government of Mexico. Also, the Company sold all 55,087 shares of E3 Metals Corp for net proceeds $23,363 and recorded the unrealized loss on short-term investments of $339,689.

During the three months ended June 30, 2019, the increase in property and other income was primarily due to the Company received additional 2,000,000 common shares of Arizona Metals, for a fair market value of $433,340 as a result of certain provisions in the previous agreement with the Company in 2016.

During the three months ended March 31, 2019, the net income was primarily due to the Company received 1,000,000 shares of Sinaloa, for the fair market value of $100,000 as per option agreement for La Silla property. The Company also recognized 800,000 shares from Croesus, for the fair market value of $174,334, as a penalty per the amended option agreement.

During the three months ended December 31, 2018, the net income was primarily due to the Company received 1,500,000 shares of Arizona Metal, for the fair market value of $325,000, as per the terms of the Sugarloaf Peak option agreement and amending agreement that the Company entered into in December 2014 and 2015, respectively. Croesus issued 1,500,000 common shares to the Company because Arizona Metal did not complete a public listing within 36 months of the amendment date.

During the year ended September 30, 2018, the Company sold all 242,350 common shares of Viridium Pacific Group Ltd. (formerly Morro Bay Resources Ltd.) for net proceeds $242,750. The increase in net loss was mainly due to a $520,281 realized loss on sale of short-term investments offset by a $466,485 unrealized gain on short-term investments.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on equity financings and exploration alliances for its working capital requirements and to fund its planned exploration and development activities. Management ensures the Company has sufficient cash in its treasury to maintain underlying option payments and keep claims in good standing. Increase in cash and cash equivalents for the nine months ended June 30, 2020 was $263,075. Working capital as at June 30, 2020 was $3,247,417. The Company has sufficient funds to meet ongoing corporate activities and planned exploration programs for the ensuing year.

Increase in cash and cash equivalents for the nine months ended June 30, 2019 was $2,095,700. Working capital as at June 30, 2019 was $5,457,171.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are recorded at their exchange amount which is the price agreed to between the Company and the directors and officers.

The Company entered into the following transactions with related parties:

Payee / Payer	Nature of transactions	Period ending June 30,	Fees (Income) ($)	Shares ($)	Amount payable (receivable) at period end ($)
Arriva Management Inc.	Management and consulting fees (i)	2020 2019	174,600 174,600	Nil Nil	Nil 4,787
GSBC Financial Management Inc.	Management and consulting fees (i)	2020 2019	72,000 72,000	Nil Nil	Nil 131
Alberto Orozco	Consulting fees (i)	2020 2019	123,750 -	Nil Nil	Nil Nil
Omni Resource Consulting Ltd.	Consulting fees (i)	2020 2019	45,000 87,500	Nil Nil	Nil Nil
Brian Groves	Director fees(ii)	2020 2019	9,000 9,000	Nil Nil	Nil Nil
James Clare	Director fees(ii)	2020 2019	Nil 3,000	Nil Nil	Nil Nil
Carol Ellis	Director fees(ii)	2020 2019	9,000 9,000	Nil Nil	Nil Nil
Walter Henry	Director fees(ii)	2020 2019	9,000 9,000	Nil Nil	Nil Nil
First Helium Inc.	Rent (iii)	2020 2019	(18,000) (10,000)	Nil Nil	(18,900) (10,500)

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the nine months ended June 30, 2020 and 2019 are as follows:

	2020	2019
Directors' fees (ii)	$ 27,000	$ 30,000
Management and consulting fees (i)	460,350	345,350
Performance bonus shares	-	40,500
Share-based payments	68,401	54,027
	$ 555,751	$ 466,877

(i) Management and consulting fees of the key management personnel for the period were allocated as follows: $81,000 (2019 - $81,000) expensed to consulting fees, $nil (2019- $11,250) expensed to investor relations and $379,350 (2019 - $253,100) capitalized to exploration and evaluation assets.

(ii) Starting from January 1, 2019, James Clare, director, agreed not to receive director fees from the Company and waived $26,846 in amounts owed to him from the Company. As a result, the Company recognized a gain on debt settlement of $26,846 during the year-ended September 30, 2019.

(iii) Starting from February 2019, the Company agreed to share their office space with First Helium Inc. ("First Helium"), a company with a common officer with the Company. During the nine months ended June 30, 2020, the Company recognized rental recovery of $18,000 from First Helium, which was recorded in other income.

PROPOSED TRANSACTIONS

Please refer to the "HIGHLIGHTS OF EVENTS OCCURING DURING AND SUBSEQUENT TO JUNE 30, 2020" note for details regarding the Arrangement.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 4 to the consolidated financial statements for the year ended September 30, 2019. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Financial instruments

The Company has adopted the new accounting standard IFRS 9, *Financial Instruments* ("IFRS 9"), effective October 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and liabilities. This standard replaces IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39").

IFRS 9, *Financial Instruments*

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The following table shows the classification of the Company's financial assets and liabilities under IFRS 9 and IAS 39:

Financial asset or liability	IFRS 9 Classification	IAS 39 Classification
Cash and cash equivalents	FVTPL	FVTPL
Short-term investments	FVTPL	FVTPL
Receivable	Amortized cost	Loans and receivables
Accounts payable and accrued liabilities	Amortized cost	Other financial liabilities

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there was no impact on the Company's financial statements and no restating of prior periods was required.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

The Company has classified its cash and cash equivalents and short-term investments as FVTPL. The Company's receivables and accounts payable and accrued liabilities are classified as amortized cost. Refer to the annual audited financial statement September 30, 2019, Note 17 for additional details.

New Accounting Policies Adopted

IFRS 9, *Financial Instruments* (new; replaces IAS 39) – please refer to Financial instruments mentioned above

IFRS 15, ***Revenue from Contracts with Customers*** (new; replaces IAS 18)

On October 1, 2018, the Company adopted IFRS 15, which supersedes IAS 18. In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* which supersedes IAS 11 – *Construction Contracts*; IAS 18 – *Revenue*; IFRIC 13 – *Customer Loyalty Programmes*; IFRIC 15 – *Agreements for the Construction of Real Estate*; IFRIC 18 – *Transfers of Assets from Customers*; and SIC 31 – *Revenue – Barter Transactions involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company is a junior mining exploration company, and it currently does not generate any revenue from contracts with customers. Therefore, the adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

IFRS 16- *Leases* (new; replaces IAS 17)

On October 1, 2019, the Company will adopt IFRS 16, which supersedes IAS 17- Leases ("IAS 17"). The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company expects to use the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. IFRS 16 requires lessees to recognize a right of use of asset and a lease obligation at the lease commencement date. The Company has assessed its monthly office rent payments and concluded that it does not meet the definition of a lease in the context of IFRS 16. As such, the adoption of the standard is not expected to have an impact on the Company's consolidated financial statements.

IFRIC 23 - *Uncertainty over Income Tax Treatments*:

On October 1, 2019, the Company adopted IFRIC 23, which is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The adoption of this standard did not have a significant impact on the Company's consolidated financial statements.

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or 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.

The fair value of the Company's receivables, accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's other financial instruments, cash and cash equivalents and short-term investments, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs, and land tax recovery. The Company believes its credit risk is equal to the carrying value of this balance.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2020, the Company had cash and cash equivalents of $3,707,071 to settle current liabilities of $2,964,181. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of June 30, 2020, the Company had investments in short-term deposit certificates of $135,084.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. During the nine months ended June 30, 2020, a simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect loss for the year by $455,624.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. During the nine months ended June 30, 2020, a simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $261,321.

OUTSTANDING SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 67,463,531 common shares were issued and outstanding as of the date of this MD&A.

The Company has 13,961,532 share purchase warrants outstanding as of the date of this MD&A.

The following summarizes information about the stock options outstanding as of the date of this MD&A:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
01/07/2021	457,500	0.52	$ 0.15	457,500
12/16/2021	935,000	1.46	$ 0.42	935,000
11/03/2022	688,000	2.35	$ 0.28	688,000
01/08/2024	585,000	3.53	$ 0.17	585,000
11/15/2024	1,055,000	4.38	$ 0.14	770,417
03/27/2025	150,000	4.74	$ 0.16	75,000
	3,870,500	2.73		3,510,917