



**Aldebaran Resources Inc.**

**(the “Company”)**

**Management’s Discussion and Analysis**

**For the year ended June 30, 2020**

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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General

The following Management Discussion and Analysis ("MD&A") of Aldebaran Resources Inc. (the "Company" or "Aldebaran") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of October 28, 2020 and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.aldebaranresources.com](http://www.aldebaranresources.com).

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management of Aldebaran is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

The Company's business activity is the acquisition, exploration and evaluation of mineral properties. Aldebaran was incorporated on June 7, 2018 by Regulus Resources Inc. ("Regulus") under the laws of *Business Corporations Act* (Alberta) to participate in an arrangement with Regulus whereby Regulus agreed to spin out its Argentina mining properties to Aldebaran (the "Plan of Arrangement"). The Company holds an option to earn up to an 80% interest in the Altar copper-gold porphyry project in San Juan Province, Argentina (the "Altar project") as well as a 100% interest in the Rio Grande project (the "Rio Grande project") and several other earlier stage projects, all located in Argentina. The Altar project is a very large, low grade resource that currently has over 14 billion lbs of contained copper and 4.8 million ounces of gold on a measured and indicated basis, plus an additional 3.4 billion lbs copper and 1.09 million ounces gold on an inferred basis (NI 43-101 resource estimate prepared by IMC effective September 28, 2018). The Company is led by John E. Black, Dr. Kevin Heather and Mark Wayne, who also serve as management of Regulus. The team has a proven track record with Antares Minerals, which they sold to First Quantum Minerals (TSX.FM, UK FQM) in 2010 for approximately C\$650 million after drilling out the Haquira Cu-Mo-Au deposit in Peru.

Significant Events from July 1, 2019 to the Date of this Report

- The Company appointed James McDonald to the board of directors on July 15, 2019. Mr. McDonald has more than 30 years of combined technical and financial experience in the mining sector. He co-founded and successfully developed National Gold, which merged with Alamos Minerals and went on to form Alamos Gold for which he was a Director and served on numerous committees until June 2012. Mr. McDonald also served as President of Genco Resources which operated the La Guitarra Silver Mine located in Mexico. Mr. McDonald is the founder, President, CEO and a director of Kootenay Silver Inc. and a co-founder and director of Northern Vertex Mining Corp. Mr. Gordon P. Leask concurrently resigned from the Board of Directors.
- The Company announced in October 2019 the discovery of a new mineralized porphyry centre below the Quebrada De La Mina ("QDM") surface gold mineralization at Altar. The results from the drill program are reported under Exploration and Evaluation Assets Review below.
- The Company announced in February 2020 the results of its drill program comprising eleven drill holes totaling 2,316.20 m at its 100% owned Aguas Calientes gold-silver epithermal project located in Jujuy Province, Argentina. The results from the drill program are reported under Exploration and Evaluation Assets Review below.
- Argentina declared a mandatory quarantine in March 2020 due to the novel coronavirus ("COVID-19") pandemic. The immediate impact was the winterizing and subsequent closing of the Aldebaran camp at Altar, as well as the closing of the Company's warehouse in San Juan, and the return of all staff safely to their home-bases. The Company's field season was cut short by two weeks as a result.
- The Company announced on September 15, 2020 the closing of a non-brokered unit private placement offering (the "Offering"). The Company sold an aggregate of 16,000,000 units at a price of \$0.30 per unit for total gross proceeds of \$4,800,000. Each unit consists of one common share in the capital of the Company and one-half of one warrant. Each whole warrant entitles the holder to purchase one additional share at a price of \$0.70 until September 15, 2022. Route One Investment Company LLC and Sibanye-Stillwater each exercised their respective rights under their Investment Agreements with the Company to subscribe for their pro-rata share of the Offering.

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Exploration and Evaluation Assets Review

*This review has been prepared by John Black, CEO and director of the Company. The scientific and technical data contained in the section have been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.*

Upon completion of the Plan of Arrangement, Aldebaran beneficially acquired all of Regulus' interests in Argentina mining properties including the Rio Grande copper-gold-silver project ("Rio Grande") and certain other earlier stage mineral exploration projects. Aldebaran has also entered into a joint venture agreement to earn up to an 80% interest in the Altar project (the "Altar JV Agreement"). The Altar project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

**Altar Project**

As part of the Plan of Arrangement, Aldebaran entered into the Altar JV Agreement, which provides Aldebaran the right to earn up an initial 60%, and a subsequent additional 20%, interest in the Altar project.

The consideration to acquire an initial 60% interest comprises:

- an upfront cash payment of US\$15 million to Stillwater Canada LLC, which was paid upon closing of the Plan of Arrangement;
- the issuance of 19.9% of the Aldebaran Shares to Stillwater Canada LLC, which were issued upon closing of the Plan of Arrangement;
- Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar project over five (5) years, inclusive of 2018 drilling that was conducted between February and May of 2018, with a minimum expenditure of US\$3 million each year.

If the Company fails to complete the expenditures pursuant to the Altar JV Agreement as described above, the Company will forfeit its right to earn any interest in the Altar project. Aldebaran also has the right to earn an additional 20% interest in the Altar project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest.

The Altar project is located in San Juan Province, Argentina approximately 10 km from the Chile-Argentina border and approximately 180 km west of the city of San Juan. Altar hosts a cluster of several large porphyry copper-gold deposits, with mineralization currently defined in four distinct zones – Altar East, Altar Central, Altar North and the recently discovered QDM-Radio Porphyry zone, about 3 km to the west of Altar Central. Mineralization at all of these porphyry deposits is associated with Miocene intrusive centers emplaced into Miocene volcanic host rocks. Altar is noteworthy for having relatively higher gold grades associated with the copper mineralization compared to nearby porphyry systems, which are dominantly copper or copper-molybdenum.

The Altar project was first explored and drilled by CRA/Rio Tinto (7 holes – 2,841 m) in 1995-2004. Peregrine Metals, a Canadian exploration company, subsequently optioned the property from Rio Tinto in 2005. Peregrine expanded the property and completed 56,761 m of drilling in 146 drill holes from 2005-2011 to define an initial mineral resource estimate at Altar Central and Altar East. In October 2011, Stillwater Canada LLC acquired Peregrine Metals for approximately US\$490 MM and in the subsequent period of 2012-2013 completed an additional 38,380 m of drilling in 80 holes to further define estimated mineral resources at Altar Central and Altar East. In 2016, Stillwater spent an additional US\$4MM on 4,893m of drilling in 8 holes which led to the discovery of the QDM epithermal Au-Radio Cu-Au porphyry systems. In 2017, Sibanye Gold purchased Stillwater to form Sibanye-Stillwater. During 2017, an additional US\$1.7 MM was spent on 5,630 m of drilling (7 holes) focusing on the QDM-Radio porphyry area. In 2018, Sibanye-Stillwater completed an additional 4,923 m of deeper drilling (3 drill holes + 1 extension) in a cost sharing agreement with Regulus on behalf of Aldebaran.

The Altar project is the subject of a technical report dated effective August 16, 2018 and amended September 28, 2018, titled "Estimated Mineral Resources, Altar project, San Juan Province, Argentina" (the "Altar Project Technical Report"), which was prepared by John M. Marek of Independent Mining Consultants, Inc. of Tucson, AZ and Stanford T. Foy, CPG and Qualified Person for Sibanye-Stillwater. The Altar Project Technical Report, which contains detailed disclosure on the Altar project, has been filed on SEDAR under the Aldebaran SEDAR profile at [www.sedar.com](http://www.sedar.com). The report includes drilling up to and including the drilling completed in 2017, however does not include the 2018 or 2019 drilling.

The cut-off grades are presented in terms of Net Smelter Return (NSR) which reflects the combined benefit of producing copper, gold, and silver. The qualified person for the estimation of the mineral resource was John Marek of Independent Mining Consultants, Inc. Estimated mineral resources may be significantly affected by factors such as changes in metal prices, production costs and detailed testing and design of process and concentrate handling facilities, and such changes could be materially adverse.

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<b>Altar Mineral Resources<sup>1</sup></b>											
<b>December 31, 2013 - Updated to July 1, 2018</b>											
Classification	<b>Mineral Resources at \$4.67 NSR Cutoff</b>								<b>Contained Metal</b>		
	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	995,001	\$15.90	0.358	0.340	0.083	0.96	0.028	7,458	2,655	30,710
Indicated	\$4.67	1,048,899	\$14.09	0.312	0.305	0.065	0.90	0.023	7,053	2,192	30,351
Measured + Indicated	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025	14,511	4,847	61,061
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022	3,420	1,072	15,551
Total Material of ore and waste in the Altar Cone:						8,041,551	ktonnes				

<b>Quebrada de La Mina, Mineral Resources<sup>1</sup></b>									
Classification	<b>Mineral Resources at 13.17 NSR Cutoff</b>						<b>Contained Metal</b>		
	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t		Gold Gm/t	Silver Gm/t	Gold Ozs x 1000	Silver Ozs x 1000	
Measured	\$13.17	10,911	\$27.94		0.930	3.49	326	1,224	
Indicated	\$13.17	2,623	\$21.24		0.720	5.94	61	501	
Measured + Indicated	\$13.17	13,534	\$26.64		0.889	3.96	387	1,725	
Inferred	\$13.17	603	\$23.80		0.730	7.87	14	153	
Total Material of ore and waste in the QDM Cone:					39,776	ktonnes			

<b>Total Altar and Quebrada de La Mina, Mineral Resources<sup>1</sup></b>											
Classification	<b>Mineral Resources</b>								<b>Contained Metal</b>		
	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	4.67 at	1,005,912	\$16.03	0.354	0.336	0.092	0.99	0.028	7,458	2,981	31,935
Indicated	Altar	1,051,522	\$14.11	0.311	0.304	0.067	0.91	0.023	7,053	2,253	30,852
Measured + Indicated	13.17 at QDM	2,057,434	\$15.05	0.332	0.320	0.079	0.95	0.025	14,511	5,234	62,786
Inferred		556,554	\$12.89	0.283	0.279	0.061	0.88	0.022	3,420	1,087	15,703

Notes:

1. The resource statement is included within a floating cone defined with the following metal prices: \$2.75/lb copper, \$1,179/oz gold, \$22.79/oz silver.
2. Copper and arsenic grades are in percent of dry weight.
3. Gold and silver grades are in grams per metric tonne.
4. Sulfide copper reflects the estimated grade of copper that could be processed by sulfide flotation.
5. There are no mineral reserves at Altar or QDM at this time.
6. Gold and silver contained are in Thousands of Troy Ounces.
7. Weighted average grade calculations may not balance due to rounding.

During 2018, Sibanye-Stillwater completed a 4,923 m diamond drill program (3 holes plus one extension of a previous hole) on the Altar project, which was directed and paid for by Aldebaran as part of its earn in agreement. Results from that program were never formally released; however, details can be found on the [Sibanye-Stillwater website](#). This program was successful in defining long intercepts of higher than current resource grade mineralization and provided follow up targets for future programs.

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Aldebaran commenced a diamond drilling program at Altar in March 2019, with the goal of exploring and expanding the known higher-grade zones to identify a higher-grade resource within the project, as well as to identify and drill test a new target area beneath the Quebrada de Mina (QDM) zone. A total of 5,400 m was drilled in four diamond core exploration holes. Two of the holes (QDM-19-040 and QDM-19-041) were drilled to depth beneath the QDM gold zone. Additional drill holes were completed at the Altar Central (ALD-19-212) and Altar East (ALD-19-211). QDM-19-040 was lost before reaching its intended target depth. Two of the three holes that reached their target depth intersected long intervals of higher than current resource grade material, one of which (QDM-19-41) was the discovery of a new **copper-gold** porphyry centre at QDM. The results from drill holes QDM-19-040, QDM-19-041, ALDE-19-211 and ALD-19-212 were announced on October 3, 2019 (see news release at [www.aldebaranresources.com](http://www.aldebaranresources.com)).

*Highlights from drill holes QDM-19-041 and ALD-19-212– Altar project:*

- QDM-19-041(QDM zone)
  - An upper zone of gold rich material with 194.00 m of 0.74 g/t Au and 1.1 g/t Ag (0.86 g/t AuEq) from surface, including 60 m with 1.04 /t Au and 1.7 g/t Ag (1.15 g/t AuEq)

A lower zone of 789 m with 0.41% Cu, 0.09 g/t Au, 1.0 g/t Ag and 126 ppm Mo (0.52% CuEq) from 737.00 m depth, including 111.75 m with 0.49% Cu, 0.11 /t Au, 1.4 g/t Ag and 112 ppm Mo (0.62% CuEq)
  - The lower zone represents a new porphyry centre discovery which is not currently within the 43-101 Altar mineral resource
- ALD-19-212 (Altar Central):
  - An upper zone of 80 m with 0.99% Cu, 0.11 g/t Au, 2.3 g/t Ag and 8 ppm Mo (1.09% CuEq) from 72 m depth (secondary copper sulphide enrichment blanket), including 28 m with 1.63% Cu, 0.11 g/t Au, 1.4 g/t Ag and 6 ppm Mo (1.71% CuEq)
  - A lower zone of 1,141.50 m with 0.47% Cu, 0.04 g/t Au, 1.1 g/t Ag and 75 ppm Mo (0.53% CuEq) from 237.50 m depth including:
    - 79.50 m with 0.88% Cu, 0.15 /t Au, 1.7 g/t Ag and 12 ppm Mo (1.00% CuEq)
    - 146 m with 0.61% Cu, 0.03 g/t Au, 0.9 g/t Ag and 41 ppm Mo (0.66% CuEq)
    - 170 m with 0.71% Cu, 0.02 g/t Au, 1.7 g/t Ag and 126 ppm Mo (0.77% CuEq)
  - A lower zone of higher-grade moly: 943.00 m with 243 ppm Mo from 1,061.00 m depth
    - The high-Mo in this hole suggests that it was drilled down the side of a molybdenite shell on another, as yet to be discovered, porphyry centre.

Since the beginning of the year ended September 30, 2019, the Company has completed a comprehensive ground magnetics survey of the Altar project area, the purpose of which was to understand the structural framework and identify the location of potential faults and other potential porphyry centres. Aldebaran also completed a surface bedrock mapping initiative that generated the first systematic surface geological map since discovery of the deposit in the early to mid 1990's. The mapping program uncovered various new geological relationships, which will aid in better understanding the various porphyry deposits and also identified several unexplored areas exhibiting favourable geology and alteration which warrant future follow-up work. In addition, a talus-fine geochemical survey consisting of approximately 1,500 samples collected to-date was completed over the main project area at Altar. The Company also acquired regional-scale ASTER and district/deposit-scale Worldview-3 satellite imagery and hyperspectral data, which complimented the above data sets.

### **Rio Grande Project**

The Rio Grande project is owned 100% by Aldebaran and is located in the Altiplano of northwest Argentina at elevations between 3,700 m and 4,700 m above sea level. The property is located approximately 260 km west of the city of Salta and 40 km east of the Chilean border.

Exploration work has been carried out on the property since the discovery of the deposit in 1999. Regulus and its predecessor companies have worked on the property since 2004 until the property was transferred to Aldebaran pursuant to the Plan of Arrangement. To date, 129 holes totaling approximately 74,201 m have been drilled on the property. An initial mineral resource estimate was prepared in 2012. The mineral resource was updated in a report entitled "Technical Report on the Rio Grande Project, Salta State, Argentina" with an effective date of August 17, 2018, prepared by Sean D. Horan, P.Geog of Roscoe Postle Associates Inc. ("RPA") of Toronto, Ontario (the "Rio Grande Technical Report"). The Rio Grande Technical Report may be viewed at [www.sedar.com](http://www.sedar.com) on the Aldebaran SEDAR profile.

RPA updated the Rio Grande mineral resource estimate based on the information available to August 17, 2018. Mineral resources are based on a potential open pit scenario with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types. The mineral resource estimate prepared by RPA for the Rio Grande project as of August 17, 2018 is summarized in the table below. Canadian Institute of Mining, Metallurgy and Petroleum for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions) were followed for mineral resources. RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral resource estimate.

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<b>Rio Grande Project</b>							
<b>Summary of Mineral Resources – August 17, 2018</b>							
<b>Class/Oxidation Indicated</b>	<b>Tonnes (Mt)</b>	<b>Cu (%)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Cu (Milb)</b>	<b>Au (koz)</b>	<b>Ag (Moz)</b>
Oxide	46.4	0.27	0.33	2.5	274.2	492	3.8
Transition	24.6	0.36	0.41	4.4	194.3	323	3.5
<b>Indicated Total</b>	<b>71.0</b>	<b>0.30</b>	<b>0.36</b>	<b>3.2</b>	<b>468.6</b>	<b>815</b>	<b>7.3</b>
<b>Inferred</b>							
Oxide	32.4	0.21	0.27	2.6	153.3	281	2.7
Transition	8.6	0.29	0.34	3.5	55.1	93	1.0
<b>Inferred Total</b>	<b>41.0</b>	<b>0.23</b>	<b>0.28</b>	<b>2.8</b>	<b>208.4</b>	<b>375</b>	<b>3.6</b>

Notes:

1. CIM (2014) definitions were followed for mineral resources.
2. Mineral resources are estimated at a NSR cut-off grade of US\$8/t for oxide, US\$12/t for transition and US\$7.50/t for sulphide. No sulphide material was captured in resource shell.
3. Mineral resources are estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound.
4. Bulk density is 2.41 t/m<sup>3</sup> oxide, 2.50 t/m<sup>3</sup> oxide, and 2.62 t/m<sup>3</sup> sulphide.
5. Numbers may not add due to rounding.
6. Mineral resources are reported within a preliminary open pit resource shell.

No material work was performed on the Rio Grande project since the beginning of the year ended September 30, 2019.

**Aguas Calientes Project**

The Aguas Calientes project is owned 100% by Aldebaran and is located in northwestern Argentina in Jujuy Province, 130 km west of the City of Salta. The property is comprised of a single claim covering 4,835 hectares. The project consists of two main zones displaying epithermal precious metal (Au-Ag) mineralization associated with silica-(clay)-sericite alteration emplaced in Miocene volcanic and volcanoclastic rocks and in adjacent sedimentary strata of Late Cretaceous and Tertiary age. The exploration history of the project is summarized below.

**1998:** Mansfield Minerals conducts regional prospecting and sampling and discovers mineralized float boulders at Aguas Calientes.

**1998-1999:** Mansfield completes geological mapping, rock and soil sampling, and a IP geophysical survey over the Ambrosia (now called Silon) and Boulder zones.

**2000-2001:** Sunshine Argentina Gold Inc. executes a joint venture agreement with Mansfield and completes rock and soil sampling, as well as a 13 hole diamond drill program totaling 1,535 m. Sunshine returns the property to Mansfield.

**2004:** IAMGOLD Corp. executes a joint venture agreement with Mansfield and completes rock and soil sampling, as well as a 7 hole diamond drill program totaling 1,283 m. IAMGOLD returns the property to Mansfield.

**2005-2011:** Mansfield completes additional prospecting and surface sampling.

**2010:** Mansfield spins out their non-Lindero project Argentina assets out into Pachamama Resources Inc.

**2012:** Pachamama merges with Regulus and the project continues forward with the Regulus name.

**2012-2016:** Regulus completes additional prospecting, surface sampling, geological mapping, and a detailed ground magnetics survey over the entire property.

**2017:** Regulus applies and receives permits from the Jujuy provincial government, and social approval from the local community, to undertake road and drill pad construction, trenching and drilling.

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**2018:** Regulus spins out its Argentina assets to Aldebaran.

**2019:** Aldebaran carries out its Phase 1 drill program (2,316.20 m).

In February 2020, the Company announced the completion of a drill program of eleven drill holes totaling 2,316.20 m. The most encouraging results were intercepted in Hole ACA-19-23, where anomalous gold associated with favourable trace elements (arsenic and antimony) was encountered in several wide intervals of well-developed, intermediate-sulphidation style epithermal mineralization within strongly altered volcanic rocks (see table below). The mineralized intervals, while lower-grade, are the first significant wide intercepts of epithermal-style mineralization and alteration encountered at Aguas Calientes despite two historical drilling campaigns conducted by previous owners. The mineralization appears to be similar in nature to the high-grade float boulders on surface which were used to help create drill targets. The significance of these drill results, combined with the approximately 6 km long float train of mineralized boulders, confirms the Company's belief that it has intersected the edge of a gold-silver epithermal vein system that may be partially covered by postmineral volcanic rocks toward the west. The results from each drill target were released on February 6, 2020 (see [www.aldebaranresources.com](http://www.aldebaranresources.com)).

Aguas Calientes Drill Results									
Hole Number	From (m)	To (m)	Length (m)	True width (m)	Au (g/t)	Ag (g/t)	As (ppm)	Sb (ppm)	AuEq (g/t)
ACA-19-023	111.25	132.00	20.75	14.67	0.43	4.33	406	345	0.49
	242.00	254.00	12.00	8.30	0.16	4.07	776	212	0.21
	265.00	271.00	6.00	4.15	0.19	2.63	333	145	0.23
	283.40	287.00	3.60	2.49	0.24	2.16	485	151	0.26
	316.00	346.00	30.00	20.50	0.21	5.38	561	341	0.28

The grades are uncut. Gold equivalent (AuEq) values were calculated using gold and silver. Metal prices used for the calculations are \$1,400 (U.S.) per ounce of gold and \$18 (U.S.) per ounce of silver. All intervals presented herein consist of sulphide mineralization. No adjustments were made for recovery as the project is an early-stage exploration project and metallurgical data to allow for estimation of recoveries are not yet available.

**Other Properties**

In addition to the Rio Grande and Aguas Calientes projects, Aldebaran acquired four other Argentine projects and mineral rights covering approximately 25,000 hectares from Regulus in connection with the Plan of Arrangement. No material resources have been dedicated to these early stage properties since they were acquired by Regulus. These early stage properties are summarized below.

Property	Location	Ownership	Hectares
Catua	Jujuy Province, Argentina	100%	900
El Camino	Salta Province, Argentina	100%	4,100
La Frontera	Catamarca Province, Argentina	100%	1,200
Oscara	Salta Province, Argentina	100%	19,004

**Outlook for 2021**

The Company is currently working towards completion of an extensive re-logging program of all previous holes at the Altar project (approximately 120,000 m of diamond drill core) and developing plans for the upcoming 2020-21 Altar project field season. Completion of the re-logging program will better define the geologic controls on the higher-grade portions of the system, and lead to the development of new exploration targets. The re-logging program will also allow for the completion of an updated, and more detailed, geologic model of the project which will be a key component of an updated Mineral Resource estimate planned for completion in Q1 of 2021.

Immediately prior to Argentina's enforced quarantine, the Company had completed a ground magnetics survey, a surface bedrock geological mapping initiative, a talus-fine geochemical survey, and acquired satellite imagery and hyperspectral data. All of these initiatives will aid in the preparation of the updated geologic model and the defining of future drill targets at Altar. The Company is currently completing planning for the 2020-21 field season. Subject to feedback from JV partners and any restrictions imposed by the ongoing COVID-19 pandemic, the 2020-21 field season program will include the completion of a deep-looking 3D IP/Resistivity geophysical survey (slated to commence in November or December 2020), completion of the re-logging program and preparation of an updated geologic model, preparation of an updated Mineral Resource Estimate (by Q1 2021), extension of the geologic mapping and talus fines sampling programs completed in 2019-20 to more peripheral areas of the project, and additional exploration drilling, which is currently being planned as to amount and locations. The Company's ability to conduct a drill program in the forthcoming field season is dependent upon its ability to raise additional capital prior to commencement of drilling. If the Company is unable to raise additional capital in that time frame, the 2020-21 Altar field season will focus on completing the other aforementioned activities. The Company will also continue to complete environmental monitoring and baseline studies at the Altar project that will primarily focus on characterization of surface water resources and any potential glacial related features. This work is being completed by qualified independent experts and will provide a basis for future feasibility studies.

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The Rio Grande project is under review to evaluate potential synergies with the nearby Lindero Mine where Fortuna Silver is completing construction and will enter into commercial production in the first quarter of 2021.

No work is currently planned for the other projects in the Aldebaran portfolio, but the Company has been engaged with third parties to discuss potential for JV or other partnerships to advance these projects.

**Selected Annual Information**

The following selected annual financial information is derived from the audited annual consolidated financial statements of the Company prepared in accordance with IFRS guidelines.

	2020	2019	2018
Working capital	\$462,196	\$ 5,096,225	\$ 1
Net loss	(1,994,582)	(544,216)	-
Loss per share	(0.03)	(0.01)	-
Total assets	65,035,941	64,682,678	1
Exploration and evaluation assets	64,481,686	59,484,187	-

**Summary of Quarterly Results**

The following is a summary of certain selected financial information for the most recent eight fiscal quarters.

All in \$1,000's except loss per share	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Working Capital	\$462	\$1,404	\$3,405	\$4,441
Loss (gain)	\$318	\$249	\$708	\$719
Loss (gain) per share	\$0.00	\$0.01	\$0.01	\$0.01
Loss (gain) per common share (diluted)	\$0.00	\$0.01	\$0.01	\$0.01
Total Assets	\$65,036	\$64,077	\$63,961	\$64,494
Total Liabilities	\$497	\$604	\$333	\$527
Deficit	\$2,539	\$2,221	\$1,972	\$1,263

All in \$1,000's except loss per share	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Working Capital (Deficiency)	\$5,096	\$9,299	\$11,569	\$(670)
Loss (gain)	\$(470)	\$539	\$(159)	\$634
Loss (gain) per share	\$0.01	\$0.01	\$0.00	\$(0.01)
Loss (gain) per common share (diluted)	\$0.01	\$0.01	\$0.00	\$(0.01)
Total Assets	\$64,682	\$65,399	\$65,738	\$45
Total Liabilities	\$527	\$644	\$444	\$679
Deficit	\$544	\$1,014	\$475	\$634

During the three months ended December 31, 2018, the Company reallocated \$499,600 from legal fees to share issuance costs in relation to the Plan of Arrangement and recorded a gain on foreign exchange of \$566,993.

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Results of Operations**

*Results of Operations for the Year Ended June 30, 2020 Compared to the Year Ended June 30, 2019*

During the year ended June 30, 2020, loss from operating activities was \$1,994,582 (2019 – \$544,216). Significant variances from the same period in the prior year are as follows:

- Share-based compensation was \$1,231,777 for the year ended June 30, 2020 (2019 - \$124,998). The variance is due to the timing of vested stock options issued in June 2019 and July 2019.
- Management fees were \$377,400 for the year ended June 30, 2020 (2019 - \$161,618). Management did not incur fees until January 2019.
- Office and administration was \$369,830 (2019 - \$178,492) for the year ended June 30, 2020. The variance is due to the trend in the Argentine peso versus the Canadian dollar during those respective periods.
- A gain of \$575,413 on foreign exchange for the year ended June 30, 2020 (2019 – \$244,922). During the year ended June 30, 2019, the Company recorded a gain on foreign exchange of \$566,993 in relation to the Plan of Arrangement.

*Results of Operations for the Three Months Ended June 30, 2020 Compared to the Three Months Ended June 30, 2019*

During the three months ended June 30, 2020, loss from operating activities was \$317,733 (2019 – income of \$469,564). Significant variances from the same period in the prior year are as follows:

- Consulting was \$15,796 for the three months ended June 30, 2020 (2019 – recovery of \$743,275). The variance is due to the reallocation of \$750,000 from consulting fees to share issuance costs in relation to the Plan of Arrangement during the three months ended June 30, 2019.
- Gain of \$300,139 on foreign exchange for the three months ended June 30, 2020 (2019 – loss of \$104,497). The variance is due to the trend in the Argentine peso versus the Canadian dollar during those respective periods.
- Write-off of \$5,613 of VAT for the three months ended June 30, 2020 (2019 – recovery of \$258,261).

**Liquidity and Capital Resources**

Cash at June 30, 2020 totaled \$505,569. Working capital at June 30, 2020 was \$462,196 compared to working capital of \$5,096,225 as at June 30, 2019. Exploration and evaluation assets at June 30, 2020 totaled \$64,481,686 compared to \$59,484,187 as at June 30, 2019.

In September 2020 the Company closed a financing of 15,999,999 units at \$0.30 per unit for proceeds of \$4,800,000. As at the date of this report the Company has sufficient working capital to continue operations for at least the next 12 months.

The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

**Share Capital**

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had the following outstanding:

- 93,635,958 common shares

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- Stock options

Number of Options	Exercise Price (\$)	Expiry Date
3,400,000	1.25	June 3, 2024
1,820,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
300,000	0.40	Aug 28, 2023
2,000,000	0.40	Aug 28, 2025
7,720,000		

- Warrants

Number of Warrants	Exercise Price (\$)	Expiry Date
7,999,996	0.70	September 15, 2022
7,999,996		

**Related Party Transactions**

During the year ended June 30, 2020, the Company entered into the following transactions with key management personnel and related parties:

- Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the year ended June 30, 2020, DBD Resources was paid \$134,400 (2019 - \$66,479) of which \$Nil (2019 - \$6,904) was capitalized to exploration and evaluation assets and \$134,400 (2019 - \$59,575) was recorded to management fees in the consolidated statements of operations and comprehensive loss. At June 30, 2020, the Company owed \$Nil (June 30, 2019 – \$Nil) to DBD Resources.
- Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the year ended June 30, 2020, Unicus was paid \$75,000 (2019 – \$37,500). Management services paid to Unicus are classified as management fees in the condensed consolidated interim statements of operations and comprehensive loss. At June 30, 2020, the Company owed \$Nil (June 30, 2019 – \$Nil) to Unicus.
- K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the year ended June 30, 2020, K.B. Heather was paid \$168,000 (2019 – \$83,025) of which \$Nil (2019 - \$18,482) was capitalized to exploration and evaluation assets and \$168,000 (2019 - \$64,543) was recorded to consulting fees in the consolidated statements of operations and comprehensive loss. At June 30, 2020, the Company owed \$Nil (June 30, 2019 – \$Nil) to K.B. Heather.
- At June 30, 2020, the Company owed \$Nil (June 30, 2019 – \$49,986) of expenses to Regulus Resources Inc., a company with common directors and management which spun-out assets to Aldebaran during the year ended June 30, 2019.
- The Company issued 200,000 stock options to a director of the Company. The Company recognized a total of \$779,233 stock-based compensation expense to related parties, which included vested options that had been issued during the year ended June 30, 2019.

**Key Management Personnel:**

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.

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The remuneration of directors and other members of key management personnel are as follows:

	Fees	Share-based Benefits	Total
<b>Year ended June 30, 2020</b>			
Chief Executive Officer	\$ 134,400	\$ 219,207	\$ 353,607
Chief Geological Officer	168,000	219,207	387,207
Chief Financial Officer	75,000	219,207	294,207
Non-executive directors	-	121,612	121,612
	<b>\$ 377,400</b>	<b>\$ 779,233</b>	<b>\$ 1,156,633</b>
<b>Year ended June 30, 2019</b>			
Chief Executive Officer	\$ 66,479	\$ 22,875	\$ 89,354
Chief Geological Officer	83,025	22,875	105,900
Chief Financial Officer	37,500	22,875	60,375
Non-executive directors	-	22,124	22,124
	<b>\$ 187,004</b>	<b>\$ 90,749</b>	<b>\$ 277,753</b>

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

**Risks and Uncertainties**

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks include:

***COVID-19***

At the time of publication of this management discussion and analysis, the global development of COVID-19 was rapidly evolving on a daily basis. The unprecedented nature and heightened uncertainty of the situation meant that the extent and impact of the risks posed to Aldebaran by COVID-19 and other epidemics/pandemics/endemic diseases could not be fully known, quantified, or predicted with any certainty. Global phenomena such as COVID-19 increase the risk of significant labour force disruption (including the supply of labour or site/country access) and the potential loss (permanent/temporary) of personnel. Our operations are located in remote locations and represent concentrations of personnel working and sometimes residing in close proximity to one another. COVID-19 has the potential to spread rapidly and place the Company's workforce at risk. As a Company, where practicably possible, steps are being continually assessed and implemented, as appropriate, to both protect employees and mitigate risks to operations from these threats and impacts, but there can be no assurance as to the level of impact the pandemic will have.

**ALDEBARAN RESOURCES INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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*Exploration and Development Risk*

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

*Negative Operating Cash Flow*

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

*Altar Project Obligations*

If the Company fails to fund the US\$30 million of expenditures as required under the Altar JV Agreement (see Note 5 to the Financial Statements), the Company will forfeit its right to earn any interest in the Altar project.

*Mineral Resource Estimates*

The Company's reported mineral resources are estimations only. No assurance can be given that the estimated mineral resources will be recovered. By their nature, mineral resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral resource estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect mineral resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used in the Whittle shell that constrains the mineral resources amenable to open pit mining methods;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
  
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of mineral resource estimates. Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to mineral resources, there is no assurance that all or any part of Measured or Indicated mineral resources will ever be converted into mineral reserves. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

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*Title Risk*

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license. The Company is earning an interest in the Altar property through an option agreement requiring exploration expenditures and acquisition of title to the properties is completed only when the option conditions have been met. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

*Foreign Operations Risk*

The Company conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

*Metal Price Risk*

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, silver and molybdenum. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

Commodity prices, and in particular copper prices, may be significantly affected by both demand and supply-side disruptions as a result of COVID-19, global shutdowns as a result of COVID-19 and its continuing impact on economies around the world.

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*Uncertainty of Funding*

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events including US-China disputes and the COVID-19 global pandemic have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

*Future Offerings of Debt or Equity Securities*

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

*Economic and Political Instability in Argentina*

All of the Company's properties, including the Altar project, are located in Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on certain contractual arrangements. Prior to December 2015, the Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. Most of these measures were lifted by the Macri government that took office in December 2015. In October 2019, the government once again placed currency controls on the ability of companies and its citizens to obtain United States dollars. In December 2019, a Peronist government under President Alberto Fernandez took office. Past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina or its ability to attract joint venture partners or obtain financing for its projects in the future.

*Currency Risk*

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar, the US Dollar, the Argentine Peso and the Chilean Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

*Internal Controls*

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

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*Information Systems and Cyber Security*

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

*Corruption and Bribery*

The Company is required to comply with anti-corruption and anti-bribery laws, including the Extractive Sector Transparency Measures Act, the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company. The Company has adopted a comprehensive Anti-Corruption Policy in order to mitigate this risk.

*Competition*

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

*Uninsurable Risks*

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

*Environmental Risks*

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Issuer's operations, could result in additional costs and liabilities, restrictions on or suspension of the Issuer's activities and delays in the exploration of and development of its properties

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

*Tax*

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

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Disclosure For Venture Issuers Without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements for the year ended June 30, 2020 to which this MD&A relates. A breakdown of the components of the exploration and evaluation assets of the Company is disclosed in the consolidated financial statements for the year ended June 30, 2020 to which this MD&A relates.

Investor Relations

In January 2019, the Company executed an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin is paid USD\$2,500 per month and her agreement provides for the grant of 50,000 stock options of the Company under the terms and conditions of the Company's Stock Option Plan. Ms. Brangwin does not own any shares of Aldebaran.

Financial and Capital Risk Management

Please refer to the June 30, 2020 consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Recent Accounting Policies

Please refer to the June 30, 2020 consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Financial Instruments

Please refer to the June 30, 2020 consolidated financial statements on [www.sedar.com](http://www.sedar.com).

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

*Changes in Internal Control over Financial Reporting ("ICFR")*

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Other MD&A Requirements

Additional information relating to the Company's operations and activities can be found by accessing the Company's news releases and filings on SEDAR at [www.sedar.com](http://www.sedar.com).

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Cautionary Note - Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of Aldebaran Resources Inc. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, the impact of COVID-19 on the Company's operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the mineral resources estimates for the Altar and Rio Grande projects, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties, the impact of the COVID-19 pandemic on the Canadian and worldwide economy, the Company's workforce, world wide demand for commodities and the Company's business generally; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A contains forward-looking statements or information pertaining to the anticipated timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, mineral resources, costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

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](http://www.SEDAR.com)).