



## **Management's Discussion and Analysis**

**Nine Months Ended September 30, 2019**

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The following is Management's Discussion and Analysis ("MD&A") of Vangold Mining Corp. ("Vangold" or the "Company"), prepared as of November 29, 2019. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Vangold as of September 30, 2019 and for the nine months then ended. This MD&A should be read together with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019 and the audited consolidated financial statements for the year ended December 31, 2018 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains "forward-looking information" that may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "projects", "potential", "interprets", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

The Company's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2019 have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Overview**

Vangold is in the business of acquiring and developing mineral properties. The Company's focus is to explore, develop and exploit mineral resources using environmentally benign mining techniques. The Company currently holds exploration and development properties near and around Guanajuato, Mexico.

The Company was incorporated under the *Business Corporations Act* of British Columbia in 1978 and is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol "VAN". The Company is also listed on the Stuttgart, Munich and Frankfurt Exchanges. In May 2017, the Company changed its name to Vangold Mining Corp. The Company's head office, as well as registered and records offices, is located at Suite 1000 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company is exploring the historical El Pinguico Mine to evaluate its potential to support production from stockpile and in situ mineralized material, and continuing exploration on its other mineral concessions located in the State of Guanajuato, Mexico.

The Company has two subsidiaries: Obras Mineras El Pinguico S.A. de C.V. ("OMP"), which was incorporated on March 7, 2017, and CanMex Silver S.A. de C.V. ("CanMex Silver"), which was incorporated on January 31, 2017. OMP holds the El Pinguico, El Carmen Patito I and II mineral concessions located within 15 kilometres ("km") of Guanajuato, Mexico. CanMex Silver holds the Analy I and II, located 25 km from San Miguel de Allende, as well as the El Ruso, Camilla and Ysabela mineral concessions. See *Exploration and Development* below.

The disclosure of historical, scientific or technical information regarding the properties described in this MD&A has been reviewed on behalf of the Company and approved by Kristopher J. Raffle P.Geol. (BC), Principal of APEX Geoscience Ltd. ("APEX") and consultant of Vangold, who is a Qualified Person for the project as defined by National Instrument 43-101 ("NI 43-101").

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### Corporate Developments

- Subsequent to September 30, 2019, the Company completed the third and final tranche of the private placement for gross proceeds of \$707,500, consisting of 14,150,000 units at a price of \$0.05 per unit. There are no finder's fees payable in connection with the third tranche.
- On May 13, 2019, the Company completed the second tranche of its private placement for gross proceeds of \$247,975, consisting of 4,959,500 units at a price of \$0.05 per unit. Each unit consists of one common share and one share purchase warrant (a "Warrant"); each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 within two years of closing.
- On March 28, 2019, the Company closed the first tranche of a private placement where the Company issued 6,700,000 units at a price of \$0.05 per unit for total proceeds of \$335,000. Each unit consists of one common share and one share purchase warrant exercisable for a period of two years at an exercise price of \$0.10.
- During the nine months ended September 30, 2019, the Company completed a two old for one new share consolidation. All share numbers in this MD&A and the interim condensed consolidated financial statements for the nine months ended September 30, 2019 have been adjusted to reflect the share consolidation.
- On March 20, 2019, James Anderson, a director of the Company since January 9, 2019, was appointed CEO and Chairman of the Company, and Praveen Varshney has been appointed as CFO and Director of the Company.
- Subsequent to September 30 2019, Mr. Varshney and Jonathan Challis resigned as directors of the Company and Daniel Oliver, Jr. and Richard Silas were appointed directors of the Company in their place. Mr. Varshney also stepped down as CFO of the Company and was replaced by Xavier Wenzel who previously held such position from May 2018 to March 2019.

### Exploration and Development Mexico

#### *El Pinguico Mine Project*

In April 2017, the Company acquired a 100% interest in the El Pinguico property, located in Guanajuato State, Mexico. Under the terms of the agreement, the Company paid consideration of US\$100,000 (\$136,240) and issued 2,500,000 common shares. The Company also issued 331,250 common shares as a finder's fee. The vendors retain a 4% net smelter return royalty ("NSR") and a 15% net profits interest ("NPI") on minerals recovered from an existing stockpile of mineralized rock and a 3% NSR and 5% NPI on all in situ mineralization. The Company may repurchase 1% (one-third) of the 3% NSR on all newly mined mineralization.

In October 2017, the Company and OMP executed a Surface Land Purchase Agreement with two private landowners for 302 hectares. The surface land includes the Company's El Pinguico property and provides significant land area for mining infrastructure, development and construction. Under the terms of the agreement, the Company has the option to purchase the property in two years and is committed to pay two annual instalments of \$4,500, with a final payment of \$65,000 on the third anniversary.

Upon receiving the notarized Surface Land Purchase Agreement, the Company submitted the Use of Land application with the Minister of Mines in Guanajuato on September 21, 2017. On October 20, 2017, the Company received final approval from the Guanajuato municipality. The Use of Land permit provides Vangold with all the rights and entitlement for initiating necessary infrastructure work and preparing the surface stockpile for production. These activities include: road construction, building structures, hauling and waste dumping activities. The Company's immediate plans are to:

- Evaluate the potential to economically recover precious metals from surface stockpile material.
- Fulfill requirements of the Environmental Assessment (MIA), application submission by December 2017.

The historic El Pinguico mine property consists of two mining concessions covering 71 hectares, located approximately 7 km southeast of Guanajuato in Guanajuato State, Mexico, and contains the past-producing high-grade El Pinguico-Carmen silver-gold mine. The property contains a historic mine with two access adits: the El Carmen Adit and the

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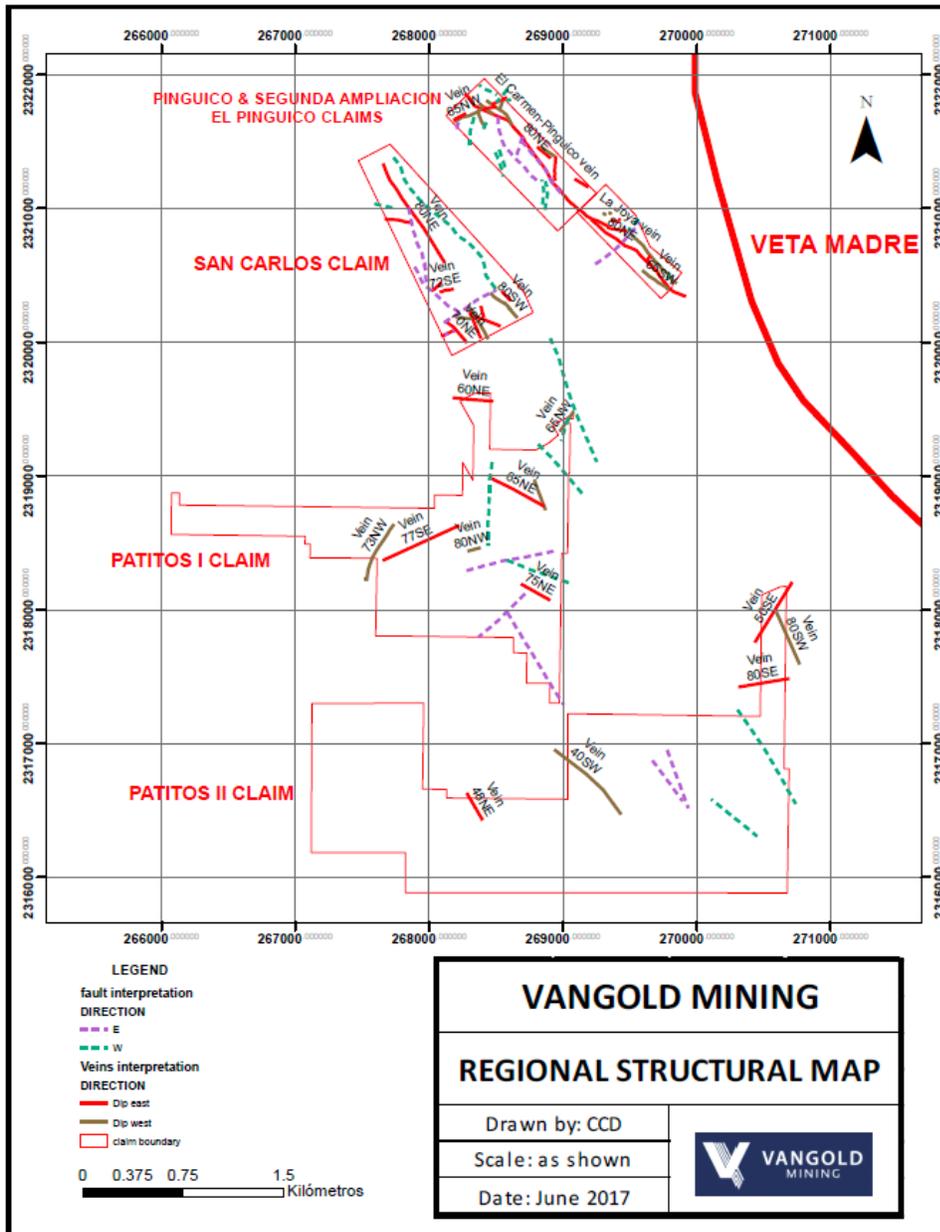
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Sangria del Carmen Adit. The historic El Pinguico mine is on strike with the Veta Madre (Mother Lode), and is located approximately 4.5 km from Endeavor Silver's El Cubo mine and 2 km from Mina Las Torres, owned by Fresnillo PLC.

From 1906 to 1913, the El Pinguico/Carmen mine produced 250 tonnes per day from shrinkage mining techniques, liberating high-grade silver and gold ore at cutoff grades over 15 grams per tonne ("g/t") gold equivalent (Au eq). Due to local and national civil unrest, the El Pinguico mine prematurely closed, abandoning what are believed to be large surface and underground stockpiles of mineralized material. The Company's NI 43-101 Technical Report dated February 28, 2017 and news release "VANGOLD MINING CORP. REPORTS EXPLORATION RESULTS: ASSAYS UP TO 34 G/T AUEQ FROM SAMPLES AT EL PINGUICO MINE", dated June 15, 2017, contain more information about the mine. The report and news release are available on [www.sedar.com](http://www.sedar.com).

The Guanajuato Mining District is mainly characterized by epithermal deposits associated with continental tertiary acid volcanism. The El Carmen-El Pinguico vein is considered an extension of the Veta Madre vein system, the main vein in the historic Guanajuato Silver District, and the depth extent is still unknown. The mineralization consists of a mixture of native gold and silver, polybasite, pyargyrite, tetrahedrite, marcasite, sphalerite, galena, pyrite and chalcopyrite. The property has excellent access routes, communications, basic mining infrastructure and proximity to processing plants.



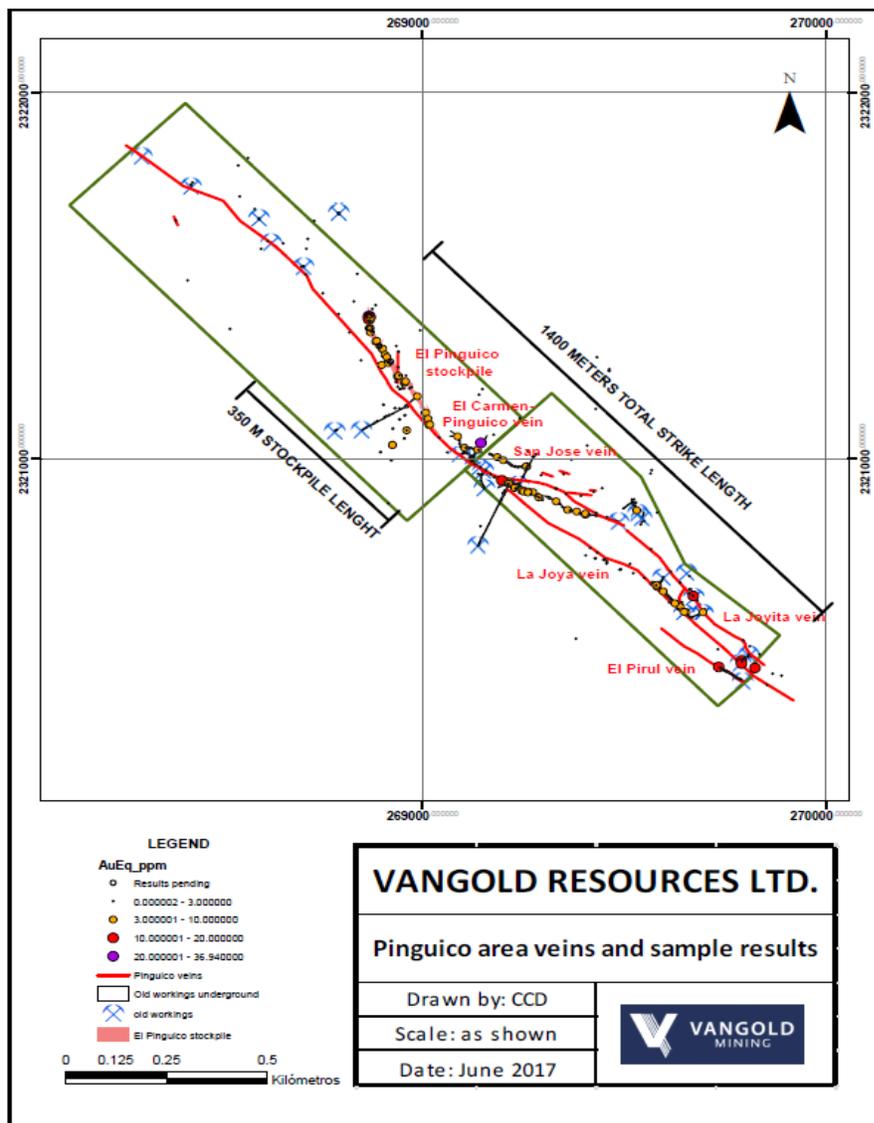
### Current Exploration

In April 2017, the Company released a NI 43-101 Technical Report on the El Pinguico mine, prepared by Carlos Cham Domínguez, C.P.G., an independent Qualified Person (as that term is defined in NI 43-101). The report is available on [www.sedar.com](http://www.sedar.com).

The Company retained FindOre S.A. de C.V., a geological exploration services company, to continue with its recommended work program, which included extensive surface and underground mapping, surveying, rock sampling and trenching.

The geological exploration program was extensive, covering over 800 hectares. Results from the exploration program expanded the potential for Au and Ag mineralization beyond the known El Pinguico and El Carmen veins. Highlights from the exploration program include:

- Collected a total of 512 rock grab and chip samples from surface outcrops and historical workings.
- 12 samples over 10 g/t (Au eq; calculated at US\$1,250 gold and US\$18 silver) and three over 20 g/t (Au eq) were collected in the existing workings.
- Over 70 samples with over 3 g/t (Au eq).
- Confirmation the El Carmen-Pinguico vein-related mineralization potentially extends over 1.5 km to southern claim limit.
- Completion of detailed mapping illustrates multiple parallel and perpendicular vein systems across the property, as illustrated in the El Pinguico map below.
- Surface stockpile with a surveyed area of over 15,000 m<sup>2</sup> and over 92,000 m<sup>3</sup> of rock with grades ranging from 0.14 g/t Au eq to 4.36 g/t Au eq.
- Specific gravity tests have been done in the in-situ veins sampled providing an average SG of 2.56.



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The exploration program provided the Company detailed knowledge of the parallel vein structures within the El Pinguico/El Carmen concession, such as Pachuca, San Jose and El Pirul veins, and observed vein thickness ranging from 0.30 metres (or "m") to 3.0 metres over several hundred metres in length. Perpendicular veins are believed to also hold significant discovery potential with La Joya and La Joyita veins at surface and potential intersection with the Veda Madre (Mother Vein) at depth.

On November 22, 2017, the Company's subsidiary, OMP, entered into a "Right of Passage" agreement with the Ejido and the town of Calderones, located 2 km from the El Pinguico mine. The Right of Passage agreement provides unencumbered access for the Company's vehicles and contractor equipment to enter the Company's mining concessions and surrounding land. This is a critical agreement to have in place and the Company can continue its developments with the full approval and agreement of the town of Calderones' residents. This agreement was subsequently allowed to lapse, however Vangold has re-entered negotiations with the Ejido group to re-establish the right of passage agreement.

In November 2017, the Company reported it had commenced a sampling campaign on the surface stockpile. The work included excavation of 24 trenches on a pre-determined grid pattern of 25m x 25m. The objectives of the sampling program are (i) to confirm the overall average grade of the surface stockpile, and (ii) to define and optimize metallurgical recoveries for this type of exposed and weathered stockpiled material.

The current scope of work on the El Pinguico property focuses on completing mineral resource estimates for both the surface and underground stockpiles. APEX has been engaged as QP and will oversee the QA/QC protocols for all sampling and resource modelling work for the surface and underground ("UG") work programs. APEX will follow with an updated NI 43-101 upon the completion of all work and receipt of results.

Access into the El Pinguico mine workings is now possible from surface to the top of the UG stockpile located at Level 3 (110 metres below surface) to Level 6 (210 metres below surface).

### ***El Pinguico Drill Program***

The El Pinguico drill program was designed to recover up to 1,000 metres of core samples from 15 to 20 NQ drill holes. The drill holes were to intersect and penetrate through the UG stockpile collecting core samples when the drill bit passed through the broken rock. Three drill pad locations were constructed in the Pachuca drift, a parallel tunnel to the UG stockpile.

Drilling commenced in mid-January 2018 on drill station No. 3 in the Pachuca drift. The drill rig has completed three of the planned 17-hole planned. The three drill holes had intersected the UG stockpile, providing the samples required to perform the assay test and give evidence of consistent Au and Ag content.

In February 2018, the Company completed the fifth of the 15 proposed drill holes of the phase one drill program, targeting a broad sampling of existing broken material located in the mined stopes of the El Pinguico property. The core samples from the drill holes were assayed at Platinum Corp. lab complying with International Standards ISO 9001:2000 and ISO 17025:2005, located in Guanajuato, Mexico. After completing the fifth drill hole, the Company suspended the drill program due to inconsistent core recoveries and assays. Recovery loss was potentially due to numerous voids within the stockpile and the inherently difficult nature of core drilling into unconsolidated material and open mine workings.

The Company has plans for a phase two drill program designed to target the El Carmen vein (southeast Extension of the El Pinguico vein) via underground drill stations located in the San Jose 1 and 2 crosscuts; in addition to the Lower Pinguico vein, targeting the El Pinguico vein at depth and along its NW and SE extension. Drilling of the El Pinguico vein is expected to be from a parallel drift located 290 metres below surface. Secondary targets are multiple parallel veins located in the hanging wall and footwall of the El Pinguico vein.

### *Mexican Silver Belt Claims*

On April 28, 2017, the Company entered into asset acquisition agreements to acquire 100% of seven mining concessions to strategically improve its mineral holdings within the Mexican Silver Belt. On June 27, 2017, the TSX-V approved the arm's length transaction. The new mining concessions were divided between the Company's two subsidiaries.

OMP acquired the Patito I and Patito II concessions to expand its land position adjacent to the El Pinguico mine project. The remaining five concessions are owned by CanMex Silver. Under the terms of the agreement, the Company paid \$10,000 and issued 1,562,500 common shares. The vendors retain a 2.5% NSR of which 1.25% (one-half) may be repurchased for \$500,000 by one or both of the subsidiaries, dependent on the economic development of the concession.

### **Patito I and Patito II**

Providing additional mineral rights to the El Pinguico Project, these claims are in close proximity to and along strike from the Veta Madre (Mother Vein) system. Several vein/lode structures are present, possibly representing a parallel vein system to the Veta Madre and El Pinguico veins. The host rocks are sub-aerial acid volcanics. Numerous Au-Ag rock chip anomalies have been identified by historical sampling. The mineralization is associated with brecciation and mesothermal/epithermal quartz veining/stockwork and silicification controlled by narrow structures 0.3 m to 1.5 m wide at surface with potential to open at depth, as has been observed in historical mines in the district.

### **Analy I and II**

These claims represent a total land area of 723 hectares, located within 50 km of Guanajuato, in the middle of the prolific Silver Belt. The area is an old Ag-Pb-Zn mining area that has never been explored using modern methods, providing potential for new discoveries.

### **El Ruso**

The El Ruso claim area is located adjacent to an old mercury (Hg) prospecting pit, and several other small historical Hg and Au-Ag mines are present in the area, including the El Nacimiento skarn deposit. No historical production/grade records are available. Historical and current field work have returned high-grade Au and Ag assays.

### **Ysabela and Camila**

These are granted claims in an old Ag-Pb-Zn-Au mining area in the Sierra Madre Oriental. The Camila claim boundary is located on the abandoned Santa Ana Ag-Pb-Zn mine, a manto or skarn deposit that operated intermittently from the late 1800s to 1995. Several other abandoned Ag-Pb-Zn mines are located on the claim boundary, including the Guadalupe Mine, an Ag-Pb-Zn mine that operated intermittently from the late 1800' to about 1985, with maximum production prior to closure of 1,000 tonnes per day. A 200 m deep shaft is connected to a lower 530 m long haulage and ventilation tunnel. An inactive mill site occurs within the claim. The area has never been explored using modern exploration methods and has never been drilled, offering significant mineralization potential. The area is easily accessible by road and the terrain is amenable to rapid screening by conventional reconnaissance exploration techniques.

### **Guyana**

On December 12, 2018, Vangold entered into a LOI where the Company agreed, subject to the acceptance of the TSX-V, to acquire all the issued and outstanding shares of Aventura Gold Ltd. ("Aventura"), a private company with an option to acquire the Tassawini gold project located in Guyana, South America, in an arm's length reverse takeover transaction for a combination of cash and common shares of the Company as more particularly described in the Company's management discussion and analysis dated August 28, 2019 for the six month period ended June 30, 2019. .

In October 2019, the Company elected not to proceed with the reverse takeover of Aventura and the Tassawini gold project in Guyana, South America and formally terminated the LOI with Aventura. As of September 30, 2019, Aventura is indebted to the Company for approximately \$251,408 (the "Aventura Debt") for monies advanced under the LOI in connection with the Tassawini project. Subsequent to termination of the LOI, the Company has agreed to assign all of its rights and interest in a draft NI 43-101 report on the Tassawini project commissioned by the Company to an arm's length third party seeking to acquire the Tassawini project in exchange for such third party agreeing to assume and settle the Aventura Debt, on terms to be negotiated, in the event it successfully completes a reverse takeover transaction for the Tassawini project.

### **Rossland, British Columbia, Canada**

#### *South Belt*

Vangold acquired a 50% interest in certain mineral claims within the historic Rossland gold camp in southeastern British Columbia.

The Company entered into an Option and Joint Venture Agreement with a private company, Rossland Resources Inc. ("RRI") that entitles RRI to earn a 100% interest in the property. RRI has fulfilled its commitments to earn a 50% interest. RRI has granted Vangold a 1.5% NSR on the claims. It is understood that RRI can purchase the NSR granted to Vangold for a total of \$1,500,000 at any time. RRI is operator of the project.

#### *Evening Star Property*

The Company owns a 100% interest in the surface rights and a 50% interest in the mineral rights comprising the Evening Star Property, a former producing mine located in southeastern British Columbia. On July 1, 2014, the Company issued a mortgage on the Evening Star Property in the amount of \$50,000. The mortgage was discharged when the short-term debt was repaid in January 2018.

During the year ended December 31, 2018, the Company began the process to relinquish the interests in the Rossland properties, as the Company focused operations on the Mexican Silver Belt, El Pinguico and Tassawini Mining License properties. As a result, the Company recognized an impairment of \$9,001 during the year ended December 31, 2018.

### **Exploration Outlook**

The Company is in the business of exploration and development of mineral properties. Currently, the Company's primary focus is on advancing the El Pinguico property through exploration programs and developing a low risk drilling campaign to delineate the lower extension of the El Pinguico vein.

The Company continues to evaluate the grade distribution, volumetric parameters and metallurgical characteristics of its Mexican project to assess the potential for processing surface stockpile material, and for extracting and processing underground stockpile material.

### **Financial**

#### **Results of Operations and Summary of Quarterly Results**

The Company is an exploration stage company and has not generated any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. The following is a summary of the Company's financial results for the eight most recent quarters:

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Revenues	Net income (loss)	Basic and fully diluted
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Quarter ended:	\$	\$	earnings (loss) per share \$
December 31, 2017	-	(310,860)	(0.02)
March 31, 2018	-	(608,137)	(0.02)
June 30, 2018	-	(376,945)	(0.01)
September 30, 2018	-	(406,143)	(0.01)
December 31, 2018	-	46,084	0.00
March 31, 2019	-	(149,137)	(0.00)
June 30, 2019	-	(153,638)	(0.00)
September 30, 2019	-	(141,788)	(0.00)

Variations in the Company's net losses and expenses for the periods above resulted primarily from the following factors:

- During the quarter ended December 31, 2018, the Company realized a gain on sale of certain Armenian oil and gas rights, and sold 99,900 common shares of a private company for consideration of \$150,000 less cost of \$15,000, resulting in a net gain of \$135,000. This resulted in a net income for the quarter of \$46,087.
- During the periods ended March 31, June 30, and September 30, 2019, management has concentrated to reduce costs and negotiate with existing debt holders as measures to manage its capital while it continues to work in advancing its existing projects and looking for new opportunities.

**For the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018**

During the nine months ended September 30, 2019, the Company incurred net loss and comprehensive loss of \$444,300 (2018 - \$1,394,498).

During the nine months ended September 30, 2019, management and consulting fees decreased by \$105,771 to \$188,449 (2018 - \$294,220), as a result of changes in management, which resulted in significantly lower fees for the nine months ended September 30, 2019 compared to 2018, including less geological fees and other management fees.

Share-based compensation decreased by \$222,740 to \$13,038 (2018 - \$235,778). The decrease is mainly due to the fact that options were granted in the third quarter of 2018, while no options have been granted during 2019. The expense for the 2019 year resulted from amortization of unvested options granted in prior periods.

Mineral exploration costs decreased by \$264,231 to \$27,167 (2018 - \$291,398), as the Company has reduced activities in its Mexican property while it awaits the required permits it needs to proceed with its planned drilling and exploration program.

Investor relations decreased by \$82,596 to \$19,228 (2018 - \$101,824) during the period ended September 30, 2019 compared to the corresponding period in 2018, as new management focused on the Company's capital management, assessing progress in its Mexican property, as well as the assessment of the acquisition of the Aventura acquisition.

General office and administrative expenditures decreased from \$134,917 to \$42,536 a change of \$92,381. The decrease is due to new management restructuring operating costs.

Travel and meals decreased by \$45,479 to \$48,328 (2018 - \$93,807), as the Company incurred significant travel expenses in 2018 due to activities in the Mexican property while travel expenditures in 2019 include expenditures to advance the Company's projects, as well as looking for new opportunities.

Rent expenses decreased by \$46,437 to \$4,044 (2018 - \$50,481), as the Company terminated its lease in Vancouver and its Mexico office as part of its cost reduction efforts.

During the nine months ended September 30, 2019, the Company had a gain on settlement of debt of \$36,414 (2018 - \$nil) as part of the new management's capital management efforts to reduce its liabilities and to look for new financing in order to advance its projects.

**For the three months ended September 30, 2019, compared to the three months ended September 30, 2018**

During the three months ended September 30, 2019, the Company incurred net loss and comprehensive loss of \$141,788 (2018 - \$406,143).

Management and consulting fees decreased by \$24,156 to \$48,593 (2018 - \$72,749), as a result of changes in management, which resulted in significantly lower fees for the three months ended September 30, 2019 compared to 2018, including less geological fees and other management fees.

Share-based compensation decreased by \$117,452 to \$nil (2018 - \$117,452). The decrease is mainly due to the fact that options were granted in the third quarter of 2018, while no options have been granted during 2019.

Mineral exploration costs decreased by \$47,034 to \$5,259 (2018 - \$52,293), as the Company has reduced activities in its Mexican property while it awaits the required permits it needs to proceed with its planned drilling and exploration program.

Investor relations decreased by \$150 to \$14,000 during the period ended September 30, 2019 compared to \$14,150 in the corresponding period in 2018, as new management focuses on the Company's capital management, completing the acquisition of Aventura and assessing progress in its Mexican property.

General office and administrative expenditures decreased from \$54,027 to \$14,352 a change of \$39,675. The decrease is due to new management restructuring operating costs.

Travel and meals decreased by \$14,924 to \$15,159 (2018 - \$30,083) for the three months ended September 30, 2019 and the corresponding period in 2018, as the focus for last year was related to promotion, assessing the project in Mexico and assessing the acquisition of the Tassawini project, while expenditures in 2019 were limited as the Company is restructuring operations and moving forward on its Mexican project.

Rent expenses decreased by \$16,989 to \$1,074 (2018 - \$18,063), as the Company terminated its lease in Vancouver as part of its cost reduction efforts during 2019.

**Sources and Use of Cash**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash used in operating activities	(432,503)	(975,309)
Cash provided by (used in) investing activities	(154,049)	5,582
Cash provided by financing activities	584,528	976,025
Effect on cash of foreign currency	3,785	3,984
Net increase (decrease) in cash and cash equivalents	1,761	(10,282)
Ending cash balance at September 30, 2019	42,783	129,291

Cash used in operating activities is comprised of net loss, add-back of non-cash expenses and net change in non-cash working capital items. Cash used in operating activities decreased by \$542,806 to \$432,503 (2018 - \$975,309) primarily due to changes in working capital and a significantly lower net loss for the period after non-cash adjustments.

Cash used in investing activities during 2019 related to the \$154,049 deposit for the acquisition of the Guyana property. No such expenditures were incurred during 2018.

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Cash provided by financing activities decreased by \$391,497 to \$584,528 (2018 - \$976,025). During the nine months ended September 30, 2019, the Company obtained funds as a result of a private placement to raise \$582,976 compared to funds raised during in 2018 of \$1,049,891 less share issue cost of \$28,766 (2018 - \$31,448). During the nine months ended September 30, 2019, the Company obtained a loan from a company owned by the former CFO for \$33,000, while during the comparative period the Company repaid an existing loan payable of \$45,100.

### ***Liquidity and Capital Resources***

#### *Liquidity Outlook*

As of September 30, 2019, the Company had \$42,783 (December 31, 2018 - \$41,022) in cash, which is insufficient to fund the Company's ongoing operations. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company, and therefore, financings have been the sole source of funds in the past few years.

During the nine months ended September 30, 2019, the Company raised gross proceeds of \$582,976 through the closing of two private placements. In the opinion of management, this is not sufficient to support the Company's general administrative and corporate operating requirements and exploration activities on an ongoing basis and, should the Company wish to continue as a going concern and continue its fieldwork on its exploration projects and continue developing the El Pinguico Project, further financing will be required.

The Company continues to incur exploration, evaluation and administrative expenses, which are being expensed. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential. The key performance driver for the Company is the acquisition and development of prospective exploration and evaluation assets. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit on several of its eight mining claims.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund ongoing operations.

Additional financing is required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties. Given the volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the Company has sufficient liquidity to support its growth strategy.

In order to finance the Company's future exploration and development of its mineral programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved, which may be beyond its control.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration results and/or external opportunities.

### ***Related Party Transactions***

For the nine months ended September 30, 2019, the Company incurred management and consulting fees of \$87,500 (2018 - \$nil) to a company controlled by James Anderson, the Chief Executive Officer of the Company. As at September 30, 2019, the amount of \$20,000 (December 31, 2018 - \$nil) was owed to a company controlled by the Chief Executive Officer of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

For the nine months ended September 30, 2019, the Company incurred management and consulting fees of \$45,000 (2018 - \$90,000) to a company controlled by Cameron King, the former Chief Executive Officer of the Company. As at September 30, 2019, the amount of \$67,479 (December 31, 2018 - \$29,979) was owed to the former CEO of the Company and a company controlled by the former CEO of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

For the nine months ended September 30, 2019, the Company incurred share-based compensation of \$6,238 (2018 - \$123,872) to former directors and officers of the Company, which resulted from the amortization of unvested options granted in prior periods.

For the nine months ended September 30, 2019, the Company incurred management and consulting fees of \$nil (2018 - \$22,500) to a company controlled by the Kurt Bordian, former CFO of the Company.

As at September 30, 2019, the Company had a loan payable of \$33,000 (December 31, 2018 - \$nil). The loan is due on demand and bears interest at a rate of 5% per annum. The loan is due to a company owned by Praveen Varshney, the former CFO of the Company.

### ***Financial Instruments***

#### **(a) Fair Values**

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at September 30, 2019 as follows:

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### **(b) Credit Risk**

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

#### **(c) Foreign Exchange Risk**

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company operates in Canada and Mexico, but has the majority of its cash and equivalents held in Canada in Canadian dollars. The Company is exposed to foreign exchange risk due to fluctuations in foreign currencies (Mexican peso and US dollar). Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

#### **(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

### **Changes in Accounting Policies**

#### *Adoption of new standard – IFRS 16 Leases*

The Company adopted the requirements of IFRS 16 effective January 1, 2019. This new standard replaces IAS 17 *Leases* and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short-term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right-of-use assets and lease liabilities related to the Company's leased premises, as the only lease outstanding at December 31, 2018 expires during the year ended December 31, 2019.

For any new contracts entered into on or after January 1, 2019, the Company considers whether a contract is or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition the Company assesses whether the contract meets three key evaluations, which are whether:

- i. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- ii. The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- iii. The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

#### *Measurement and recognition of leases as a lessee*

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

### **Accounting Standards issued but not yet effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2019, and have not been applied in preparing these interim condensed consolidated financial statements. The Company has not early-adopted these revised standards and expects no significant effect on the Company's consolidated financial statements when adopted.

*Amendments to standard IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*

IAS 1 and IAS 8 were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

### **Risks and Uncertainties**

The Company is engaged in the business of acquiring and exploring mineral properties with the expectation of locating economic deposits of minerals. All of the Company's properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in proven ore deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

- Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.
- Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.

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- Many competitors are in the same business, some of which have greater financial, technical and other resources than the Company.
- Mining involves many hazards and risks in the field, such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions and many other conditions.
- Lack of assurance that the Company will be able to obtain all necessary permits and approvals to conduct its affairs or that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.
- Operations of the Company are subject to environmental regulation, a breach of which may result in imposition of enforcement actions. Environmental hazards may exist on current properties, which are presently unknown to the Company, and regulations and laws change over time.
- World prices for metals can be unstable and unpredictable and may materially affect the Company's operations, as well as economic conditions that may change the demand for minerals.
- The securities markets worldwide can experience high price and volume volatility.
- The Company is dependent on the services of several key individuals, the loss of which could significantly affect operations.
- There is potential for officers and directors of the Company to have conflicts of interest with other entities.
- Uncertainties as to the development and implementation of future technologies.
- Changes in accounting policies and methods may affect how the financial condition of the Company is reported.
- Breaches of contracts, such as property agreements, could result in significant loss.
- Foreign currency risk, as the Company operates in several foreign jurisdictions.
- The Company has investigated the right to explore and exploit its properties and to the best of its knowledge there are no known encumbrances. However, the Company's investigation should not be construed as a guarantee of title.

### **Capital Management**

The Company considers its capital to consist of its share capital, equity reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of exploration and evaluation assets. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In addition, the Company may issue new equity, incur additional debt, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees, enter into joint venture arrangements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest-bearing accounts at high credit

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quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2019 compared to the year ended December 31, 2018. The Company is not subject to externally imposed capital requirements.

***Management's Responsibility for the Financial Statements***

The preparation and presentation of the accompanying interim condensed consolidated financial statements, MD&A and all financial information in the interim condensed consolidated financial statements are the responsibility of management and have been approved by the audit committee of the Board of Directors. The interim condensed consolidated financial statements have been prepared in accordance with IFRS. Financial statements, by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and with the participation of the CEO and the CFO, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. The CEO and CFO will certify the annual filings with the CSA as required in Canada by NI 52-109 *Certification of Disclosure in an Issuer's Annual and Interim Filings*. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its audit committee which is independent from management. The audit committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of management's assessment over internal controls described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board of Directors for the appointment by the shareholders. The independent auditors have full and free access to the audit committee and meet with it to discuss their audit work, internal control over financial reporting and financial reporting matters. The audit committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders and also management's report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

***Cautionary Statement on Forward-looking Information***

Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis, and other risks and uncertainties. In addition, forward-looking statements are based on various assumptions, including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour, and that the political environment within Mexico and Canada will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors should change, except as required by law.

#### ***Additional Disclosure for Venture Issuers without Significant Revenue***

Additional disclosure concerning Vangold's general and administrative expenses, and exploration and evaluation assets and expenditures are provided in its audited consolidated financial statements for the year ended December 31, 2018, available on Vangold's website at [www.vangoldmining.com](http://www.vangoldmining.com) or under the Company's profile on [www.sedar.com](http://www.sedar.com).

#### ***Outlook***

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

The Company is focused on developing and building its asset base in Mexico and is considering several options for the Canadian properties. The Company is considering outright sale to interested third parties, which would reduce short-term debt, obligated exploration and continued property payments.

#### ***Share Capital***

The Company had 45,514,159 common shares issued and outstanding at September 30, 2019 and 59,664,159 common shares issued and outstanding at November 29, 2019.

#### ***Private Placements***

- Subsequent to September 30, 2019 the Company has arranged, subject to acceptance of the TSX-V, a third and final tranche of the private placement for gross proceeds of \$707,500, consisting of 14,150,000 units at a price of \$0.05 per unit. There are no finder's fees payable in connection with the third tranche.
- On May 13, 2019, the Company completed the second tranche of its private placement for gross proceeds of \$247,975, consisting of 4,959,500 units at a price of \$0.05 per unit. A finder's fee of \$14,248 cash and 284,950 warrants was paid with respect to this tranche. Each unit consists of one common share and one share purchase warrant (a "Warrant"); each Warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 within two years of closing.
- On March 28, 2019, the Company closed the first tranche of a private placement where the Company issued 6,700,000 units at a price of \$0.05 per unit for total proceeds of \$335,000. Each unit consists of one common share and one share purchase warrant exercisable for a period of two years at an exercise price of \$0.10.

Vangold intends to use the proceeds to fund additional geological programs, including underground and surface drilling, building infrastructure for the development of the El Pinguico Mine, as well as general working capital.

#### ***Warrants***

During the nine months ended September 30, 2019, the Company issued 11,659,500 warrants and 284,950 broker warrants at a price of \$0.10 in connection with a private placement.

***Stock Options***

The Company's stock option plan reserves a fixed 3,392,307 shares for issuance, less any common shares reserved for currently outstanding stock options. At an annual general meeting held April 17, 2018, the Company's shareholders approved an increase to the maximum amount of options that can be granted pursuant to the stock option plan to 6,175,673 common shares, being 20% of the Company's issued and outstanding shares.

During the nine months ended September 30, 2019, the Company did not grant stock options.

***Outstanding Share Information***

As at the date of this MD&A, the Company has:

- 59,664,159 (September 30, 2019 - 45,514,159) common shares issued and outstanding.
- 3,462,500 stock options.
- 33,049,912 share purchase warrants.