PPX Mining Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three and nine months ended June 30, 2019 and 2018

This Management's Discussion and Analysis ("MD&A") is intended to assist the reader in understanding and assessing the trends and significant changes in the results of operations and financial condition of PPX Mining Corp. ("PPX" or the "Company"). This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company, including the notes thereto, for the three and nine months ended June 30, 2019 and 2018 (the "interim financial statements") and the Company's audited consolidated financial statements for the years ended September 30, 2018 and 2017 (the "annual financial statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. This MD&A has taken into account information available up to and including August 27, 2019. All dollar amounts are in Canadian dollars unless otherwise stated.

As at June 30, 2019 the Company has cash of $39,378 and a negative working capital of $4,939,812; the working capital deficiency includes $1,282,301 for a non-secured convertible note which was reclassified as short term liability at June 30, 2019, as the note matures in February 2020. Subsequent to June 30, 2019, the Company received US$400,000 from a promissory note. The Company needs to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available to cover its working capital deficiency or develop its mineral properties and / or cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. If the Company is unable to raise additional capital in the future and/or attracting joint venture partners for further exploration and development on its properties, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern beyond June 30, 2020.

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of PPX to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of PPX should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

BUSINESS OVERVIEW

PPX Mining Corp. (TSX.V: PPX.V, SSE: PPX, BVL: PPX) is a Canadian-based exploration and development company with assets in northern Peru. The Igor Project, the Company's flagship 100% owned property, comprises four concessions of about 1,300 hectares and is located in the prolific Northern Peru gold belt in eastern La Libertad Department. The Igor Project includes the Callanquitas structure (the "Igor 4 concession"), where the Company completed an underground test-mining and bulk-sampling program, announced the results of the pre-feasibility study ("PFS") and is building a heap leach processing plant, as well as three exploration targets: Portachuelos, Tesoros, and Domo.

On December 4, 2018 the Company announced the results of an independent PFS for the 100% owned Igor 4 concession. The PFS results include proven and probable reserves of 1.03 million tonnes grading 4.10 gpt gold (136,000 ounces of gold) and 104.08 gpt silver (3.445 million ounces of silver), or 154,000 gold equivalent ("AuEq") ounces at a grade of 4.66 gpt AuEq. Total measured and indicated resources for the Igor 4 concession (inclusive of reserves) are 1.47 million tonnes grading 4.72 gpt gold (223,000 ounces gold) and 109.5 gpt silver (5.18 million ounces Ag) equal to 246,000 AuEq ounces (5.21 gpt AuEq). Inferred resources totaled 0.613 million tonnes, grading 3.91 gpt gold (77,0000 ounces gold), and 139.7 gpt silver (2.75 million ounces of silver) equal to 89,000 AuEq ounces. The 43-101 report can be viewed on SEDAR at ww.sedar.com or on the Company's web site at www.ppxmining.com.

PPX conducted infill and resource expansion drilling along the Callanquitas structure and exploration drilling south of Callanquitas in the Portachuelos target area. The drill campaign has resulted in the discovery of new high-grade mineralization at the Callanquitas structure and a new gold and silver mineralized zone at Portachuelos.

The Company has an agreement with Proyectos La Patagonia S.A.C. ("Patagonia" or "PLP"), a wholly-owned subsidiary of the Explora Peru Mining Group, Peru, whereby the Company has granted to Patagonia the rights to the Igor 4 mining concession, site of the Callanquitas resource, until the earlier of the date Patagonia extracts 600,000 metric tons of mineralized material or June 7, 2024. During the term of the agreement, the Company and Patagonia share the net profits from the mine operations on the Igor 4 concession, at a rate of 70%/30% up to when the production from the mine reaches 350 tons per day ("MTPD"), and 75%/25% thereafter. Going forward, the area of the underground operations at the Callanquitas structure will be referred to as the "Callanquitas Mine".

The Company's objective is to bring the Callanquitas Mine into production and focus on growing the gold and silver resource base, particularly in areas easily accessible by the underground workings, with the goal of defining sufficient resources to justify increase in the mine and heap leach processing facility.

FISCAL 2019 HIGHLIGHTS[1]

Balance sheet

At June 30, 2019, the Company has cash of $39,378 and a negative working capital of $4,939,812; the working capital deficiency includes $1,282,301 for a non secured convertible note due on February 2020 and $1,211,115 (US$925,434) related to amounts due to RIVI Opportunity Fund as principal payments due under the gold stream facility agreement. Financing will be needed for working capital and to complete the heap leach plant.

On December 6, 2018, the Company announced a non-brokered private placement (the "financing") offering of up to 39,999,999 units at a price of $0.075 per unit. Each unit consists of one common share and half a common share purchase warrant exercisable into common shares of the Company at $0.10 per common for two years from the closing of the financing. The Company received $1,822,575 gross proceeds from the financing. Subsequent to June 30, 2019, the Company also received US$400,000 from a promissory note.

Pre-feasibility study – low cash costs, rapid pay back and strong base-case NPV

On December 4, 2018 the Company announced the results of the PFS for an integrated underground mine and gold-silver recovery plant at the Company's Igor Project. The PFS base case uses a gold price of US$1,250/oz of gold and US$16.5/oz of silver and generates a pre-tax internal rate of return ("IRR") of 64% (59% post tax), pre tax net present value ("NPV") of the project of US$37.7 million ($50.1 million), life of mine ("LOM") gold production of 108 thousand ounces of gold and 1.137 million onces of silver (122 thousand AuEq ounces) at an average cash cost of US$601/oz AuEq and all in sustaining cost ("AISC") of US$813/oz AuEq with a post tax projected pay-back period of approximately 24 months and LOM of 7 years.

[1] *The Company's 2019 fiscal year is from October 1, 2018 to September 30, 2019. Fiscal 2019 represent the nine months ended June 30, 2019. These highlights include information for fiscal 2019 and subsequent as noted*

The Callanquitas underground mine is fully permitted and has been operating for over 18 months in a test mining and bulk sampling mode.

Processing Plant – fully permitted; manufacturing completed

In November 2017, the Company commenced the permitting process for a gold and silver heap leach processing plant at the Igor Project. Given the time line of the permitting process and the planned completion of the PFS, the Company opted to start permitting in order to minimize delays in constructing the processing plant. The permitting process is complete with the receipt of the "Final Permit to Initiate Operations" on January 17, 2019.

To date, the Company has advanced $967,536 (US$739,311) toward the manufacturing of the crushing plant and Merrill-Crowe plant for the heap leach operations. The equipment manufacturing is complete and will be shipped once the Company secures the necessary funds (for more details refer to the "Exploration and evaluation activities" section, further on this MD&A).

Community Agreement

On November 20, 2018, the Company signed an agreement with the Igor community, located within the Company's concessions, that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession.

RESULTS OF OPERATIONS

The following is a summary of the Company's results of operations for the three and nine months ended June 30, 2019 and 2018:

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	**2019**	2018
Operating expenses				
Communication and regulatory	**$124,319**	$111,739	**$235,395**	$287,503
Consulting fees, salaries and benefits	**295,384**	279,630	**851,114**	967,805
Depreciation	**590**	3,805	**7,357**	10,591
Foreign exchange (gain) loss	**(272,507)**	(9,282)	**(126,395)**	88,623
Office and miscellaneous	**71,131**	50,404	**168,396**	239,776
Premises	**8,476**	9,415	**25,178**	20,690
Professional fees	**29,195**	25,579	**125,063**	108,390
Share based payments	**-**	4,230	**71**	109,387
Travel and promotion	**24,086**	55,372	**158,124**	248,583
Net loss from operations	**(280,674)**	(530,892)	**(1,444,303)**	(2,081,348)
Finance and other items				
Finance expense, net	**(301,229)**	(194,719)	**(661,404)**	(768,558)
Net loss	**($581,903)**	($725,611)	**($2,105,707)**	($2,849,906)
Basic and diluted loss per share	**$0.00**	$0.00	**$0.00**	$0.00

The Company recorded a net loss of $581,903 and $2,105,707 or $0.00 per share, respectively, for the three and nine months ended June 30, 2019 (respectively "Q3 19" and "Fiscal 19"). For the three and nine months ended June 30, 2018 (respectively "Q3 18" and "Fiscal 18"), the Company recorded a net loss of $725,611 and $2,849,906 or $0.00 and $0.01 per share, respectively.

The most significant changes for three and nine months ended June 30, 2019 as compared to the same periods in 2018 were as follows:

Communication and regulatory of $124,319 and $235,395, respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $111,739 and $287,503, respectively) - Communication and regulatory includes charges related to the Company's investor relations activities as well as filing and listing fees; the decreased expenditures for Fiscal 19 compared to same period in the prior year is due to less activity by the Company due to the financial situation.

Consulting fees, salaries and benefits of $295,384 and $851,114 respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $279,630 and $967,805, respectively) – 2018 expenditures included a cash bonus of $125,000 to the Company's CEO; no bonuses were paid in 2019 as the Company is saving its financial resources.

Foreign exchange gain of $272,507 and $126,395, respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 – gain of $9,282 and loss of $88,623, respectively) – The foreign exchange (gain) loss results from fluctuations in the US$/CAD$ exchange rates throughout the periods. The Company's functional and reporting currency are the Canadian dollars, while the functional currency of its Peruvian subsidiaries is the United States ("US") dollar. At June 30, 2019 USD amounts were converted at a rate of USD1.00 to CAD 1.3087 (September 30, 2018 - USD 1.00 to CAD 1.2945); Peruvian Soles amounts were converted at a rate of Peruvian Sol 1:00 to CAD 0.3977 (September 30, 2018 - 1.00 to CAD 0.3922).

O***ffice and miscellaneous of $168,396 for Fiscal 19 (Fiscal 18 – $239,776) and travel and promotion of $24,086 and $158,124 respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $55,372 and $248,583, respectively)*** – Expenditures have decreased compared to same periods in 2018 due to the Company's financial situation.

Share-based payments of $Nil and $71, respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $4,230 and $109,387, respectively) – no options were granted in Fiscal 19 as compared to 1,800,000 options in Fiscal 18.

Finance expense, net *is as follows:*

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	**2019**	2018
Gold stream facility interest expense	**$200,071**	$193,093	**$596,310**	$473,867
Gold stream facility transaction costs	**-**	-	**-**	288,113
Convertible note interest expense and acretion	**89,140**	-	**258,075**	-
Unrealised gain on derivative liability	**(964)**	-	**(226,713)**	-
Promissory notes interest expense	**2,945**	-	**2,945**	-
Unwinding of the discount - environmental closure provision	**9,440**	-	**27,242**	-
Bank charges and other	**597**	1,626	**3,545**	6,578
Finance expense	**$301,229**	$194,719	**$661,404**	$768,558

Gold streaming facility – The Company has a gold stream facility (the "Facility") with RIVI Opportunity Fund LP ('RIVI"), whereby the Company received a total of US$5.0 million from RIVI (2nd tranche of US$2.5M received in Fiscal Q1 19; the Company incurred $288,113 of transaction costs in relation to the 2nd tranche). The Company pays interest of 12% (10% until the 2nd tranche was received) on the Facility until the Company's processing plant average monthly production from the Igor 4 concession is at least 85% of 150 MTPD or the Company delivers a monthly average of 150 MTPD from the Igor 4 concession to a smelter.

The Facility provides for RIVI to receive the greater of 10% of the Company's portion of the combined production of gold and silver ounces from the Igor 4 concession on a Gold Equivalent Ounce ("GEO") basis and 50 GEOs at a price per GEO of the lesser of US$400 or 80% the market price of gold on a monthly basis. Seventy-two months after the Monthly Production Milestone has been met, or when 20,000 GEOs have been delivered under the Facility Agreement (whichever occurs first), the Company has the option to reduce RIVI's entitlement to 5% of the GEOs produced on the Igor 4 concession by making a one-time payment of US$5 million to RIVI, subject to the price of gold being greater than US$1,200 per ounce. During Fiscal 19 the Company paid $199,592 (US$150,533) of interest to RIVI, representing interest for the three months ended September 30, 2018.

The principal balance of US$5 million is reduced as the GEOs are delivered to RIVI. The face value of the gold stream facility at June 30, 2019 and September 30, 2018 was US$4,683,613. Upon expiry of the term which is the earlier of 40 years and depletion of the mine, any balance remaining unpaid shall be refunded to RIVI.

The Facility has been classified as a financial liability at FVTPL and is revalued at its fair value on each subsequent reporting date with the changes in the fair value recorded in profit or loss. Due to the uncertainty of the total expected ounces to be delivered and the timing of cash flows, the Facility is currently recorded at its face value with derivative measured at a nominal value.

The Company has granted RIVI a first and preferred mining tenements mortgage of US$5 million on the Igor concession and surface land and general security interest (the "Security") over all of the present and after-acquired assets within the property. The Security provided to RIVI will cease once the Company has fully paid the US$5 million investment by RIVI.

Convertible note interest expense and accretion of $89,140 and $258,075, respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $Nil), includes accrued interest expense of $33,444 (US$25,000) and $99,681 (US$75,000), respectively, with the remaining balance representing accretion expense – On August 9, 2018, the Company issued a convertible note for gross proceeds of US$1.0 million; the note bears interest at 10%, payable in 18 months and is convertible at the holder's option at a price of US$0.11 per common share. The note matures in February 2020 and is included as short term liability on the balance sheet.

Unrealized gain on derivative liability of $964 and $226,713, respectively for Q3 and Fiscal 19 (Q3 and Fiscal 18 - $Nil) - The conversion feature of the note meets the definition of a derivative liability and is recorded as such, measured initially at fair market value (US$245,881 or $320,531) and revalued on each subsequent reporting date with the changes in the fair value recorded in profit and loss.

SUMARY OF QUARTERLY INFORMATION

The following table sets out selected quarterly financial data from the Company's unaudited quarterly financial statements. There were no revenues reported in any of the periods reflected below:

Fiscal quarter ended	**June 30, 2019**	March 31, 2019	December 31, 2018	September 30, 2018
Revenue	**$-**	$-	$-	$-
Net loss	**($581,903)**	($632,074)	($891,730)	($859,567)
Net loss income per share* basic and dilute	**$0.00**	$0.00	$0.00	($0.00)

Fiscal quarter ended	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Revenue	$-	$-	$-	$-
Net loss	($725,611)	($937,556)	($1,186,739)	($6,183,343)
Net loss income per share* basic and dilute	($0.00)	($0.00)	($0.00)	($0.02)

** Net income (loss) per share is calculated based on the weighted average number of shares outstanding for the quarter*

The net loss for the three months ended September 30, 2017, includes $4,830,627 for the write-off of certain advances and assets under construction net of a promissory note, as well as transaction costs of $587,827 for the first tranche of the gold stream facility; the net loss for the three months ended December 31, 2017 includes transaction costs of $288,113 for the second tranche of the gold stream facility.

EXPLORATION AND EVALUATION ACTIVITIES REVIEW

The Company is focused on exploring and developing the Igor property, located in Peru, South America. The Igor concession includes three projects: Igor 4, where the Company completed an underground mining testing and bulk sampling program, as well as two other exploration projects - Igor and Igor 3. The Company has acquired surface rights totaling 65.3 hectares within the Igor property area. The surface rights facilitate the development of the surface infrastructure associated with the test mining program and would allow access to important areas of the property for surface exploration, including drilling. The production from Igor 4 concession is subject to the requirements of the gold streaming facility with RIVI as discussed on the section "Agreement with RIVI Opportunity Fund LP", above on this MD&A.

A summary of Company's spending on exploration and evaluation activities for the nine months ended June 30, 2019 and 2018 is shown below:

Nine months ended June 30,	**2019**	2018
Drilling, road and site preparation	**$496,272**	$2,399,035
Salaries, claims maintenance and staking	**95,600**	557,779
Social development	**239,918**	495,879
Bulk sampling program	**-**	74,919
Engineering	**40,909**	67,151
Environmental	**105,430**	58,553
Transfer to property plant and equipment (construction in progress)	**(128,988)**	-
Total additions	**$849,142**	$3,653,316

The decrease in Fiscal 19 spending compared to same period in previous year reflects the completion of the Phase 1 drilling program in late September 2018.

Igor 4 Concession Pre-Feasibility Study

On December 4, 2018, the Company announced the results of an independent Pre-Feasibility Study for an integrated underground mine and gold-silver recovery plant at the Igor 4 concession. The PFS was prepared by Mine Development Associates ("MDA") of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" (NI 43-101), with highlights as below (US$:CAD$ = 1:1.33):

- Pre-tax Internal Rate of Return ("IRR") of 64% at US$1250/oz gold and US$16.50/oz silver (59% post-tax); 76% pre-tax IRR with US$1350/oz gold and US$17.82/oz silver prices (71% post-tax);
- Average Life of Mine ("LOM") cash operating costs of US$601/oz gold AuEq recovered and AISC of US$813/oz gold equivalent LOM;
- Pre-tax Net Present Value at a 5% discount rate ("NPV-5") of US$37.7 million ($50.1 million) at US$1250/oz gold and US$16.50/oz silver (US$30.1million post-tax); US$46.1 million pre-tax NPV-5 ($61.3 million) with US$1350/oz gold and US$17.82/oz silver prices (US$35.7 million post-tax);
- Post-tax Project pay-back period of approximately twenty-four months and a mine life of seven years after a three month ramp up and construction phase;
- LOM gold production of 108,000 gold ounces and 1,137,000 silver ounces for a total of 122,000 AuEq ounces;
- Total diluted Proven and Probable Reserves of 1.03 million tonnes grading 4.10 gpt gold (136,000 gold ounces) and 104.08 gpt silver (3.445 million silver ounces), or 154,000 AuEq ounces at a grade of 4.66 gpt AuEq.
- Total Measured and Indicated Resources of 1.47 million tonnes, grading 4.72 gpt gold (223,000 gold ounces) and 109.5 gpt Ag (5.18M silver ounces) equal to 246,000 AuEq ounces (5.21 gpt AuEq). Inferred Resources totaled 0.613 million tonnes, grading 3.91 gpt gold (77,0000 gold ounces), and 139.7 gpt silver (2.75M silver ounces) equal to 89,000 AuEq ounces. The reported resources are inclusive of the mineral reserves.

Cash operating costs include mine and processing costs and mine general and administration expenses; AISC includes cash operating costs, payments to RIVI capital under the gold stream facility and reclamation spending. Cash operating cost and AISC per tonne and ounce (based on 1.03 million tonnes of mined and processed ore and 122,000 AuEq ounces) are shown below:

	US$/tonne	US$/AuEq ounces
Expensed Mine Development	$2.45	$20.61
Underground Mine Costs - Ore	49.38	415.89
Processing Costs	17.13	144.29
General and Administration	2.42	20.39
Cash Operating Costs	**$71.38**	**$601.18**
RIVI Stream Payments	10.09	85.00
Reclamation Spending	3.69	31.11
Capital Expenditures	11.38	95.92
All In Sustaining costs	**$96.54**	**$813.21**

Capital expenditures include estimated capital mine development costs of US$6.6 million, a contractor adjustment of US$2.4 million, and estimated remaining capital costs for the heap leach processing facility of US$3.6 million (excluding advances for equipment manufacturing and spending to December 4, 2018 for various plant infrastructure), net of estimated salvage od US$0.9 million. For more details on the PFS, refer to the press release dated December 4, 2018 filed on SEDAR at ww.sedar.com or on the Company's web site at www.ppxmining.com.

Heap Leach Processing Plant

The Company started the permitting process for the heap leach processing plant on November 1, 2017. Given the timelines and anticipation of PFS completion, the Company started permitting activities to minimize delays in constructing the processing plant. The facility will include a primary, secondary and tertiary rock crusher, agglomerator, heap leach pads, a Merrill-Crowe precious metal recovery plant capable of producing dore (gold and silver) on site and associated support facilities. The crushing circuit will be permitted at 350 tonnes per day ('tpd") but have sufficient excess capacity to allow production of up to 700 tpd of crushed material for future expansion. The Plant layout is being permitted so that other processing facilities can be added with minimal costs. To date the Company has all necessary permits for plant construction and operation.

Once the heap leach plant is operational, the Company plans to start the permitting and engineering design to expand the plant capacity to 700 tpd. The process is expected to take approximately two years and involves implementing a ball mill and leaching tanks to replace the heap leach pads, to improve recoveries on gold (from 80% to 95%) and silver (from 33% to 65%), and facilitate the final disposition of processed material in underground open spaces (backfill), reducing the need for surface land. The heap leach pads would be re-processed (milled and tank leached) together with the material coming from the mine.

In May 2018, the Company contracted the services of Big Rock Consulting Inc. ("BRC"), a Canadian entity, for the manufacturing of a crushing plant and Merrill Crowe plant for the Company's heap leach operation (to be located 3km from Mina Callanquitas) for a total of US$1,913,250; to date the Company has advanced US$739,311 for the equipment manufacturing; both the crushing plant and the Merrill Crowe plant are manufactured and will be delivered to the site once the Company has the necessary funds available

Community Agreement

On November 20, 2018, the Company signed an agreement with the Igor community, located within the Company's concessions, that provides the Company with the Social License to build and operate the heap leach facility for processing of the ore from the Igor 4 concession. The agreement provides for employment opportunities for the people of the Igor community, improved road maintenance in the vicinity of the community, and infrastructure improvements to local schools and medical facility.

2019 Drilling Campaign at Igor Concession

On December 6, 2018, the Company announced that it has begun planning its 2019 exploration drilling program at the Igor concession. Based on the results of the PFS for the Callanquitas, the Company has identified multiple drill targets in the Callanquitas area with the goal of adding gold and silver resource ounces in the immediate proximity of existing and planned underground mine workings. The Company also intends to aggressively drill the new Portachuelos discovery located 800 metres south of the Callanquitas reserves. The drilling campaign start up depends upon the Company having the necessary financial resources.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets and / or various other financing instruments.

As at June 30, 2019 the Company has cash of $39,378 and a negative working capital of $4,939,812 (September 30, 2018 – $455,430 and working capital deficiency of $821,998). Subsequent to June 30, 2019, the Company received US$400,000 from a promissory note.

On December 6, 2018, the Company announced a non-brokered private placement (the "financing") offering of up to 39,999,999 units at a price of $0.075 per unit. Each unit consists of one common share and half a common share purchase warrant exercisable into common shares of the Company at $0.10 per common for two years from the closing of the financing.

The Company received $1,822,575 gross proceeds from the financing. Upon closing of the first and second tranche of the financing, respectively on February 11 and April 16, 2019, the Company issued a total of 23,840,331 units, with the remaining 1,425,999 units to be issued upon closing the third tranche. The Company incurred share issue costs of $116,877 related to the first and second tranches of the financing and issued 935,666 common shares to a broker.

On April 24, 2019, the Company received $132,373 (US$100,00) from promissory notes with two directors. The promissory notes are unsecured, bear interest at 12% per annum payable semi-annually, starting on December 31, 2019, and mature on June 30, 2020.

On June 30, 2019, the Company entered into an unsecured promissory note agreement to repay amounts owing to the former CFO of the Company. The promissory note has a principal amount of $112,160, bears interest at 12% per annum payable semi-annually, starting on December 31, 2019, and matures on June 30, 2020.

During the nine months ended June 30, 2019, net cash used in operating activities (before changes in working capital) was $1,762,862 compared to $2,153,521 used in the same period in the previous year. The Company spent $1,618,300 in investing activities, including changes in working capital. Investing activities include primarily spending for permitting, engineering and preparatory work at the heap leach plant facility as well as spending on evaluation and social development on Igor 4 property. Net cash from financing activities for Fiscal 2019 was net proceeds of $1,697,284 from the first and second tranche of the financing described above.

The Interim Financial Statements of the Company for the three and nine months ended June 30, 2019 have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company needs to raise funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available to cover its working capital deficiency or develop its mineral properties and / or cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the interim financial statements for the three and nine months ended June 30, 2019 and the financial results presented on this MD&A do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments other than in the normal course of business and at amounts different from those in the interim financial statements.

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The Company's key management personnel consist of the Company's officers, directors and companies associated with them including Maher Global Exploration, a company controlled by Brian Maher, Chief Executive Officer.

Compensation includes salaries and professional fees paid to the President and Chief Executive Officer, the Chief Financial Officer, as well as amounts paid to directors.

	Three months ended June 30,		Nine months ended June 30,	
	2019	2018	**2019**	2018
Consulting fees, salaries and benefits	**$140,065**	$147,370	**$439,712**	$574,029
Share based compensation	**-**	3,351	**71**	35,307
	$140,065	$150,721	**$439,783**	$609,336

On April 24, 2019, the Company entered into unsecured promissory note agreements with two directors of the Company for proceeds of US$100,000 ($132,373). The promissory notes bear interest at 12% per annum payable semi-annually, starting on December 31, 2019, and mature on June 30, 2020.

On June 30, 2019, the Company entered into an unsecured promissory note agreement to repay amounts owing to the former CFO of the Company. The promissory note has a principal amount of $112,160, bears interest at 12% per annum payable semi-annually, starting on December 31, 2019, and matures on June 30, 2020.

SUBSEQUENT EVENT

On July 22, 2019, the Company entered into an unsecured promissory note agreement for proceeds of US$400,000. The promissory note bears interest at 12% per annum and matures on September 30, 2019.

OUTSTANDING SHARE INFORMATION

	As at August 27, 2019
Common shares - issued and outstanding	**493,125,948**
Securities exercisable or convertible into common shares	
Warrants (including finder warrants)	**80,224,629**
Share options	**29,386,000**

FINANCIAL INSTRUMENTS RISK EXPOSURE

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange and interest rates. The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Currently the Company has not entered into any material options, forward and future contracts to manage its price-related exposures. Similarly, derivative financial instruments are not used to reduce these financial risks.

Carrying values of financial instruments

The carrying values of the financial assets and liabilities at June 30, 2019 and 2018 are as follows:

As at	**June 30, 2019**	September 30, 2018
Financial Assets		
At fair value through profit or loss		
Cash	**$39,378**	$455,430
Loans and receivable, measured at amortized cost		
Receivables	**218,387**	303,410
	$257,765	**$758,840**
Financial Liabilities		
At fair value through profit or loss		
Gold streaming facility	**$6,129,444**	$6,062,936
Convertible note derivative liability	**$528**	$222,335
Other financial liabilities, measured at amortized cost		
Accounts payable and accrued liabilities	**2,500,615**	1,261,471
Promissory notes	**245,913**	0
	$8,876,500	$7,546,742

Fair values of financial instruments

The fair value of receivables and accounts payable and accrued liabilities, and promissory notes payable approximate their carrying amounts due to their short terms to maturity.

The fair value hierarchy of financial instruments measured at fair value on the statement of financial position is as follows:

As at	**June 30, 2019**	September 30, 2018
	Level 1	Level 1
Cash	**$39,378**	$455,430
	Level 3	Level 3
Gold streaming facility	**$6,129,444**	$6,062,936
Convertible note derivative	**$528**	$222,335

The Company does not offset financial assets with financial liabilities and there were no transfers between Level 1 and Level 2 input financial instruments.

The fair value of the Gold stream facility is measured at fair value through profit and loss, with the embedded derivative at June 30, 2019 and September 30, 2018 measured at nominal value.

The Convertible note derivative liability is measured at fair value through profit and loss using Black-Scholes option pricing model. This basis of determining fair value is a level 3 technique for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

OFF - BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, which are described in note 3 of the audited annual financial statements of the Company for the years ended September 30, 2018 and 2017, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Critical Judgments in Applying Accounting Policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, as follows:

- the point in time that an economic feasibility study has established the presence of proven and probable reserves;
- deferred tax assets recorded in the consolidated financial statements;
- the determination of the functional currency in accordance with International Accounting Standards ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*; and
- determination of derivative liability.

Key Sources of Estimation Uncertainty

Useful life of plant and equipment

As discussed in note 3(e) of the audited annual financial statements of the Company for the years ended September 30, 2018 and 2017, the Company reviews the estimated lives of its plant and equipment at the end of each reporting period. There were no material changes in the lives of plant and equipment for the three and nine months ended June 30, 2019 and 2018.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company and/or its subsidiaries to realize the net deferred tax assets recorded at the statement of financial position date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future periods.

Impairment of assets

The carrying amounts of mining properties and plant and equipment, and advances for assets under construction are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, and then the review is undertaken at the cash generating unit ("CGU") level.

The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, foreign exchange rates, discount rates, future capital requirements, resource estimates, exploration potential and operating performance as well as the CGU definition. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the mining interests. In the absence of any mitigating valuation factors, adverse changes in valuation assumptions or declines in the fair values of the Company's CGUs or other assets may, over time, result in impairment charges causing the Company to record material losses.

The Company considers both external and internal sources of information in assessing whether there are any indications that mining interests are impaired. External sources of information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of mining interests. Internal sources of information the Company considers include the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

Gold streaming facility

The Company has entered into a Gold Streaming Agreement which contains a derivative liability. The valuation of this derivative utilizes a number of assumptions, including discount rate, future gold prices, the probability of achieving commercial production from the Igor 4 property, change in expected ounces to be delivered and future production levels. As at the statement of financial position date, management, due to uncertainties related to the amount of reserve and timing of future ounces to be delivered, has determined the derivative value to be nominal.

Environmental rehabilitation

Significant estimates and assumptions are made in determining the environmental rehabilitation costs as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates.

Those uncertainties may result in actual expenditures in the future being different from the amounts currently provided in the financial statements. The provision represents management's best estimate of the present value of the future rehabilitation costs required.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in note 3(h) of the audited annual financial statements for the years ended September 30, 2018 and 2017. The fair value of stock options granted is measured using the Black-Scholes option valuation model and is only an estimate of their potential value and requires the use of estimates and assumptions.

CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective October 1, 2018. These changes were made in accordance with the applicable transitional provisions. The adoption of the new standards and consequential amendments did not have a material impact on the Company's consolidated financial statements.

IFRS 9, Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and replaces IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The final version of IFRS 9 was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income and (ii) a single, forward-looking "expected loss" impairment model. The Company completed a detailed assessment of its financial assets and liabilities as at October 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	**New classification IFRS 9**
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Convertible note	Other financial liabilities	Amortized cost
Promissory notes	Other financial liabilities	Amortized cost
Gold stream facility	FVTPL	FVTPL
Convertible note – derivative liability	FVTPL	FVTPL

IFRS 15, Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replaces IAS 18, Revenue, IAS 11, Construction Contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

Accounting Standards Issued Not Yet Effective

IFRS 16, Leases

In January 2016, the IASB issued the IFRS 16, Leases ("IFRS 16") which replaces the existing lease accounting guidance. IFRS 16 requires all leases to be reported on the balance sheet unless certain criteria for exclusion are met. IFRS 16 is effective for the Company on October 1, 2019. The Company is currently in the process of assessing the impact that the new and amended standards will have on its Interim Financial Statements.

IFRIC 23, Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is effective for the Company on October 1, 2019. The Company does not expect the Interpretation to have a material impact on the consolidated financial statements.

DISCLOSURE CONTROLS AND POCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim consolidated financial statements for the three and nine months ended June 30, 2019 and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.