ATICO MINING CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the nine months ended September 30, 2019

Atico Mining Corporation
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GENERAL

This management's discussion and analysis ("MD&A") for Atico Mining Corporation (the "Company" or "Atico") is intended to help the reader understand the significant factors that have affected Atico and its subsidiaries performance and such factors that may affect its future performance. This MD&A, which has been prepared as of November 19, 2019, should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2019 and the related notes contained therewith. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included in the following MD&A are in the United States ("US") dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com.

This MD&A refers to certain non-GAAP financial measures such as cash cost per tonne of processed ore and cash cost per pound of payable copper produced, used by the Company to manage and evaluate operating performance. These measures are widely reported in the mining industry but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. The Company believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. Accordingly, non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures as calculated by the Company, we have provided detailed descriptions and reconciliations as required.

INDEX

Company Overview 2
Third Quarter 2019 Financial and Operating Highlights 2
Results of Operations 3
Corporate Updates 5
Outlook 5
Summary of Quarterly Results 6
Third Quarter Financial Results 6
Nine Months Quarter Financial Results 7
Liquidity and Capital Resources 8
Transactions with Related Parties 9
Financial Instruments 10
Contingency 10
Event after Reporting Date 10
Critical Accounting Estimates and Judgments 10
New Accounting Standards 10
Off-Balance Sheet Arrangements 11
Proposed Transactions 11
Risk Factors 11
Share Position and Outstanding Warrants and Options 11
Non-GAAP Financial Measures 12
Qualified Persons 13
Cautionary Statement on Forward-Looking Statements 14

COMPANY OVERVIEW

The Company was incorporated under the laws of the Yukon Territory on April 15, 2010, continued pursuant to the laws of British Columbia effective October 4, 2011, and its fiscal year end is December 31. The Company is headquartered at Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada and has regional offices in Colombia and Peru.

The Company is engaged in copper-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects in Latin America. The Company completed its initial public offering ("IPO") in March 2012. In conjunction with the IPO, Atico began trading on the TSX Venture Exchange ("TSX-V") under the symbol "ATY".

On November 22, 2013, the Company completed the exercise of its mineral property purchase option, acquiring 90% of the shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mineral property and took control of the producing El Roble mine and 6,679 hectares of surrounding claims. MINER's principal asset is the operating El Roble underground copper-gold-silver mine and processing plant, located in Choco, Colombia. With a historic nominal capacity of 400 tonnes per day, the mine has processed over the past twenty-three years, 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 grams per tonne ("g/t"). Since obtaining control of the mine on November 22, 2013, the Company has upgraded the operation from the historic nominal capacity of 400 tonnes per day to the current nominal capacity of 800 tonnes per day.

On September 11, 2019, the Company completed its plan of arrangement (the "Arrangement") pursuant to the definitive agreement dated July 8, 2019 (the "Arrangement Agreement") to acquire Toachi Mining Inc. ("Toachi"), whereby each of the issued and outstanding shares of Toachi was exchanged on a basis of 0.24897 common shares of the Company (the "Exchange Ratio").

THIRD QUARTER 2019 FINANCIAL AND OPERATING HIGHLIGHTS

- Net loss for the three months ended September 30, 2019 amounted to $0.3 million, compared with income of $3.0 million for the same period last year ("Q3-2018"). Net loss for the period was significantly affected by one of the two scheduled Q3-2019 concentrate shipments being delayed to the subsequent quarter, due to a lack of vessel availability.

- Sales for the period decreased 36% to $9.6 million when compared with $14.9 million in Q3-2018. The decrease is mostly explained by the second scheduled shipment being delayed into Q4-2019. Copper ("Cu") and gold ("Au") accounted for 88% and 12% of the 6,911 (Q3-2018 - 10,017) dry metric tonnes ("DMT") provisionally invoiced during Q3-2019.

- The average realized price per metal on provisional invoicing was $2.62 (Q3-2018 - $3.10) per pound of copper and $1,507.81 (Q3-2018 - $1,199.48) per ounce of gold.

- Income from operations was $1.2 million (Q3-2018 - $2.8 million) while cash flow from operations, before changes in working capital, was $3.8 million (Q3-2018 - $4.6 million). Cash used for capital expenditures amounted to 2.7 million (Q3-2018 - $3.5 million).

- Working capital was $6.8 million (December 31, 2018 - $7.2 million), while the Company had $2.2 million (December 31, 2018 - $Nil) long-term loans payable.

- Cash costs were $107.38 per tonne of processed ore and $1.08 per pound of payable copper produced, which were decreases of 13% and 27% over Q3-2018, respectively (refer to non-GAAP Financial Measures). The decrease in the cash cost per pound of payable copper net of by products is primarily explained by a lower cost per processed tonne, along with higher by-product credit from gold.

- Cash margin was $1.54 (Q3-2018 - $1.62) per pound of payable copper produced, which was a decrease of 5% over Q3-2018 (refer to non-GAAP Financial Measures).

- All-in sustaining cash cost per payable pound of copper produced was $1.52 (Q3-2018 - $1.95) (refer to non-GAAP Financial Measures).

- The Company produced 11,757 (Q3-2018 - 10,877) DMT of concentrate with a metal content of 5.7 million (Q3-2018 - 5.4 million) pounds ("lbs") of copper and 3,320 (Q3-2018 - 3,010) ounces ("oz") of gold.

- Processed tonnes increased 7% to 76,532 compared to 71,760 in Q3-2018.

- At the end of the quarter, 7,749 (December 31, 2018 - 11,036) wet metric tonnes ("WMT") of non-invoiced concentrate remained at the Company's warehouses.

RESULTS OF OPERATIONS

El Roble mine review

The El Roble mine is an underground copper, gold and silver mine and processing plant located in the Department of Choco in Colombia. Its commercial product is a copper concentrate with gold and silver by-product credits.

The mine has processed over the past twenty-three years, with an historic nominal capacity of 400 tonnes per day, a total of over 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 g/t. The operation has completed an expansion to a nominal capacity of 800 tonnes per day. Copper and gold mineralization at the El Roble property occurs in volcanogenic massive sulfide ("VMS") lenses.

The table below shows the main variables used by management to measure operating performance of the mine: throughput, grade, recovery, metal production and cost.

El Roble operating performance

	YTD 2019	**Q3 2019**	**Q2 2019**	**Q1 2019**	YTD 2018	Q3 2018	Q2 2018	Q1 2018
Production (contained metals)[(1)]								
Copper (000 lbs)	**11,231**	**5,712**	**3,157**	**2,362**	16,054	5,358	5,220	5,476
Gold (oz)	**6,988**	**3,320**	**2,116**	**1,552**	8,431	3,010	2,596	2,825
Silver (oz)	**24,390**	**12,216**	**6,914**	**5,260**	30,870	10,250	10,014	10,606
Mining								
Material (tonnes)	**156,579**	**74,462**	**47,321**	**34,796**	204,929	70,652	67,255	67,022
Milling								
Milled (tonnes)	**159,647**	**76,532**	**47,534**	**35,581**	208,567	71,760	67,308	69,499
Tonnes per day	**860**	**863**	**839**	**885**	814	837	792	812
Copper grade (%)	**3.46**	**3.66**	**3.28**	**3.29**	3.73	3.63	3.76	3.80
Gold grade (g/t)	**2.32**	**2.34**	**2.34**	**2.24**	2.07	2.17	2.02	2.03
Silver grade (g/t)	**10.73**	**10.80**	**11.10**	**10.10**	9.54	11.28	8.54	8.71
Recoveries								
Copper (%)	**92.1**	**92.5**	**91.7**	**91.6**	93.7	93.4	93.7	94.0
Gold (%)	**58.6**	**58.0**	**58.4**	**60.6**	60.9	60.3	59.5	62.8
Silver (%)	**43.6**	**45.7**	**40.1**	**43.6**	48.3	40.3	56.1	48.6
Concentrate								
Cu concentrate produced (DMT)	**23,277**	**11,757**	**6,561**	**4,959**	31,577	10,551	33,068	10,877
Copper (%)	**21.8**	**22.0**	**21.8**	**21.4**	22.0	22.3	22.1	21.7
Gold (g/t)	**9.4**	**8.8**	**10.1**	**9.8**	7.9	8.6	7.5	7.7
Silver (g/t)	**32.4**	**32.4**	**32.8**	**31.8**	29.0	29.3	29.1	28.8
Payable copper produced (000 lbs)	**10,669**	**5,426**	**2,999**	**2,244**	15,267	5,105	4,960	5,202
Cash cost per pound of payable copper produced[(2)]	**1.29**	**1.08**	**1.59**	**1.41**	1.53	1.49	1.67	1.44

(1) Subject to adjustments due to final settlement.
(2) Net of by-product credits (refer to non-GAAP Financial Measures).

In Q3-2019, the Company produced 5.71 million lbs of copper, 3,320 oz of gold, and 12,216 oz of silver. When compared to Q3-2018, production increased by 7.0% for copper and 10.0% for gold. The increases for both copper and gold are mainly explained by the increases in tonnes of ore mined and processed along with an increase in head grades and partially offset by a slight decrease in recoveries.

The average throughput rate for the quarter increased to 863 (Q3-2018 - 837) tonnes per day.

Average copper and gold head grade in Q3-2019 increased relative to the same period last year but remained within the Company's mine plan for the period while the gold head grade is slightly above the Company's mine plan.

Copper recovery decreased by 0.9% to 92.5% (Q3-2018 - 93.4%), while gold recovery was 58.0% (Q3-2018 - 60.3%), below the year's annual guidance of 62%.

(Expressed in US dollars, unless otherwise indicated)

Cash costs were $107.38 per tonne of processed ore and $1.08 per pound of payable copper produced, which were decreases of 13% and 27% over Q3-2018, respectively (refer to non-GAAP Financial Measures). The cash cost per pound of payable copper produced decrease is mainly explained by a lower cost per processed tonne and an increase in the gold contribution as a by-product. The decrease in the cost per processed tonne was driven by an increase in ore mined and a decrease in direct mining and processing cost.

For Q3-2019, the all-in sustaining cash cost net of by credit products was $1.52 (Q3-2018 - $1.95) per pound of payable copper produced (refer to non-GAAP Financial Measures), which represents a 22% decrease over Q3-2018.

Cash used for capital expenditure activities during Q3-2019 were $2.66 million. Major categories of expenditure included $0.17 million in underground mine development, $0.14 million in equipment and infrastructure related to the mine, $0.40 million in the second phase of the tailings dam and $0.94 million related to the mill, surface and energy infrastructure.

Mine production came from two sources in Q2-2019: Maximus-Goliath and Zeus. Zeus provided the preponderance of material for processing, and Maximus-Goliath mining continued to be related to recovering in-mine stockpiles and pillar recovery.

Concentrate inventory

Amounts in dry metric tonnes	**Q3 2019**	Q3 2018	**YTD 2019**	YTD 2018
Opening inventory	**2,655**	7,336	**11,037**	3,455
Production	**11,757**	10,877	**23,279**	33,069
Sales	**(6,911)**	(10,017)	**(27,179)**	(28,863)
Adjustment	**(488)**	0	**(124)**	535
Closing inventory	**7,013**	8,196	**7,013**	8,196

Production is trucked routinely from the El Roble mine to the port of Buenaventura, where 10,000 WMT of concentrate can be stored at the Company´s warehouse. Since the cost of shipping and freight is directly related to the size of the lot to be shipped, the Company plans to sell lots closer to 10,000 WMT.

The Company recognizes revenue from provisional invoicing when the risks and rewards of ownership are transferred to the customer, which under the current off-take agreement is when the Company loads the concentrate onto the performing vessel at the port of Buenaventura, Colombia. As final settlement may occur several months after the provisional invoicing, changes in metal prices during the quotation period may have a material impact on the revenue ultimately recognized.

The number of shipments the Company can export in any given quarter depends on several variables some of which the Company does not control, hence there may be an inherent variability in tonnes shipped and revenue recognized from quarter to quarter.

Given the Company's revenue recognition policy and shipment schedule, the concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis.

In Q3-2019, the Company carried forward 2,655 DMT from the previous quarter, produced 11,757 DMT and sold 6,911 DMT of concentrate; the difference of 7,013 DMT is the concentrate inventory carried over to Q4-2019.

Exploration at El Roble

During Q3-2019, 4,779 meters of drilling were completed at the El Roble project, of which 1,745 meters were drilled underground looking for new massive sulphide deposits. On surface, the Company completed 3,034 meters at three of the identified perspective target areas, Gorgona, Carmelo and Favorita.

The predominance of the drilling was completed at the Gorgona and Carmelo target areas. The team completed seven holes totaling 2,584 meters of drilling. The results of this initial round of drilling showed the continuation of the black-chert unit with good silicification at both target areas, well disseminated and moderated occurrences of pyrite-pyrrhotite stringers along with small intercepts of massive sulphides ranging from 3 to 15 centimeters in size. These same signatures are found in very close proximity to our existing ore bodies at the mine and continue to validate the proceptivity of said target areas.

Core drilling program will continue in the fourth quarter testing anomalies at depth and to the southeast of the mine mineralization (Zeus plunge target). In parallel, the Company plans to further test Carmelo, Gorgona, Favorita and begin drilling preparations for two new regional target areas.

The Company plans to drill at least another 4,000 meters in Q4-2019.

La Plata overview

The La Plata project is a gold rich volcanogenic massive sulphide deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The project benefits from a modern drill and exploration database which was completed by Cambior Inc. from 1996-1999, Cornerstone Capital from 2006-2009 and Toachi from 2016-2019. In total, there is drill core and logs from more than 28,300 metres of drilling.

Historic resources based on drilling by Cambior and Cornerstone were estimated at 913,977 tonnes grading 8.01 grams gold per tonne, 88.3 grams silver per tonne, 5.01% copper, 6.71% zinc and 0.78% lead per tonne in the inferred category. More recently, Toachi Mining completed a PEA estimating an inferred resource of 1.85 million tonnes grading 4.10 grams gold per tonne, 50.0 grams silver per tonne, 3.30% copper, 4.60% zinc and 0.60% lead per tonne.

The La Plata project, consisting of two concessions, covers 2,300 hectares and strikes for almost 4km, containing known mineralization in two VMS lenses and nine priority exploration targets.

Atico is currently gearing up to start infill and exploration drilling while also conducting additional technical work with the aim of delivering a feasibility study on the project.

La Plata option agreement

The Company has a binding option agreement with a private Ecuadorean company to earn up to 75% in the La Plata gold-rich copper-zinc-silver-lead volcanogenic massive sulphide project located approximately 100 km southwest of Quito, Ecuador.

To date, the optionor has been paid a total of US$2.0 million in cash and fulfilled its requirement to incur a minimum of US$3.8 million in exploration expenditures during the first phase of the option agreement. With the delivery of the said payments, including the final payment, the Company has been granted a 60% ownership interest and full operational control of the project.

Subsequent earn-ins opportunities to increase its ownership of the project:

- From 60% to 65% (additional 5%) by financing the cost of a Feasibility Study; and
- From 65% to 70% (additional 5%) by arranging construction financing of less than US$60 million to build a mine at the La Plata project; or
- From 65% to 75% (additional 10%) by arranging construction financing of more than US$60 million to build a mine at the La Plata project.

CORPORATE UPDATES

During Q3-2019, the Company completed the Arrangement to acquire the issued and outstanding shares of Toachi. For further details, please refer to the news release dated July 8 and September 11, 2019 on the Company's website and www.sedar.com. Furthermore, Mr. Jonathan Goodman was appointed the Company's board of directors. In addition, Mr. Alain Bureau was appointed as President of the Company, while Mr. Jorge Ganoza was appointed as VP Operations and Developments.

OUTLOOK

The Company is basing 2019 guidance on year ended December 31, 2018 financial and production results. Please refer to Cautionary Note on Forward Looking Statements at the end of this document.

The Company set the following objectives for 2019 at the El Roble mine:

- Process between 230,000 and 240,000 tonnes.
- Maintain copper recovery above 93% and 62% for gold.
- Maintain an average copper head grade between 3.4% and 3.6%
- Maintain an average gold head grade between 1.8 g/t and 2.0 g/t
- Increase production between 33,000 and 39,000 dry tonnes of concentrate.
- Maintain production between 7,700 and 8,200 tonnes of copper.
- Maintain production between 9,000 and 9,700 ounces of gold.
- Increase the mill mechanical availability to 95% and reach 267 days worked.
- Continue increasing the safety and environmental standards.

The 2019 adjusted guidance disclosed above and in the news release dated January 29, 2019 has been adjusted to reflect the strike which occurred at the El Roble mine between February 12 and April 27, 2019.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the eight quarters up to September 30, 2019 and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2018 and 2017.

	Q3-2019	Q2-2019	Q1-2019	Q4-2018
Revenue	$ 9,581,287	$ 6,936,341	$ 21,102,085	$ 11,949,562
Income (loss) from operations	1,181,530	(847,211)	4,849,864	1,100,481
Net income (loss) for the period(1)	(352,100)	(458,553)	2,354,554	(2,541,752)
Earnings (loss) per share - basic and diluted	(0.00)	(0.00)	0.02	(0.03)
Weighted average shares outstanding - basic	102,740,252	98,502,337	98,502,337	98,502,337
Weighted average shares outstanding - diluted	102,740,252	98,502,337	98,502,337	98,502,337

	Q3-2018	Q2-2018	Q1-2018	Q4-2017
Revenue	$ 14,900,072	$ 20,401,188	$ 7,349,124	$ 13,753,261
Income (loss) from operations	2,807,190	4,880,149	(208,910)	1,305,629
Net income (loss) for the period(1)	2,625,660	2,476,818	289,547	1,050,586
Earnings (loss) per share - basic and diluted	0.03	0.03	0.00	0.01
Weighted average shares outstanding - basic	98,502,337	98,502,337	98,501,528	98,501,337
Weighted average shares outstanding - diluted	98,739,162	98,968,737	98,729,710	98,712,404

(1) Income (loss) attributable to equity holders of the Company.
(2) There is a variability of the Company's quarterly revenues and incomes from operations due to timing difference between production and shipment schedules (see discussion in "Concentrate inventory").

THIRD QUARTER FINANCIAL RESULTS

Third quarter net income was $303,470 compared to $2,972,922 in Q3-2018 and basic and diluted earnings per share was $0.00 and $0.03, respectively. Income from mining operations was $2,466,883 (Q3-2018 - $3,922,243), and the Company had income from operations of $1,181,530 (Q3-2018 - $2,807,190). The Q3-2019 net loss was significantly affected by one of the two scheduled Q3-2019 concentrate shipments being delayed to the subsequent quarter, due to a lack of vessel availability.

Sales for Q3-2019 were $9,581,287 (Q3-2018 - $14,900,072) from the shipping and provisional invoicing of 6,911 (Q3-2018 - 10,017) DMT of concentrate and adjustments on shipments made during prior periods. The Company's metal concentrates are provisionally priced at the time of sale based on the prevailing commodity market prices. Final prices are set in a period subsequent to the date of sale based on specified quotational period after delivery. Under the current sales agreement, final pricing for metals concentrates generally occurs four months after the month of sales.

Three months ended	**September 30 2019**	September 30 2018
Sales and realized prices		
Provisional invoices	**$ 9,554,769**	$ 14,882,906
Adjustments(1)	**26,518**	17,166
Sales per financial statements	**$ 9,581,257**	$ 14,900,072
Copper		
Provisional sales (000's lbs)	**2,835.5**	4,712.5
Realized price ($/lb)(2)	**2.62**	3.10
Net realized price ($/lb)(3)	**2.52**	3.06
Gold		
Provisional sales (oz)	**1,748.8**	2,3,45.1
Realized price ($/oz)(2)	**1,507.81**	1,119.48
Net realized price ($/oz)(3)	**674.92**	311.62
Silver		
Provisional sales (oz)	**6,577.5**	8,992,.6
Realized price ($/oz)(2)	**16.34**	14.42
Net realized price ($/oz)(3)	**0.77**	0.00

(1) Include adjustments for mark-to-market price, forward sale arrangements, and foreign exchange rates. The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.
(2) Based on provisional sales before final price and assay adjustments.
(3) Adjusted for payable metals deductions, treatment and refining charges, and transportation charges.

Cost of sales for Q3-2019 was $7,114,404 (Q3-2018 - $14,489,798). The decrease in cost of sales over the comparative period was due to a significant decrease in concentrate shipped and provisionally invoiced.

General and administrative ("G&A") expenses were higher for Q3-2019 compared to Q3-2018 consisting of the following components:

	Three months ended September 30, 2019			Three months ended September 30, 2018		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 10,238**	**$ 3,705**	**$ 13,943**	$ 29,224	$ 3,704	$ 32,928
Corporate administration	**353,249**	**187,599**	**540,848**	183,750	117,372	301,122
Professional fees	**126,252**	**46,688**	**172,940**	47,018	3,052	50,070
Salaries and benefits	**267,485**	**198,948**	**466,433**	433,967	184,624	618,591
Transfer agent and filing fees	**-**	**16,652**	**16,652**	-	7,666	7,666
	$ 757,224	**$ 453,592**	**$ 1,210,816**	$ 693,959	$ 316,418	$ 1,010,377

Other income and expenses: In Q3-2019, the Company recognized share-based payments of $74,537 (Q3-2018 - $104,676) for stock options and restricted share units ("RSUs") granted in May 2019, June 2018, April 2018, February 2018, and April 2017, where each has a vesting term over 36 months.

In Q3-2019, the Company recognized accretion expense of $78,631 (Q3-2018 - $72,937) for its provisions, a net realized loss of $164,445 (Q3-2018 - $11,588) on settlements of its derivative instruments, and a positive value adjustment of $320,916 (Q3-2018 - negative $894,985) to its derivative instruments outstanding at the reporting date.

In Q3-2019, the Company recognized current income tax recovery of $735,974 (Q3-2018 - expense of $734,386), offset by deferred income tax expense of $1,812,355 (Q3-2018 - recovery of $2,324,163).

NINE MONTHS QUARTER FINANCIAL RESULTS

For the nine months ended September 30, 2019, net income was $1,936,903 compared to $6,149,331 during the comparative period in 2018 and basic and diluted earnings per share was $0.02 and $0.05, respectively. Income from mining operations was $8,382,205 (2018 - $10,517,487), and the Company had an income from operations of $5,184,183 (2018 - $7,478,429). Income for the nine months ended September 30, 2019 was affected by lower realized copper price and a decrease in concentrate shipped and provisionally invoiced over the comparative period in 2018.

Sales for the nine months ended September 30, 2019 were $37,619,713 (2018 - $42,650,384) from the shipping and provisional invoicing of 27,179 (2018 - 28,863) DMT of concentrate and adjustments on shipments made during prior periods. The Company's metal concentrates are provisionally priced at the time of sale based on the prevailing commodity market prices. Final prices are set in a period subsequent to the date of sale based on specified quotational period after delivery. Under the current sales agreement, final pricing for metals concentrates generally occurs four months after the month of sales.

Nine months ended	**September 30 2019**	September 30 2018
Sales and realized prices		
Provisional invoices	**$ 38,568,384**	$ 44,361,501
Adjustments[1]	**(948,671)**	(1,711,117)
Sales per financial statements	**$ 37,619,713**	$ 42,650,384
Copper		
Provisional sales (000's lbs)	**13,194.5**	13,877.1
Realized price ($/lb)[2]	**2.74**	3.14
Net realized price ($/lb)[3]	**2.61**	3.02
Gold		
Provisional sales (oz)	**7,517.8**	7,119.5
Realized price ($/oz)[2]	**1,380.96**	1,271.43
Net realized price ($/oz)[3]	**546.51**	342.46
Silver		
Provisional sales (oz)	**26,647.8**	26,623.5
Realized price ($/oz)[2]	**15.87**	15.84
Net realized price ($/oz)[3]	**0.04**	0.00

(1) Include adjustments for mark-to-market price, forward sale arrangements, and foreign exchange rates. The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.
(2) Based on provisional sales before final price and assay adjustments.
(3) Adjusted for payable metals deductions, treatment and refining charges, and transportation charges.

(Expressed in US dollars, unless otherwise indicated)

Cost of sales for the nine months ended September 30, 2019 was $29,237,713 (2018 - $32,132,987). The decrease in cost of sales for the nine months ended September 30, 2019 over the comparative period is due to decrease in concentrate shipped and provisionally invoiced.

General and administrative expenses were higher for the nine months ended September 30, 2019 compared to the comparative period in 2018 consisting of the following components:

	Nine months ended September 30, 2019			Nine months ended September 30, 2018		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 32,942**	**$ 11,113**	**$ 44,055**	$ 90,128	$ 11,227	$ 101,355
Corporate administration	**738,005**	**541,902**	**1,279,907**	479,430	405,945	885,375
Professional fees	**212,519**	**139,246**	**351,765**	128,088	41,166	169,254
Salaries and benefits	**628,245**	**548,558**	**1,176,803**	1,037,650	544,199	1,581,849
Transfer agent and filing fees	**-**	**47,063**	**47,063**	-	42,943	42,943
	$ 1,611,711	**$ 1,287,882**	**$ 2,899,593**	$ 1,735,296	$ 1,045,480	$ 2,780,776

Other income and expenses: For the nine months ended September 30, 2019, the Company recognized share-based payments of $298,429 (2018 - $258,282) for stock options and RSUs granted in May 2019, June 2018, April 2018, February 2018, and April 2017, where each has a vesting term over 36 months.

For the nine months ended September 30, 2019, the Company recognized accretion expense of $245,070 (2018 - $221,791) for its provisions, a net realized loss of $92,294 (2018 - gain of $363,222) on settlements of its derivative instruments, and a negative value adjustment of $14,455 (2018 - $27,061) to its derivative instruments outstanding at the reporting date.

For the nine months ended September 30, 2019, the Company recognized current income tax expense of $1,792,669 (2018 - $3,357,472), net of deferred income tax expense of $390,998 (2018 - recovery of $3,069,011).

LIQUIDITY AND CAPITAL RESOURCES

The Company generated cash flows from operations that have been used to fund capital expenditures for production increases, meet financial obligations and to increase working capital. Prior to January 1, 2014, the Company relied on private placement financings of equity securities, a secured loan facility, and a credit facility (refer to Contractual Obligations) to fund its operating and investing activities.

The Company's cash as at September 30, 2019 totaled $7,223,136 (December 31, 2018 - $6,014,723) and its working capital was $6,766,945 (December 31, 2018 - $7,180,785). Working capital at any specific point in time is subject to many variables, including seasonality, inventory management, the timing of cash receipts and payments, credit facility and loan payment terms, and fluctuations in foreign exchange rates. To exercise its option to acquire a 60% interest in the La Plata project, Toachi entered into a loan arrangement for $1,000,000, which had been assumed by the Company as a result of the acquisition. The balance remained outstanding as at September 30, 2019 and is expected to be repaid by Q4-2019.

Third quarter liquidity and capital resources

During Q3-2019, cash increased by $2,101,156. The increase was due to net cash provided by operating and financing activities of $3,504,501 and $2,362,952, respectively partially offset by cash used in investing activities of $3,765,293. Exchange rate changes had a negative impact on cash of $1,004.

Operating activities

During Q3-2019, net cash used in operating activities amounted to $3,504,501, which included operating cash flow before changes in non-cash operating working capital items of $3,842,918, partially offset by changes in non-cash working capital items of $338,417. Non-cash working capital changes included the effects from an increase in receivables of $3,811,148, partially offset by an increase in inventories of $2,242,791 and a decrease in accounts payable and accrued liabilities of $2,170,800.

Investing activities

Cash used by the Company in investing activities during Q3-2019 totaled $3,765,293, which were primarily comprised of capital expenditures on underground mine development, exploration activities, and acquisition of new equipment.

Financing activities

During Q3-2019, net cash provided by financing activities amounted to $2,362,952. Primarily, the Company entered into loan arrangements totaling $3,300,000 with local Colombian banks. Additionally, the Company paid $413,139 towards its lease obligations.

(Expressed in US dollars, unless otherwise indicated)

Nine months liquidity and capital resources

During the nine months ended September 30, 2019, cash increased by $1,208,413. The increase was due to net cash provided by operating activities of $11,968,024, partially offset by net cash used in investing and financing activities of $6,360,258 and $4,383,736, respectively. Exchange rate changes had a negative impact on cash of $15,682.

Operating activities

During the nine months ended September 30, 2019, net cash provided by operating activities amounted to $11,968,024, which included operating cash flow before changes in non-cash operating working capital items of $11,403,619, and changes in non-cash working capital items of $565,405. Non-cash working capital changes included the effects from a decrease in inventories of $2,632,693, partially offset by an increase in receivables of $1,212,094 and a decrease of accounts payable and accrued liabilities of $1,053,408.

Investing activities

Cash used by the Company in investing activities during the nine months ended September 30, 2019 totaled $6,360,258, which were primarily comprised of capital expenditures on underground mine development, exploration activities, and acquisition of new equipment.

Financing activities

During the nine months ended September 30, 2019, net cash used in financing activities amounted to $4,383,756. Primarily, the Company repaid $6,500,000 on its credit facilities and entered into loan arrangements totaling $3,300,000 with local Colombian banks. Additionally, the Company paid $623,655 towards its lease obligations.

Requirement of additional financing

Management believes that the Company's current operational requirements and capital projects can be funded from existing cash and cash generated from operations. If future circumstances dictate an increased cash requirement and we elect not to delay, limit, or eliminate some of our plans, we may raise additional funds through debt financing, the issuance of hybrid debt-equity securities, or additional equity securities. The Company has relied entirely on equity financings and loans for all funds raised to date for its acquisitions, capital expansions, and operations. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company's growth and success may be dependent on external sources of financing which may not be available on acceptable terms.

TRANSACTIONS WITH RELATED PARTIES

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Nine months ended September 30, 2019	Salary or fees	Share-based payments	**Total**
Management	$ 492,222	$ 225,609	$ 717,831
Directors	105,067	77,463	182,530
Seabord Services Corp.	134,595	-	134,595
	$ 731,884	$ 303,072	$ 1,034,956

Nine months ended September 30, 2018	Salary or fees	Share-based payments	**Total**
Management	$ 480,000	$ 55,768	$ 535,768
Directors	86,850	55,042	141,892
Seabord Services Corp.	138,189	-	138,189
	$ 705,039	$ 110,810	$ 815,849

Included in accounts payable and accrued liabilities, as at September 30, 2019 was $900,475 (December 31, 2018 - $846,188) due to directors and management, related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Services Corp. ("Seabord") is a management services company controlled by a director. Seabord provides the Chief Financial Officer, Corporate Secretary, accounting staff, administration staff and office space to the Company pursuant to the service agreement. The Chief Financial Officer and Corporate Secretary are employees of Seabord and are not paid directly by the Company. In addition to the service agreement with Seabord, the Company entered into rental agreements with companies with common directors for office space for $2,200 and $800 per month, respectively.

FINANCIAL INSTRUMENTS

The Company enters into derivative instruments from time to time in the normal course of business in order to manage its exposure to fluctuations in copper price, gold price, and the Colombian peso/US dollar exchange rate. The Company does not enter into or trade derivative instruments for speculative purposes. The Company has not applied hedge accounting to these derivative transactions. Derivative instruments are marked-to-market at the end of each reporting period based on the terms of the arrangements and the expected settlement prices and/or rates. Any resulting mark-to-market adjustment has been recognized in other financial assets or liabilities on the consolidated statement of financial position.

The Company had entered into zero-cost non-deliverable currency forward arrangements with local Colombian banks between the US dollar and Colombian peso. Each arrangement was net settled based on the difference between the market exchange rate and the contracted settlement rate, where the Company received proceeds if the contracted settlement rate is above the market exchange rate to purchase Colombian peso. As at September 30, 2019, the Company had outstanding arrangements to convert $10,344,000 (December 31, 2018 - $13,748,000) into Colombian peso at the negotiated exchange rates over the next twelve months.

The Company's Level 2 fair valued financial instruments included trade receivable from provisional sales, derivative instruments, share purchase warrants, and derivative component of the convertible debenture; and no Level 3 financial instruments are held. Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected copper prices, gold prices, and foreign exchange rates. The trade receivable from sales of metals concentrate and derivative instruments are valued using observable market commodity prices. The Company's exercise price of its share purchase warrants and conversion price on the convertible debentures are denominated in Canadian dollar.

CONTINGENCY

During the year ended December 31, 2015, the Company's operating subsidiary, Minera El Roble S.A. ("MINER"), received notice of claim from the mining authority in Colombia requesting payment of royalties related to past copper production. The mining authority is basing its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the contract regulating its royalty obligations. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to this law entering into force. Therefore, the Company and its legal counsel's position is that MINER has complied rigorously with royalty payments due and called for under the current contractual obligations. In April 2018, the Company received a revised claim of approximately $5,000,000 (up from $2,000,000) and additional interest and fees from the Administrative Tribunal of Cundinamarca (the "Tribunal"). After exhausting all options to find a resolution at the administrative level, the Company will vigorously defend itself against this action before the Tribunal. The Company has been advised by its Colombian legal counsel that this claim lacks merit, as it is in violation of Colombian law, and that such claims may take up to ten years to reach a resolution. As at September 30, 2019, no provisions have been recorded for any potential liability arising from this matter.

While the outcome of this matter is uncertain, based upon the information currently available, the Company does not believe that this matter in aggregate will have a material adverse effect on its consolidated financial position or results of operations. In the event that management's estimate of the future resolution of this matter changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

EVENT AFTER REPORTING DATE

Subsequent to September 30, 2019, the Company granted 1,445,258 stock options exercisable at $0.335 per share for five years to employees, directors, and officers of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

For full details on the critical accounting estimates and judgments affecting the Company, please refer to the Company's audited annual consolidated financial statements and notes and annual MD&A for the year ended December 31, 2018.

NEW ACCOUNTING STANDARDS

Effective January 1, 2019, the Company adopted IFRS 16 Leases. For full details, please refer to the Company's condensed interim consolidated financial statements and notes for the nine months ended September 30, 2019.

Effective January 1, 2018, the Company adopted IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments. For full details, please refer to the Company's audited annual consolidated financial statements and notes for the year ended December 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered by the Company at the current time.

RISK FACTORS

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company derives its revenue from the sale of copper, gold, and silver; credit risk in the normal course of business; currency risk as the Company reports its financial statements in US dollars whereas the Company operates in jurisdictions that conducts its business in other currencies. For further information regarding the Company's operational risks, please refer to the detailed disclosure concerning the material risks and uncertainties associated with the Company's business set out in its annual MD&A, dated April 30, 2019, which is available on SEDAR under the Company's filer profile.

Metal price risk

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices. For concentrate shipped and provisionally invoiced during the nine months ended September 30, 2019, a 1% change in copper and gold prices would result in an increase/decrease of approximately $438,000 and $115,000 respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

Credit risk

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not declined significantly from the prior year.

Currency risk

Based on the Company's net exposure, as at September 30, 2019, and assuming that all other variables remain constant, a 1% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, and Colombian peso would result in an increase/decrease of approximately $69,000 in the Company's pre-tax income or loss.

Interest rate risk

As at September 30, 2019, a 10% change in LIBOR rates would result in an increase/decrease of approximately $81,000 in the Company's pre-tax income or loss on an annualized basis based on the loan and credit facilities used.

Liquidity risk

The Company expects the following maturities of its financial liabilities, lease obligation, and other contractual commitments, excluding payments relating to interest:

	Less than 1 year	1 - 2 years	More than 2 years	**Total**
Accounts payable and accrued liabilities	$ 10,228,244	$ -	$ -	$ 10,228,244
Loans payable	1,100,000	1,100,000	1,100,000	3,300,000
Lease obligations	755,211	388,047	230,311	1,373,569
Provision for restricted share units	32,027	16,994	11,292	60,314
Derivative liabilities	62,943	-	-	62,943
	$ 16,626,574	$ 1,505,041	$ 1,341,603	$ 19,473,218

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

As at the date of this MD&A, the Company had 119,022,769 common shares issued and outstanding. There were also 7,988,783 stock options and 2,489,689 share purchase warrants outstanding with expiry dates ranging from March 10, 2020 to October 7, 2024.

NON-GAAP FINANCIAL MEASURES

Cash cost per pound of payable copper produced and cash cost per tonne of processed ore are key performance measures that management uses to monitor performance. In addition, cash costs are an industry standard method of comparing certain costs on a per unit basis; however, these do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. Management believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. These performance measures have no meaning under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies.

The Company believes that "all-in sustaining cash cost" and "all-in cash cost" better meet the needs of analysts, investors, and other stakeholders of the Company in understanding the cost associated with producing copper, the economics of copper mining, the Company's operating performance, and the Company's ability to generate free cash flow from current operations and on an overall company basis.

The Company, in conjunction with an initiative undertaken within the gold mining industry, has adopted an all-in sustaining cost-performance measure; however, this performance measure has no standardized meaning. The Company conformed its all-in sustaining definition to that set out in the guidance note released by the World Gold Council ("WGC", a non-regulatory market development organization for the gold industry whose members comprise global senior gold mining companies) on June 27, 2013, and that came into effect January 1, 2014.

All-in sustaining cash cost and all-in cash cost are intended to provide additional information only and do not have standardized definitions under the IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with the IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under the IFRS. Although the WGC has published a standardized definition, companies may calculate these measures differently.

All-in sustaining cost includes total production cash costs incurred at the Company's mining operations, which form the basis of the Company's by-product cash costs. Additionally, the Company includes general and administrative ("G&A") expenses, share-based payments, accretion of decommissioning and restoration provision ("ARO"), sustaining capital expenditures, and brownfields exploration expenditures.

The Company believes that this measure represents the total costs of producing copper from operations and provides the Company and stakeholders of the Company with additional information on the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of copper production from operations, new project capital is not included. Certain other cash expenditures, including tax payments, dividends, and financing costs, are also not included. The Company reports this measure on a payable copper pound produced basis, net of by-product credits.

El Roble mine cash cost

The following table presents a reconciliation of cash cost per tonne of processed ore and cash costs per pound of payable copper produced to cost of sales in the condensed interim consolidated financial statements for the nine months ended September 30, 2019:

Expressed in $000's		**Q3 2019**		Q3 2018		**YTD 2019**		YTD 2018
Cash cost per tonne of processed ore								
Cost of sales(1)	**$**	**6,595.1**	$	10,977.8	**$**	**28,718.2**	$	32,132.9
Add / subtract								
Change in concentrate inventory		**4,206.8**		1,367.4		**(2,562.6)**		4,473.4
Depletion and amortization in concentrate inventory		**(766.1)**		(460.9)		**638.2**		(863.2)
Commercial and government royalties		**(154.7)**		(235.0)		**(626.8)**		(674.4)
Depletion and amortization in cost of sales		**(1,663.3)**		(2,777.1)		**(7,589.0)**		(8,148.9)
Aggregate cash cost		**8,217.8**		8,872.2		**18,578.0**		26,919.8
Total processed ore (tonnes)		**76,532**		71,760		**159,646**		208,567
Cash cost per tonne of processed ore ($/t)	**$**	**107.38**	$	123.64	**$**	**116.37**	$	127.25
Mining cost per tonne	**$**	**55.61**	$	63.53	**$**	**58.78**	$	65.10
Milling cost per tonne		**15.03**		17.23		**15.73**		19.10
Indirect cost per tonne		**26.47**		28.66		**29.63**		31.95
Distribution cost per tonne		**10.27**		14.22		**12.23**		11.10
Total production cost per tonne of processed ore ($/t)	**$**	**107.38**	$	123.64	**$**	**116.37**	$	127.25

(1) Includes depletion, amortization, selling expenses, government royalties and mining taxes.

Expressed in $000's	**Q3 2019**	Q3 2018	**YTD 2019**	YTD 2018
Cash costs per pound of payable copper produced				
Aggregate cash cost (above)	**$ 8,217.8**	$ 8,872.2	**$ 18,578.0**	$ 26,919.8
Add / subtract				
By-product credits	**(4,499.0)**	(3,281.6)	**(9,013.7)**	(9,550.4)
Refining charges	**1,527.3**	1,444.4	**3,017.5**	4,370.6
Transportation charges	**605.1**	549.0	**1,198.5**	1,613.1
Cash cost applicable to payable copper produced	**5,851.2**	7,584.0	**13,780.3**	23,353.1
Add / subtract				
Commercial and government royalties	**154.7**	235.0	**626.8**	674.4
G&A expenses	**1,209.3**	1,010.4	**2,898.1**	2,780.8
Share-based payments	**74.5**	104.7	**298.4**	258.3
Accretion of ARO	**46.9**	42.7	**136.1**	124.0
Sustaining capital expenditures(2)	**900.2**	962.8	**2,142.6**	3,508.3
All-in sustaining cash cost	**8,236.8**	9,939.6	**19,882.4**	30,698.9
Add / subtract				
Non-sustaining capital expenditures(2)	**937.4**	1,816.3	**1,789.1**	3,880.3
Brownfields exploration expenditures(2)	**724.5**	753.6	**1,397.8**	2,143.4
All-in cash cost	**9,898.7**	12,509.5	**23,069.3**	36,722.6
Total payable copper produced (000's lbs)	**5,426.0**	5,105.0	**10,669.0**	15,267.0
Per pound of payable copper produced ($/lb)				
Cash cost, net of by-product credits	**$ 1.08**	$ 1.49	**$ 1.29**	$ 1.53
All-in sustaining cash cost	**$ 1.52**	$ 1.95	**$ 1.86**	$ 2.01
All-in cash cost	**$ 1.82**	$ 2.45	**$ 2.16**	$ 2.41
Cash margin(3)	**$ 1.54**	$ 1.62	**$ 1.45**	$ 1.61

(2) Amounts presented on a cash basis.
(3) Cash margin is calculated with (a) the realized price per pound of copper, less (b) the cash cost, net of by-product credits, per pound of payable copper produced.

Given the nature of the Company's metals concentrate management believes providing the cash cost on a co-product basis, presented in the following table, will enhance the reader's understanding of the Company's cash cost structure.

Expressed in $000's	**Q3 2019**	Q3 2018	**YTD 2019**	YTD 2018
Aggregate cash production cost	**$ 8,217.8**	$ 8,872.2	**$ 18,578.0**	$ 26,919.8
Cash cost per pound of payable copper produced				
Cash cost attributable to copper production(4)	**$ 7,198.8**	$ 8,437.4	**$ 16,184.8**	$ 25,369.3
Add / subtract				
By-product credit from silver	**(21.2)**	(0.1)	**(29.6)**	(0.0)
Refining charges	**1,527.3**	1,444.4	**3,017.5**	4,370.6
Transportation charges	**530.1**	522.1	**1,046.7**	1,520.4
Cash cost applicable to payable copper produced	**9,235.0**	10,403.8	**20,219.4**	31,260.1
Total payable copper produced (000's lbs)	**5,426.0**	5,105.0	**10,669.0**	15,267.0
Cash cost per pound of payable copper produced ($/lb)	**$ 1.70**	$ 2.04	**$ 1.90**	$ 2.05
Cash cost per ounce of payable gold produced				
Cash cost attributable to gold production(4)	**$ 1,019.0**	$ 434.7	**$ 2,393.1**	$ 1,550.5
Add / subtract				
Refining charges	**33.8**	24.8	**67.8**	72.1
Transportation charges	**75.0**	26.9	**151.8**	92.7
Cash cost applicable to payable gold produced	**1,127.8**	486.4	**2,612.7**	1,715.3
Total payable gold produced (oz)	**3,036.6**	2,747.8	**6,424.6**	7,648.4
Cash cost per ounce of payable gold produced ($/oz)	**$ 371.40**	$ 177.03	**$ 406.67**	$ 224.27

(4) If copper and gold for the El Roble mine was treated as co-products, the allocation of aggregate cash production cost between copper and gold production is based on provisional invoice(s) issued and revenue (net of treatment and refining charges) recognized in the respective reporting periods.

QUALIFIED PERSONS

Mr. Thomas Kelly (SME Registered Member 1696580), advisor to the Company, and Dr. Demetrius Pohl, Ph.D. AIPG Certified Geologist, are qualified persons under National Instrument 43-101 standards and are responsible for ensuring that the technical information contained in this MD&A is an accurate summary of the original reports and data provided to or developed by the Company.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A and any documents incorporated by reference into this MD&A constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). Forward-looking statements express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) and are not statements of historical fact.

Forward-looking statements relate to, among other things:

- mineral "reserves" and "resources" as they involve the implied assessment, based on estimates and assumptions that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- timing of the completion of construction activities at the Company's properties and their completion on budget;
- production rates at the Company's properties;
- cash cost estimates;
- timing to achieve full production capacity at the Company's properties;
- timing for completion of infrastructure upgrades related to the Company's properties;
- timing for delivery of materials and equipment for the Company's properties;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities;
- the Company's planned processing, and estimated major investments for mine development, tailings dam expansion, mill expansion and brownfields exploration at the El Roble property in 2015;
- management's belief that the Company's current operational requirements and capital projects can be funded from existing cash and cash equivalents, cash generated from operations, and the available credit facility;
- management's belief that if the Company needs to access the capital markets for additional financial resources, the Company will be able to do so at prevailing market rates;
- the expected maturities of the Company's financial liabilities, finance leases and other contractual
- commitments; and
- management's expectation that none of the investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will have a material effect on the results of operations or financial conditions of the Company.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as at the date of such statements, are inherently subject to significant business, economic, social, political and competitive uncertainties and contingencies and other factors that could cause actual results or events to differ materially from those projected in the forward-looking statements. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A which may prove to be incorrect, include, but are not limited to, (1) that all required third party contractual, regulatory and governmental approvals will be obtained for the development, construction and production of its properties, (2) there being no significant disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (3) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (4) currency exchange rates being approximately consistent with current levels; (5) certain price assumptions for copper, gold and silver; (6) prices for and availability of fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource estimates; (9) labor and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.

In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include, risks associated with mineral exploration and project development; the need for additional financing; operational risks associated with mining and mineral processing; uncertainty relating to concentrate treatment charges and transportation costs; uncertainty relating to capital and operating costs, production schedules, and economic returns; uncertainties relating to general economic conditions; the Company's substantial reliance on the El Roble mine for revenues; risks related to the integration of businesses and assets acquired by the Company; risks associated with entering into commodity forward and option contracts for base metals production; potential conflicts of interest involving the Company's directors and officers; risks associated with potential legal proceedings; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia or other countries in which the Company does or may carry on business; the possibility of cost overruns or unanticipated expenses; fluctuations in copper, gold and silver prices; title matters; uncertainties and risks related to carrying on business in foreign countries; environmental liability claims and insurance; reliance on key personnel; currency exchange rate fluctuations; competition; and other risks and uncertainties, including those described in the "Risks Factors" section in the MD&A for the financial year ended December 31, 2018 filed with the Canadian Securities Administrators and available at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

The Company has not based its production decisions and ongoing mine production on mineral reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.