KENADYR MINING (HOLDINGS) CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis ("MD&A") of Kenadyr Mining (Holdings) Corp. ("Kenadyr Holdings" or the "Corporation") is dated November 26, 2020, provides analysis of the Corporation's financial results for the nine months ended September 30, 2020 ("F2020-Q3"), compared to the nine months ended September 30, 2019 ("F2019-Q3").

The following information should be read in conjunction with the Corporation's September 30, 2020 interim condensed consolidated financial statements with accompanying notes and with the Corporation's audited consolidated financial statements with accompanying notes and related MD&A for the fiscal year ended December 31, 2019 ("F2019"), which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on SEDAR website at www.sedar.com.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

All dollar figures are expressed in Canadian dollars unless otherwise stated.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Corporation's operations in future periods, adequacy of financial resources and future plans and objectives of Corporation. All statements in this document, other than statements of historical fact, which address events or developments that the Corporation expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes.

Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Corporation's management on the date the statements are made. The Corporation undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Corporation and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Corporation's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

COMPANY OVERVIEW

Kenadyr Mining (Holdings) Corp. ("Kenadyr Holdings" or the "Corporation") was incorporated on November 2, 2010 under the Business Corporation Act of the Province of British Columbia. The Corporation's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "KEN".

The Corporation, through its subsidiary, is a natural resource company principally engaged in the exploration and development of the Borubai Project in the Chuy Region, Kyrgyz Republic. Kenadyr's wholly-owned subsidiary, Proektno - Issledovatelskii Centr Ala-Too LLC ("PIC Ala Too"), a limited liability company formed under the laws of the Kyrgyz Republic on July 1, 2011, holds the license related to the Borubai Project, and is the operator of all related mineral exploration activities.

The Corporation's registered and records office is located at 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC V6E 4N7 and its principal business address is #1430 – 800 W. Pender Street, Vancouver, BC, V6C 2C6.

GOING CONCERN

This MD&A and the Annual Financial Statements have been prepared on the basis that the Corporation will remain a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the Corporation's next fiscal year. The Corporation's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

During the nine months ended September 30, 2020, the Corporation incurred an operating loss of $525,602 and as at September 30, 2020, the Corporation had a deficit of $19,339,539. While the Corporation had working capital of $117,100 as at September 30, 2020, the Corporation expects to incur further operating losses for the foreseeable future in the development of its business and expects that it will require additional financing.

The Corporation's ability to continue as a going concern is dependent upon the ability to find, acquire and develop various businesses with growth potential, its ability to obtain the necessary financing to carry out this strategy and to meet its corporate overhead needs and discharge its liabilities as they come due. Although the Corporation has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Corporation. Therefore, this indicates a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

As a result of the above, realization values may be substantially different from the carrying values shown and the interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Corporation be unable to continue as a going concern.

COVID 19 ASSESSMENT

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Corporation's business activities. The extent to which the coronavirus may impact the Corporation's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Corporation cannot determine their financial impact at this time.

MINERAL PROPERTY

The Corporation is engaged in investigation, evaluation and conducting exploration activities in the Kyrgyz Republic. The Corporation's wholly-owned subsidiary PIC Ala Too is the 100% legal and beneficial holder of an exploration license related to the Corporation's mineral project located in Borubai, northern Kyrgyz Republic (the "Borubai Project").

	Balance, December 31, 2019	Acquisition Costs	Balance, September 30, 2020
Borubai Project	$ 3,832,245	$ -	$ 3,832,245
	$ 3,832,245	$ -	$ 3,832,245

Borubai Project – Kyrgyz Republic

The Corporation's exploration and evaluation asset consists of the Borubai Project.

The Borubai Project comprises a 100% owned exploration license covering a contiguous 164 km^2 and is located in northern Kyrgyz Republic. The Borubai Project has been the subject of extensive historic exploration including: drilling (98,200 m in 184 diamond drill holes), trenching (13,800 m^3.), bulldozer cuts (33,400 m^3.), geologic mapping at 1:25,000 and 1:50,000 scales, ridge and spur and grid soil geochemistry for multi elements (14,200 samples), rock geochemical sampling (2,320 samples), pan concentrate sampling (790 samples), and 100 meters of adits and 184 meters of underground raises. Additionally, the entire area has been subject to airborne magnetic, radiometric and gravity surveys, as well as ground-based resistivity and IP surveys.

The Borubai Project encircles the Zijin/KyrgyzAltyn newly constructed and operational Taldy- Bulak Levoberejny Mine ("TBL Mine") which was built at a cost of USD $296 million. According to a news release published by Zijin Mining Group Co., Ltd. ("Zijin") on August 15, 2011, the national resources table of Kyrgyz Republic stated that the Taldy-Bulak Levoberejny field contains (C1+C2) grades: 8,906,100 tonnes gold ore, the average grade is 7.23g/t, and gold metal is 64,420.5kg, among which, C1 grade (initial mining reserve) 4,949,754 tonnes gold ore, the average grade is 7.02g/t, and gold metal volume is 34,754.6kg. The TBL Mine is designed to produce 125,000 oz. gold per year. The TBL Mine orebody directly connects to the Corporation's initial drill target "The South Zone" which was previously drilled by the Soviets.

On September 5, 2014, the Corporation and the shareholders (the "Vendors") of PIC Ala Too entered into a Share Exchange Agreement whereby the Corporation acquired all of the issued and outstanding shares of PIC Ala Too in exchange for 7,500,000 common shares of the Corporation (the "Consideration Shares"). PIC Ala Too holds title to the Borubai Prospecting license number 3365AP in the Chuy Region, Kyrgyz Republic.

As of the acquisition date of PIC Ala Too, management of the Corporation concluded that the acquisition does not constitute a business combination as determined by *IFRS 3 Business Combinations*, the acquisition was accounted for as an asset acquisition. Management has estimated that the fair value of the shares issued as consideration for the asset acquisition at USD $0.20 per share; which is equivalent to the most recently completed financing immediately after the acquisition date above. As such, $1,700,796 (USD $1,500,000) was recorded as the cost of the mine prospecting license. Concurrent to the signing of the Share Exchange Agreement, the Corporation entered into an Escrow Agreement and a Share Redemption Agreement on September 5, 2014, whereby the Corporation was required to redeem 2,500,000 Consideration Shares for USD $0.80 per share by April 30, 2015. In addition, the Corporation had an option to redeem an additional 2,500,000 Consideration Shares for USD $0.80 per share by July 1, 2016. All Consideration Shares were to be held in escrow until shares under Redemption Agreement were redeemed.

Management has determined that the mandatory share redemption constituted a financial liability. On November 15, 2014, management recognized a liability of $2,138,145, which was based on the present value of 2,500,000 mandatory redemption shares at USD $0.80 per share, at a 12% discount rate over a 167-day period from November 15, 2014 to April 30, 2015. The corresponding cost to the share redemption liability was capitalized as an acquisition cost to exploration and evaluation asset. As at September 30, 2020, the share redemption liability has been fully accreted.

On June 29, 2015, the Corporation entered into a new purchase agreement ("Purchase Agreement") with the Vendors, which supersedes the Share Redemption Agreement and Escrow Agreement. Under the terms of the Purchase Agreement the Corporation is required to pay a bonus payment ("Bonus Payment") in the amount of USD $1.50 per

indicated ounce of gold and USD $3.00 per measured ounces of gold as calculated by an independent consultant and included in a report compliant with Canadian National Instrument 43-101 or the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") guidelines (the "Compliant Report") if and when any such measured and indicated resources are defined in the Compliant Report. For every USD $0.80 of Bonus Payment paid, the Vendors will return to the Corporation on a pro-rata basis, one Consideration Share to a maximum of 7,500,000 Consideration Shares.

Management has determined that the new Purchase Agreement has superseded all prior agreements, including the Share Redemption Agreement. As a result, on June 29, 2015, the share redemption liability, in the amount of $2,258,800, was extinguished. The de-recognition of the share redemption liability resulted in a corresponding increase to shareholders' equity. As at September 30, 2020, the share redemption liability was $nil.

As a result of the new Purchase Agreement, the Corporation has a contingent liability to pay the Bonus Payment. As at September 30, 2020, the Bonus Payment contingent liability is not yet determinable.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the three and nine months ended September 30, 2020 and 2019 are as follows

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Exploration support and administration	$ 12,982	$ 35,419	$ 44,395	$ 108,347
Geological consulting	-	38,510	-	137,046
Sampling and Geological costs	-	6,589	-	54,091
Transportation	-	-	-	5,414
	$ 12,982	$ 80,518	$ 44,395	$ 304,898

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended September 30, 2020, as well as, the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars except for per share amounts:

	F2019-Q4 December 31, 2019 ($)	F2020-Q1 March 31, 2020 ($)	F2020-Q2 June 30, 2020 ($)	F2020-Q3 September 30, 2020 ($)
Current Assets	410,670	211,675	399,955	281,987
Current Liabilities	173,615	174,758	125,377	164,887
Total Assets	4,706,159	4,535,526	4,297,828	4,173,170
Total Operating Expenses	(291,340)	(210,939)	(178,558)	(136,105)
Net Loss	(1,266,076)	(210,939)	(597,644)	(166,466)
Loss per Share	(0.02)	(0.00)	(0.00)	(0.00)

	F2018-Q4 December 31, 2018 ($)	F2019-Q1 March 31, 2019 ($)	F2019-Q2 June 30, 2019 ($)	F2019-Q3 September 30, 2019 ($)
Current Assets	1,217,995	938,378	820,531	1,328,751
Current Liabilities	58,543	127,205	231,867	273,430
Total Assets	6,089,723	5,799,180	5,669,862	6,182,028
Total Operating Expenses	(737,961)	(409,050)	(232,852)	(177,536)
Net Loss	(954,909)	(409,050)	(232,852)	(177,536)
Loss per Share	(0.01)	(0.01)	(0.00)	(0.00)

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

Operating expenses for the three months ended September 30, 2020 were $136,105, compared to $177,536 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Exploration and evaluation expenditures were $12,982 during the three months ended September 30, 2020, comprised of exploration support and administration of $12,982. Exploration and evaluation expenditures were $80,518 during the three months ended September 30, 2019, inclusive of exploration support and administration of $35,419, geological consulting of $38,510, and sampling and geological costs of $6,589.

- Consulting expenses were $41,600 during the three months ended September 30, 2020, compared to $57,712 incurred during the same period in the prior year.

- General and administrative expenses were $35,892 during the three months ended September 30, 2020, compared to $59,416 incurred during the same period in the prior year.

- Legal and professional expenses were $33,198 during the three months ended September 30, 2020, compared to $2,698 incurred during the same period in the prior year.

During the three months ended September 30, 2020, the Corporation recorded a write-off of a deposit of $419,086 ($307,203 USD) that was deemed uncollectible.

As a result of the foregoing, the Corporation recorded a comprehensive loss for the three months ended September 30, 2020 of $166,466, as compared to a comprehensive loss of $178,555 during the same period a year prior.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

Operating expenses for the nine months ended September 30, 2020 were $525,602, compared to $775,708 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Exploration and evaluation expenditures were $44,395 during the nine months ended September 30, 2020, inclusive of exploration support and administration of $44,395. Exploration and evaluation expenditures were $304,898 during the nine months ended September 30, 2019, inclusive of exploration support and administration of $108,347, geological consulting of $137,046, sampling and geological costs of $54,091, transportation of $5,414.

- Consulting expenses were $169,119 during the nine months ended September 30, 2020, compared to $197,056 incurred during the same period in the prior year.

- General and administrative expenses were $186,466 during the nine months ended September 30, 2020, compared to $148,352 incurred during the same period in the prior year.

- Legal and professional expenses were $73,741 during the nine months ended September 30, 2020, compared to $40,661 incurred during the same period in the prior year.

- Travelling expenses were $9,881 during the nine months ended September 30, 2020 compared to $34,300 incurred during the same period in the prior year.

During the nine months ended September 30, 2020, the Corporation recorded a write-off of a deposit of $419,086 ($307,203 USD) that was deemed uncollectible.

As a result of the foregoing, the Corporation recorded a comprehensive loss for the nine months ended September 30, 2020 of $972,860, as compared to a comprehensive loss of $796,992 during the same period a year prior.

LIQUIDITY AND CAPITAL RESOURCES

SHARE DATA

As at the date of this MD&A, the Corporation has 117,639,545 common shares issued and outstanding. In addition, there are outstanding incentive share options for a further 7,620,000 common shares and total outstanding share purchase warrants of 20,588,556.

Subsequent to September 30, 2020, the Corporation closed a first tranche private placement unit offering issuing 1,190,000 units for gross proceeds of $59,500. Each unit is comprised of one common share at $0.05 per share and a share purchase warrant exercisable into one common share of the Corporation at $0.07 per share for 36 months.

During the nine months ended September 30, 2020, the Corporation issued common shares as follows:

- On May 15, 2020, the Corporation closed a private placement unit offering issuing 13,334,632 units for gross proceeds of $400,039. Each unit is comprised of one common share at $0.03 per share and a share purchase warrant exercisable into one common share of the Corporation at $0.05 per share for 24 months.

  The Corporation paid finder's fees of $19,184 and issued 639,474 finder warrants, each of which entitles the holder to purchase one common share at a price of $0.05 for one year expiring May 15, 2021.

- On June 3, 2020, the Corporation issued 1,472,500 common shares at a fair value of $0.04 per share for the settlement of $58,900 in debt.

During the year ended December 31, 2019, the Corporation issued common shares as follows:

- On September 11, 2019, the Corporation issued 8,410,000 units at $0.08 per unit for total gross proceeds of $672,800. Each unit is comprised of one common share and one-half common share purchases warrant. Each share purchase warrant is exercisable into one common share of the Corporation at $0.12 per share purchase warrant for a period of 24 months from the date of the closing of the offering.

  In connection with the offering, the Corporation incurred share issuance costs of $672,800 in legal fees, $53,824 cash financing fees, and issued 420,500 units for the settlement of $33,640 of corporate finance advisory fees. Each unit issued for the settlement of corporate finance advisory fees is comprised of one common share and one-half warrant that is exercisable into one common share of the Corporation at $0.12 per share purchase warrant for a period of 24 months from the date of the closing of the offering.

  In addition, the Corporation issued 672,800 compensation warrants. Each compensation warrant is exercisable into one common share and one-half common share purchase warrant at a price of $0.08 per compensation warrant for a period of 24 months from the date of the close of the offering. Each share purchase warrant underlying a compensation warrant is exercisable at a price of $0.12 per share purchase warrant for a period of 24 months from the date of the exercise of the compensation warrant.

The following warrants were outstanding as at September 30, 2020:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
September 11, 2019	September 11, 2021	5,424,450	$0.12
May 15, 2020	May 15, 2021	639,474	$0.05
May 15, 2020	May 15, 2022	13,334,632	$0.05
		19,398,556	$0.07

CAPITAL RESOURCES

The Corporation defines capital as consisting of shareholder's equity and cash. The Corporation manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Corporation does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Corporations management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

As at September 30, 2020, the Corporation is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Corporation's approach to capital management during the nine months ended September 30, 2020.

LIQUIDITY

The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Corporation has historically financed its operations primarily through the sale of share capital by way of private placements.

At September 30, 2020, the Corporation had cash of $154,233 and working capital of $117,100.

Cash used in operating activities was $437,732 during the three months ended September 30, 2020, compared to $488,183 used in operating activities during the prior period.

Cash flows used investing activities was a $nil for the nine months ended September 30, 2020 and 2019

Cash flows from financing activities was $380,895 during the nine months ended September 30, 2020 and $605,411 for during same period in the prior year

The development of the Corporation in the future will depend on the Corporation's ability to obtain additional financings. In the past, the Corporation has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Corporation's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Corporation will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Corporation's properties.

OUTLOOK

The Corporation plans to conduct further exploration on the Borubai Property. Further exploration and corporate costs are expected to be funded through future equity financing.

RELATED PARTY TRANSACTIONS

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the nine months ended September 30, 2020 and 2019, the Corporation paid and/or accrued the following fees to key management personnel:

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Management	$ 77,811	$ 42,712	$ 234,922	$ 158,647
Directors	837	19,843	3,234	66,135
	$ 78,648	$ 62,555	$ 238,156	$ 224,782

Additional to fees paid to management personnel, there were also share based payments of $5,571 and $3,234 paid to management and directors respectively (2019 - $20,361 and $13,357). Key management includes the Corporation's Board of Directors and members of senior management.

Due to Related Parties

As at September 30, 2020, the Corporation has $21,874 accounts payable due to related parties (2019 - $109,132).

OFF BALANCE SHEET ARRANGEMENTS

The Corporation currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Corporation considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As September 30, 2020, the Corporation has the does not any have level 2 or 3 financial assets or liabilities.

Financial Risk Factors

The Corporation's risk exposure and the impact on the Corporation's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Corporation if the counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Corporation limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has no interest-bearing debt. The Corporation's sensitivity to interest rates is minimal.

Foreign Currency Risk

Foreign Currency Risk is the risk on fluctuation of currency related to monetary items with a settlement currency other that Canadian dollars. The functional currency of Kenadyr is the Canadian Dollar and the functional currency of the subsidiary is the Kyrgyzstani Som. The Corporation is exposed to foreign currency risk on fluctuations related to cash, receivables, prepayments, and accrued liabilities that are denominated in U.S Dollars, Kyrgyzstani Som, and Canadian Dollars. The Corporation has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to the Corporation's business is provided in Filing Statement dated February 27, 2017 under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Corporation presently has no contractual obligations pursuant to which the Corporation has any payments owing in the next five years other than pursuant to the Purchase Agreement and agreements entered into in the ordinary course of business.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Corporation's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation include allowances for doubtful accounts.

Areas requiring a significant degree of judgement that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

- *Exploration and Evaluation Assets*

  The net carrying value of each mineral property is reviewed regularly for conditions that suggest potential indications impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

- *Going Concern*

  The assessment of the Corporation's ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgements are used in the Corporation's assessment of its ability to continue as a going concern.

- *Income taxes*

  Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

  The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Corporation. Management is required to assess whether it is probable that the Corporation will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

- *Functional Currency*

  The functional currency for the Corporation's subsidiaries is the Kyrgyzstani Som, the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

- *Valuation of Share-Based Payments*

  The Corporation uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including the share price, expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's net loss and equity reserves.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are summarized in Note 4 to the audited consolidated financial statements for the year ended December 31, 2019.