LATIN AMERICAN MINERALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

Stated in Canadian Funds

Dated on August 31, 2020

LATIN AMERICAN MINERALS INC.

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

Expressed in Canadian Dollars

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO OUR SHAREHOLDERS

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Latin American Minerals Inc. ("Latin" or the "Company") should be read in conjunction with Latin's unaudited interim condensed financial statements for the three and six months ended June 30, 2020 and the audited annual consolidated financial statements for the year ended December 31, 2019 and related notes therein.

Except as otherwise indicated, all financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars except where otherwise indicated. As at June 30, 2020, the Company had a working capital deficit of ($848,563) and had reported a net loss of ($226,835) for the six months ended June 30, 2020,(net loss of ($277,585) for the year ended December 31, 2019) has yet to achieve profitable operations and has an accumulated deficit of ($48,259,747). These continuing losses indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. The Company's ability to continue as a going concern is dependent upon the ability to obtain financing and to ultimately to achieve and maintain profitable operations. Should profitable operations not be achieved, the Company will be required to obtain supplementary funding. The ability of the Company to achieve these objectives cannot be assured at this time and accordingly, these matters may cast significant doubt on the Company's ability to continue as a going concern. The Company's consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate, in which case adjustments that could be material to the carrying values of the assets and liabilities, the reported expenses and the statement of financial position reclassifications would be necessary.

Further information about the company, its operations and other continuous disclosure documents, including the Company's press releases and interim quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and are also available on the Company's website www.latinamericanminerals.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Information	Key Assumptions	Most Relevant Risk Factors
Future funding for ongoing operations	The Company will be able to raise these funds	The Company has disclosed that this may be difficult and failure to raise these funds will materially impact the Company's ability to continue as a going concern

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors in the "Risk Factors" section below. Readers are cautioned that the preceding table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

CORPORATE OVERVIEW

Latin American Minerals Inc. is a mining and mineral exploration corporation focused on the discovery, acquisition and development of potential mineral deposits globally. The Company has a Uranium exploration project in Butt Township, Nipissing District, Ontario Canada.

The Company is listed on the TSX Venture Exchange (the "Exchange" or "TSX-V") where it trades under the symbol "LAT".

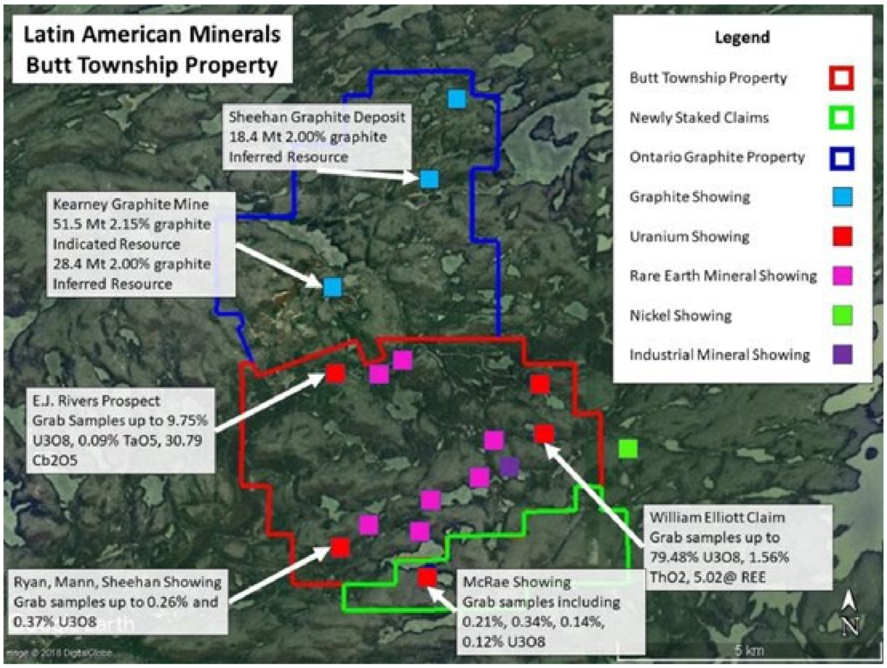
On August 24, 2018, the Company entered into an option agreement granting it the right to earn a 100% ownership interest in the Butt Township uranium and rare-earth mineral property in Ontario. The Butt Township property is now the Company's sole focus.

MINERAL EXPLORATION PROPERTIES

BUTT TOWNSHIP PROPERTY SUMMARY AND HIGHLIGHTS

The Property consists of 133 mineral claims covering approximately 1,621 hectares in Butt Township, District of Nipissing, Ontario. Uranium and rare-earth bearing pitchblende were discovered on the Property in the early 1900's. The Property lies within the Kiosk geological domain and is underlain by mafic, quartzo-feldspathic, and metapelitic geological units. These various geological units host radioactive granitic pegmatite dikes which contain minerals such as allanite, uraninite, pyrochlore, columbite, and other rare earth and uranium-bearing minerals.

Recent target-generation exploration work has been completed on the Property, including magnetometer and induced polarization geophysical surveys, geological mapping, and prospecting. The Property has never been drilled, but numerous historical trenching and small-scale mining operations have occurred on the Project. Advanced prospects on the Property include: the William Elliot & Mica Lake prospects, discovered in 1919 from which highly selective grab samples returned up to 79.5 % U3O8 along with high-grade rare earth elements; the Ryan, Mann and Sheehan prospect, discovered in 1921 from which selective grab samples returned up to 0.45 % U3O8 over a 3-foot chip sample; the E.J Rivers prospect, discovered in 1953 from which selective grab samples returned values of up to 9.75 % U3O8 along with high-grade rare earth elements. In addition, the Property is contiguous with Ontario Graphite's Kearney Mine property.



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PROPOSED WORK PROGRAM

A two-phase exploration program has been proposed for the Property, which will cost roughly $200,000. The first phase, which consists of low impact exploration, will involve: 25 line kilometres of line cutting and ground electromagnetics over known showings and surrounding areas to identify areas prospective for uranium and rare earth element mineralization, and to determine depth extent of known mineralization; a drone survey of 150 line kilometres which will provide a high resolution magnetic map to identify structures as well as an ultra-high resolution orthophoto to assist with prospecting; and a crew of prospectors and geologists will conduct a mapping and sampling program. Phase two of the proposed program consists of extensive surface trenching, mapping, and channel sampling in order to validate historical showings and test newly generated targets. To date the Company has incurred $65,600 in exploration expenses on the property.

CLAIM STAKING

Following the review of historical and regional geological data, an additional 28 claims were staked. These claims cover the McRae Prospect, from which historical grab samples returned values of up to 0.21%, 0.34%, 0.12%, 0.14%, and 0.005% U3O8, and the interpreted extension of the uranium and rare-earth mineral bearing lithological units which are located at the margins of a magnetic high.

PROPERTY PAYMENT

Pursuant to the option agreement announced on August 24 between LAT and Griftco Corporation, LAT has made a cash payment of CDN $50,000 and issued a total of 5,000,000 common shares to Griftco. On November 11, 2019, the Company announced that it had amended the terms of its option agreement with Griftco (the "Amended Griftco Agreement"). The following payments and work expenditures are required as part of the Amended Griftco Agreement in order for the Company to exercise its option:

- the payments of $50,000 (paid) and the issuance of 5,000,000 (issued) common shares to Griftco on September 27, 2018, the date the TSX V granted approval of the transaction (the "Effective Date");
- the payment of $25,000 (paid), the issuance of 2,500,000 (issued) Common Shares to Griftco on or before the first anniversary of the Effective Date. The Company has incurred $65,600 in expenditures on the property up to September 30, 2019 and has until August 20th, 2020 to incur an additional $134,400 in expenditures on the property.
- the payment of $25,000, the issuance of 2,500,000 Common Shares to Griftco and the Company incurring a further $200,000 in expenditures on the Property on or before second anniversary of the Effective Date;
- the payment of $25,000, the issuance of 2,500,000 Common Shares to Griftco and the Company incurring a further $500,000 in expenditures on the Property on or before the third anniversary of the Effective Date.

The Company is presently in negotiations with Griftco to further extend the time required to complete the exploration expenditures on the property. Should the Company not be successful the property would revert back to Griftco and the Company would incur an impairment charge of $265,600, representing the Company's carrying value of the Butt Township property.

QUALIFIED PERSON

A qualified person has not completed sufficient work to verify the historic information on the Property. Also note that the historical grab samples referenced above are selective in nature and may not be representative of mineralization on the Property. The information provides an indication of the exploration potential of the Property.

The technical information in this press release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 ("NI 43-101") and reviewed and approved by Kelly Malcolm, P.Geo., an Independent Qualified Person under NI 43-101. Mr. Malcolm is a technical advisor to the Company.

REFERENCES

Geophysical Survey Report on the Butt Township Property, Butt Township, District of Nipissing, Ontario, for Dan Patrie Exploration Ltd., Prepared by: L.D.S. Winter, P.Geo., 23 January 2012.

Ontario Mineral Deposits Inventory, December 1, 2017.

NI 43-101 Technical Report and August 2013 Mineral Resource Estimate, Kearney Graphite Property, Ontario, Canada, Authored by Greg Greenough, P.Geo., of Golder Associates, Effective Date August 30, 2013.

Expressed in Canadian Dollars

RESULTS OF OPERATIONS

	Three Months Ended Jun-30-2020	Three Months Ended Jun-30-2019	Percentage Change	Six Months Ended Jun-30-2020	Six Months Ended Jun-30-2019	Percentage Change
General and Administrative Expenses						
General and administration	$21,878	$16,479	32.8%	$44,008	$33,185	32.6%
Non-cash compensation options	-	-	n/a	-	-	n/a
Professional and management fees	82,166	46,447	76.9%	131,608	105,789	24.4%
Net operating loss for the period	$104,044	$62,926	65.3%	$175,616	$138,974	26.4%
Foreign exchange (gain)	1,991	2,595	(23.3%)	51,219	7,777	558.6%
Net (loss) for the period	($106,035)	($65,521)	61.8%	($226,835)	($146,751)	54.6%
Net (loss) per share basic	$0.00	$0.00	n/a	$0.00	$0.00	n/a
Foreign currency translation adjustments (gain) loss	$0	$0	n/a	$0	$0	n/a
Comprehensive (loss) for the period	($106,035)	($65,521)	61.8%	($226,835)	($146,751)	54.6%

A more detailed breakdown of General and Administration expenses is as follows:

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	Percentage Change	For the six months ended June 30, 2020	For the six months ended June 30, 2019	Percentage Change
Professional fees (legal and accounting)	$ (868)	$ (4,553)	(80.9%)	$ 3,574	$ 3,789	(5.7%)
Management fees	45,000	51,000	(11.8%)	90,000	102,000	(11.8%)
Project consulting fees	38,034	-	na	38,034	-	na
Directors' fees	-	2,000	na	-	4,000	(100.0%)
Listing and transfer agent fees	9,182	3,262	181.5%	14,759	9,138	61.5%
Insurance (D&O and P&C)	1,476	1,545	(4.5%)	2,952	3,090	(4.5%)
Office	9,449	9,253	2.1%	21,753	13,492	61.2%
Travel and entertainment	766	-	na	2,668	2,252	18.5%
Investor relations	1,005	419	139.9%	1,876	1,213	54.7%
Realized FX (gain) loss on revalutation of assets and liabilities	1,991	-	na	51,219		na
	$ 106,035	$ 62,926	68.5%	$ 226,835	$ 138,974	63.2%

The net loss for the three months ended June 30, 2020 was ($106,035) (net loss of ($226,835) for the six months ended June 30, 2020) compared to a net loss of ($62,926) for the three months ended June 30, 2019 (net loss of ($138,974) for the six months ended June 30, 2019. The increase in net loss during the three months ended June 30, 2020 can be attributed to an increase in exploration activity during the period where the Company employed the services of consultants to assist it in evaluating potential opportunities for additional exploration activities. In addition, the Company recorded a realized FX loss as a result of the decrease in the value of the Canadian Dollar compared to the US Dollar. The Company incurred a loss of $51,219 on the revaluation of its US Dollar denominated liabilities as at June 30, 2020. Office expenses increased during the six-month period as a result of the Company incurring rent expense for office space that previously was not incurred in the six months ended June 30, 2019.

Other costs and expenses

The Company curtailed much of its investor relations activity with outside consultants during the period as members of the management team became more active in these activities when compared to the prior period.

Expressed in Canadian Dollars

SUMMARY OF QUARTERLY RESULTS

Three months ended	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	Dec-31-2018	Sep-30-2018
	$	$	$	$	$	$	$	$
Total revenue	-	-	-	-	-	-	-	-
Profit (loss) for the period	($106,035)	($120,800)	($63,989)	($66,844)	($65,521)	($81,230)	($293,986)	$2,781,113
Comprehensive profit (loss)	($106,035)	($120,800)	($63,989)	($66,844)	($65,521)	($81,230)	($293,986)	$2,807,171
Income (loss) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.02
Total assets	$517,967	$636,673	$758,255	$749,341	$784,798	$884,564	$929,667	$1,279,420
Working capital (deficiency)	($848,563)	($770,702)	($599,903)	($510,914)	($444,070)	($312,949)	($231,719)	$62,267

The comprehensive loss for the three months ended June 30, 2020 was comprised of general and administration costs incurred during the period. The loss incurred during the three months ended March 31, 2020 was comprised of general and administration costs incurred during the period and a realized foreign exchange loss in the amount of $49,228 on the revaluation of US Dollar denominated assets and liabilities as at March 31, 2020. The large loss was a result of the deterioration of the Canadian Dollar relative to the US Dollar during the period. The balance of expenses incurred during the three months ended June 30, 2020 were in line with prior quarters.

Selected Annual Information	Dec-31-2019	Dec-31-2018	Dec-31-2017	Dec-31-2016	Dec-31-2015
	$	$	$	$	$
Total assets	720,755	929,667	22,246,423	21,480,796	18,957,052
Total liabilities	$1,055,059	$1,011,386	$4,617,828	$2,825,465	($1,733,178)
Loss for the period	($275,585)	($21,449,778)	($2,438,621)	($3,095,022)	($1,420,371)
Comprehensive loss	($275,585)	($21,074,983)	($4,158,802)	($3,121,594)	($1,898,868)
Loss per share	$0.00	($0.18)	($0.03)	($0.06)	($0.12)

EXPLORATION AND EVALUATION ASSETS

	Butt Township	Total
Carrying value		
Balance January 1, 2019	**$ 150,000**	**$150,000**
Additions for cash payments	25,000	25,000
Additions for shares	25,000	25,000
Additions - exploration expenditures	65,600	65,600
Balance December 31, 2019	**$265,600**	**$265,600**
Additions for cash payments	-	-
Additions for shares	-	-
Additions - exploration expenditures	-	-
Balance June 30, 2020	**$265,600**	**$265,600**

The Company capitalized the payment of $50,000 in cash and the issuance of 5,000,000 shares to Griftco under the Butt Township Option Agreement that was entered into on August 24, 2018. During the year ended December 31, 2019 the Company capitalized the payment of $25,000 and the issuance of 2,500,000 shares to Griftco under the terms of the Butt Township Option Agreement and incurred exploration expenditures of $65,600 related to conducting airborne magnetic surveys and compiling a report on the findings of the survey in order to help guide additional exploration activity that the Company anticipates carrying out on the project

OUTSTANDING SHARES

As at the date of this report the Company had 137,180,420 common shares, options outstanding of 6,795,000 and 31,158,959 warrants outstanding.

FINANCIAL POSITION AND LIQUIDITY

As at June 30, 2020 the Company's financial instruments consist of cash, sales tax recoverable; accounts payable and accrued liabilities. The Company has no speculative financial instruments, derivatives, forward contracts or hedges.

As at June 30, 2020 the Company had a working capital deficit of ($48,259,747) compared to working capital deficiency of ($599,904) as at December 31, 2019.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Interim Condensed Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash and cash equivalents, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at June 30, 2020 and December 31, 2019 due to the immediate or short-term maturities of the financial instruments.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, sales tax recoverable, accounts payable and accrued liabilities. At June 30, 2020, the carrying value of cash and cash equivalents investments is fair value. Accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is management's opinion that the Company is not exposed to significant credit risk arising from these financial instruments. The Company limits credit risk by entering into business arrangements with high credit-quality counterparties. Thus, the credit risk associated with other receivables is also considered to be negligible.

d) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to significant interest rate risk.

e) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company incurs certain expenditures in Paraguayan Guarani and in US dollars. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company or subsidiary that holds the financial asset or liability. The Company's risk management policy is to review its exposure to non-Canadian dollar forecast operating costs on a case-by-case basis. The majority of the Company's forecast operating costs are in Canadian dollars. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of foreign currency financial assets and liabilities in Canadian dollars as at June 30, 2020 was as follows:

Canadian Dollar amounts of foreign currency assets and liabilities

	Assets	Liabilities
US Dollars	$48,569	$888,143

Based on the financial instruments held as at June 30, 2020 a 10% shift in the Canadian dollar against these foreign currencies, with all other variables held constant, would result in an impact of $114,417 on the Company's loss for the six months ended June 30, 2020. The Company's deficit would have changed by $114,417 had the Canadian dollar shifted by 10% as a result of foreign exchange effect on translation of non-Canadian dollar denominated financial instruments.

f) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations.

As at June 30, 2020, the Company had a working capital deficit of ($848,563) (December 31, 2019 – ($599,904)) and anticipates that operating activities will not provide sufficient funds to cover all the Company's expenditures for the next 12 months. Cash constraints have caused the Company to consider financing alternatives while contemplating minimal shareholder dilution.

The Company's potential sources of cash flow in the upcoming year will be, possible equity financings, loans, lease financing and entering into joint venture agreements, or any combination thereof.

RISKS RELATED TO PROPERTY TITLE

Although the Company has taken steps to verify the title to the properties on which it is conducting its exploration, development and mining activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unrestricted prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's mining and exploration activities are subject to laws and regulations relating to the environment, which are continually changing, and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to remain in compliance.

CAPITAL RESOURCES

The Company has no recent history of profitable operations. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of adequate revenues.

It will be necessary for the Company to arrange for additional financing to meet its on-going exploration and overhead requirements.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. Although the Company successfully completed a financing during the current period, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favourable.

CAPITAL MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing, selling assets and incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2020 and as at the date hereof.

Expressed in Canadian Dollars

RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the notes to financial statement are as follows:

Name and principal position	Year	Remuneration or fees [(1)]	Share based payments [(1)]	Included in accounts payable [(1)]
Mathew Wilson, CEO - management fees[2]	**2020**	**$60,000**	**$ -**	**$67,800**
	2019	60,000	-	$28,250
Dennis Logan, CFO - management fees[2]	**2020**	**$30,000**	**$ -**	**$42,460**
	2019	42,000	-	$26,640
Directors -director fees	**2020**	**$ -**	**$ -**	**$14,000**
	2019	4,000	-	$10,000

[(1)] Amounts disclosed were paid or accrued to the related party during the six months ended June 30, 2020 and 2019.

[(2)] Amounts paid to the individuals indirectly through companies controlled by the related party.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

SEGMENTED INFORMATION

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

As at June 30, 2020 all of the Company’s non-current assets were located in Canada. As at December 31, 2019, all of the Company’s non-current assets were located in Canada.

MANAGEMENT

The Company is dependent upon the personal efforts and commitments of its existing management. To the extent that management’s services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New Accounting Standards Issued and Adopted in the Current Period and recent Accounting pronouncements not yet adopted

Recent Accounting Pronouncements not yet adopted

There are no new IFRS and/or International Financial Reporting Interpretations Committee (“IFRIC”) pronouncements that are effective for the first time for fiscal 2019 or 2020 that have not already been adopted that would be expected to have a material effect on the Company.

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company:

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

There can be no guarantees that the Company will be able to obtain or maintain all the necessary licenses and permits to extract and process minerals, explore, develop, or maintain its continued operations, or that the Company will be able to comply with all the conditions imposed.

The Company files applications in the ordinary course to renew the permits associated with its mining and exploration licenses that it deems necessary and/or advisable for the continued operation of its business. Certain of the Company's permits to operate that are associated with the mining license are currently under application for renewal. There is no guarantee that the Company will be able to renew any or all of the necessary permits in order to continue operating and conducting exploration activities on areas covered by licenses and permits that are not renewed or are revoked.

At present the principal activity of the Company is the exploration and development of resource properties. The feasible development of such properties is highly dependent upon the price of ore commodities. A sustained and substantial decline in these commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors that could affect these commodity prices in order to assess the feasibility of its resource projects.

The success of exploration programs, development programs and other transactions related to mining concessions could have a significant impact on the need for capital. If the Company decides to develop one of its properties, it must ensure that it has access to the required capital. The Company could finance its need for capital by using working capital, by arranging partnerships or other arrangements with other companies, through equity financing, by taking on long-term debt or any combination thereof.

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 Company's business activities. The extent to which the coronavirus may impact the Company'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 Company cannot determine their financial impact at this time.

SUBSEQUENT EVENTS

On August 18, 2020, the Company announced that it closed a non-brokered private placement issuing 100,000,000 common shares at a price of $0.015 per common share for gross proceeds of $1,500,000. The Company paid certain eligible persons a cash finders' fee of $60,674.88, equal to 8% of the gross proceeds of the offering raised from subscribers introduced to the Company by the finders. The net proceeds of the offering, after deducting the finders' fee from the gross proceeds, have been used to satisfy outstanding accounts payable and the balance of funds will be used for general working capital purposes.

On August 24, 2020, the Company announced it had entered into a letter of intent to purchase 100% of the Sail Pond silver-copper-lead-zinc project on the Great Northern Peninsula of Newfoundland from Altius Resources Inc. In consideration for the purchase of the Project, on signing of a Definitive Agreement (the "Agreement"), the Company will issue to Altius 19.9% of the then outstanding shares of the company and a 2% NSR royalty over the project. Other key conditions of the LOI include a minimum expenditure commitment on the project of $500,000 within the first 12 months and $1,000,000 within the first 3 years of signing the Agreement. Additionally, the Company will issue to Altius an additional $200,000 in stock on the earlier of 12 months from the date of signing or on the completion of an equity financing of at least $2,000,000. The Company and Altius have agreed to a 45-day due diligence period prior to the signing of a definitive agreement. The completion of the transaction will require Altius to deliver an updated national instrument 43-101 on the property and will require the approval of the TSX Venture Exchange.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis on August 31, 2020.

REPORT TO SHAREHOLDERS AND MANAGEMENT DISCUSSION AND ANALYSIS

A CAUTIONARY NOTE

This document contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation 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 to differ from those anticipated, estimated or intended. 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 should not place undue reliance on forward-looking statements.

Respectfully submitted on behalf of the Board of Directors,

"Mathew Wilson"

MathewWilson

President & CEO