SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020

This discussion and analysis of financial position and results of operation is prepared as at April 30, 2021 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2020 and 2019 of Salazar Resources Limited (the "Company" or "Salazar"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward- Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in Salazar's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; successful completion of planned drill program; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and Salazar's ability to attract and train key personnel; changes in world metal markets and equity markets beyond Salazar's control; mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; community relations; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; and management of Salazar have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Although Salazar believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, Salazar does not intend, or assume any obligation, to update these Forward-Looking Statements.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company's principal business activity is the acquisition, exploration and development of mineral properties in Ecuador. The Company presently has no proven reserves and, on the basis of information to date, it has not yet

determined whether these properties contain economically recoverable ore reserves. Consequently the Company considers itself to be an exploration stage company.

The Company is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "SRL" as a Tier 1 mining issuer, on the OTCQB under the symbol "SRLZF", and on the Frankfurt Exchange under the symbol "CCG". The Company's executive head office is located in Quito, Ecuador.

The Company's main activities have been the ongoing exploration activities on its Curipamba Project in Ecuador. The Curipamba Project is subject to a 2% net smelter return royalty("NSR"). In late fiscal 2017 the Company entered into an option agreement (the "Curipamba Option") with Adventus Mining Corporation ("Adventus") to option a 75% interest in the Curipamba Project with Adventus funding costs of US $25,000,000 (the "Earn-In") over five years, including the completion of a feasibility study on the El Domo deposit. Under the Curipamba Option Adventus has agreed to provide the Company with US $250,000 per year advance payments until achievement of commercial production, to a maximum of US $1,500,000. As at December 31, 2020 the Company has received total advance payments of US $1,000,000. As operator, the Company also receives a 10% management fee on certain expenditures, with a prescribed minimum annual amount of US $350,000. Adventus has notified the Company that in addition to costs incurred by the Company and funded by Adventus that a total of US $3,739,000 of project related costs have been incurred directly by Adventus. As at December 31, 2020 a total of US $28,840,000 had been incurred towards the Earn In.

Upon achievement of commercial production, Adventus will receive 95% of the dividends from the Curipamba Project until its aggregate investment, including the US $25,000,000, has been recouped minus the approximate Company carrying value of US $18,200,000 when the Curipamba Option was signed, after which dividends will be shared on a pro-rata basis according to their respective ownership. In certain circumstances where project development is delayed post earn-in, Adventus' ownership position could be diluted.

The Company and Adventus have also entered into an exploration alliance agreement (the "Alliance") to jointly explore Ecuador for zinc rich assets. The venture, Minera Dos Gemas M2G S.A. ("Dos Gemas"), was formed in 2017 and is currently owned 80% by Adventus and 20% by the Company with Adventus funding all activities incurred up to a construction decision. As operator the Company receives a 10% operator's fee on certain expenditures incurred, subject to an annual maximum fee of US $200,000 on costs pertaining to surface rights acquisitions.

In March 2018 the Company and Adventus agreed to transfer the Pijili Project to Dos Gemas under the Alliance upon completion by Adventus of the following considerations:

(i) on July 17, 2018 the Company received 2,536,232 Adventus common shares at an ascribed value of $2,028,986;
(ii) Adventus was also required to fully fund a US $1,000,000 exploration budget on the Pijili Project by September 28, 2020. Adventus fulfilled this funding commitment in fiscal 2018; and
(iii) payment of US $150,000 cash, of which US $100,000 was received by the Company as at December 31, 2018 and the remaining US $50,000 was received in August 2019.

During fiscal 2019 an application to legally transfer the Pijili Project to Dos Gemas was made.

In May 2018 the Company and Adventus agreed to the transfer of the Santiago Project to Dos Gemas under the Alliance upon completion by Adventus of the following considerations:

(i) on July 17, 2018 the Company received 1,268,116 Adventus common shares at an ascribed value of $1,014,492;
(ii) Adventus was also required to fully fund a US $500,000 exploration budget on the Santiago Project by May 22, 2020. Adventus fulfilled this funding commitment in March 2019; and
(iii) payment of US $75,000 in cash to the Company, of which US $50,000 was received during fiscal 2018 and the remaining US $25,000 was received in July 2019.

During fiscal 2019 the Company completed the official transfer of the transfer of the Santiago Project to Dos Gemas.

The Santiago Project is subject to a 1.5% NSR that can be purchased for US $1,000,000 as well as a 4% net profits interest royalty that is in favour of INV Metals Inc.

During the second half of fiscal 2020 the Company initiated an exploration work program on its 100% owned properties at Los Osos, geophysics at Macara and sampling as Ruminahui. For 2021 the Company plans to continue its work programs on its 100% owned properties

During fiscal 2020 the Company raised $84,100 on the exercise of 610,000 stock options.

The Company completed the following significant transactions subsequent to December 31, 2020:

1. On February 2, 2021 the Company completed a non-brokered private placement of 18,572,000 common shares for proceeds of $6,500,200. The funds raised will be used to accelerate exploration of the Company's 100% owned portfolio.

2. In January 2021 the Company received TSXV approval to the Los Santos LOI and, at Mesoloma's election, made the Second LOI Payment through the issuance of 177,283 units comprising 177,283 common shares and 88,642 warrants.

COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus identified as, "COVID-19", a global pandemic. In order to combat the spread of COVID-19 governments worldwide, including Ecuador and Canada, have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. In response to the resulting mobility restrictions imposed by various countries, the Company and its partner Adventus temporarily suspended site activities at the Curipamba, Pijili and Santiago projects as well as at the Company's wholly-owned Rumiñahui, Los Osos and Macara projects. The Companies offices in Ecuador continued to work remotely.

To help alleviate the impacts of COVID-19 pandemic on the communities in Ecuador in and around the projects, the Company is participating with Adventus and others in the mining community to provide humanitarian aid support, which will be distributed via community initiatives over 2020 and into 2021. The Company continues to work with Adventus and the local community leaders and government officials to identify the best initiatives and methods for providing aid in the Curipamba, Pijilí and Santiago project communities.

During the second quarter the Company also announced the foundation of a new registered, non-profit organization called the Salazar Foundation. The Salazar Foundation is a non-profit entity supported by the Company and private donors, including Fredy Salazar, and it will build on the initiatives that the Company has introduced during the course of its Community and Social Relations programs in the thirteen years since its creation.

Site teams recommenced work during the second and third quarters of 2020, complying with guidance from the government of Ecuador and the development of detailed COVID-19 health and safety protocol for resumption of field activities, ensuring it is safe for the teams and the community to do so, with a focus on exploration drilling at the three projects, geotechnical drilling at the El Domo deposit and activities to support the submission of the draft environmental impact assessment for the El Domo deposit. The Company also re-started exploration work on its 100% wholly-owned projects.

Property Highlights for Fiscal 2020

Feasibility Study - El Domo

1. In February 2020 Adventus and the Company provided an update of metallurgical results for Curipamba-El Domo project with material improvements over the 2019 Preliminary Economic Assessment (the "PEA") results. (See "Curipamba-El Domo Feasibility Study" below for more details).

2. In March 2020, Adventus and the Company announced it has acquired all the land overlaying the Mineral Resources and proposed open pit and underground mines as outlined in the PEA and has developed a surface rights acquisition plan for the remaining project layout, subject to the completion of the geotechnical work required to support the milling, tailings and waste rock facilities.

3. In June 2020, the contract was awarded for the feasibility study (the "Feasibility Study") for the El Domo project at Curipamba to DRA Americas Inc. ("DRA"). The Feasibility Study was projected to be completed by the end of 2021, however due to the COVID-19 health and safety protocols the Company and Adventus agreed that the El Domo Feasibility Study requirement for the Curipamba earn-in would be extended until the end of April 2022.

3. In October 2020, Adventus and the Company:

   (i) restarted drilling activities at Curipamba to support the El Domo Feasibility Study: deployment of three geotechnical drill rigs to establish groundwater monitoring wells for the Environment and Social Impact Assessment ("ESIA") and project permitting as well as completion of geotechnical drilling for the proposed tailings area, waste rock pads and process plant site;
   (ii) commenced a 5,000-metre infill drill program with two drill rigs at El Domo to provide additional material for metallurgical studies and for additional data to facilitate the planned upgrade of mineral resource categories; and
   (iii) commenced a 1,200-metre geomechanical drill program to provide additional data to further study rock mechanics of the proposed open pit environment.

4. In December 2020, Adventus and the Company provided an update of the work completed in the feasibility study which included findings from the initial engineering and trade-off studies that are expected to enhance the project's economics. (See "Feasibility Study Update" below for more details); and

5. Subsequent to December 31, 2020, Adventus and the Company completed the infill drill program. (See "Curipamba - El Domo Feasibility Study" below for more details).

Exploration

1. Curipamba regional exploration - a total of fifteen targets had been defined for Curipamba, most of which are new areas that have not undergone systematic exploration or drilling. In 2020, one drill rig was mobilized to commence a 3,000-metre regional exploration drilling program at the La Vaquera-Sesmo Sur targets.

2. Pijilí exploration - as part of the fiscal 2020 (5,000 to 10,000-metre) combined Pijilí and Santiago exploration drill program, three drill rigs had been mobilized in the Mercy concession and 7,031 metres were completed in March 2021 subsequent to the year-end. A manual test pit reconnaissance program was also undertaken in the Zambohuaycu Norte area, and regional prospecting continues on several targets within the Mercy concession as well as at Rosa de Oro and Carmen de Pijilí, which are located approximately 10 km west of Mercy. In April 2021, the Corporation announced drilling results at Mercy as well as the progress of work at Rosa de Oro and Carmen de Pijilí; (See "Exploration Alliance - Pijilí" below for more details).

3. Santiago exploration - in fiscal 2020, community support work, including public health initiatives and socialization of the exploration plans continued at site. A 2,500-metre drilling program is being planned for mobilization in the second or third quarter of 2021.

4. 100% Owned Properties - during the second half of fiscal 2020 the Company initiated an exploration work program on its 100% owned properties at Los Osos, geophysics at Macara and sampling as Ruminahui.

Property Update - Joint Venture Projects

Curipamba - El Domo Feasibility Study

On June 22, 2020, the Company and Adventus announced the commencement of the Feasibility Study for the El Domo copper-gold volcanogenic massive sulphide deposit ("El Domo") of Curipamba, and is on track to be completed by the last quarter of 2021, with a construction decision to be made in early fiscal 2022. The initial work undertaken in fiscal 2020 focused on enhancements to the project through additional metallurgical test work, trade-off studies, and advancement of various engineering designs. The results will serve as a solid baseline from which the rest of the study will be built on. Other regulatory and project risk mitigation activities in fiscal 2021 is expected to include submission of the draft environmental and social impact assessment ("ESIA") to authorities in Ecuador, negotiation of a formal investment agreement with the government of Ecuador, upgrading the existing Curipamba mining permits from small

to medium scale categories, additional surface rights acquisition, and project financing discussions. Engineering studies work to date included:

(i) process and cost optimization through metallurgical test work;
(ii) improved quality and marketability of copper and zinc concentrates;
(iii) optimization of throughput and mine plan;
(iv) material cost reduction from trade-off studies undertaken including modular vs traditional crushing facility, mill feed, process plant location, electric power source, accommodations strategy, and access road selection;
(v) elimination of water pump station on nearby river;
(vi) confirmation of significant non-acid generating material through geochemical characterization study; and
(vii) infill drilling.

Metallurgical Test Work Update

In February 2020, the Company and Adventus provided an update to the ongoing metallurgical test work and reported the following highlights:

1. Improved quality and marketability of copper concentrates. All three composite (copper, zinc and mixed) samples show improved copper concentrate quality and marketability from the base caseLock Cycle Tests ("LCT") presented in the PEA using cyanide as a reagent.

    (a) Mixed Composite LCT results:
        (i) in the copper concentrate, a copper grade of 26.7% was achieved at 81% recovery;
        (ii) lead and zinc content of the copper concentrate was reduced to 0.7% and 6.8% respectively - a great improvement from the PEA results; and
        (iii) in the zinc concentrate, a zinc grade of 55.9% was achieved at 81.3% recovery.

    (b) Copper Composite LCT results:
        (i) in the copper concentrate, a copper grade of 28.7% was achieved at 80% recovery; and
        (ii) lead and zinc contents in the copper concentrate were reduced to 0.3% and 2.3% respectively from the PEA results.

    (c) Zinc Composite LCT results:
        (i) in the copper concentrate, a copper grade of 23% was achieved at 74% recovery;
        (ii lead and zinc contents in the copper concentrate were significantly improved and reduced to 1.4% and 12.7% respectively from the PEA results; and
        (iii) in the zinc concentrate, a zinc grade of 56.6% was achieved at 81.5% recovery.

2. Potential to significantly increase precious metal recovery. Leach test work of the cleaner tailings streams of all three composites using cyanide indicated that gold and silver recovery could be significantly increased and may be a candidate for the sulphidization-acidification-recycling-thickening ("SART") process that would also recover additional copper while significantly reducing reagent consumption.

3. Reduction in acid-generating waste. Geochemical characterization studies on potential waste rock from the open pit identified that three key strata in the hanging wall rocks are non-acid generating which could have positive implications for waste management. All waste rock was previously assumed to be acid generating in the PEA.

4. Lead concentrate is possible. Production of a lead concentrate from both the mixed and zinc composites was shown to be possible, which could improve the quality of the copper and zinc concentrates, reduce waste, and potentially offer a saleable lead concentrate by-product.

The metallurgical test work completed since the PEA was designed to improve the overall quality of the concentrates by reducing metal cross contamination. This included the removal assessment for lead into a separate concentrate while defining a process solution for the zinc geometallurgical zone. In addition, the test work focused on resolving gold mineralogy to characterize losses to the process tailings and to investigate solutions for their recovery to increase precious metal content in the concentrate material. The test work was led by and conducted at Base Metallurgical Laboratories ("BML") in Kamloops, British Columbia, Canada and resulted in an update published earlier in the year.

In the February 2020 update, optimization test work was completed on the same three composites defined in the PEA, the mixed, zinc, and copper geometallurgical zones. For the mixed and zinc composites, the PEA results showed that copper concentrates contained high levels of zinc and lead when using a traditional zinc sulphate and cyanide depression scheme. The recent test work investigated a sulphur dioxide-based depression scheme using sulphurous acid (H_2SO_3) or sodium metabisulphide (SMBS), as a potential solution to diminish cross contamination. Both the mixed and zinc composites demonstrated better zinc rejection under the sulphur dioxide-based reagent schemes, notably in the copper concentrate at similar copper recovery. The improved rejection of zinc from the copper concentrate, using SMBS, was noted for the mixed composite and resulted in significantly improved zinc circuit performance as well.

The test work also demonstrated that a lead concentrate could be removed from the copper concentrate using a cyanide reverse circuit. The lead concentrates were relatively low grade, approximately 37 to 39% lead, but its recovery from the feed to the concentrate was 55% for the mixed composite and 67% for the zinc composite. A simplified table of SMBS scheme LCT results presented in February 2020 is reproduced here for reference.

	Copper (Cu)		Gold (Au)		Silver (Ag)		Zinc (Zn)		Lead (Pb)	
	Grade (%)	Recovery (%)	Grade (g/t)	Recovery (%)	Grade (g/t)	Recovery (%)	Grade (%)	Recovery (%)	Grade (%)	Recovery (%)
Cu con. [1]	25.9	78.6	10.8	21.3	237	32.4	7.9	15.9	0.8	17.4
Zn con. [2]	1.4	4.3	13.4	22.9	261	31.0	56.1	81.4	0.7	11.1
Pb con. [2]	9.6	3.3	32.8	6.0	466	6.3	9.9	1.6	38.6	58.8

[1] LCT results are adjusted by a weighted average of composites 1, 2, and 3 (58.7%, 28.6%, and 12.7% respectively)
[2] LCT results are adjusted by a weighted average of composites 1 and 2 (67.2% and 32.8% respectively)

Process optimization work undertaken since February 2020 as part of the current test work program has focused primarily on primary grind size and reagent use. Two positive results have been realized, which may serve to further bolster the project's economics and reliability by means of reduced capital and operating costs:

(i) primary grind size (bulk flotation feed) can be increased to a P_{80} of 125 microns which is beneficial in reducing ball milling circuit power requirements, and has the potential to improve settling of the bulk cleaner tailings, and;
(ii) collector (SIPX) consumption in the bulk rougher flotation circuit can be reduced by 10% without compromising of the bulk concentrate grades and metal recoveries.

Improving precious metal recovery, notably gold, was a key objective of the recent test work for the Feasibility Study. A detailed gold deportment study was conducted on cleaner tailings streams for all three composites in order to identify the mineralogical forms of gold loss. Six streams underwent deportment studies as there are two tailings streams from each composite - a bulk rougher tailings stream that is high volume and low grade, and a cleaner tailings stream. The cleaner tailings streams represented most of the gold losses in the process.

For the mixed and zinc composite cleaner tailings streams, about two-thirds of the gold occurred as visible metal alloys. The remaining third of the gold was in solid solution, principally with pyrite. In the copper composite cleaner tailings stream, this was reversed with about one-third of the gold being visible as a metal alloy and the remaining two-thirds occurring in a solid solution with pyrite. Not all the visible gold occurred as free grains, with much of the gold interlocked with other sulphides.

Based on the abundance and form of gold in the cleaner tailings streams, cyanide leaching tests were performed to determine gold extraction rates. The best extraction rates were achieved by fine regrinding (9 µm K80) and high cyanide concentrations (5,000 ppm). At these conditions about half of the gold in the tailings streams was extracted. This represents an increase in gold recovery from the feed of about 15%, 11%, and 39%, silver recovery from the feed of about 12%, 8% and 29% and copper recovery from the feed of about 6%, 6% and 10% for mixed, zinc and copper composites, respectively.

As a result of the high levels of soluble copper in the cleaner tailings streams, cyanide consumptions were very high, but copper was notably extracted to the leach liquor. This extraction result suggests that the SART process could be a good candidate for optimization, which can recover copper as a precipitate and regenerate cyanide for recycling. Additional leach work is being planned for 2020 in order to investigate the viability of the SART process for the project.

The positive results from the recent metallurgical test work are a significant advancement for the future engineering development of the El Domo deposit within the Curipamba project, including direction for additional metallurgical test work in 2020. The current LCT and leach test results require further optimization in order to more fully evaluate and quantify the opportunity value of SART process implementation on the project.

Building on the metallurgical test work completed earlier in 2020 (see February 20, 2020 news release), a further test work program was developed with a focus on the refinement of the process flow sheet, enhancement of the quality and marketability of the concentrates, and work to confirm the selection and sizing of process equipment.

The production of a standalone lead concentrate will be incorporated into the Feasibility Study process flowsheet supported by previously proven test work and a recent marketing study. Further test work to improve lead concentrate grade is planned for the first quarter of 2021 using fresh ore samples from the current drilling program. While an additional lead concentrate revenue stream will provide a marginal economic benefit to the project, the primary impact is in the quality improvements to the copper and zinc concentrates which is expected to result in measurable benefits to marketability. A preliminary marketability report completed and applied with the current understanding of metallurgical recoveries, indicates that penalties for future El Domo copper and zinc concentrates are expected to be negligible. The Company and Adventus believe the improvements to the process and concentrate quality as part of the Feasibility Study will materially improve the economics of the project by increasing metal payability, decreasing transportation charges, reducing power costs and reagent requirements, and by creating high-quality concentrates.

The comminution test work program has expanded on the work completed in the PEA to confirm ore competency, hardness, and abrasiveness for purposes of equipment selection, selection of appropriate wear materials and determination of power consumptions. SMC and Bond test work was conducted on five samples from the northern part of the deposit, and the results are presented in table below:

Comminution Test Work Results

Sample	DWi kWh/m³	Mia kWh/t	Mih kWh/t	Mic kWh/t	A x b	ta	SCSE kWh/t	SG	BWi kWh/t	Ai	Competency	Hardness	Abrasivity
BX-4	3.1	10.7	6.7	3.5	86.0	0.8	7.2	2.7	14.6	0.2	low	medium-hard	medium
Falla-3	2.1	6.2	3.7	1.9	159.0	1.3	6.0	3.3	14.0	0.1	very low	medium	low
Falla-Gr-5	2.8	9.5	5.9	3.1	98.0	0.9	6.9	2.8	14.6	0.1	low	medium-hard	low
SMS-2	2.9	7.9	5.0	2.6	117.0	0.9	6.7	3.4	13.3	0.3	low	medium	medium
VMS-1	2.7	6.4	3.9	2.0	148.0	1.0	5.8	4.0	11.6	0.1	very low	medium	low

Comminution results demonstrate similar ore Bond hardness compared to the samples tested during the PEA. The ore is of low to very low competency and of medium to low abrasion. The absence of hard or highly competent ore is beneficial to the project from the perspective of lower power requirements and lower wear on equipment components. Based on these results, it is anticipated that a single 13' x 17' EGL ball mill drawing 1,200 kW will be suitable for the grinding circuit.

Geochemical Characterization of Potential Waste Rock

The Corporation engaged pHase Geochemistry Inc. ("pHase") to conduct geochemical characterization of the rock units that comprise the host strata for El Domo. This work program has been running in parallel with the metallurgical program at BML. Work has focused on the potential waste materials from the open pit and underground mining environments and the level of acid rock drainage ("ARD") and metal leaching potential as a key consideration in future engineering studies and waste management plans.

A total of 170 samples that are both spatially and volumetrically representative of the rock units hosting El Domo have undergone analytical geochemistry, including acid-base accounting, whole rock, and trace element analysis, mineralogy and leach extractions, as well as laboratory kinetic tests (humidity cell testing). Analytical work is being done with Bureau Veritas Laboratories in Burnaby, British Columbia, Canada.

Neutralization potential of the host strata was shown to be low in most rock units; however, one of the most important analytical results from this geochemical characterization study are that three rock units are anticipated to be non-acid generating. The identification of non-acid generating strata could have a materially positive effect on waste

management planning, materials handling during all phases of the project lifespan, and with further study, could have a positive impact on direct operating capital, capital expenditures, and sustaining capital over life of mine.

Two rock units were identified as non-acid generating: andesite and rhyolite tuff. In aggregate, it is estimated that these two units comprise 23% of the proposed pit. Another two units had more than 95% of samples classified as non-acid generating: tuff and lapilli tuff. These represent an estimated additional 43% of the proposed pit. Combined, these four rock units represent 66% of the proposed pit. Eight other lithologies had between 30% to 100% of samples classified as potentially acid generating. Detailed quantification of non-acid generating and potentially acid generating waste will be conducted as the Feasibility Study advances.

Tables showing the locked cycle test results for zinc, mixed and copper composites as well as leach test results on cleaner tails for three composites can be found in the February 20, 2020 news release which can be located on the Comp[any's website: www.salazarresources.com.

Qualified Persons:

Tom Shouldice, P.Eng., President and Principal Metallurgist for Base Metallurgical Laboratories Ltd. is the Independent Qualified Person for the metallurgical information. Mr. Shouldice, P.Eng., has been directly involved in the planning, implementation, laboratory work, and reporting of all results.

Shannon Shaw, P.Geo., President and Principal Geochemist for pHase Geochemistry Inc. is the Independent Qualified Person for the geochemical characterization and acid-rock drainage information. Ms. Shaw, P.Geo., has been directly involved in the planning, implementation, interpretation of laboratory work, and reporting of all results.

Water Management Strategy

A positive water balance has been confirmed for the project site. Rainfall exceeds evaporation by a ratio of approximately 3:1 before considering subsurface water contributions. Once in operation, 100% of the project's process water requirements will be met through a combination of reclaimed tailings facility water and rainfall within the project boundaries. Potable and emergency water supply will be from a suitably located borehole within the project site. As a result, a decision was made to eliminate the previously planned make-up water pump station on the nearby Runayacu river to minimize the potential impact to the nearby environment and communities as well as to realize cost savings.

Construction water and initial process start-up water requirements will be satisfied by means of a temporary water control and storage ponds constructed on the plant site as part of the early site-works program. The El Domo project is expected to be 100% self-sufficient from a process water perspective during construction, start-up, and operations.

Trade-off Study Results

As of the date of this MD&A, a total of 18 trade-off studies were conducted or are currently in progress as part of the Feasibility Study with the objective of providing a clear and optimized definition of the project scope and baseline. The scope of these trade-offs were related to various aspects of the mine, process plant, project execution strategy, and infrastructure. The results of these studies have been reviewed and decisions made based on these results which are expected to lower cost, reduce risks, and/or improve the overall project economics.

Qualified Persons:

Volodymyr Liskovych, PhD, P.Eng., Principal Process Engineer for DRA Americas Inc. is the Independent Qualified Person for the process optimization and metallurgical information. Mr. Liskovych, PhD, P.Eng., has been directly involved in the planning, implementation, laboratory work, and reporting of all results.

Philip De Weerdt, Pr.Eng., MBA, Project Manager for DRA Americas Inc. is the Independent Qualified Person for the water management, trade-off study, and mine optimization information. Mr. De Weerdt, Pr.Eng., MBA, has been directly involved in the planning, implementation, and reporting of all results.

Shannon Shaw, P.Geo., President and Principal Geochemist for pHase Geochemistry Inc. is the Independent Qualified Person for the geochemical characterization and acid-rock drainage information. Ms. Shaw, P.Geo., has been directly involved in the planning, implementation, interpretation of laboratory work, and reporting of all results.

Trade-off study results are highlighted as follows:

1. Modular vs. Traditional Crushing Facility: The El Domo crushing circuit consists of 2-stage crushing with primary and secondary crushing operations. This study traded-off the merits of a traditional facility with crushers and ancillary equipment installed in a permanent structural steel and concrete structure vs. a modular crushing plant that would be pre-fabricated at a vendor facility and be skid or trailer-mounted. Estimated net present cost ("NPC") at an 8% discount rate was $8,700,000 for the traditional facility vs. $3,600,000 for the modular facility, resulting in a net benefit of approximately $5,100,000 (prior to indirect costs and contingency) in favour of the modular approach. It was decided to proceed with a modular crushing plant design. The equipment will be ordered in advance of the construction period, which will allow for its use to provide a reliable source of aggregate for construction.

2. Mill Feed: The throughput and El Domo process plant characteristics make it amenable to alternate mill feed strategies. Considered in this study was a traditional stockpile and underground reclaim tunnel design, vs. mill feed via a front-end loader ("FEL") to a small feed hopper. The minimal infrastructure required for the FEL approach results in an expected reduced initial capital cost of approximately $2,000,000 (prior to indirect costs and contingency) when compared to a traditional reclaim tunnel feed. Operating cost for the FEL is higher due to the requirement for a continuous operator, diesel fuel, and higher maintenance. Over the life of mine the estimated NPC of both options is very similar, but the reduced initial capital of the FEL option reduces risk, and this approach has been selected.

3. Process Plant Location: A total of seven potential process plant locations were considered from a safety, cost, and impact on the community perspective. Of key interest was the selection of an appropriate site that would allow for a low initial cost of construction, low operating cost by means of short haul routes from the pit to the crusher installation and waste rock facilities, low tailings and reclaim water pumping costs, and a site which would minimize the effect on communities near the El Domo deposit. The ultimate site selected was not the lowest cost, but had the lowest potential effect on nearby communities, as this site is completely surrounded by higher-elevation hills and vegetation in all directions which will serve to minimize noise and dust transmission as well as other forms of disturbance. The overall project impact area is also minimized by maintaining a compact footprint near the mine pit.

4. Electric Power: While the project has access to a nearby 69 kV national power grid, it was decided to minimize schedule and start-up risks by leasing and operating a small-scale on-site diesel power generation plant. On-site self-generated power also offers improved control over power availability and reliability.

5 Accommodation Strategy: Several different options were looked at for future personnel accommodations during both construction and operations phases, on-site, and off-site. The Corporation is committed to maximizing economic benefits to local communities from El Domo development. As such, the accommodations strategy will promote local spending and commerce to the maximum extent possible. The current strategy encourages the hiring of permanent employees from local communities as top priority and will provide relocation assistance where suitable candidates are only available elsewhere to encourage those individuals to relocate to the area with their families. The construction period will follow a similar approach with most personnel sourced from and housed in local communities. The size of the temporary on-site camp will be minimized to the extent possible to house remotely based skilled workers.

6. Access Road: Six potential access road options are currently under consideration, which include the upgrades of three existing road routes to the El Domo deposit. The Company and Adventus are working to select an optimal route that provides safe, reliable access to the project site that is cost-effective, while minimizing the effect on nearby communities. The options being considered include new routes, upgrades to existing roads, and combinations thereof. Some of the options are much shorter than the 10 km route used as the basis for site access in the PEA.

Infill Drilling

On May 2, 2019 the Company announced results of a preliminary economic assessment ("PEA") for El Domo in which the Mineral Resource estimate for El Domo has been updated. The National Instrument 43-101 ("NI 43-101") Technical Report dated June 14, 2019 was prepared by Rostle Postle Associates ("RPA") and may be found under the Company's profile on SEDAR as well as the Company's website at www.salazarresources.com.

The updated Mineral Resource estimate is summarized as follows:

Total Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Measured	1.4	1.92	0.37	3.52	3.75	58	27.8	5.3	50.9	174	2,704
Indicated	7.5	2.02	0.26	2.81	2.33	49	150.9	19.7	210.3	559	11,884
M+I	8.9	2.00	0.28	2.93	2.56	51	178.7	25.0	261.3	733	14,588
Inferred	1.3	1.52	0.20	2.25	1.83	42	20.1	2.7	29.7	78	1,783

Pit Constrained Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Measured	1.4	1.92	0.37	3.52	3.75	58	27.8	5.3	50.9	174	2,704
Indicated	5.7	1.74	0.28	2.60	2.47	51	99.0	16.1	147.8	452	9,417
M+I	7.1	1.78	0.30	2.78	2.73	53	126.8	21.4	198.7	627	12,121
Inferred	0.7	0.67	0.21	1.72	1.60	46	4.6	1.5	11.9	36	1,032

Underground Mineral Resource for El Domo

Resource Category	Tonnes (Mt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Indicated	1.8	2.91	0.20	3.51	1.85	43	51.9	3.6	62.5	106	2,467
Inferred	0.6	2.46	0.19	2.82	2.09	37	15.5	1.2	17.8	42	751

Notes for the above Mineral Resource Tables:

1. *Mineral Resources in these tables are effective as of as of May 2, 2019*
2. *CIM (2014) definitions were followed for Mineral Resources*
3. *A nominal minimum thickness of two metres was applied to the Mineral Resource wireframes*
4. *Bulk density assigned on a block per block basis using the correlation between measured density values and base metal grade*
5. *Mineral Resources are reported above a cut-off net smelter return ("NSR") value of US $25 per tonne for potential open-pit Mineral Resources and US $100 per tonne for potential underground Mineral Resources*
6. *NSR value is based on estimated metallurgical recoveries, assumed metal prices and smelter terms; which include payable factors treatment charges, penalties, and refining charges*
7. *Metal price assumptions were: US $3.15/lb Cu, US $1.00/lb Pb, US $1.15/lb Zn, US $1,350/oz Au and US $18/oz Ag*
8. *Metallurgical recoveries assumptions were based on three mineral types defined by the metal ratio Cu/(Pb+Zn):*
   - *Zinc Mineral (Cu/(Pb+Zn)<0.33): 84% Cu, 84% Pb, 95% Zn, 51% Au and 71% Ag*
   - *Mixed Cu/Zn Mineral (0.33≤Cu/(Pb+Zn)≤3.0): 88% Cu, 85% Pb, 96% Zn, 66% Au and 69% Ag*
   - *Copper Mineral (Cu/(Pb+Zn)>3.0): 88% Cu, 69% Pb, 73% Zn, 27% Au and 50% Ag*
9. *NSR factors were also based on the metal ratio Cu/(Zn+Pb):*
   - *Zinc Mineral (Cu/(Pb+Zn)<0.33): 29.94 US$/% Cu, 9.17 US$/% Pb, 11.52 US$/% Zn, 14.17 US$/g Au and 0.27 US$/g Ag*
   - *Mixed Cu/Zn Mineral (0.33≤Cu/(Pb+Zn)≤3.0): 44.20 US$/% Cu, 11.34 US$/% Zn, 22.90 US$/g Au and 0.27 US$/g Ag*
   - *Copper Mineral (Cu/(Pb+Zn)>3.0): 46.27 US$/% Cu, 6.86 US$/g Au and 0.19 US$/g Ag*
10. *Numbers may not add due to rounding*

The 2020/21 drilling program for the El Domo volcanogenic massive sulphide deposit was designed for infill, geomechanical, geotechnical and hydrogeological drilling required to support the completion of the El Domo feasibility study and the submission of the environmental and social impact assessment. Two diamond rig drills were deployed, completing 53 drill holes totalling 6,555 metres. Details of the drilling results can be found in news releases dated December 21, 2020, December 30, 2020, January 13, 2021, February 8, 2021, February 24, 2021, March 16, 2021, and April 6, 2021) as well as on the Company's website www.salazarresources.com.

Selected highlights of the program include:

CURI-344 intersected 6.14 metres of 14.91% copper, 21.02 g/t gold, 10.39% zinc, 255.3 g/t silver, and 0.75% lead for 37.48% CuEq.[(1)] - including 4.22 metres of 19.11% copper, 24.36 g/t gold, 10.93% zinc, 309.5 g/t silver and 0.83% lead for 45.00% CuEq.[(1)]

CURI-349 intersected 16.96 metres of 7.11% copper, 5.44 g/t gold, 3.38% zinc, 107.6 g/t silver, and 0.34% lead for 13.61% CuEq.[(2)] - including 3.01 metres of 11.97% copper, 8.09 g/t gold, 3.88% zinc, 134.3 g/t silver and 0.15% lead for 20.88% CuEq. [(2)]

CURI-355 intersected 22.06 metres of 3.61% copper, 3.06 g/t gold, 7.86% zinc, 90.1 g/t silver and 0.22% lead for 9.14% CuEq. [(2)] - including 2.92 metres of 17.93% copper, 6.52 g/t gold, 42.72% zinc, 287.5 g/t silver, and 0.03% lead for 39.12% CuEq. [(3)]

CURI-354 intersected 8.33 metres of 4.77% copper, 7.14 g/t gold, 25.79% zinc, 91.5 g/t silver, and 0.73% lead for 19.01% CuEq. [(3)] - including 5.26 metres of 6.74% copper, 10.92 g/t gold, 34.66% zinc, 135.2 g/t silver and 1.15% lead for 26.91% CuEq. [(3)]

CURI-357 intersected 44.19 metres of 3.39% copper, 2.30 g/t gold, 0.42% zinc, 13.4 g/t silver, and 0.03% lead for 5.06% CuEq. [(4)] - including 23.83 metres of 5.96% copper, 2.79 g/t gold, 0.42% zinc, 19.6 g/t silver, and 0.04% lead for 7.99% CuEq. [(4)]

(1) Metal equivalency based on US $3.62/lb Cu, US $1,888.80/oz Au, US $1.30/lb Zn, US $25.95/oz Ag and US $0.93/lb Pb; noting that no adjustments were made in the metal equivalency calculation for metal recovery.

(2) Metal equivalency based on US $3.55/lb Cu, US $1,835.80/oz Au, US $1.18/lb Zn, US $26.79/oz Ag and US$ 0.92/lb Pb; noting that no adjustments were made in the metal equivalency calculation for metal recovery. Prices taken from 6-month contracts for precious metals and 3-month contracts for base metals from the London Metal Exchange, dated February 3, 2021.

(3) Metal equivalency based on US $3.97/lb Cu, US $1,779.50/oz Au, US $1.31/lb Zn, US $27.18/oz Ag and US $0.97/lb Pb; noting that no adjustments were made in the metal equivalency calculation for metal recovery. Prices taken from 6-month contracts for precious metals and 3-month contracts for base metals from the London Metal Exchange, dated February 19, 2021.

(4) Metal equivalency based on US $4.10/lb Cu, US $1,723.50/oz Au, US $1.28/lb Zn, US $25.88/oz Ag and US $0.89/lb Pb; noting that no adjustments were made in the metal equivalency calculation for metal recovery. Prices taken from 6-month contracts for precious metals and 3-month contracts for base metals from the London Metal Exchange, dated March 12, 2021.

The following summarizes the results of the drill holes:

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)
CURI-338	253.02	255.69	2.67	0.37	0.10	0.64	3.0	0.02
	253.02	253.71	0.69	0.12	0.26	1.58	8.5	0.06
CURI-339	201.68	204.88	3.20	0.32	0.42	0.08	3.7	0.02
	208.87	218.10	9.23	1.53	0.47	0.02	1.6	0.00
including	210.90	215.02	4.12	3.40	0.50	0.03	2.7	0.00
CURI-340	99.00	117.70	18.70	1.82	1.27	1.19	103.2	0.10
including	99.00	111.28	12.28	2.77	1.76	1.79	155.3	0.15
including	99.00	101.43	2.43	10.57	3.47	5.04	630.7	0.25
CURI-341	70.62	71.00	0.38	4.10	3.36	2.74	86.9	0.31
	80.06	84.40	4.34	1.13	7.16	9.72	495.7	2.59
including	80.58	83.90	3.32	0.90	8.78	11.94	626.0	3.33
CURI-342	95.60	97.50	1.90	3.04	16.41	17.94	181.2	2.23
	97.50	107.50	10.00	0.49	0.26	0.41	9.6	0.05
including	97.50	99.50	2.00	1.26	0.61	1.18	24.1	0.17
CURI-343	99.38	101.90	2.52	0.84	1.92	2.67	37.0	0.10
including	99.38	100.80	1.42	1.41	3.14	4.34	54.8	0.09
	101.90	103.40	1.50	2.45	9.09	12.01	211.7	1.96
including	101.90	102.50	0.60	4.68	21.30	28.11	491.0	4.79
CURI-344	57.32	62.26	4.94	5.60	8.99	4.02	151.0	0.56
	62.26	68.40	6.14	14.91	21.02	10.39	255.3	0.75
including	62.26	66.48	4.22	19.11	24.36	10.93	309.5	0.83
	68.40	70.12	1.72	0.31	0.81	3.11	9.0	0.01
	70.12	80.13	10.01	0.61	0.74	0.27	4.1	0.01
including	72.93	75.89	2.96	1.81	1.53	0.83	7.9	0.01
CURI-345	53.52	57.40	3.88	2.78	9.65	3.11	110.8	0.33
including	54.65	56.20	1.55	5.92	21.90	6.78	250.0	0.74
	66.10	68.04	1.94	2.97	6.43	2.07	73.5	0.40
	80.18	84.62	4.44	0.32	1.41	2.28	55.4	0.56
	84.62	87.76	3.14	2.30	1.33	0.72	31.8	0.02
CURI-346	51.64	57.50	5.86	2.74	4.92	3.66	111.1	0.33
Including	56.16	57.50	1.34	4.25	10.70	7.00	241.0	0.56
	57.50	59.32	1.82	0.20	3.40	0.66	64.3	0.22
	68.70	81.10	12.40	3.37	4.78	2.89	57.4	0.38
including	68.70	74.40	5.70	6.29	9.73	6.22	119.8	0.80
including	69.63	72.55	2.92	9.03	15.79	8.19	130.0	0.59

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)
including	71.58	72.55	0.97	11.70	20.90	11.85	204.0	0.84
CURI-347	50.92	52.90	1.98	0.71	0.63	0.34	15.1	0.06
	52.90	91.00	38.10	0.58	1.04	0.64	25.8	0.13
including	52.90	54.00	1.10	6.13	4.01	1.14	39.0	0.09
including	54.00	56.00	2.00	2.64	3.90	2.57	101.1	0.26
including	80.54	91.00	10.46	0.94	2.60	1.71	70.1	0.41
including	82.95	87.34	4.39	2.05	3.47	2.25	67.0	0.39
including	88.50	89.60	1.10	0.23	9.30	6.20	363.0	2.18
CURI-348	123.96	125.58	1.62	0.13	0.98	0.65	27.3	0.23
	125.58	128.30	2.72	0.95	8.93	12.32	673.4	6.64
including	128.30	135.10	6.80	0.66	0.22	5.31	20.4	0.19
CURI-349	65.6	85.34	19.74	0.19	0.35	0.69	12.1	0.09
Including	82.08	85.34	3.26	0.79	0.98	1.63	51.7	0.46
	92.06	109.02	16.96	7.11	5.44	3.38	107.6	0.34
including	96.13	99.14	3.01	11.97	8.09	3.88	134.3	0.15
	123.41	125.36	1.95	0.70	0.11	0.05	1.9	0.00
CURI-350	51.40	54.21	2.81	4.11	7.63	5.78	162.8	0.58
	54.21	56.33	2.12	1.95	2.72	0.58	35.7	0.07
	61.80	62.87	1.07	2.65	2.30	0.33	16.4	0.03
	62.87	75.66	12.79	3.99	4.76	1.97	129.2	0.17
including	62.87	65.31	2.44	10.34	12.57	7.26	620.1	0.79
CURI-351	49.07	52.10	3.03	0.24	1.85	0.49	12.0	0.04
	52.10	68.46	16.36	5.42	3.76	0.46	34.6	0.03
including	52.10	54.16	2.06	17.62	20.03	2.67	196.7	0.15
CURI-352	47.18	48.21	1.03	1.40	1.49	0.71	26.3	0.07
	48.21	69.30	21.09	3.32	2.66	0.42	19.9	0.07
Including	48.21	53.30	5.09	7.58	2.50	1.38	33.0	0.22
Including	48.21	49.20	0.99	5.83	5.89	5.87	118.8	1.07
CURI-353	68.45	70.47	2.02	1.92	4.66	2.50	71.5	0.33
	75.46	79.87	4.41	0.64	3.61	6.43	148.3	0.70
Including	78.90	79.87	0.97	0.44	10.70	22.48	510.0	1.99
	79.87	80.87	1.00	0.68	6.68	12.90	110.9	0.27
	90.80	93.00	2.20	3.07	1.26	2.48	47.3	0.03
	100.48	102.40	1.92	1.47	1.62	2.29	49.4	0.03
CURI-354	49.04	49.95	0.91	0.14	1.31	0.86	34.7	0.16
	49.95	56.04	6.09	3.33	2.66	4.21	38.1	0.06
Including	49.95	51.26	1.31	7.31	5.25	8.36	109.8	0.21
	63.00	71.33	8.33	4.77	7.14	25.79	91.5	0.73
Including	63.00	68.26	5.26	6.74	10.92	34.66	135.2	1.15
CURI-355	53.15	54.13	0.98	0.35	0.34	0.48	10.9	0.01
	55.67	77.73	22.06	3.61	3.06	7.86	90.1	0.22
Including	55.67	57.57	1.90	8.98	18.89	15.48	401.5	1.07
Including	68.75	71.67	2.92	17.93	6.52	42.72	287.5	0.03
	77.73	78.70	0.97	3.48	2.64	8.10	58.7	0.00
CURI-356	65.10	69.12	4.02	0.37	0.85	2.87	15.9	0.06
	69.12	80.04	10.92	5.81	1.58	3.16	34.3	0.04
Including	69.12	72.91	3.79	12.05	3.67	8.90	67.9	0.09
	80.04	89.26	9.22	0.84	0.12	0.16	3.4	0.02
Including	85.30	89.26	3.96	1.81	0.07	0.03	3.4	0.01
CURI-357	51.26	52.34	1.08	0.50	1.74	2.51	71.1	0.72
	52.34	96.53	44.19	3.39	2.30	0.42	13.4	0.03
Including	69.09	92.92	23.83	5.96	2.79	0.42	19.6	0.04
CURI-359	61.70	75.60	13.90	1.13	1.50	2.75	43.1	0.20
Including	61.70	63.50	1.80	0.61	4.27	13.89	256.1	1.34
Including	67.28	73.06	5.78	2.41	1.80	1.00	16.9	0.06
Including	69.79	71.60	1.81	5.97	3.03	2.14	19.3	0.03
CURI-361	107.90	108.85	0.95	0.22	0.57	0.62	10.8	0.05
	108.85	164.28	55.43	1.50	0.72	0.27	7.7	0.02
Including	119.85	136.64	16.79	3.81	1.11	0.41	10.5	0.02
Including	132.26	135.79	3.53	7.50	2.05	0.05	11.1	0.01
CURI-362	73.60	75.48	1.88	1.03	5.60	18.08	137.6	0.62
	75.48	85.55	10.07	0.05	0.07	0.53	2.5	0.04
CURI-364	111.00	115.46	4.46	1.61	1.19	0.85	21.7	0.13
	115.46	130.40	14.94	6.49	1.64	1.52	35.5	0.16
Including	115.46	118.24	2.78	1.63	1.40	1.62	33.2	0.12
Including	124.50	130.40	5.90	14.29	2.11	1.95	34.3	0.16
CURI-364-A	109.90	113.58	3.68	1.71	1.45	1.13	40.2	0.09
	113.58	114.75	1.17	1.62	2.78	10.24	235.0	1.45
	114.75	120.77	6.02	1.00	1.74	1.48	37.7	0.16
CURI-366	54.40	55.76	1.36	5.20	8.03	13.85	426.5	1.89
	55.76	57.73	1.97	0.28	0.69	0.94	21.9	0.12

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Zn (%)	Ag (g/t)	Pb (%)
CURI-367	81.20	83.92	2.72	0.09	1.19	1.22	133.5	0.64
	83.92	91.95	8.03	0.08	0.28	0.81	17.9	0.48
CURI-368	79.45	81.54	2.09	0.07	0.14	0.20	5.1	0.03
	81.54	83.19	1.65	0.30	9.75	3.54	144.1	1.31
	83.19	86.12	2.93	6.42	6.36	30.18	168.4	0.86
	86.12	88.12	2.00	0.39	0.29	0.83	17.7	0.08
CURI-369	106.00	107.11	1.11	0.46	1.66	0.59	11.2	0.06
	107.11	149.63	42.52	1.46	2.43	0.48	13.7	0.05
including	107.11	112.40	5.29	7.92	12.95	2.98	60.4	0.22
	149.63	153.51	3.88	0.10	0.36	0.03	9.6	0.00
CURI-370	55.52	58.07	2.55	0.04	0.85	2.65	68.7	1.02
	59.50	62.24	2.74	2.26	21.59	36.64	414.8	2.03
	62.24	65.50	3.26	0.16	0.54	1.16	16.2	0.06
	79.65	82.54	2.89	1.13	0.08	0.05	3.6	0.00

The following table shows the drill collar information for the infill drill holes:

Hole ID	East	North	Elev	Azimuth	Dip	Depth
CURI-338	695570	9855450	1070	270	-75	296.0
CURI-339	695448	9855287	1031	286	-81	237.0
CURI-340	695134	9854922	917	360	-45	149.0
CURI-341	695134	9854922	917	360	-60	117.4
CURI-342	695041	9854913	888	346	-45	137.1
CURI-343	695094	9855082	910	192	-45	142.0
CURI-344	695094	9855082	910	360	-60	84.1
CURI-345	695094	9855082	910	142	-48	95.7
CURI-346	695094	9855082	910	52	-69	83.4
CURI-347	695094	9855082	910	105	-54	91.0
CURI-348	695094	9855082	910	276	-45	135.1
CURI-349	695094	9855122	908	263	-51	130.2
CURI-350	695094	9855122	908	180	-57	85.7
CURI-351	695057	9855149	894	338	-59	77.0
CURI-352	695057	9855149	894	306	-77	78.0
CURI-353	695094	9855122	908	192	-45	97.4
CURI-354	695057	9855149	894	55	-54	81.0
CURI-355	695057	9855149	894	36	-45	86.3
CURI-356	695006	9855134	883	241	-77	110.6
CURI-357	695057	9855149	894	229	-74	105.0
CURI-358	694934	9855082	867	255	-54	113.0
CURI-359	695006	9855134	883	349	-69	86.5
CURI-360	694934	9855242	874	25	-48	83.0
CURI-361	695134	9855402	946	75	-54	172.8
CURI-362	694975	9854918	872	288	-61	88.9
CURI-363	694934	9855242	874	180	-54	95.0
CURI-364	695134	9855402	946	108	-60	130.4
CURI-364-A	695131	9855402	946	108	-60	121.8
CURI-365	694934	9855242	874	151	-72	69.5
CURI-366	694975	9854918	872	186	-72	74.5
CURI-367	695006	9855134	883	196	-45	102.2
CURI-368	695041	9854913	888	331	-58	113.6
CURI-369	695094	9855482	940	142	-48	168.7
CURI-370	695040	9854913	888	231	-74	86.2
CURI-371[(1)]	695399	9855298	1016	270	-65	225.7
CURI-372	695041	9854913	888	38	-45	106.3
CURI-373	695094	9855482	940	103	-48	197.0
CURI-374	695006	9855134	883	296	-45	120.6
CURI-375[(1)]	695333	9855200	1057	270	-75	250.1
CURI-376[(1)]	695361	9855100	1087	270	-70	275.4
CURI-377	695054	9855122	893	55	-51	92.3
CURI-378	695054	9855122	893	181	-57	113.1
CURI-379	695094	9855482	940	167	-48	153.8
CURI-380[(1)]	695375	9855000	1030	270	-70	250.1
CURI-381	695214	9855602	949	197	-57	154.4
CURI-382	695094	9855482	940	64	-48	156.5
CURI-383[(1)]	695373	9855400	995	270	-65	210.4
CURI-384	695054	9855642	923	136	-54	110.6
CURI-385	695094	9855482	940	45	-54	128.0
CURI-386	695100	9855600	943	230	-65	90.2
CURI-387	695051	9855474	930	26	-49	112.3

Hole ID	East	North	Elev	Azimuth	Dip	Depth
CURI-388	695051	9855474	930	165	-50.6	143.0
CURI-389	694999	9855351	908	338	-70	64.5
CURI-390	695109	9855451	953	170	-79	137.7
CURI-391	655001	9854898	882	165	-65	70.6

Notes:

(1) Geomechanical drill hole for open pit engineering design purposes only; being drilled in addition to the infill program

(2) All drill holes are surveyed in UTM Datum (Provisional South American 1956, Zone 17)

Curipamba Project - Regional Exploration

The Curipamba project is comprised of seven concessions representing about 21,500 ha and includes the El Domo deposit. No systematic exploration work has been conducted on the greater Curipamba project area since the discovery of the El Domo deposit in 2008 by Salazar. Since completion of the MobileMT geophysical survey in 2019, the Corporation has made significant progress generating targets through the processing and integration of all geoscience data collected from surficial geochemistry, geological mapping, prospecting, drilling, and ground geophysical surveys. The various data sets were compiled in order to produce a matrix that will drive exploration logistics and planning through 2020 on priority ranked targets. Targets were classified as either VMS-related, such as the El Domo deposit, or porphyry-related. In total, 15 targets had been defined and ranked in priority during the TGI process. Drilling commenced on the highest-ranking La Vaquera target approximately 8 km southwest of the El Domo deposit in March 2020 just before all field work was suspended due to COVID-19 health protocols. Work restarted in October 2020 and results from the regional exploration work program will aid in further pipeline development of drill ready locations in the favourable strata that hosts the El Domo deposit.

Technical Information Quality Control & Quality Assurance

The Curipamba Project work program is being managed and reviewed by Adventus' Vice President Exploration, Mr. Jason Dunning, M.Sc., P.Geo., a Qualified Person within the meaning of NI 43-101. Staff collect and process samples that are securely sealed and shipped to Bureau Veritas ("BV") in Quito for sample preparation that includes crushing and milling to prepare pulps that are then split for shipment to their facility in Lima, Peru for analysis. All assay data have undergone internal validation of QAQC; noting there is an established sampling control program with blind insertion of assay blanks, certified industry standards and sample duplicates for the Curipamba project. A QAQC program is also in place at BV and includes insertion of blanks, standards and duplicate reanalysis of selected samples. BV's quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. At BV, gold is analyzed by classical fire assay techniques with an ICP-AES finish, and both silver and base metals are analyzed by a 44-element aqua regia ICP-AES technique. Overlimit protocols are in place for gold, silver, copper, lead, and zinc.

Exploration Alliance - Pijilí Project

The Pijilí Project consists of three concessions totalling 3,246 hectares that is subject to a $5,000,000 spending commitment over four years. Pijilí is located in the province of Azuay, approximately 150 km from the major port city of Guayaquil. The Pijilí Project is an untested epithermal gold-silver target, although there are opinions that there is a broader, larger scale porphyry target present.

The Pijilí Project has never been explored with modern exploration techniques, such as geophysics, nor has there been any systematic geological mapping, geochemical sampling, trenching and/or drilling undertaken. Small-scale, legally permitted artisanal mining operations adjacent to the property are following precious metal-bearing structures via several small open pits and underground tunnels. It is also important to note the presence of secondary copper mineralization that is visible along the walls of the small open pits. The Company's staff have noted copper sulphide-bearing (chalcopyrite) veins in a valley bottom at the confluence of major creeks that also requires additional follow-up.

An MobileMT geophysical survey was conducted on concessions for Pijilí Project that were flown in a systematic grid pattern to ensure full coverage and depth penetration. Field crews successfully completed 91.4% line-kilometres at Pijilí Project. Since the completion of the MobileMT survey in the second quarter of 2019, a regional surficial geochemistry sampling program coupled with detailed property mapping for geology and hydrothermal alteration has been systematically grooming drilling targets. The recently completed upgrade of exploration infrastructure at the Pijilí Project means that field crews are now fully supported to undertake drilling. The main targets at the Pijilí Project are Cu-Au-Mo porphyry and orogenic gold deposits.

Between July 2020 and March 2021, a total of twelve drill holes has been completed on the Mercy concession totalling 7,031 metres, all of which hit porphyry-style copper-gold-molybdenum mineralization. Ten of the twelve drill holes intersected greater than 100 metres of porphyry mineralization ranging between 100 to 424 metres. The wide-spaced exploration drilling has traced porphyry-style mineralization approximately 2 km from the artisanal mine site (see June 8, 2020 and October 26, 2020 news release) northwest to the northern Mercy concession boundary.

MERC-011 is located 1.2 kilometres northwest from MERC-002, which intersected 145.22 metres, grading 0.22% copper, 0.04 g/t gold, 0.01% molybdenum and 1.0 g/t silver for 0.30% CuEq (see October 26, 2020 news release), and about 280 metres south of the northern property boundary. This drill hole yielded the best intercept of porphyry-style mineralization for the project, in an area where manual test pits have defined a large area of copper sulphide minerals in bedrock including chalcopyrite, minor bornite and trace covellite. A total of 125 samples have been collected at the bedrock interface noting that 25 samples had greater than 0.10% copper with 8 of those samples having greater than 0.30% copper. One sample, 61053, located 45 metres northwest of the drill collar for MERC-011, graded 0.94% copper, 0.18 g/t gold, 0.01% molybdenum, and 12.3 g/t silver.

Drill hole MERC-011 was drilled in a northwest orientation and completed at 351.00 metres, intersecting porphyry-style mineralization from surface (0.70 metres) to a depth of 152.51 metres, grading 0.25% copper, 0.08 g/t gold, 0.01% molybdenum, and 24.5 g/t silver (0.54% CuEq[(1)]). A higher-grade subset occurs from 4.70 to 23.25 metres, grading 0.99% copper, 0.25 g/t gold, 0.03% molybdenum, and 189.8 g/t silver (2.93% CuEq). (See April 20, 2021 news release for details).

(1) Metal equivalency based on US $4.08/lb Cu, US $1,702.80/oz Au, US $12.30/lb Mo, and US $25.27/oz Ag; noting that no adjustments were made in the metal equivalency calculation for metal recovery. Prices taken from 6-month contracts for precious metals and 3-month contracts for base metals from the London Metal Exchange, dated April 6, 2021.

The following is a summary of the results of the drill holes:

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Mo (%)	Ag (g/t)
MERC-001	1.40	66.00	64.60	0.11	0.20	0.03	4.1
	1.40	22.00	20.60	0.18	0.59	0.09	11.5
including	1.40	2.65	1.25	0.76	1.00	0.09	20.0
including	13.00	22.00	9.00	0.15	1.15	0.20	21.1
	560.00	562.00	2.00	0.23	0.03	0.01	1.9
MERC-002	13.85	159.07	145.22	0.22	0.04	0.01	1.0
including	61.60	110.70	49.10	0.27	0.05	0.01	1.1
including	136.16	151.07	14.91	0.48	0.12	0.02	1.9
	188.80	203.25	14.45	0.33	0.15	0.01	2.6
MERC-003	6.00	124.10	118.10	0.08	0.03	0.00	0.3
including	84.25	85.90	1.65	0.04	0.03	0.05	3.0
	168.05	178.10	10.05	0.07	0.05	0.00	0.5
	206.32	218.67	12.35	0.15	0.06	0.01	0.6
including	214.32	218.67	4.35	0.23	0.12	0.02	0.8
	354.85	358.85	4.00	0.15	0.02	0.00	0.8
MERC-004	24.20	133.60	109.40	0.19	0.04	0.01	1.1
including	40.20	91.16	50.96	0.32	0.06	0.01	1.1
including	72.15	79.08	6.93	0.77	0.16	0.01	2.4
MERC-005	14.80	438.31	423.51	0.07	0.03	0.00	0.4
including	103.80	191.80	88.00	0.10	0.04	0.00	0.4
including	115.85	139.15	23.30	0.15	0.06	0.00	0.7
including	268.20	289.40	21.20	0.17	0.06	0.00	0.9
including	281.40	283.40	2.00	0.79	0.27	0.00	3.2
MERC-006	28.55	129.10	100.55	0.08	0.03	0.00	0.3
including	28.55	101.15	72.60	0.09	0.04	0.00	0.3
MERC-007	4.80	402.19	397.39	0.09	0.04	0.00	1.0
including	4.80	18.80	14.00	0.27	0.24	0.00	3.2
	516.15	678.30	162.15	0.07	0.01	0.00	2.0
including	569.80	570.31	0.51	0.49	0.72	0.80	253.0
MERC-008	5.20	399.10	393.90	0.11	0.07	0.00	0.5
including	5.20	21.25	16.05	0.25	0.21	0.00	1.8
including	59.20	61.45	2.25	0.07	0.02	0.14	0.0
including	276.70	327.70	51.00	0.22	0.19	0.01	0.9
including	276.70	295.36	18.66	0.31	0.32	0.01	1.3
including	280.74	282.74	2.00	0.79	1.04	0.00	3.5
including	313.84	327.70	13.86	0.28	0.19	0.02	1.2
MERC-009	84.74	319.99	235.25	0.13	0.02	0.01	1.2
including	216.76	258.50	41.74	0.21	0.03	0.01	2.0

Drill Hole	From (m)	To (m)	Thickness (m)	Cu (%)	Au (g/t)	Mo (%)	Ag (g/t)
including	216.76	226.58	9.82	0.32	0.03	0.01	3.1
including	220.76	224.58	3.82	0.47	0.03	0.02	4.3
	377.91	454.37	76.46	0.09	0.01	0.00	1.4
including	434.65	440.65	6.00	0.22	0.02	0.00	4.6
MERC-010	46.77	50.77	4.00	0.10	0.08	0.00	3.6
	194.17	198.16	3.99	0.08	0.04	0.01	5.1
	227.00	540.73	313.73	0.08	0.03	0.00	0.7
including	428.35	540.73	112.38	0.14	0.04	0.01	0.8
including	502.47	509.85	7.38	0.24	0.05	0.01	1.3
MERC-011[(2)]	0.70	152.51	151.81	0.25	0.08	0.01	24.5
including	4.70	23.25	18.55	0.99	0.25	0.03	189.8
including	10.28	23.25	12.97	1.16	0.30	0.03	268.0
including	16.30	23.25	6.95	0.76	0.13	0.03	483.7
MERC-012	8.00	50.11	42.11	0.09	0.18	0.00	1.0
including	29.23	34.27	5.04	0.10	1.35	0.00	1.3
including	42.11	46.11	4.00	0.27	0.01	0.00	0.4
	322.95	334.87	11.92	0.13	0.04	0.00	1.8
including	322.95	326.93	3.98	0.23	0.07	0.00	3.1

During 2020, exploration activities, on both Rosa de Oro and Carmen de Pijilí concessions, were ramped up to include geological mapping, hydrothermal alteration studies, and structural mapping that was to focus on the paragenetic sequencing of the veining and its link to possible epithermal and porphyry systems known to occur regionally. The regional geological framework shows a large tonalitic intrusion with smaller diorite plug being emplaced into host mafic volcanic rocks underlying the Rosa de Oro and Carmen de Pijilí concessions. No age dating data is available for this area to confirm emplacement of the intrusions into the host strata, but they are believed to be Oligocene or Miocene in age based upon work done on the Chaucha intrusion that hosts Southern Copper Corporation's Chaucha copper-molybdenum deposit, approximately 10 kilometres northeast of the Rosa de Oro and Carmen de Pijilí concessions.

Regional prospecting and geological mapping resulted in the total collection of 286 grab and float samples have been collected from the Rosa de Oro concession and 312 grab and float samples have been collected from the Carmen de Pijilí concession. The samples were principally from creeks and river exposures over both concessions that identified four high-priority areas for follow-up called El Pato, Rosa de Oro, Naranjos, and Papagayo. An optimized 200 metre by 200 metre spacing was established for collection of surficial geochemistry samples over both concessions. To date, a total of 562 soil samples have been collected from Rosa de Oro concession and 441 soil samples from the Carmen de Pijilí concession. The initial review of geochemical supported the prospecting results and the delineation of four high priority targets that the technical teams have laid out additional soil sampling at 100 metres by 100 metres spacing for the high priority areas to delineate the targets more accurately.

Future Steps

Given the positive results from the drilling program on the Mercy concession intersecting porphyry mineralization in all twelve drill holes, opportunities are being assessed for a second phase of exploration drilling for later in 2021 or early 2022 to focus on expanding the areas of higher-grade mineralization. Future drilling would continue developing the geological understanding of the new Ensillada porphyry system discovery. In the interim, fieldwork will continue advancing the manual test pit program to further trace porphyry mineralization and aid with the definition of drilling targets. The work on Mercy concession will run in parallel with the continued exploration on the Rosa de Oro and Carmen de Pijili concessions 8.0 km to the west where targets are being developed for possible drill-ready status (see April 8, 2021 news release).

Exploration Alliance - Santiago Project

The Santiago Project consists of a single concession that encompasses 2,350 hectares. It is located in a geological setting similar to the nearby Loma Larga deposit owned by INV Metals Inc. and is considered prospective for epithermal gold and silver and porphyry copper gold deposits. It features three large, surficial geochemistry anomalies for gold, copper, and zinc. Numerous vein occurrences have been identified on the property thus far, which have yielded good chip sampling results for both gold and silver, including the following highlights (see Salazar news release for technical summary on February 23, 2012):

Española Vein: (up to 3 metres width)

- 2.0 m @ 28.10 g/t gold and 231.0 g/t silver

- 1.0 m @ 26.00 g/t gold and 242.0 g/t silver
- 1.0 m @ 18.20 g/t gold and 252.0 g/t silver
- 1.0 m @ 4.80 g/t gold and 442.0 g/t silver

Structure Quartz-Tourmaline: (3 metres width)
- 1.9 m @ 1.19 g/t gold, 14.3 g/t silver and 296 ppm molybdenum
- 3.3 m @ 0.59 g/t gold, 36.6 g/t silver and 390 ppm molybdenum

Ribs Zone and Ancha Vein: (up to 5 metres width)
- 1.0 m @ 1.29 g/t gold and >100 g/t silver
- 1.0 m @ 1.65 g/t gold and >100 g/t silver

Structure F.U.: (1.5 metres width)
- 1.4 m @ 4.80 g/t gold and 378.0 g/t silver
- 1.2 m @ 6.40 g/t gold and 136.0 g/t silver
- 1.2 m @ 4.20 g/t gold and 183.0 g/t silver

There have also been historically modest drilling campaigns by two operators on the property, including Newmont Mining Corporation in the mid-1990s that reported wide drill intercepts for copper-gold from surface. Unfortunately, these historic drill results cannot be verified, as the drill core is unavailable. Additional work, including drilling, will be required to validate these reported historical drill results.

The initial 24-month program will entail detailed prospecting, surficial sampling, geological and structural mapping, implementation of a PIMA/TerraSpec for detailed hydrothermal alteration mineral studies, and geophysics. An airborne geophysical survey (MobileMT) was was flown in a systematic grid pattern to ensure full coverage and depth penetration. Field crews successfully completed 94.2% line-kilometres at the Santiago Project. Evaluation and construction planning work has begun on the potential upgrade of local roads and support infrastructure ahead of a planned drilling program. The proposed drill program will utilize results from the 2019 MobileMT geophysical survey, and all compiled historical exploration results.

Qualified Person

Vice President Exploration for Adventus, Mr. Jason Dunning, M.Sc., P.Geo., a Qualified Person ("QP") as defined by National Instrument 43-101, is the QP for Exploration Alliance Projects in Ecuador and has reviewed and verified the technical information provided.

Wholly-Owned Portfolio

The Company continues to work on its strategy to discover, de-risk and define deposits within its wholly-owned portfolio. Salazar Resources intends to retain 100% exposure to its top future discovery and to find mid-tier or major mining company partners for the more advanced work on its non-core discoveries.

The Company is working closely with regulators in Ecuador and has established detailed health & safety protocols to enable field work on its 100%-owned licences. The non-renewable resources sector has been designated as strategic and vital to the economy by the government. As such, field work is actively encouraged, while keeping the safeguarding of local communities, employees, and contractors as a priority. Key aspects include strict hygiene, physical distancing and appropriate quarantining.

Macara Project

The Macara Project currently comprises concessions: (i) Macara Mina concession (288 hectares) leased from a third-party; and (ii) Bonanza mining concession (1,519 hectares) granted by the Ecuadorian government as follows:

(i) On November 6, 2017 the Company entered into an option agreement with an Ecuadorian individual (the "Macara Vendor") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Mina Concession") located in the province of Loja, Ecuador. The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm's length to the Company. Pursuant to the terms of the Macara

Option the Company has paid US $200,000 and agreed to make additional cash payments totalling US $400,000 (collectively the "Option Proceeds"), as follows:

- US $200,000 on the earlier of a NI43-101 resource calculation or November 6, 2021; and
- US $200,000 on the earlier of a preliminary economics assessment of November 21, 2024.

The Macara Vendor retains a 0.5% NSR, which may be purchased by the Company for US $1,000,000 at any time.

The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the Option Proceeds equally.

(ii) In July 2017 the Company was awarded a concession (the "Bonanza Concession), located in the provinces of Loja and Tacamoros, Ecuador.

The Macara Project lies within Célica volcano-sedimentary Formation (known as the Lancones Formation in neighboring Peru), which is intruded by the Cretaceous-age Tangula granodiorite batholith. This project is highly prospective for epithermal gold-silver, gold-copper porphyry and volcanogenic massive sulfide (VMS) deposits with gold caps at surface. The Macara Project is located 100km to the north of the Tambogrande VMS deposit in the Cretaceous Lancones basin of northwestern Perú, which hosts some of the largest Cu-Zn-Au-Ag-bearing massive sulfide deposits in the world.

Phase 1 exploration at the Macara Project, in 2019, consisting of mapping and sampling (soils and rocks), has been completed. 240 soil samples, on a 100m x 100m grid were taken, with results as high as 9.94 g/t Au helping to define a 600m x 300m anomaly. 152 rock samples (outcrop and float) were taken, with the highest grade chip sample returning 29.6 g/t Au over 1.0 metre. Applications for appropriate drill, water-use and environmental permits have been submitted. The Company had anticipated executing a first pass drill program of up to 3,000m during fiscal 2020 prior to the disruption caused by COVID-19.

Ahead of drilling to target gold resources and VMS accumulations, the Macara Mina licence has been digitally mapped to provide a topographic model accurate to 5 cm. On November 12, 2020, the Company announced that it has commenced a ground-based gravity and magnetic geophysical survey comprising seventeen lines, spaced 100 m apart, for 31 line-kms in total. Magnetic and gravity measurements will be taken approximately every 100 m. Deep Sounding, High Resolution Geophysics, Peru, has been contracted to carry out the work. Ground gravity geophysics is a proven tool in VMS exploration, especially for pin-pointing deposits that are not exposed at surface. Several blind massive sulphide deposits have been discovered using joint interpretation of geological and geophysical models, including Neves-Corvo and Lagoa Salgada in Portugal, Valverde and Las Cruces in Spain, and the Tambo Grande deposits in Peru, just 90 km to the southwest of Macara. The Company anticipates drilling the Macara targets during 2021.

On January 14, 2021 the Company reported that the geophysical survey was completed in December 2020, the raw data had been received, that interpretation of the gravity and magnetic data was ongoing, and that a final report was being prepared. The Company also reported that it was advancing a 3,000m scout drilling application with plans to drill as soon as relevant permits are granted.

On April 13, 2021, the Company the results of an interpretation of the geophysical surveys conducted by Brian Williams, Consultant Geophysicist at Williams Geophysics Ltd (UK). A portion of the area in the southwest could not be surveyed due to prohibitively steep terrain. Due to the rugged topography the Magnetic Vector Inversion ("MVI") and gravity interpretations were presented at -200m and -500m respectively below surface. MVI was used as that was found to best accommodate the remnant magnetic fields in the magnetic sources. The MVI anomaly is clear from -50m to -200m. The main magnetic body lies beneath the valley in the northern part of the grid, near the center of the large gold-bearing geochemical anomaly. This suggests that the gold is associated with the magnetic body, and the survey showed that the anomaly persists at depth. The magnetic sources appear to lie in an arc trending SSW from north to south across the grid. The gravity survey did not identify a large dense body that would have potentially indicated a massive sulphide occurrence but it did highlight an area of low density in the northern part of the license area. The gravity low coincides well with the hydrothermal breccias and gold anomalies shown in the rock samples. The anomaly improves in resolution with depth. At a depth of 500 m it shows a potential correlation between the gravity signal and the geochemical signal more clearly than shallower slices. The combined gravity and magnetic anomalies, coupled with the geology, indicate that the features may well be part of a feeder system or the host of the

mineralization seen at surface. Thick units of pillow lavas are evident in the area, and the low density zone under the geochemical anomaly could be generated by an intrusion.

Rumiñahui Project

The Ruminahui Project comprises two concessions located in the province of Pichincha, Ecuador.

In the first half of fiscal 2019, the Company continued community liaison at Rumiñahui, supporting the Community Association with projects such as road repairs and agri-initiatives. A scout drilling plan and associated environmental impact assessment have been approved. The application for a water-use permit is underway. The Company has scheduled a Phase 1 drill programme of approximately 3,000m to start dependent on when the COVID-19 situation has stabilized and it is deemed safe to do so by the national and regional authorities of Ecuador who are working closely with the WHO.

With partial lifting of COVID-related restrictions in Ecuador, fieldwork at the Rumiñahui Project commenced in early July 2020 and started with stream sediment sampling, mapping and rock chip sampling. It is the first time that geologists have carried out systematic technical work at Rumiñahui since 2007 given the complexity of community relations initially encountered by the Company in the area. After lengthy community engagement and dialogue, the Company has now signed an access agreement allowing field work to progress. The sampling and mapping work will help to delineate targets that are planned to be drilled in 2021.

On January 14, 2021 the Company reported that preparations for a preliminary drill program of 3,000m to test gold-copper targets during Q2/2021 were underway. The drill program is designed to test historic adits, old workings, near surface veins and stockworks that may be linked to an underlying porphyry. Drilling will be the culmination of years of positive and constructive dialogue with the local community.

On April 13, 2021 the Company reported that preparations for a preliminary drill program of 3,000 m to test gold-copper targets are complete, bar the water use permit. The drill program is being designed to test historic adits, old workings, near surface veins and stockworks that Salazar believes may be linked to an underlying porphyry. The core shed and logging areas are ready, as are all the support and logistics systems. The Company has complied with the regulatory requirements to qualify for drilling and is now awaiting final sign-off from the local authorities. Drilling will be the culmination of years of positive and constructive dialogue with the local community.

Los Osos Project

On March 21, 2019 the Company entered into an option agreement with an Ecuadorian individual (the "Los Osos Vendor"), whereby the Company has been granted the option to acquire up to a 100% interest in one mineral concession (the "Los Osos Concession") located in the Province of El Oro, Ecuador. The Los Osos Vendor is currently an employee of the Company however, at the time the Los Osos Vendor acquired the Los Osos concession they were at arm's length to the Company. Pursuant to the terms of the agreement the Company may earn up to a 100% interest in the Los Osos Concession, via a series of staged payments over 48 months for a total sum of US $250,000, as follows:

Interest	**Amount US$**
15% on March 21,2019	35,000 (paid)
15% on March 21,2020	35,000 (paid)
20% on March 21,2021	50,000 (paid)
25% on March 21,2022	65,000
25% on March 21,2023	65,000
	250,000

The Los Osos Vendor also retains a 1% NSR, which may be purchased by the Company for US $1,000,000 at any time.

The Los Osos Concession is a 229 hectare, single concession, exploration licence located in the Cerro Pelado-Cangrejos mineral district within the Province of El Oro in southwest Ecuador. The licence area hosts a system of veins rich in gold and silver, combined with hydrothermal breccias and mineralised gold-copper porphyries. Several quartz-tourmaline breccias mineralised with chalcopyrite and pyrrhotite are present on the property.

Under previous tenure, the area has been mapped, sampled, and subject to airborne geophysical surveys (magnetic and radiometric). Artisanal miners have historically worked some of the veins, and small scale mining has been active on the Los Osos Concession and the adjacent properties for over fifteen years.

In January 2020 the Phase 1 geological exploration fieldwork at the Los Osos Project was completed and the Company identified extensive sulphide mineralization within porphyries, metamorphic rocks and hydrothermal breccias mapped and tested, peaking at 14.5 g/t gold over 0.6 m in a veined quartzite. An apparent correlation of gold and copper grades with sulphide intensity was noted, and numerous old workings for gold-silver in high-grade veins and in some hydrothermal breccia zones were mapped. One of the mineralized zones, Area A, was traced over approximately 50 m, despite limited exposure. Four samples were taken from a gully ranging from 0.4 g/t gold over a fault zone, to 14.5 g/t gold from a channel sample in veined quartzite. In a second mineralized area, Area B, a broadly continuous breccia body was identified in underground workings over approximately 100m, and mappable at surface approximately 600 m northeast of Area A. Thirty-three samples were taken from the underground workings, and range in grade from six separate samples that returned 0.1 g/t gold in channel samples, to a panel sample in breccia that returned 4.5 g/t gold.

In the northeast of the licence area there are several NE-SW trending quartz-breccia veins that are up to one meter in thickness and can be traced over several hundred meters. These arsenopyrite-pyrite-chalcopyrite veins contain significant gold and silver values and have been extensively worked by artisanal miners. Intense propyllitic-argillic alteration and silicification can be observed across the property.

The Company believes that the distribution of gold mineralization visible to date at Los Osos is highly encouraging. The high-grade veins in the northeast of the concession area illustrate that the mineralizing systems at Los Osos are metal rich but are not a priority exploration target for the Company due to their small tonnage potential.

On September 23, 2020 the Company announced a 5,000m diamond drill program to test mineralized porphyry and associated veins and hydrothermal breccias identified in mapping and sampling. The plan is to drill up to 5,000m starting in October 2020 to test the depth-extent of gold-copper mineralization that is visible at the surface in porphyries and hydrothermal breccias. Drilling at Los Osos is ongoing.

On December 10, 2020 the Company reported the completion of hole OSO-01 at a depth of 647m with favourable visible geology, alteration and sulphides. On January 14, 2021 Salazar reported that hole OSO-02 had been completed at a depth of 576m prior to the cessation of drilling for the Christmas holiday period. Drilling resumed in January with hole OSO-03 (500m planned depth) targeting mineralization in the northwest of the concession area. Assays for holes OSO-01 and OSO-02 were pending.

On February 12, 2021 the Company reported assays for holes OSO-01 and OSO-02. The holes focused on hydrothermal breccias and intrusive diorites with porphyry copper-gold potential. Encouragingly, the drilling intercepted significant zones of mineralization that are consistent with a large-scale gold system with 244 m of broad mineralization encountered in drill hole OSO-01.

Drill Results for OSO-01 and OSO-02

Drill Hole	From (m)	To (m)	Width (m)[1]	Au (g/t)	Cu (%)
OSO-01	0.0	243.7	243.7	0.31	0.06
including	0.0	69.0	69.0	0.58	0.02
including	25.0	28.0	3.0	4.59	0.03
	389.0	393.0	4.0	0.28	0.07
	493.0	529.0	36.0	0.20	0.07
	541.1	553.3	12.2	0.21	0.04
	563.4	574.8	11.4	0.60	0.03
	625.0	631.0	6.0	0.31	0.02
OSO-02	319.0	320.0	1.0	22.90	-
	337.9	339.1	1.2	2.51	-
	539.0	540.8	1.8	1.45	-

1 Reported intervals are down-hole lengths and not true thickness.

OSO-01 successfully intersected hydrothermal breccias, 0.1 to 3% chalcopyrite, pyrite, pyrrhotite and arsenopyrite, clay alteration (sericite + chlorite), quartz veining, veinlets, and stockworks, with elevated to anomalous gold mineralization. All of which indicates that the hole was drilled into the upper part of a mineralized porphyry system.

The best continuous run of gold grades was present in the metamorphic (quartzitic) host rocks in OSO-01 from surface to 63 m downhole, with an average of 0.58 g/t gold and 0.02% copper over 69 m. Within this run, an interval of 3 m returned 4.59 g/t gold and 0.03% copper from a depth of 25 m. Salazar interprets the higher gold grades in the top section to be a function of a weathering process that caused some enrichment in the oxidized zone. OSO-01 continued into breccias and intrusions that were mapped in old workings, and gold and copper were present throughout the entire hole. The intersection of 244 m @ 0.31 g/t gold and 0.06% copper from surface is highly encouraging. It is also worth noting that not a single sample was below detection limits in the 644 m hole.

OSO-02 was collared in a >200 ppm copper-in-soil anomaly on a slope. It is possible the copper anomaly has been displaced down slope and the source of the anomaly is further up slope, near the overlapping copper and gold soil anomalies. In OSO-02, three veins returned grades above 1 g/t gold, with a maximum of 22.9 g/t gold within a 1 m sample at a down hole depth of 319 m, containing a 30 cm thick vein. In addition, a 1.2 m sample from 337.85 m to 339.05 m returned 2.5 g/t gold, and a 1.75 m sample from 539.00 m to 540.75 m returned 1.4 g/t gold. Furthermore, only seven samples of approximately 2 m each in the 576 m hole were below detection limits, suggesting that OSO-02 is on the margin of a mineralized system.

The multi-hole drill program targeting a large area of unexplored potential at Los Osos is continuing. OSO-03 will be drilled using a rig owned by Andes Drill, Salazar's wholly-owned drilling subsidiary, once it becomes available. The target for OSO-03 is a prospective area to the north of OSO-01 that has coincident copper and gold anomalies in soil.

On April 13, 2021 the Company reported that hole OSOS-03 (270º/-60º), a step-out to the north of hole OSOS-01, is currently drilling to test the continuity of the mineralization intersected in OSOS-01. At time of reporting the hole was at a depth of 508m. The core will be logged prior to despatch for assay. Following completion of OSOS-03 Salazar is planning to drill test the high-grade structures in the northeast of the property.

Los Santos Concession

On December 8, 2020 the Company entered into a binding letter of intent (the "Los Santos LOI") with Minera Mesaloma S.A. ("Mesaloma") whereby the Company may acquire a 100% interest in the Los Santos Concession, located in southwest Ecuador. Pursuant to the terms of the LOI the Company made an initial payment of $32,620 (US $25,000) and in January 2021, upon receipt of TSXV approval, the Company made an additional payment of US $50,000 (the "Second LOI Payment"). Upon making the Second LOI Payment the parties are proceeding with the preparation and execution of a definitive agreement under which the Company may then earn the following interests by making option payments (the "Option Payments") of:

Interest	Amount US$
26% on first anniversary	150,000
25% on second anniversary	250,000
10% on third anniversary	350,000
19% on fourth anniversary	500,000
10% on fifth anniversary	700,000
	1,950,000

Upon the Company having earned a beneficial 90% interest in the Los Santos Concession the Company may acquire the remaining 10% interest by paying Mesaloma US $2,000,000 and granting a 1.5% NSR, which may be repurchased by the Company for a price of US $1,250,000 per 0.5% NSR.

Mesaloma can elect to receive the Second LOI Payment and or any of the Option Payments, in lieu of the respective cash amounts, in units of the Company. Each unit will comprise one common share and one-half share purchase warrant. Each unit will be issuable at the greater of $0.23 or the five-day volume weighted average price minus a discount of 7.5% from the market price prior to the payment date. Each warrant will be exercisable for 18 months at

the greater of $0.305 or the market price prior to the payment date. At Mesoloma's election, the Company made the Second LOI Payment through the issuance of 177,283 units comprising 177,283 common shares and 88,642 warrants, with each warrant entitling the holder to acquire an additional common share at a price of $0.385 per share, expiring July 22, 2022, at a fair value of $74,458 (US $50,000).

On January 14, 2021 the Company reported that mapping and sampling had already started with a view to generating drill targets that can be drilled later in the second half of 2021. Key areas of interest are situated where artisanal activity has been concentrated and also where areas of anomalous mineralization have been highlighted in previous exploration. The 2,215 hectare property is situated adjacent to the concessions hosting the 16.7 Moz Cangrejos deposits and it is approximately 10 km northeast of Los Osos project (Salazar 100%).

On April 13, 2021 the Company reported that field crews have mapped about 12% of the 2,215-hectare licence area so far, with a number of soil and rock chip samples collected and assayed. The geochemical plots show that the gold and the copper anomalies are coincident, with gold values high relative to copper. The presence of porphyritic intrusions and artisanal development on structures has been noted, but so far the intense brecciation seen at Los Osos has not been encountered. Fieldwork is continuing with the aim of having drill targets developed by mid-year.

Qualified Person

Kieran Downes, Ph.D., P.Geo., a Qualified Person ("QP") as defined by National Instrument 43-101, is the Company's QP for the Company's wholly-owned properties and has reviewed and verified the technical information provided.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended December 31,		
	2020 $	2019 $	2018 $
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(1,172,622)	(1,957,967)	(1,124,928)
Other items	175,160	637,604	2,432,122
Net (loss) income	(997,462)	(1,320,363)	1,307,194
Other comprehensive (loss) income	(795,390)	625,478	5,454,698
Comprehensive (loss) income	(1,792,852)	(694,885)	6,761,892
Basic and diluted (loss) income per share	(0.01)	(0.01)	0.01
Balance Sheet:			
Working capital	1,807,920	4,462,286	5,558,915
Total assets	26,092,902	26,259,090	27,282,064
Total long-term liabilities	Nil	Nil	Nil

During fiscal 2018 the majority of the labour, materials and other costs incurred, drilling services and funding were denominated in United States dollars. Accordingly, the Company's subsidiaries changed their functional currency from the Canadian dollar to the United States dollar. For fiscal 2018 assets, liabilities and transactions of the Company's subsidiaries are therefore translated into Canadian dollars using the report date closing exchange rate. Income and expenses are translated into Canadian dollars at the average exchange rate over the reporting period. Exchange differences are presented in other comprehensive income and recognized in the accumulated other comprehensive income. As a result, in fiscal 2018, the Company recorded other comprehensive income of $5,454,698.

During fiscal 2019 the level of activity at its exploration properties was significantly curtailed as drill permits were pending. The Company's drill rigs were on standby and substantial holding costs were incurred. For fiscal 2019 the Company did not have a significant gain on property dispositions and recorded a significant expense from share-based compensation on options grants. These factors contributed to the increase in expenses and the loss for the period.

During fiscal 2020 the Company incurred a comprehensive loss of $1,792,852 compared to comprehensive loss of $694,885 an increase of $1,097,967. The biggest factor contributing to the increase was the change in currency translation of foreign subsidiaries from a gain of $625,478 to a loss of $795,390 an increase in comprehensive loss of

$1,420,868. The weakening of the US dollar from December 31, 2019 to December 31, 2020 was the reason for this increase.

During fiscal 2020 there was a significant decrease in income from other items. The Company did not record any gain on sale of investments. These are non-recurring items. The decrease in interest income was due to lower cash balances and lower interest rates. In fiscal 2019 the Company's drill rigs were on standby and in fiscal 2020 the rigs operated albeit not all year, and the Company was able to earn some income. The operator fees are a contractual matter and calculated in accordance with the agreement with Adventus.

Excluding cost recoveries and drill rig standby costs, expenses in fiscal 2020 were $1,480,260 versus $1,940,197 in fiscal 2019. The most significant contributing factor to this decrease is share-based compensation. This was due to the fact there were few options granted in 2020. The other costs did not change significantly.

There were no drill rig standby costs in fiscal 2020 as the Company had drill programs to complete utilizing our rigs.

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2020				Fiscal 2019			
Three Months Ended	**Dec. 31 2020 $**	**Sep. 30 2020 $**	**Jun. 30 2020 $**	**Mar. 31 2020 $**	**Dec. 31 2019 $**	**Sep. 30 2019 $**	**Jun. 30 2019 $**	**Mar. 31 2019 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	192,752	(280,802)	(547,933)	(536,639)	(228,152)	(239,933)	(274,972)	(1,214,910)
Other items	(2,008)	124,121	66,210	(13,163)	32,690	132,608	106,328	365,978
Net income (loss)	190,744	(156,681)	(481,723)	(549,802)	(195,462)	(107,325)	(168,644)	(848,932)
Other comprehensive income (loss)	(1,223,087)	(612,553)	(1,071,903)	2,112,153	1,964,476	(521,993)	(563,476)	(253,529)
Comprehensive (loss) income	(1,032,343)	(769,234)	(1,553,626)	1,562,351	1,769,014	(629,318)	(732,120)	(1,102,461)
Basic and diluted income (loss) per share	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Balance Sheet:								
Working capital	1,807,920	2,681,622	3,248,935	3,730,964	4,462,286	4,324,303	4,945,970	5,472,417
Total assets	26,092,902	26,781,862	26,563,796	28,218,436	26,259,090	21,030,693	21,470,208	21,958,181
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended December 31, 2020 Compared to the Three Months Ended December 31, 2019

During the three months ended December 31, 2020 ("Q4/2020") the Company recorded a net income of $190,744 compared to a net loss of $195,462 for the three months ended December 31, 2019 ("Q4/2019") an increase in income of $386,206. The fluctuation is primarily attributed to the reallocation of drill standby costs to drill income, net of costs, as the majority of drilling activities occurred in Q4/2020.

Three Months ended December 31, 2020 Compared to the Three Months ended September 30, 2020

During the three months ended December 31, 2020 ("Q4/2020") the Company recorded a net income of $190,744 compared to a net loss of $156,681 for the three months ended September 30, 2020 ("Q3/2020"), an increase in income of $347,425. The increase is primarily attributed to the reallocation of drill standby costs to drill income, net of costs, as the majority of drilling activities occurred in Q4/2020.

Three Months ended September 30, 2020 Compared to the Three Months ended June 30, 2020

During the three months ended September 30, 2020 ("Q3/2020") the Company recorded a net loss of $156,681 compared to a net loss of $481,723 for the three months ended June 30, 2020, a decrease in loss of $325,042. The decrease is primarily attributed to $120,526 drill income, net of costs, generated from drilling activities in Q3/2020 on the Pijili Project which is being funded by Adventus.

Three Months Ended June 30, 2020 Compared to the Three Months Ended March 31, 2020

During the three months ended June 30, 2020 ("Q2/2020") the Company recorded a net loss of $481,723 compared to net loss of $549,802 for the three months ended March 31, 2020 ("Q1/2020") a decrease in loss of $68,079. The decrease is primarily attributed to a foreign exchange gain of $18,600 during Q2/2020 compared to a foreign exchange loss of $31,633 during Q1/2020.

Three Months Ended March 31, 2020 Compared to the Three Months Ended December 31, 2019

During the three months ended March 31, 2020 ("Q1/2020") the Company recorded a net loss of $549,802 compared to net loss of $195,462 for the three months ended December 31, 2019 ("Q4/2019") an increase in loss of $354,340. The fluctuation is primarily attributed to the allocation of costs to exploration and evaluation assets.

Three Months Ended December 31, 2019 Compared to the Three Months Ended September 30, 2019

During the three months ended December 31, 2019 ("Q4/2019") the Company reported a net loss of $195,462 compared to net loss of $107,325 for the three months ended September 30, 2019 ("Q3/2019") an increase in loss of $88,137. The fluctuation is primarily attributed to the recognition of a gain on property dispositions of $99,138 in Q3/2019 compared to $nil in Q4/2019.

Three Months Ended September 30, 2019 Compared to the Three Months Ended June 30, 2019

During the three months ended September 30, 2019 ("Q3/2019") the Company reported a net loss of $107,325 compared to net loss of $168,644 for the three months ended June 30, 2019 ("Q2/2019") a decrease in loss of $61,319. The fluctuation is primarily attributed to the Company recognizing audit fees of $60,596 in Q2/2019 compared to $nil in Q3/2019 due to the timing of the billings.

Three Months Ended June 30, 2019 Compared to the Three Months Ended March 31, 2019

During the three months ended June 30, 2019 ("Q2/2019") the Company reported a net loss of $168,644 compared to net loss of $848,932 for the three months ended March 31, 2019 ("Q1/2019") a decrease in loss of $680,288. The fluctuation is primarily attributed to the following:

(i) recognition of share-based compensation of $478,715 on the granting and vesting of 5,472,000 share options in Q1/2019. No share options were granted in in Q2/2019; and
(ii) recognition of general exploration of $287,308 in Q1/2019 compared to a recovery of $6,432 in Q2/2019 as the majority of the regional exploration was conducted in Q1/2019.

The decrease was partially offset by recognition of a $367,315 gain in Q1/2019 on the sale of all of the Company's investments.

Year ended December 31, 2020 Compared to the Year Ended December 31, 2019

During the year ended December 31, 2020 ("fiscal 2020") the Company reported a net loss of $997,462 compared to a net loss of $1,320,363 for the year ended December 31, 2019 ("fiscal 2019"), a decrease in loss of $322,901. The decrease is primarily attributed to a decrease in expenses from $1,957,967 during fiscal 2019 to $1,172,622 during fiscal 2020 which was partially offset of by a $367,316 gain on sale of investments during fiscal 2019 compared to $nil during fiscal 2020.

Excluding cost recoveries, expenses decreased by $941,127 from $2,421,387 during fiscal 2019 to $1,480,260 during fiscal 2020. Specific expenses of note are as follows:

(i) during fiscal 2019 the Company recorded share-based compensation of $516,164 on the granting and vesting of share options compared to $35,418 during fiscal 2020;
(ii) incurred general exploration of $49,617 (2019 - $87,880). The decrease reflects the Company capitalizing general exploration costs to exploration and evaluation assets; and
(iii) during fiscal 2020 the Company incurred $274,668 for consulting fees compared to $187,593 during fiscal 2019. During fiscal 2020 the Company engaged consultants for advisory services.
(iv) incurred drill rig standby costs of $481,190 during fiscal 2019 as the Company maintains the drill rigs in an operation ready status until it is needed. No standby costs were incurred during fiscal 2020;

Exploration and Evaluations Assets

During fiscal 2020 the Company incurred a total of $10,022,244 (2019 - $9,369,624) for exploration and evaluation assets comprising of $8,148,897 (2019 - $6,473,619) on the Curipamba Project and $1,873,347 (2019 - $2,896,005) on other projects. During fiscal 2020 Adventus funded a total of $10,462,071 (2019 - $10,214,730) for costs incurred by the Company, of which $2,256,806 (2019 - $3,261,960) was applied against property, plant and equipment, $7,897,627 (2019 - $6,489,350) against exploration and evaluation assets and $307,638 (2019 - $463,420) as an expense recovery. As at December 31, 2020, a balance of $155,340 (2019 - $288,182) as advances from the joint-venture partner and $215,980 (2019 - $397,896) of unspent funding remained in restricted cash. The balances are expected to vary due to timing of funding from Adventus and expenditures on the Curipama Project.

Details of the exploration and acquisition expenditures are as follows:

	Curipamba $	Exploration Alliance $	Other $	Total $
Balance at December 31, 2018	18,823,922	92,526	268,901	19,185,349
Exploration costs				
Assay analysis	251,626	123,336	67,916	442,878
Camp supervision and personnel	319,051	44,371	369,243	732,665
Camp supplies	308,021	25,712	44,718	378,451
Community relations	829,094	-	8,125	837,219
Environmental studies	61,424	12,792	19,531	93,747
Equipment maintenance	386,092	11,293	20,727	418,112
Exploration site	642,557	76,359	80,864	799,780
Geological	617,882	43,388	1,189	662,459
Geophysics	-	1,143,935	-	1,143,935
Legal	69,683	-	11,227	80,910
Permits	160,595	-	-	160,595
Salaries	2,016,387	265,980	584	2,282,951
Supplies	200,689	-	23,550	224,239
Travel	418,757	83,155	36,839	538,751
	6,281,858	1,830,321	684,513	8,796,692
Acquisition costs				
Property / concession payments	191,761	104,000	277,171	572,932
Other				
Cost recoveries	(6,489,350)	(2,024,310)	-	(8,513,660)
Management fees	(464,380)	-	-	(464,380)
Advance payment	(331,700)	-	-	(331,700)
Foreign exchange movement	781,532	(2,537)	(37,765)	741,230
	(6,503,898)	(2,026,847)	(37,765)	(8,568,510)
Balance at December 31, 2019	18,793,643	-	1,192,820	19,986,463
Exploration costs				
Assay analysis	323,038	-	71,050	394,088
Camp supervision and personnel	113,707	-	677,957	791,664
Camp supplies	-	-	113,969	113,969
Community relations	754,264	-	28,568	782,832
Construction	144,310	-	-	144,310
Consulting	159,388	-	-	159,388
Depreciation	-	-	14,902	14,902

	Curipamba $	Exploration Alliance $	Other $	Total $
Drilling	1,456,980	-	275,422	1,732,402
Environmental studies	222,408	-	28,913	251,321
Equipment maintenance	373,071	-	35,163	408,234
Exploration site	260,845	-	94,692	355,537
Geological	717,093	-	65,099	782,192
Legal	137,328	-	32,556	169,884
Permits	33,085	-	-	33,085
Salaries	2,562,805	-	2,916	2,565,721
Supplies	22,819	-	96,148	118,967
Travel	215,414	-	51,024	266,438
VAT incurred	421,253	-	36,082	457,335
	7,917,808	-	1,624,461	9,542,269
Acquisition costs				
Property / concession payments	231,089	-	248,886	479,975
Other				
Cost recoveries	(7,897,627)	-	-	(7,897,627)
Management fees	(502,950)	-	-	(502,950)
Advance payment	(335,300)	-	-	(335,300)
Drilling services	(59,497)	-	-	(59,497)
Foreign exchange movement	(523,971)	-	(122,153)	(646,124)
	(9,319,345)	-	(122,153)	(9,441,498)
Balance at December 31, 2020	17,623,195	-	2,944,014	20,567,209

See also "Properties Update".

Financing Activities

No financings were conducted during fiscal 2020 or fiscal 2019.

On February 2, 2021 the Company completed a non-brokered private placement of 18,572,000 common shares at $0.35 per share, for total proceeds of $6,500,200. The funds will be used to accelerate exploration of the Company's 100% owned properties.

Financial Condition / Capital Resources

The Company has negotiated a number of agreements to provide continued funding for exploration of its exploration and evaluation assets. As at December 31, 2020 the Company had working capital of $1,807,920 and an accumulated deficit of $26,532,416. Management considers that the Company has adequate resources to maintain its core operations and, with the financial support of its partner, conduct ongoing exploration programs on its existing exploration and evaluation assets for the next twelve months. See also "COVID-19".

Contractual Commitments

(a) When applying for new concessions via the public tender process in Ecuador, the Company, either directly or under option agreement, presented its investment offers for each concession. The investment offer represents the total amount that is required to be spent in order to maintain possession of the concession area at the end of the four-year investment period required by the Government of Ecuador. Accordingly, should the Company wish to retain possession of all the concession areas it holds as at December 31, 2020, the Company's commitment for fiscal 2021 is approximately $2,300,000.

(b) Concessions in Ecuador that were not acquired via the public tender process require the Company to submit an annual expenditure plan to the Government of Ecuador outlining the minimum amount of committed expenditures for the upcoming year. The total obligation of the Company for these concession areas for the fiscal 2021 is approximately US $2,400,000.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates

A detailed summary of the Company's critical accounting estimates and sources of estimation is included in Note 3 to the December 31, 2020 audited annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies other than:

Effective January 1, 2020 the Company adopted amendment *Definition of a Business* (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no impact on the Company's consolidated financial statements upon the adoption of this amendment.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During fiscal 2020 and 2019 the following amounts were incurred with respect to the Company's President and CEO, Fredy Salazar, the CFO, Pablo Acosta and the Executive Vice-President Merlin Marr-Johnson:

	2020 $	2019 $
Mr. Salazar		
- Salaries and compensation	102,119	95,084
- Health benefits	4,968	4,506
- Share-based compensation	-	95,000
	107,087	194,590

	2020 $	2019 $
Mr. Acosta		
- Salaries and compensation	115,879	105,719
- Health benefits	1,999	2,433
- Share-based compensation	-	55,000
	117,878	163,152
Mr. Marr-Johnson		
- Consulting fees	125,750	90,000
- Share-based compensation	19,418	68,964
	145,168	158,964
	370,133	516,706

As at December 31, 2020 $14,335 (2019 - $15,000) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2020 and 2019 the following consulting expenses were incurred with respect to non-executive directors and a former corporate secretary (Freddy Salazar) of the Company:

	2020 $	2019 $
Consulting fees - Etienne Walter	24,111	23,849
Consulting fees - Nick DeMare	48,260	47,766
Consulting fees - Jennifer Wu	24,111	23,849
Consulting fees - Freddy Salazar [(1)]	17,923	22,697
Share-based compensation - Etienne Walter	-	30,000
Share-based compensation - Nick DeMare	-	40,000
Share-based compensation - Jennifer Wu	-	30,000
	114,405	218,161

(1) Was appointed corporate secretary September 30, 2019 and subsequently resigned March 19, 2020.

As at December 31, 2020 $nil (2019 - $3,918) remained unpaid.

(ii) During fiscal 2020 the Company incurred a total of $56,054 (2019 - $55,738) to Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at December 31, 2020 $4,456 (2019 - $nil) remained unpaid.

During fiscal 2019 the Company also recorded $15,000 for share-based compensation for share options granted to Chase.

(c) During fiscal 2020 the Company incurred $151,465 (2019 - $279,967) for equipment rental services and $148,202 (2019 - $162,601) for professional services provided provided by Amlatminas S.A. (“Amlatminas”) a private corporation controlled by Mr. Salazar and Mr. Acosta. As at December 31, 2020 $95,244 (2019 - $57,982) remained unpaid.

(d) During fiscal 2020 the Company incurred $37,017 (2019 - $31,047) for storage rental provided by Agrosamex S.A. (“Agrosamex”), a private corporation controlled by the son of the President of the Company.

(e) During fiscal 2020 the Company incurred $160,483 (2019 - $10,699) for environmental studies provided by Cinge CIA LTDA (“Cinge”), a private corporation owned by the CFO of the Company.

(f) During fiscal 2020 the Company incurred $6,894 (2019 - $nil) for geological services provided by Sthejobs Services S.A. (“Stthejobs”) a private corporation controlled by the CFO of the Company.

(g) The Company holds an interest in the Macara Project pursuant to an agreement dated November 6, 2017 with an Ecuadorian individual (the "Macara Vendor") whereby the Company was granted an option (the "Macara Option") to acquire a 100% interest in one concession (the "Macara Concession"). The Macara Vendor is currently an employee of the Company however, at the time the Macara Vendor acquired the Macara concessions they were at arm's length to the Company. See "Macara Project" for details of the agreement.

The Macara Vendor has entered into a participation agreement with an employee of the Company and the son of the Company's President to share the option proceeds equally.

(h) *Cost Recoveries from Adventus*

Certain of the expenses incurred by the Company with related parties and remuneration paid to Company personnel have been recovered from Adventus pursuant to the earn-in under the Curipamba Option and the Alliance. The table below reflects what occurred during fiscal 2020 and 2019.

	2020		2019	
	Total $	**Recovered from Adventus $**	**Total $**	**Recovered from Adventus $**
Salaries and Compensation				
Mr. Salazar	102,119	-	95,084	43,784
Mr. Acosta	115,879	60,086	105,719	59,441
Geological Services				
Amlatminas	148,202	52,307	162,601	162,601
Stthejobs	6,894	6,894	-	-
Environmental Studies				
Cinge	160,483	137,697	10,699	10,699
Rentals				
Agrosamex (storage)	37,017	8,047	31,047	31,047
Amlatminas (equipment)	151,465	125,536	279,967	279,967

Risks and Uncertainties

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

The Company is in compliance in all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's material mineral properties are located in Ecuador and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at April 30, 2021, there were 146,360,587 issued and outstanding common shares, 12,888,486 share options outstanding at exercise prices ranging from $0.12 to $0.29 per share, 798,000 restricted share units and 2,202,962 share purchase warrants outstanding at exercise prices ranging from $0.12 to $0.385 per share.