SALAZAR RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2023

This discussion and analysis of financial position and results of operation is prepared as at May 29, 2023 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023 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. As of the date of this MD&A 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 OTCQX 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 had previously been the ongoing exploration activities on the Curipamba Project in Ecuador. In late fiscal 2017 the Company entered into an option agreement (the "Curipamba Option Agreement") with Adventus Mining Corporation ("Adventus") whereby Adventus could earn (the "Earn-In") a 75% interest in the Curipamba Project with Adventus funding costs of US $25,000,000 over five years, including the completion of a feasibility study on the El Domo deposit. Under the Curipamba Option Adventus agreed to provide the Company with US $250,000 per year advance payments until achievement of commercial production, to a maximum of US $1,750,000. As of the date of this MD&A the Company has received total advance payments of US $1,500,000.

On December 10, 2021, having filed the feasibility study ("Feasibility Study") titled "National Instrument 43-101 ("NI 43-101") Technical Report Feasibility Study - Curipamba El Domo Project", Adventus has completed the final milestone requirement under the Option Agreement. On December 31, 2021 (the "Option Exercise Date") the Company approved the transfer of a 75% ownership interest in Salazar Holdings, effectively reducing the Company's ownership interest to 25%.

Upon achievement of commercial production, Adventus will receive 95% of the distributions 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 $19,800,000 when the Curipamba Option was signed, after which distributions 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 also entered into an exploration alliance agreement (the "Alliance") to jointly explore Ecuador with the initial focus on zinc 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.

Through the completion of various earn-in agreements with the Company, Dos Gemas holds the Pijili Project and the Santiago Project.

The Company continues to work on its strategy to discover, de-risk and define deposits within its wholly-owned portfolio.

In terms of politics, Ecuador has experienced some instability in recent years, but the current government has shown a commitment to anticorruption measures and governance improvements. This includes efforts to enhance transparency, streamline regulations, and create a favourable environment for foreign investment. The government has also expressed a willingness to engage with the private sector and promote public-private partnerships to drive economic growth.

On May 17, 2023, the President of Ecuador dissolved the opposition-controlled assembly. Under the constitution, anticipated elections will be called and a new president is expected to take power in four to six months, during which period he will govern by decree without input from the assembly. To date, he has signed several decrees already. There is no certainty as to whether the decrees will lead to further unrest in the country.

Property Assets and Exploration Activities

Investment in Associate - Curipamba

On December 10, 2021, Adventus and the Company filed the Feasibility Study, results of which were announced on October 26, 2021. Filing of the feasibility study, completed Adventus' final milestone requirement under the Option Agreement. Effective December 31, 2021 (the "Option Exercise Date"), pursuant to the Curipamba Option:

(a) the aggregate amount of advances from Adventus for the Curipamba Project were capitalized in Salazar Holdings. Adventus was granted 75 Class A common shares representing 75% of the total issued and

outstanding Class A common shares, and 95 Class B preferred shares, representing 100% of the total issued and outstanding Class B preferred shares; and

(b) the Company, Adventus, Salazar Holdings and Curimining entered into a shareholders' agreement ("Shareholders' Agreement") and reconstitute the board of directors of Curimining ("Curimining Board") with two Adventus nominees and one Company nominee. The Shareholders Agreement was finalized on January 4, 2022.

As the rights of Adventus to the earn-in were achieved the Company approved the transfer of a 75% ownership interest in Salazar Holdings, effectively reducing the Company's ownership interest to 25%.

Pursuant to the Curipamba Option and the Shareholders' Agreement, Adventus has priority repayment of its investment in Curipamba according to an agreed distribution formula.

Highlights of the results of the Feasibility Study are as follows:

Mineral Resource Estimate Update

As part of the Feasibility Study, an update to the mineral resource estimate was completed, with an effective date of October 26, 2021 and is disclosed in accordance with National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects and prepared by SLR Consulting (Canada) Ltd. ("SLR"), formerly Roscoe Postle Associates. The updated estimate is shown in the following tables.

Table 1a. Total Mineral Resource for El Domo, Curipamba Project - October 26, 2021 (sum of tables 1b and 1c)

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	3.2	2.61	0.24	2.50	3.03	45	84.9	7.7	81.1	316	4,704
Indicated	5.7	1.83	0.24	2.64	1.98	45	104.5	13.9	150.6	364	8,265
M+I	**9.0**	**2.11**	**0.24**	**2.59**	**2.36**	**45**	**189.4**	**21.6**	**231.7**	**680**	**12,969**
Inferred	1.1	1.72	0.14	2.18	1.62	32	18.5	1.5	23.6	57	1,118

Table 1b. Pit Constrained Mineral Resource for El Domo, Curipamba Project – October 26, 2021

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	3.2	2.61	0.24	2.50	3.03	45	84.9	7.7	81.1	316	4,704
Indicated	3.8	1.38	0.30	2.77	2.29	52	52.6	11.3	105.2	280	6,370
M+I	**7.1**	**1.95**	**0.27**	**2.64**	**2.63**	**49**	**137.5**	**19.0**	**186.3**	**596**	**11,074**
Inferred	0.3	0.34	0.20	1.01	1.34	39	1.2	0.7	3.5	15	430

Table 1c. Underground Mineral Resource for El Domo, Curipamba Project – October 26, 2021

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	1.9	2.72	0.14	2.38	1.37	31	51.9	2.6	45.4	84	1,895
Inferred	0.8	2.31	0.11	2.68	1.74	29	17.3	0.8	20.1	42	688

Notes:

1. *CIM Definition Standards (2014) definitions were followed for Mineral Resources.*
2. *Mineral Resources are reported above a cut-off Net Smelter Return ("NSR") value of $29/t for Mineral Resources amenable to open-pit mining and the underground portion of the 2021 Mineral Resources are reported with mining shapes which were generated using a $105/t NSR cut-off value.*
3. *The NSR value is based on estimated metallurgical recoveries, assumed metal prices, and smelter terms, which include payable factors treatment charges, penalties, and refining charges.*
4. *Mineral Resources are estimated using the metal price assumptions: $4.00/lb Cu, $1.05/lb Pb, $1.30/lb Zn, $1,800/oz Au, and $24/oz Ag.*
5. *Metallurgical recovery assumptions were based on three mineral types defined by the metal ratio Cu/(Pb+Zn):*
   a. *Zinc Mineral (Cu/(Pb+Zn) <0.33): 86% Cu, 90% Pb, 97% Zn, 68% Au and 78% Ag*
   b. *Mixed Cu/Zn Mineral (0.33≤ Cu/(Pb+Zn) ≤3.0): 86% Cu, 82% Pb, 95% Zn, 55% Au and 67% Ag*
   c. *Copper Mineral (Cu/(Pb+Zn) >3.0): 80% Cu, 37% Pb, 36% Zn, 14% Au and 29% Ag*

6. *NSR factors were also based on the metal ratio Cu/(Pb+Zn):*
    a. *Zinc Mineral (Cu/(Pb+Zn) <0.33): 53.41 $/% Cu, 7.99 $/% Pb, 13.47 $/% Zn, 30.91 $/g Au and 0.39 $/g Ag*
    b. *Mixed Cu/Zn Mineral (0.33≤ Cu/(Pb+Zn) ≤3.0):58.99 $/% Cu, 7.05 $/% Pb, 13.41 $/% Zn, 25.12 $/g Au and 0.34 $/gAg*
    c. *Copper Mineral (Cu/(Pb+Zn) >3.0): 57.83 $/% Cu, 6.84 $/g Au and 0.19 $/g Ag*
7. *Bulk density interpolated on a block per block basis using assayed value, the correlation between measured density values and iron content, and base metal grade. The bulk densities range between 2.1 t/m^3 and 4.6 t/m^3*
8. *Mineral Resources are inclusive of Mineral Reserves.*
9. *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*
10. *The underground portion of the Mineral Resources are reported within underground reporting shapes and include low grade blocks falling within the shapes.*
11. *Qualified Person ("QP") is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate*
12. *Numbers may not add due to rounding.*

Feasibility Study Mineral Reserves

The basis of the Curipamba Feasibility Study is on the maiden open-pit Mineral Reserves that were estimated from the updated open-pit Mineral Resources and on the mine design by DRA.

Table 2: Open-Pit Mineral Reserves Statement

Classification	Tonnes (kt)	Grade					Contained Metal				
		Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu (kt)	Pb (kt)	Zn (kt)	Au (koz)	Ag (koz)
Proven Reserves	3,136	2.50	0.2	2.30	2.83	41	78.4	6.7	72.0	285	**4,175**
Probable Reserves	3,343	1.39	0.3	2.67	2.23	50	46.4	9.4	89.4	240	**5,342**
Proven + Probable	**6,478**	**1.93**	**0.2**	**2.49**	**2.52**	**46**	**124.9**	**16.2**	**161.4**	**525**	**9,517**

Notes:

1. *Waste: Ore Strip Ratio 6.02 : 1 not including pre-strip waste and 8.59 : 1 including pre-strip waste*
2. *The effective date of the Mineral Reserve Estimate is October 26, 2021.*
3. *Mineral Reserves are reported in accordance with CIM Definition Standards (2014) and best practice guidelines (2019).*
4. *An NSR cut-off grade of $32.99 was used for all material.*
5. *Mineral reserves were estimated at a gold price of $1,630/oz, a silver price of $21.00/oz, a lead price of $0.92/lb, a zinc price of $1.16/lb, and a copper price of $3.31/lb; they include modifying factors related to mining cost, dilution, mine recovery, process recoveries and costs, G&A, royalties, and rehabilitation costs.*
6. *Figures have been rounded to an appropriate level of precision for the reporting of Mineral Reserves.*
7. *Due to rounding, some columns or rows may not compute exactly as shown.*
8. *The Mineral Reserves are stated as dry tonnes processed at the crusher.*
9. *Tonnages are presented in metric tonnes*

Underground Mine Deposit

In December 2021, an update to the preliminary economic assessment ("PEA") was prepared for the underground mine expansion. This assumed the same metallurgy, treatment charges, refining charges, penalty assumptions, transport charges, tax structure, royalties, and surface infrastructure as the open-pit Feasibility Study. In particular, the process plant will be used for the underground operation, and the tailings storage facility has sufficient excess capacity to support the underground operation. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. For reference, the last Mineral Resource estimate completed in accordance with NI 43-101 for El Domo was published as part of the Feasibility Study with an effective date of October 26, 2021.

The underground mine plan consists of 2,000,000 tonnes at 2.48% Cu, 2.18% Zn, 1.25 g/t Au, 28.1 g/t Ag, 0.13% Pb of diluted Indicated Resources, and 0.8 million tonnes at 2.13% Cu, 2.46% Zn, 1.60 g/t Au, 26.4 g/t Ag, 0.09% Pb, of diluted Inferred Resources.

On August 29, 2022, plans were announced for a 12,000 metre infill drill program using two diamond drill rigs to provide additional information for the planned upgrade of mineral resource categories of the underground component for engineering studies. The Company's subsidiary was retained for this drill program.

Drilling results from the program as well as drill collar location maps can be found in news releases dated October 17, 2022, November 15, 2022, December 7, 2022, February 27, 2023 and March 20, 2023. These news releases are available for viewing on SEDAR, www.sedar.com or the Company's website https://salazarresources.com.

Curipamba - Project Development

In 2023, Adventus continued to advance detailed engineering and procurement activities in parallel with ongoing and constructive engagement with government authorities for the environmental licence and other key approvals to allow for commencement of construction later in 2023. The engineering design of tailings storage and waste rock facilities, open pit mine, and for the process plant are all in advanced stages of completion.

Technical Information and Quality Control & Quality Assurance ("QAQC")

The engineering and technical content of the Feasibility Study and Underground PEA has been reviewed and approved by Mr. Dustin Small, P.Eng., Vice President of Projects for Adventus, a non-Independent Qualified Person, as defined by NI 43-101.

The Curipamba project resource-related work program was managed and reviewed by Jason Dunning, M.Sc., P.Geo., who was then the Vice-President of Exploration for Adventus and a non-Independent Qualified Person within the meaning of NI 43-101 when the Feasibility Study and Underground PEA were completed. Curimining staff collected and processed samples that were 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.

Curipamba - El Domo Environmental and Social Impact Assessment ("ESIA")

ESIA Submission

On November 18, 2021, Adventus and the Company announced that the ESIA for the Curipamba Project had been completed and the environmental licensing process has been initiated with the Ecuadorian Ministry of Water, Environment and Ecological Transition (the "MAATE"). The completed ESIA is the culmination of over two years of environmental, community, and engineering activities led by Adventus, with the assistance of several internationally recognized and Ecuador-experienced consulting firms. Importantly, the ESIA included all technical design and project scope parameters detailed in the Curipamba Feasibility Study.

The first step of the environmental licensing process is a technical review by the MAATE of the information presented. This was completed and the ESIA technical approval was received from the Government of Ecuador in May 2022, and the next step is to begin the public consultation process or the Citizen's Participation Process ("PPC"). In November 2022, President Lasso signed the pre-legislative consultation decree which will guide the formal comment process for the draft environmental consultation regulation ("Regulation") which formed part of the ESIA approval process. On completion of the comment process, the President of Ecuador is expected to enact the Regulation through Presidential Decree. From there, it is expected that two rounds of community consultations will be required. These community consultations are expected to be similar to the many community consultations led by Curimining in the past. Current guidance from the Government of Ecuador is that the Regulation comment period and subsequent final consultation process are expected to require seven to nine months to the signed and full approval of the El Domo ESIA, at which point full construction activities can begin.

During this period, Curimining is expected to finalize four other necessary permits for construction to begin, including (a) Water No Affect Permit (for the discharge of water and covers potential impact to any water sources), (b) Water Usage Permit (surface water capture during construction), (c) Tailings Infrastructure and Waste Storage Approval Permit (certificate of technical feasibility had been received), and (d) Explosives Permit. Work on these had been ongoing in 2022 with strong government engagement.

Curipamba Project Financing

The Company's agreement with Adventus require Adventus to arrange all necessary financing in order to develop the El Domo property. An update on Adventus' financing efforts is summarized below.

(i) In January 2022, an agreement was concluded Precious Metals Purchase Agreement ("PMPA") with Wheaton Precious Metals International Ltd., a subsidiary of Wheaton Precious Metals Corp. ("Wheaton") in respect of Curipamba, with an upfront cash consideration of $175,500,000 in return for precious metals streaming rights over the life-of-mine. As at the date of this MD&A, draw of $13,000,000 representing the early deposit was finalized and $150,000 representing a portion of the ESG deposit has been utilized.

(ii) Concurrently, an engagement was finalized for an Offtake Financing Agreement ("OFA") with Trafigura Pte Ltd. ("Trafigura") for a $45,000,000 senior debt facility, in return for certain concentrate offtake rights over the life-of-mine. In July 2022, definitive agreements were signed with Trafigura Pte Ltd. ("Trafigura") for a previously announced Offtake Financing Agreement ("OFA") for a $45,000,000 senior debt facility, in return for certain concentrate offtake rights over the life-of-mine. $5,000,000 of the facility can be paid on an early deposit basis for pre-construction activities and the remainder in two instalments during construction, subject to certain customary conditions precedent being satisfied.

(iii) As at the date of this MD&A, work is ongoing to finalize the inter-creditor agreements between Wheaton and Trafigura in anticipation of construction drawdown.

(iv) With the completion of the two main components of the project financing, up to $235,500,000 has definitively been secured for the advancement and future construction of El Domo. In addition to and permitted by Trafigura and Wheaton, Adventus is in discussions with third parties for up to an additional $40,000,000 of debt-related facilities and other strategic initiatives to provide further cash buffer for El Domo.

Exploration Alliance - Pijilí Project

The Pijilí Project consists of five concessions totalling 3,254 hectares, three from the government tender in 2017 and two from the purchase of an artisanal mine. 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. 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. One of the drill holes also intersected a high-grade, near-surface silver-tungsten zone. 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 releases) northwest to the northern Mercy concession boundary. (See April 20, 2021 news release for maps and detailed drilling results). In 2022, it became known that a third party is in dispute with the Ministry of Energy and Mines on the title of two of the five concessions. Management believes this is without merit and is confident that this will be resolved in due course.

Exploration Alliance - Santiago Project

The Santiago Project consists of a single concession that encompasses 2,350 hectares. It is in a geological setting similar to the nearby Loma Larga deposit owned by Dundee Precious 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.

A 2,500-metre drilling program was designed to twin the Newmont drill holes, but was delayed to accommodate additional community relations and social work with stakeholders that includes but is not limited to the Ecuadorian government and Indigenous leadership. (See June 15, 2020 news release for maps and historical drilling summary).

Qualified Person

The technical information contained in this MD&A for the Curipamba Project, as well as the Exploration Alliance projects in Ecuador, has been reviewed and approved by Adventus' Senior Geologist, Mr. Christian Paramo, P.Geo., as a non-Independent Qualified Person in accordance with National Instrument 43-101.

Investment in Associate - 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 2,215 hectares Los Santos Concession, in southwest Ecuador located approximately 10 km northeast of Los Osos.

On November 24, 2021 the Company and Mesaloma and other parties (collectively the "Optionor") completed the definitive agreement (the "Mining Option and Shareholders' Agreement") under which the Company may acquire up to a 90% beneficial interest in the Los Santos Concession, by making option payments (the "Option Payments") totalling US $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 the Optionor US $2,000,000 and granting a 1.5% NSR.

In February 2022 the Company announced channel and rock chip samples from the Brecha Sur and Leon prospect areas confirmed gold, copper, and silver mineralization. The Company also announced the Phase 1 drill program was underway with two holes completed for a total of 526 meters.

The Esperanza prospect area is an area of 800 x 700 m cross-cut by abundant fine veinlets, with veining concentrated in three main structures of 1-20 m in width, and a strike-length in excess of 1 km. The veins and structures have a preferred north-south orientation and mineralization is characterized by quartz, fine grained pyrite and minor stibnite. Alteration is silicic-argillic, with minor illite and smectite. Two drill holes were collared in weakly sheared, partially metamorphized tonalites, oriented almost due west, with a dip of 60°. Drillhole DDHSAN-001A was completed at a downhole depth of 299 m, having intersected three principal zones of interest. Drillhole DDHSAN-002 was collared approximately 100 m south of the first hole, and completed at a downhole depth of 227 m, having intersected one zone of interest.

Leon

Leon hosts a series of N-S sheeted vein sets, varying in intensity across approximately 180 m of E-W outcrop. The sheeted veins are characterized by the presence of quartz, chalcopyrite, pyrite, pyrrhotite, and oxidized sulphides. Alteration minerals include chlorite, actinolite, albite, biotite and carbonates. The vein sets are within a weakly sheared and metamorphized tonalite.

One hundred saw-cut channel samples have been taken across the outcrop, in three batches of 29, 20, and 51 samples respectively. Results for the first batch of samples have been returned, with a highlight intersection of 7.5 m @ 0.27 g/t Au and 0.25 % Cu. Two chip samples taken during first pass regional sampling near the creek returned 3.1 m @ 0.24% Cu, 0.1 g/t Au and 4.0m @ 0.15% Cu, 0.1 g/t Au.

Brecha Sur

Brecha Sur translates as 'South Breccia' and is a broad anomalous zone characterized by breccias in the south of the concession. The numerous breccia outcrops exhibit a variety of characteristics, including some quartz-tourmaline breccias with specularite and iron oxides, and others further south with a matrix of oxidised material and clasts of quartz-feldspar porphyry. Associated with some of the breccia stockworks are zones of argillic alteration and of silicification associated with fine dark grey sulphides.

At Esperanza, two drill holes were collared in weakly sheared, partially metamorphized tonalites, oriented almost due west, with a dip of 60°. The holes targeted depth extensions of mineralization identified through surface sampling. Both holes intersected sheared zones of veining and veinlets, with visible gold reported at a depth of 132 m in SAN-001. Although the zone of shearing and sulphide mineralization in SAN-001 was 10 m in thickness, the intersection carrying gold values was 1.2 m @ 1.9 g/t Au from a depth of 142.9 m. The core was assayed with conventional fire assay atomic absorption spectroscopy and metallic screen fire assay methods. The downhole intersection is lower grade and narrower than the channel sampling reported previously from surface (21.5 m @ 3.0 g/t Au).

The grade differences are interpreted to reflect enrichment of the geology at the surface relative to the underlying geology. The narrower widths are interpreted to reflect the fact that the channel sample was taken obliquely to the structure whereas the drillholes were orthogonal to structure.

At Leon and Rayo two holes were drilled across the main targets established by surface mapping and sampling. At Leon previously reported mineralization at surface included 7.5 m @ 0.27 g/t Au and 0.25 % Cu across one of a series of north-south sheeted vein sets, varying in intensity across approximately 180 m of east-west oriented outcrop. Additional results from the eastern section include 2 m @ 0.2 g/t Au and 0.25% Cu, and 2 m @ 2.2 g/t Au and 0.43% Cu. At Rayo previously reported sampling in an adit across a similar orientation of vein sets returned a best intersection of 8.0 m @ 8.0 g/t Au in an adit.

The drilling in both areas intersected similar geology downhole as that seen at surface, namely mineralized structures and vein sets with oxidation in fractures and quartz-pyrite mineralization, minor chalcopyrite and trace arsenopyrite. At Leon the results from SAN-003 indicate broad zones of gold mineralization, with several intervals between 247 m and 325 m downhole returning 0.2 g/t Au. The results from the hole at Rayo, 52.4 m @ 0.2 g/t Au, are of a similar tenor and thickness to the nearby geology at Leon. The high grades previously reported in the channel at Rayo are interpreted to reflect surface enrichment due to oxidation processes.

At Brecha Sur, mapping and trenching continued to reveal high grade mineralization at surface. The area appears to represent a conjugate set of structures formed in a compressive environment. Locally at Brecha Sur the host intrusive rock exhibits brittle deformation with en-echelon tension cracks visible at the metric to decimetric scale. The tension cracks often contain elevated levels of sulfide mineralization. These zones are associated with intense argillic alteration (kaolinite-alunite + illite-smectite-sericite) and a mineral association of pyrite + enargite (Cu) + tenantite (As+Ag) + tetrahedrite (Sb+Ag) + Ag sulfosalts (pyrargyrite). This suite of alteration and sulfides suggests these are high sulfidation (HS) lenses of mineralization. Trenching and channel sampling were carried out over a number of zones.

Drilling to test the depth extent of these bodies has intersected similar alteration and mineral suites and hydrothermal breccias in core. The intensity of mineralization does, however, appear to be much less intense than that seen at surface. The altered and veined zones, and the hydrothermal breccias are thinner at depth than those intersected at surface. Results for drill holes SAN-005, SAN-006, SAN-007, SAN-007A, SAN-008, SAN-008A, and SAN-008B were pending.

At Fortuna, soil sampling identified a gold and copper anomaly centered on a tourmaline breccia. The breccia outcrop shows alteration and disseminated sulfide mineralization. It is hosted within a medium-coarse grained diorite. Two drill holes, SAN-009 and SAN-010, were collared within the breccia, and intersected strongly sodic-calcic alteration, increasing with depth, characterized by actinolite, albite, and epidote. The alteration is associated with sulfide mineralization of pyrite, chalcopyrite, magnetite, and molybdenite.

Diamond drill hole SAN-009, was completed at a depth of 224.1 m. From surface it intersected hydrothermal breccias until a depth of 135.50 m. Diamond drill hole SAN-010, was drilled sub-vertically away from SAN-009 and it was completed at a depth of 275.0 m. From surface SAN-010 intersected hydrothermal breccias until a depth of 178.0 m.

In June 2022 the Company announced that drilling had intersected a significant new gold zone at the Fortuna target. It also reported the final assays from the 2,575m (13 holes) Los Santos exploration drilling program.

Two holes were drilled into the Fortuna target area ("Fortuna") in the northwest of the concession and intersected a new gold zone which starts at outcrop and extends to significant depth. Fortuna is 700 m away from the Cangrejos concession boundary and less than 2 km from the center of the Cangrejos main mineral resource, held by Lumina Gold. Lumina Gold quotes resources of 10.4 Moz gold in the Indicated category at a grade of 0.57 g/t Au.

Fortuna

Previous mapping and sampling at Fortuna identified a breccia pipe estimated to be approximately 100 m x 100 m in size. Fortuna is located approximately 1 Km from the Casique Tourmaline Breccia and approximately 2 km from the Cangrejos porphyry system, both of which are Lumina Gold properties.

Two holes were drilled from the same platform, SAN-009 to the east-southeast, and SAN-010 to the west-northwest. Both holes intersected gold and copper from surface and at depth. The mineralization was predominantly, but not exclusively, within the breccia pipe. Drillhole SAN-010 returned 103.0 m @ 0.52 g/t Au, 0.16% Cu, 217 ppm Mo from surface, including 67.6 m @ 0.73 g/t Au, 0.21% Cu and 271 ppm Mo from surface. Mineralization within the breccia was weaker after 136 m, and the hole exited the breccia body at 178.0 m downhole.

Drillhole SAN-009 returned an initial intersection of 22.3 m @ 0.67 g/t Au, 0.21% Cu, and 89 ppm Mo from 5.1 m. Three additional zones of mineralization of 6.1 m, 20.7 m, and 10.7 m were intersected further down the hole. The hole exited the breccia body at 135.5 m downhole, and mineralization extended beyond the breccia body into the country rock.

The higher-grade intervals are associated with zones of more intense brecciation and alteration. In these zones the matrix is dominated by fine grained magnetite, associated with clots of epidote and fine disseminated molybdenite. The presence of albite, actinolite, epidote and chlorite in the wider mineral suite indicates calc-sodic alteration. The multiple zones of mineralization internally within the breccia, at the boundary, and in the country rock suggest the presence of a robust hydrothermal system. The breccia pipe and the alteration features are interpreted to be apical features of a deeper porphyry body.

Brecha Sur

At Brecha Sur, previously reported mapping had identified a number of small lenses (20m x 10m) exhibiting classic high sulphidation mineralization in a brittle compressional structural regime. The main minerals are pyrite, arsenopyrite, enargite, tennantite, and Ag sulfosalts (pyrargyrite). Associated with the sulphide lenses is an advanced argillic assemblage consisting of kaolinite-alunite, illite-smectite, and sericite. Locally, they form hydrothermal breccias with quartz-sulphide aggregates.

Drilling in the area proved challenging as the geology found at surface was not encountered in the same style at depth. Whereas trenching had shown strong mineralization at surface, such as 14.5 m @ 19.5 g/t Au and 274 g/t Ag, drilling below the sulphide lenses did not intersect promising geology. The best drill result was 5.8 m @ 1.08 g/t Au, and that was from a depth of just 5.2 m downhole. As can be seen in the table above, the key intersections in the four holes SAN-007A to San-008B were all made at starting depths of shallower than 14 m. Hole SAN-006 targeted a well-triangulated structure at depth below known mineralization, and it only returned 3.65 m @ 0.03 g/t Au.

Future Plans

The intersection of mineralization at Fortuna is a play-opener at a very early stage of definition. The surface mineralization at Brecha Sur is also very strong, and a detailed review from Brecha Sur to the northeast will be undertaken by the Company in future work. A Phase 2 exploration plan at Los Santos, incorporating the new information and drillhole data will be developed.

Wholly-Owned Portfolio

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

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 or 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, 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 had commenced a ground-based gravity and magnetic geophysical survey comprising seventeen lines, spaced 100 m apart, for 31 line-kms in total. Deep Sounding, High Resolution Geophysics, Peru, were contracted to carry out the work and magnetic and gravity measurements were taken approximately every 100 m.

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 announced 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.

Los Osos Project

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.

No significant exploration took place in fiscal 2022. The Company has received extensions from the vendor for tenure payments.

El Potro Project

On August 30, 2021, the Company acquired the mineral title to the 1,175 hectare ("ha") Correa-Jiron Concession 601062 ("El Potro Project") in the mineral-rich Loja porphyry district, Ecuador for an initial payment of US $50,000. The option agreement payments, to be paid to the vendors by the Company, over a five-year period total US $1,150,000 of which, as of December 31, 2022, US $100,000 has been paid.

In November 2021, following due diligence, the Company indicated its belief that El Potro Project is a new porphyry discovery with significant exploration potential.

The El Potro Project lies in the southeast of Loja Province, southern Ecuador. Altitudes in the single contiguous concession area range from 3,000 m to 3,700 m and access is via gravel roads and mule track from the town of El Airo which is seven km to the west. The project area has been subject to small-scale artisanal mining activity since the Mining Concession was granted in 2010. The El Potro Project has been held by a consortium of private holders since 2010 and the area has not been subject to any recorded systematic exploration.

The area is crossed by a large system of transpressional faults, running north-northeast. A suite of Miocene Portacheula rocks is intruded into older (Jurassic) Chigüinday Très Lagunas units.

Preliminary mapping has identified porphyrytic intrusions, argillic and Ca-K alteration signatures, locally intense stockworks, and a siliceous lithocap. The main stockwork is hosted in porphyry and exhibits intense quartz veining with visible magnetite and molybdenite. The lithocap is estimated to be 60 m thick and several hundred meters wide. Artisanal mining has concentrated on sulphide-rich portions of the lithocap. Guides to the area demonstrated the gold content by sampling, crushing, and panning.

During due diligence, preliminary geological mapping on traverses was undertaken and 89 rock samples were collected. Assay results showed that 25 of the rock samples were below detection limit for gold, 13 samples were between 6 ppb and 100 ppb, and 49 were greater than 100 ppb. The table below highlights samples from nine areas with either gold above 0.1 ppm (g/t) or copper above 1000 ppm (0.1%).

Highlights from Due Diligence sampling programme

Sample ID	Width (m)	Au (ppm)	Mo (ppm)	Cu (ppm)	Ag (ppm)	Notes on alteration and mineralization
M54311	0.20	0.3	2	81	1.6	Argillic, manganese oxides and hematite
M54312	5.00	0.1	3	2010	51.9	Phyllic veinlets of quartz, oxidised pyrite
M54315	4.00	0.0	4	2283	5.7	Phyllic, epi, cpy veinlets, py, malachite, traces of bornite
M54318	8.00	0.8	<2	27	3.0	Intense argillic stockwork, drusy qtz, py, aspy, jarosite
M54319	10.00	0.1	2	22	1.7	Intense argillic stockwork, drusy qtz, py, aspy, jarosite
M54321	3.00	26.6	3	97	11.3	Intense oxidised stockwork, py, jarosite
M54322	3.00	9.0	<2	95	5.1	Intense oxidised stockwork, py, jarosite
M54323	1.00	0.8	<2	34	0.5	Argillic, intense oxidation, hematite
M54379	2.00	0.0	61	1109	1.0	Quartz-sericite
M54380	2.00	0.0	85	1966	0.9	Stockwork, qtz-mag-mo. Contact between porphyry / met

The Company has established accommodation and logistics at the site that will enable the team to support sustainable exploration programs. Mapping and sampling will continue with the aim of generating drill targets as quickly as possible.

In fiscal 2022 the Company carried out extensive fieldwork at El Potro and exploration identified two areas, the La Wayra Anomaly and the Osos Negros Anomaly, approximately 1 km apart from each other, with anomalous to elevated copper and molybdenum in rock samples. In addition, during fiscal 2022, a Green Rocks Vectoring report was carried out by the Natural History Museum, London, UK.

La Wayra Anomaly

Exploration results from a mineralized lithocap at the La Wayra Anomaly previously showed the anomaly exhibits intense silica-argillic alteration, free gold and a trench result of with 44.7m @ 2.54 g/t Au (News Release November 30, 2021).

Osos Negros Anomaly

The newly identified Osos Negros Cu-Mo anomaly is a complex of porphyries + hydrothermal breccias + quartz stockworks intrusive into metamorphic rocks (quartzites + schists) at 3,400 to 3,600 meters asl. There is phyllic and sodic-calcic alteration with pyrite, chalcopyrite, molybdenite and magnetite. The Osos Negros Anomaly currently measures approximately 1.5 km x 0.5 km. As of the date of this MD&A, 619 chip and channel samples ranging from 2m to 5m in length have been collected (see table below).

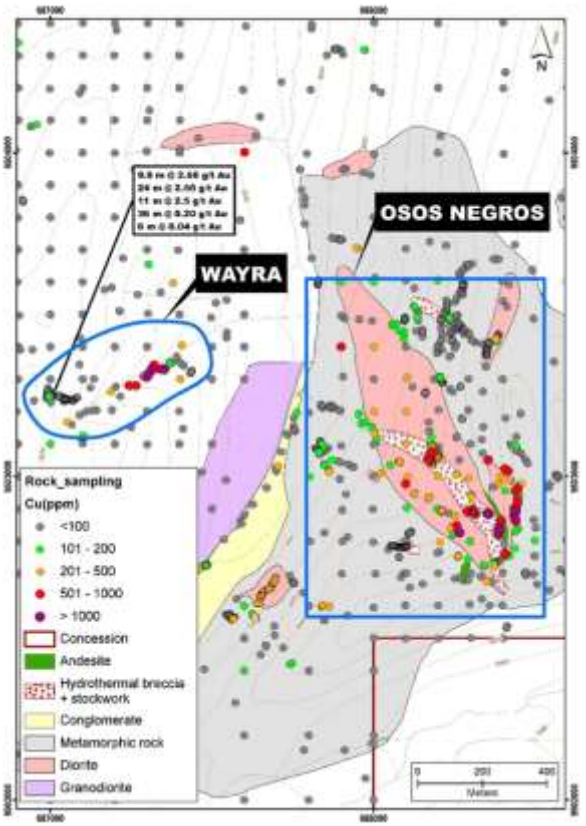
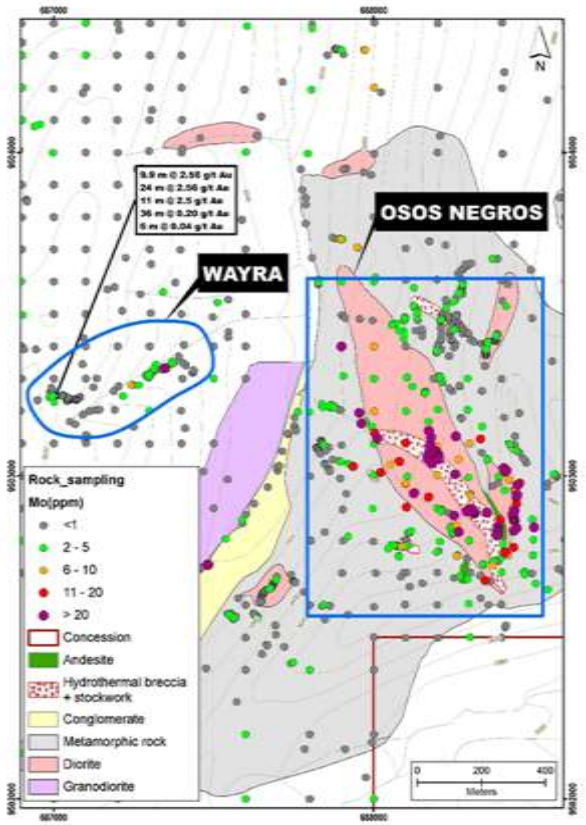
Osos Negro Anomaly - 619 Rock Samples					
Au (ppm)	**# Samples**	**Cu (ppm)**	**# Samples**	**Mo (ppm)**	**# Samples**
<0.05	592	<100	373	<10	490
0.05-0.01	23	100-300	145	10-25	78
0.1-0.5	4	300-500	45	25-50	34
>0.5	0	>500	56	>50	17
Max. 0.266		Max. 1982.8		Max. 1325	

The geochemistry confirms the presence of copper-molybdenum porphyry mineralization. The geology indicates the apical to intermediate part of the system.

Green Rocks Vectoring

During fiscal 2022 the Company sent rock samples to the Natural History Museum ("NHM"), London, UK for a Green Rock Vectoring ("GRV") study. Fifteen samples were analyzed from across the El Potro Project area. As the two maps below show the eastern half of the concession is dominated by metamorphic quartzites, and the Company interprets these rocks to represent the country rock, into which porphyry bodies have intruded.

The GRV study noted stronger chlorite development in the intrusive rocks than in the metamorphic rocks. The first pass results provide clear evidence of porphyry-related propylitic alteration in the west and chlorite in the east that is strongly indicative of a metamorphic origin. A fertility assessment of the data by the NHM confirms that two of the samples potentially belong within the halos of significant deposits.

ROCK SAMPLING - COPPER	ROCK SAMPLING - MOLYBDENUM
	

Future Plans

The Company has established accommodation and logistics at the site that will enable the team to support sustainable exploration programs. Mapping and sampling will continue with the aim of generating drill targets as quickly as possible. The Company may commission GRV analysis of additional rock samples to support and enhance the initial interpretation. The Company is also reviewing options for carrying out a ground geophysics survey of the main anomalous areas within the the El Potro Project.

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 "Investment in Associates" properties and wholly-owned properties and has reviewed and verified the technical information provided.

Selected Financial Data

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

	Fiscal 2023	Fiscal 2022				Fiscal 2021		
Three Months Ended	**Mar. 31 2023 $**	**Dec. 31 2022 $**	**Sep. 30 2022 $**	**Jun. 30 2022 $**	**Mar. 31 2022 $**	**Dec. 31 2021 $**	**Sep. 30 2021 $**	**Jun. 30 2021 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(504,665)	(685,428)	(307,889)	(472,535)	(379,330)	(693,334)	(320,080)	(336,372)
Other items	(245,280)	620,502	(2,738,168)	49,541	8,521	4,214,504	95,637	(19,186)
Net (loss) income	(749,945)	(64,926)	(3,046,057)	(422,994)	(370,809)	3,521,170	(224,443)	(355,558)
Other comprehensive (loss) income	(69,989)	2,810	653,547	353,261	(142,314)	349,378	708,469	(301,792)
Comprehensive (loss) income	(819,934)	(62,116)	(2,392,510)	(69,733)	(513,123)	3,870,548	484,026	(657,350)
Basic and diluted (loss) income per share	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	0.02	(0.00)	(0.00)
Balance Sheet:								
Working capital	2,599,246	3,207,921	996,236	1,577,861	3,061,571	4,759,535	5,533,993	5,297,917
Total assets	28,954,637	29,274,909	27,199,181	28,853,641	29,100,564	29,178,097	31,716,898	31,531,138
Total long-term liabilities	Nil	Nil	(136,601)	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended March 31, 2023 Compared to the Three Months Ended December 31, 2022

During the three months ended March 31, 2023 ("Q1/2023") the Company recorded a net loss of $749,945 compared to a net loss of $64,926 for the three months ended December 31, 2022 ("Q4/2022") an increase in loss of $685,109. The fluctuation is primarily attributed to the following:

(1) recognition of net drill income of $443,978 in Q4/2022 compared to net drill loss of $182,924 in Q1/2023, for a fluctuation of $626,902, reflecting significant drilling activities conducted in Q4/2022 on the Curipamba Project for Salazar Holdings;
(ii) incurred other income of $570,762 in Q4/2022 compared to $67,665 in Q1/2023 mainly from receipt of the annual advance payment of US $250,000 from Adventus in Q4/2022;
(iii) recorded general and administration expenses of $504,665 in Q1/2023 compared to $685,428 in Q4/2022; and
(iv) recognized the write off of equipment of $304,383 in Q4/2022.

Three Months Ended December 31, 2022 Compared to the Three Months Ended September 30, 2022

During the three months ended December 31, 2022 ("Q4/2022") the Company recorded a net loss of $64,926 compared to a net loss of $3,046,057 for the three months ended September 30, 2022 ("Q3/2022") a decrease in loss of $2,981,131 due to the recognition of an impairment charge of $2,858,019 on the Rumiñahui Project in Q3/2022.

Three Months Ended September 30, 2022 Compared to the Three Months Ended June 30, 2022

During the three months ended September 30, 2022 ("Q3/2022") the Company recorded a net loss of $3,046,057 compared to a net loss of $422,994 for the three months ended June 30, 2022 ("Q2/2022") an increase in loss of $2,623,063 due to the recognition of an impairment charge of $2,858,019 on the Rumiñahui Project , partially offset by an increase in drill income, from $69,490 in Q2/2022 to $223,081 in Q3/2022, and a decrease in expenses, from $472,535 in Q2/2022 to $307,889 in Q3/2022.

Three Months Ended June 30, 2022 Compared to the Three Months Ended March 31, 2022

During the three months ended June 30, 2022 ("Q2/2022") the Company recorded a net loss of $422,994 compared to a net loss of $370,809 for the three months ended March 31, 2022 ("Q1/2022") an increase in loss of $52,185 primarily due to the increase in the recognition of an equity loss in Salazar Holdings of $95,599 in Q2/2022 compared to $32,341 in Q1/2022.

Three Months Ended March 31, 2022 Compared to the Three Months Ended December 31, 2021

During the three months ended March 31, 2022 ("Q1/2022") the Company recorded a net loss of $370,809 compared to net income of $3,521,170 for the three months ended December 31, 2021 ("Q4/2021") an increase in loss of $3,891,979 primarily due to the transfer of a 75% ownership interest in Salazar Holdings, resulting in a reclassification of foreign exchange of $5,551,762 and offset by an impairment on the Curipamba Project of $1,231,150 during Q4/2021.

Three Months Ended December 31, 2021 Compared to the Three Months Ended September 30, 2021

During the three months ended December 31, 2021 ("Q4/2021") the Company recorded a net income of $3,521,170 compared to net loss of $224,443 for the three months ended September 30, 2021 ("Q3/2021") an increase in income of $3,745,613 primarily due to the transfer of a 75% ownership interest in Salazar Holdings, resulting in a reclassification of foreign exchange of $5,551,762 and offset by an impairment on the Curipamba Project of $1,231,150.

Three Months Ended September 30, 2021 Compared to the Three Months Ended June 30, 2021

During the three months ended September 30, 2021 ("Q3/2021") the Company recorded a net loss of $224,443 compared to net loss of $355,558 for the three months ended June 30, 2021 ("Q2/2021") a decrease in loss of $131,115 primarily due to the $74,533 improvement in drilling operations in which the Company incurred a drilling loss of $70,329 in Q2/2021 compared to drilling income of $4,024 in Q3/2021. In addition the Company recognized a foreign gain of $86,910 in Q3/2021 compared to $7,397 in Q2/2021.

Three Months ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

During the three months ended March 31, 2023 ("Q1/2023") the Company reported a net loss of $749,945 compared to a net loss of $370,809 for the three months ended March 31, 2022 ("Q1/2022"), a increase in loss of $379,136. The fluctuation is primarily attributed to a $125,335 increase in expenses from $379,330 during Q1/2022 to $504,665 during Q1/2023 and $182,924 of net drill loss during Q1/2023 compared to $nil during Q1/2022.

Expenses decreased by $125,335 from $379,330 during Q1/2022 to $504,665 during Q1/2023. Specific fluctuations in expenses are as follows:

(i) incurred audit costs of $45,000 during Q1/2022 compared to $78,000 during Q1/2023 due to the timing of the audit billings;
(ii) recorded share-based compensation of $99,462 during Q1/2022 on the vesting of share options and RSUs compared to $62,578 during Q1/2023; and
(iii) incurred general exploration costs of $135,460 during Q1/2023 compared to $nil in Q1/2022.

Exploration and Evaluations Assets

During Q1/2023 the Company incurred a total of $335,857 (Q1/2022 - $745,726) for exploration and evaluation assets.

Details of the exploration and acquisition expenditures for Q1/2023 are as follows:

	Macara $	Los Osos $	El Potro $	Total $
Balance at December 31, 2022	4,586,084	1,541,985	1,199,817	7,327,886
Exploration costs				
Assay analysis	-	-	4,024	4,024
Camp supplies	19,703	-	20,447	40,150
Community relations	-	-	14,295	14,295
Depreciation	18,148	-	3,760	21,908
Environmental studies	-	2,100	-	2,100
Equipment maintenance	4,271	-	2,579	6,850
Exploration site	34,804	-	29,693	64,497
Geological	-	20,277	372	20,649

	Macara $	Los Osos $	El Potro $	Total $
Legal	-	181	-	181
Salaries	64,850	-	82,993	147,843
	141,776	22,558	158,163	322,497
Acquisition costs				
Property/concession/option payments		2,786	10,575	13,361
Other				
Foreign exchange movement	(4,006)	(1,369)	(1,318)	(6,693)
Balance at March 31, 2023	4,723,854	1,565,960	1,367,237	7,657,051

See also "Properties Update".

Financing Activities

During Q1/2023 the Company completed the final tranche of a non-brokered private placement financing of common shares, at $0.10 per share, and issued 3,685,210 common shares for $368,521.

No financing were conducted during Q1/2022.

Financial Condition / Capital Resources

As at March 31, 2023 the Company had working capital of $2,599,246. To date the Company has not earned any revenues from its mineral interests and the Company's operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company requires additional funding to maintain its current levels of overhead for the next twelve months and to fund existing levels of planned exploration expenditures. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Contractual Commitments

The Company is obligated to fulfill certain investment obligations on its mineral concessions in Ecuador pursuant to the following rules:

(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.

(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.

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, 2022 audited annual consolidated financial statements.

Changes in Accounting Policies

There are no changes in accounting policies. A detailed summary of the Company's accounting policies is included in Note 3 to the December 31, 2022 audited annual consolidated financial statements.

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 Q1/2023 and Q1/2022 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:

	Q1/2023 $	Q1/2022 $
Mr. Salazar		
- Salaries and compensation	18,366	17,068
- Health benefits	1,252	1,173
- Share-based compensation (share options)	6,233	13,712
- Share-based compensation (RSUs)	6,153	6,153
	32,004	38,106
Mr. Acosta		
- Salaries and compensation	13,026	12,139
- Health benefits	504	472
- Share-based compensation (share options)	1,918	4,219
- Share-based compensation (RSUs)	2,735	2,735
	18,183	19,565
Mr. Marr-Johnson		
- Consulting fees	33,000	33,000
- Share-based compensation (share options)	4,794	10,548
- Share-based compensation (RSUs)	5,127	5,128
	42,921	48,676
	93,108	106,347

As at March 31, 2023 $11,0000 (December 31, 2022 - $10,361) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During Q1/2023 and Q1/2022 the following consulting expenses were incurred with respect to non-executive directors of the Company:

	Q1/2023 $	Q1/2022 $
Consulting fees		
- Etienne Walter	6,090	5,690
- Nick DeMare	10,155	9,464
- Mary Gilzean	6,090	5,690
Share-based compensation (share options)		
- Etienne Walter	1,199	2,637

	Q1/2023 $	Q1/2022 $
- Nick DeMare	1,246	2,742
- Mary Gilzean	7,363	16,199
Share-based compensation (RSUs)		
- Etienne Walter	1,196	1,196
- Nick DeMare	2,735	2,735
- Mary Gilzean	4,562	4,562
	40,636	50,915

As at March 31, 2023 $10,454 (December 31, 2022 - $10,361) remained unpaid.

(ii) During Q1/2023 the Company incurred a total of $14,285 (2022 - $13,275) 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 March 31, 2023 $nil (December 31, 2022 - $9,481) remained unpaid.

(c) During Q1/2023 the Company incurred $8,111 (2022 - $7,598) for equipment rental services and $16,222 (2022 - $15,196) for professional services provided by Amlatminas S.A. ("Amlatminas") a private corporation controlled by Mr. Salazar and Mr. Acosta. As at March 31, 2023 $79,309 (December 31, 2022 - $79,373) remained unpaid.

(d) During Q1/2023 the Company incurred $7,300 (2022 - $6,838) for storage rental provided by Agrosamex S.A. ("Agrosamex"), a private corporation controlled by the son of the President of the Company.

(e) 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.

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 May 29, 2023, there were 183,712,079 issued and outstanding common shares, 2,114,320 share purchase warrants outstanding at exercise prices ranging from $0.12 to $0.35 per share, 15,387,000 share options outstanding at exercise prices ranging from $0.10 to $0.37 per share, and 863,000 restricted share units.