

PANORO MINERALS LTD.

Management's Discussion and Analysis – Quarterly Highlights

As at and for the Three and Nine Months Ended
September 30, 2020 and 2019

November 16, 2020

Table of Contents

<i>Background & Date</i>	3
<i>Qualified Person</i>	4
<i>Description of Business</i>	4
<i>Update COVID-19</i>	5
<i>Sale of Cochasayhuas Gold Project</i>	5
<i>Humamantata Project</i>	6
<i>Cotabambas Project</i>	9
<i>Antilla Project</i>	10
<i>Financial</i>	11
<i>Results of Operations</i>	11
<i>Key management personnel and related parties</i>	15

Background & Date

The Management's Discussion and Analysis – Quarterly Highlights (“MD&A”) should be read in conjunction with the condensed consolidated interim financial statements of Panoro Minerals Ltd. (“Panoro” or the “Company”) for the three and nine months ended September 30, 2020 (“Q3 2020” and “fiscal 2020”) and September 30, 2019 (“Q2 2019” and “fiscal 2019”), respectively, and the Company's audited financial statements as at and for the year ended December 31, 2019, as filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) website. This report has been dated as at November 16, 2020, the filing date, and was approved by the Board of Directors on November 13, 2020.

The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “PML”, the Junior Board of the Bolsa de Valores de Lima (“PML” - Lima Stock Exchange) and (“PZM” on the Frankfurt Exchange).

Additional Sources of Information

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Audited Financial Statements for the years ended December 31, 2019 and 2018, the 2019 Annual Information Form, 2019 Management Information Circular, Material Change Reports, press releases, and the Company's technical reports, all of which are available on the SEDAR website at www.sedar.com or on the Company's website www.panoro.com.

Currency

All dollar amounts set forth in the tables and financial section of this MD&A are expressed in Canadian dollars and referred to as “\$” and financial information is prepared and recorded under IFRS unless otherwise specifically indicated. There are also references in this MD&A to Peruvian Nuevo Soles (“S/.”) and United States dollars (“US”). As at September 30, 2020, the closing rate for one Canadian dollar in S/. was C\$1.00 = S/. 2.6983, and the closing rate for one Canadian dollar in USD was C\$1.00 = US\$0.7497 as reported by the Bank of Canada.

CAUTION REGARDING FORWARD LOOKING STATEMENTS: Information and statements contained in this Management Discussion and Analysis Quarterly Update (“MD&A”) that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Examples of forward-looking information and statements contained in MD&A include information and statements with respect to:

- Acceleration of payments by Wheaton Precious Metals Inc. (“Wheaton Metals”) to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- Payment by Wheaton Metals of US\$140 million in installments
- Mineral resource estimates and assumptions
- The PEAs on the Cotabambas and Antilla Projects, including, but not limited to, base-case parameters and assumptions, forecasts of net present value, internal rate of return and payback
- Copper concentrate grades from the Antilla and Cotabambas Projects

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. In some instances, material assumptions and factors are presented or discussed in this MD&A in connection with the statements or disclosure containing the forward-looking information and statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to, assumptions concerning: metal prices and by-product credits; cut-off grades; short and long term power prices; processing recovery rates; mine plans and production scheduling; process and infrastructure design and implementation; accuracy of the estimation of operating and capital costs; applicable tax and royalty rates; open-pit design; accuracy of mineral reserve and resource estimates and reserve and resource modeling; reliability of sampling and assay data; representativeness of mineralization; accuracy of metallurgical test work; and amenability of upgrading and blending mineralization.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, and are included in all of the Company's documents filed on SEDAR and available on the Company's website. Items referred to in this MD&A may include forward-looking statements related to:

- the inherent operational risks associated with mining and mineral exploration, development, mine construction and operating activities, many of which are beyond Panoro's control;
- risks relating to Panoro's ability to enforce Panoro's legal rights under permits or licenses or risk that Panoro's will become subject to litigation or arbitration that has an adverse outcome;
- risks relating to Panoro's projects being in Perú, including political, economic and regulatory instability;
- risks relating to mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual circumstances;
- risks relating to the uncertainty of applications to obtain, extend or renew licenses and permits;
- risks relating to potential challenges to Panoro's right to explore and/or develop its projects;
- risks relating to being adversely affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays and changes of law;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to fluctuations in foreign currency exchange rates, interest rates and tax rates; and
- risks relating to Panoro's ability to raise funding to continue its exploration, development and mining activities.

Qualified Person

The technical information in this MD&A has been reviewed and approved by Mr. Luis Vela, a Qualified Person as defined by National Instrument 43-101, *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Mr. Vela is responsible for the preparation and/or verification of the technical disclosure in this document unless otherwise noted.

Description of Business

Panoro holds a portfolio of eight mineral properties in Perú of which two, the Cotabambas and Antilla projects, are at an advanced stage of exploration and make up the core concession blocks for the Company.

Q3 2020 Activities and Highlights

Update COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 (“COVID-19”) a global pandemic. This contagious disease outbreak, which continues to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business. However, the impact of the pandemic could impact our ability to obtain financing to fund exploration activities as well as the ability to conduct out exploration programs.

Initially on March 15, 2020, the Peruvian authorities announced a national quarantine related to the COVID-19 pandemic. The quarantine was announced for an initial 15-day period but was subsequently extended a number of times. Currently, Panoro staff in Lima are currently working from their homes, as the office lease expired during the pandemic and the Company has not yet identified new office space.

In June, the Peruvian authorities announced a phased relaxation of the COVID-19 quarantine for certain types of businesses, including mineral exploration. The Company’s COVID-19 protocols for exploration at the Humamantata property were submitted to the Ministry of Health and approved. The Company’s protocols were prepared with the assistance of outside consultants for the return to work by its employees and contractors. Phase 2 of the relaxation includes exploration activities which commenced in August 2020 at the Humamantata Project and have been continued since that time.

Sale of Cochasayhuas Gold Project

During the nine months ended September 30, 2020, the Company entered into an agreement for sale of the Cochasayhuas Gold Project to Mintania S.A.C. (“Mintania”) of Perú for a total of US\$2.45 million to be paid in instalments, plus a 5% Net Smelter Return royalty (NSR) for 15 years from the commencement of commercial production.

The cash installments will be paid by Mintania according to the following schedule:

- US\$450,000 in 2020 (received);
- US\$1,000,000 in 2021;
- US\$ 750,000 in 2022; and
- US\$ 250,000 in 2023

The initial US\$450,000 payment was received in June 2020 with US\$225,000 held in escrow until the registry of the sale contract with the Peruvian Public Registry in September 2020. The agreement was fully registered at the Public Registry Offices in Perú in September when the offices reopened after closure due COVID-19 pandemic. The payment of the 5% NSR will commence on a quarterly basis following the start of commercial production.

The Cochasayhuas Project is a past producing underground mine in operation until the 1950's with a total life of mine production of 401,000 ounces of gold and 480,000 ounces of silver (SRK, 2007). The project is a low sulphidation Au-Ag Epithermal type deposit distributed in three vein systems hosted in igneous rocks and sediments, namely the:

1. Cochasayhuas vein;
2. San Fernando-San Lucas vein; and
3. Las Tapadas vein systems

The historic underground mine in the Cochasayhuas vein operated from 1912 to 1952 with a yearly production of 156 to 674 kgs Gold and 500 to 1,917 kgs Silver, with head grades of up to 36.8 Au g/t and 180 Ag g/t in defined zones. The ore shoot dimensions are estimated to be 600 meters by 150 meters with an average width of 1.0 meters. The vein is exposed in 9 levels of drifting developed to a depth of 400 meters from surface. The ore shoot limits remain open in all directions.

The project is located in the district of Progreso, province of Grau, Department of Apurimac, in Southern Perú. The property comprises 1,836 hectares located at elevations between 3,700 and 4,200 meters above sea level. Access to the property is via 260 km of road from Cusco. The road is paved from Cusco to the Las Bambas mine with a narrower paved road a further 45 km to the project.

Panoro acquired the project in 2007 and carried out exploration works to further delineate the extension of the Cochasayhuas vein along strike as well as several new parallel veins. Panoro completed an exploration campaign at the San Fernando–San Lucas vein, which extends 5km along strike approximately 100 to 200 meters to the west of the Cochasayhuas vein. The exploration program identified the potential for additional ore shoots near the surface, within a similar geologic environment as the Cochasayhuas vein.

The nearby producing mines include the Santa Rosa gold mine (Minera Misti Gold) located 18km to the southwest and the Anabi gold mine (Minera Aruntani) located 30km to the southeast. The two operations have historic production of 1.0 and 2.0 million ounces of gold, respectively.

Mintania is planning to commence mining operations as soon as design and permitting can be completed and plan to process the ore at their existing processing plant in Perú.

Humamantata Project

The Humamantata Project ("Humamantata") is located in Southern Perú, in the same region as the other projects in the Company's portfolio including the Antilla and Cotabambas projects noted above. Humamantata is located approximately 10 km to the southwest of Hudbay Minerals Inc. ("Hudbay") Constancia Copper Mine and the Kusiorcco Project. The northern limits of the Humamantata Project concessions border the southern limit of Hudbay's concessions in this area.

In the last quarter of the year ended December 31, 2018 ("fiscal 2018"), the Company entered into a joint venture agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") on the Humamantata Project, located in Perú, whereby JOGMEC has an option to earn up to 60% indirect beneficial interest with an investment of up to US\$8.0 Million, as follows:

- JOGMEC will contribute US\$1.0 million each year for the first three years to earn a 49% interest in Humamantata; of which \$1,135,736 has been contributed to date in fiscal 2020;
- JOGMEC has an option to earn a further 11% participating interest in Humamantata for a total participating interest of 60%, by making a further capital contribution relating to Humamantata of US\$5.0 million;
- Investment in Humamantata will be on a pro-rata basis after JOGMEC has fulfilled its funding obligation;
- If any party's participating interest is diluted to less than ten percent its participating interest shall be converted to a 2.0% NSR. The other party may purchase one-half of the NSR with a cash payment in an amount of US\$2.0 million following the creation of the NSR;
- A management committee shall make all strategic decisions and shall oversee exploration activities; and
- Panoro will act as the operator responsible for implementing programs and budgets.

Work commenced at the project after an investment schedule for Year 1 of the agreement was approved by JOGMEC and Panoro.

In 2019 the Company commenced field activities at the project. The activities are focused on obtaining an exploration drilling permit and defining drill targets. These activities included:

- Community engagement;
- Environmental baseline monitoring;
- Geologic mapping and sampling;
- Mobilization and completion of geophysical surveys; and
- Defining drill targets for drilling anticipated to start in January 2021.

Field activities were temporarily suspended in March 2020 in accordance with Peruvian Covid-19 regulations, but work recommenced in August 2020.

During the ongoing exploration program at Humamantata, the Company has identified new copper porphyry with anomalous grades of copper, gold and silver. The porphyry mineralization is outcropped in a number of zones over an area of approximately 1800 m by 700 m. In addition, eighteen hydrothermal breccias have been identified over the length of the project with anomalous grades of silver.

Four Target areas over the Humamantata Project were identified in earlier mapping and sampling programs. The porphyry mineralization is contained within Target 1, where the Company has mapped and sampled three sub areas, T1-1, T1-2 and T1-3, of new Cu, Au and Ag porphyry outcroppings with potassic alteration over an area of 600 m by 300 m. The highest copper grades of up to 2.7% Cu have been mapped with abundant and different generations of early (A-type)

quartz veinlets including magnetite, chalcopyrite and bornite, with secondary feldspar and biotite alterations. Additionally, a breccia texture filled with bornite and chalcopyrite was also recognized.

The table below summarizes the average assays results for the three porphyry outcroppings.

Alteration Zone	# Rock Samples	Au (g/t)	Cu (%)	Ag (g/t)
T1-1	15	0.030	0.42	2.1
T1-2	33	0.150	0.50	1.7
T1-3	18	0.084	0.21	1.1

The porphyries are made up of tonalite and monzonite composition, with the copper mineralization extending up to 100 m inside the diorite host rock and to the phyllic alteration, with the progressive appearance of the propylitic alteration. In the diorite domain the copper sulfides overprint an extended secondary biotite dissemination and fill sheeting quartz veinlets with K feldspar in early halo.

Targets 2 and 4 cover an area of 3 km x 3 km and are located to the south of Target 1. They include a group of ten hydrothermal breccias crosscutting the sedimentary sequences of the Velille and Hualhuany sandstones and the Ferrobamba limestones suggesting the high vertical continuity crosscutting over all the cretassic sequence in the area. The breccias have long structural control containing high silver anomalies with grades measured as high as 332 g/t Ag.

The Breccias are exposed at surface with dimensions ranging from 150 m by 15 m to 750 m by 300 m.

Breccia Structure	# Rock Samples	Ag (g/t)
BX-1	16	32
BX-6	5	73
BX-7	46	44
BX-8	15	36
BX-9	8	102

A possible connection with a blind Cu-Au, Ag porphyry at depth and laterally is being evaluated. There are 8 other groups of hydrothermal breccias extending the mineral continuity an additional 4 km to the south of Target 3.

During September 2020, a 24.3 km Induced Polarization survey was completed over Targets 1 and 4, complementing the 29.1 km completed over Target 2 from February to March 2020 and the 80.4 km Magnetometry survey completed in 2019 over all the targets. The analysis of the new porphyry zone and breccias is underway with the results to come from the mineralogical characterization, geochemistry and geophysics studies. The next stage of the exploration program will be finalized in conjunction with Panoro's partner, JOGMEC, after this analysis is completed during November and December.

The process to obtain the permits for the proposed exploration drilling program is being advanced in parallel with above outlined exploration works.

The proposed work program is fully funded by JOGMEC.

Cotabambas Project

The principal focus for the Cotabambas Project, in the short term, will be to continue testing the satellite targets for potential mineralization to:

- increase the high grade and near surface sulfide mineralization; and
- increase the near surface oxides.

Exploration work is scheduled to commence at the end of the 2020/2021 rainy season in approximately March 2021.

The satellite targets identified for priority exploration include:

Chaupec Target, Cluster 2

Exploration in 2018 and 2019 identified zones of porphyry and skarn mineralization at the Chaupec target zone in Cluster 2 located 4 kilometers to the west of the proposed North Pit. Geologic mapping and sampling together with geophysical surveys identified high grade targets at the northern end of the Chaupec Target called Zone 1. Five exploration drill holes for a total 997 m were completed along 1.3 kilometers of strike at Zone 1, intersecting both porphyry and skarn mineralized bodies with high copper and silver grades. The results from the exploration programs were announced in press releases in 2018 and 2019.

Guacile Target, Cluster 1

Geologic mapping and sampling work in 2019 also identified resource potential in the area of Guacile, located 1.5 km west and between the proposed North Pit and the Chaupec Target. The geology includes a big package of limestone, hosting up to five stratabound bodies dipping to the east, below the Petra-David and the North Pit areas. The mineral bodies include massive chalcopyrite, bornite, pyrite and magnetite with alteration typical of skarn mineralization.

Exploration Program

The Company is planning additional exploration work at the Chaupec Target in Cluster 1 and the Guacile Target in Cluster 2. The objective of the exploration programs is to identify near-surface,

high-grade mineralization to provide additional early life feed to the proposed 80,000-tonne per day concentrator included in the PEA report, and will commence when funds are available.

The proposed exploration program at Chaupec includes:

- Geophysics 3D
- 2,000m drilling in approximately 8 drillholes

The proposed exploration program at Guaclle includes:

- Geophysics 2D & 3D
- 2,000m drilling in approximately 7 drillholes

The proposed geo-metallurgy study for the Copper Oxides-Mix zone at the North Pit, in preparation of the Pre-feasibility study includes:

- Data review, core logging, laboratory assaying; and a
- Preliminary geo-metallurgy model

Exploration Program Cost

The estimated cost for the proposed exploration programs at Chaupec, Guaclle and geo-metallurgy for the North pit is US\$2.35 Million. The proposed exploration programs will be funded with proceeds from earlier completed funding engagements, such as:

- Semi-annual payments pursuant to the PMPA with Wheaton Metals;
- Milestone payments from Hudbay pursuant to the sale of the Kusiorcco Project; and
- Periodic payments pursuant to the sale of the Cochasyhuas Project to Mintania.

Exploration permits for the proposed programs have already been completed. Surface rights access agreements will be required with both local communities and private landowners to initiate site activities. The Company has been successful in completing such agreements over the past decade of exploration at the Cotabambas Project.

Antilla Project

The Company is reviewing strategic alternatives to advance the Antilla Project (“Antilla”) through feasibility studies, permitting and development. In the year ended December 31, 2018 (“fiscal 2018”) the Company completed a Preliminary Economic Assessment (“PEA”), prepared by Moose Mountain Technical Services Ltd. in accordance with the definitions in Canadian National Instrument 43-101. The PEA is based on a Mineral Resource estimate completed by Tetra Tech Inc. (“Tetra Tech”) in December 2013, based on 2,919 metres of drilling from legacy campaigns (2003-5), 9,130 metres of drilling by Panoro (2008), and 2,242 metres of drilling during a joint venture agreement with Chancadora Centauro SA in 2010. The Mineral Resource estimate

includes primary and supergene sulphides, as well as mixed hypogene and supergene copper mineralization.

The PEA is considered preliminary in nature, and was filed on SEDAR on June 26, 2018, and is available on the Company's website.

A potential increase in recoveries should further enhance the economics of this project. Additional testing is planned as part of any feasibility studies for the Antilla Project.

Shares Issued Under an Amendment to Employment Agreement of CEO

Under an amended employment agreement until the end of fiscal 2020 with the Company's Chief Executive Officer, the Company has issued 218,750 shares at a deemed price of \$0.08 per share in lieu of cash salary paid, for the quarterly period from March 1, 2020 to May 31, 2020, and could not be traded until October 17, 2020. For the three months from June 1, 2020, to August 31, 2020, 132,133 common shares were issued at a deemed price of \$0.133, with a four-month hold period until January 19, 2021. The numbers of shares issued are calculated using the volume weighted average closing price of the Company's shares for each of the trading days in the three-month period immediately preceding the end of each quarterly period. Any future share issuances are subject to TSX Venture Exchange approval and will have a four-month hold period.

Financial

In fiscal 2020 Company received the first installment payment of US\$450,000 from Mintania pursuant to the terms of Cochasayhuas Sale Agreement. Registration facilities at the Public Registry Offices in Perú were suspended due to the COVID-19 pandemic and the agreement was fully registered in September 2020.

The Company received two scheduled semi-annual payments of US\$750,000, pursuant to the Wheaton Metals PMPA, the first in March 2020 and the second in September 2020.

Results of Operations

Exploration

To date in fiscal 2020, the Company has expended \$1,988,625 before value-added tax recovery of \$41,646 on eligible exploration and evaluation expenditures, \$214,116 on Antilla; \$587,332 on Cotabambas; and \$1,187,177 on other projects, primarily on Humamantata. A total of \$699,208 has been accrued for recording and concession fees for payment in June 2021 for all projects, and is included in exploration costs.

Funding contributions of \$1,135,736 pursuant to the JOGMEC earn-in agreement on offsetting the Humamantata costs which are included in the \$1,187,177 incurred during the period on the Company's other projects. Of the total exploration costs incurred, \$191,463 is related to accrued concession fees on all the Company's projects, other than Antilla and Cotabambas.

During the nine months ended September 30, 2020, the Company completed the sale of the Cochasayhuas Gold Project to Mintania of Perú for a total of US\$2.45 million to be paid in installments plus a 5% Net Smelter Returns royalty (“NSR”) for 15 years from the commencement of commercial production, for a gain on disposition of \$1,709,419.

The cash installments and royalty payments will be paid by Mintania to the Company as described earlier in this MD&A.

The Company has written off its interest in the Checca Property, for a total write-down of \$488,556 in exploration costs and concession fees incurred to date. The Company determined that the Checca property did not meet the longer term plans and focus of the Company on its other projects. The Company reviews its mineral property interests on an annual basis.

Administration Expenses

The Company’s loss in fiscal 2020 of \$107,417 (\$0.00 per common share), including a gain on the disposition of the Cochasayhuas Gold Project, compares to a loss of \$5,199,438 (\$0.02 per common share) in fiscal 2019.

The discussion below is based on a comparison of fiscal 2020 and fiscal 2019.

- Overall, the change in the Company’s expenditures reflects a decrease in exploration, engineering and corporate activity in fiscal 2020, due to the suspension of all exploration activity during the COVID-19 pandemic. The US to Canada exchange rates in fiscal 2020 decreased from a rate of \$0.7699 at December 31, 2019, to \$0.7497 at September 30, 2020, using rates from the Bank of Canada website.

Areas of significant changes in administration costs between fiscal 2020 and fiscal 2019 include the following:

- An exchange loss in fiscal 2020 of \$117,607, compared to an exchange loss of \$34,943 in fiscal 2019. The change in fair value of the PMPA financial liability had a significant change from an increase in the fair value of \$279,000 in fiscal 2019 to a decrease in the fair value of the PMPA liability of \$236,925 in fiscal 2020, due to the changes in the US dollar exchange rates in the first nine months of fiscal 2020 and also related to advances made on the PMPA in the same period. During both fiscal 2019 and 2020, the Company has received US\$1.5 million pursuant to the terms of the PMPA.
- A decrease in travel costs from \$64,573 in fiscal 2019 to \$20,535 in fiscal 2020. In 2019, a technical committee meeting was held in Perú, contributing to the higher travel costs in fiscal 2019, and since March there has been no travel, due to COVID-19 travel restrictions.
- A decrease in corporate development, marketing and shareholder communications’ activity in Europe, Perú and North America from \$150,660 in fiscal 2019 to \$18,966 in fiscal 2020. The Company attended the PDAC conference in March 2020, at a cost of \$12,718, included in conference costs of \$15,827, compared to \$13,644 in fiscal 2019.
- The Company has reduced directors’ fees, salaries, and other costs on a temporary basis, to assist the Company to continue operations throughout the period of the COVID-19 pandemic and the related impacts on the Company’s operations. Directors’ fees were

reduced from \$149,438 in fiscal 2019 to \$57,780 in fiscal 2020. Salaries and benefits decreased from \$733,814 in fiscal 2019 to \$476,924 in fiscal 2020 due to staff reductions in the last half of 2019, and temporary reductions salaries for some employees.

- A decrease in legal fees from \$108,939 in fiscal 2019 to \$57,990 in fiscal 2020. Fiscal 2019 costs were higher related to an internal restructuring of the Company commenced in 2017 which was completed during the year ended December 31, 2019.
- Audit and tax costs decreased from \$113,967 in fiscal 2019 to \$90,603 in fiscal 2020. Fiscal 2019 costs were higher related to the additional corporate tax returns after the internal restructuring of the Company noted above.
- The Company's lease in Perú expired during the period, and currently all employees are working from home or in the exploration offices for the active exploration projects.

Other expense categories in fiscal 2020 remain at relatively the same level as fiscal 2019. Variable costs of the Company's administrative expenses are in the area of legal, travel and investor relations and corporate development, and normally correspond to the level of exploration and development activity.

Liquidity and capital resources

Liquidity risk is the risk that the Company will not be able to operate in the normal course of business for the next 12 months. The Company is considered to be in the exploration and development stage and is currently exploring mineral properties in Perú. The Company has no history of revenues from operating activities and will have negative cash flow from operations in future periods until commercial production is achieved from its advanced exploration stage projects.

The Company has a number of agreements in place which will provide liquidity into the foreseeable future, including:

- the Company's PMPA with Wheaton Metals, whereby the Company received proceeds of US\$1.5 million in fiscal 2020. To the date of this MD&A, the Company has received a total of US\$10.0 million. An additional US\$4.0 million is payable by Wheaton Metals to the Company in semi-annual payments to fiscal 2023, if the Company continues to meet the terms of the PMPA;
- the Company's agreement with JOGMEC for the Humamantata Project includes the initial funding of US\$3.0 million in the first 3 years of the agreement for investment into the project, and for the Company's costs as the operator, of which US\$852,510 (CA\$1,135,736) has been received in fiscal 2020 to date. An additional US\$5.0 million of project investment after Year 3 are also included in the agreement. The initial payments are expected to be received to fiscal 2021.
- the Company's agreement with Hudbay on the Kusiorcco Project includes milestone payments to the Company of US\$2.0 million. The first milestone payment of US\$500,000 (\$664,650) was received in early fiscal 2019 as Hudbay advised the Company that they have reached surface rights agreements on the Kusiorcco Project. The agreement calls

for three additional payments of US\$500,000 each on the completion of drill holes 1, 5 and 10 on the Kusiorcco Project by Hudbay.

- the Company's agreement with Mintania on the Cochasyhuas Project includes milestone payments according to the following schedule:
 1. US\$ 450,000 in 2020, on closing (received)
 2. US\$1,000,000 in 2021;
 3. US\$ 750,000 in 2022;
 4. US\$ 250,000 in 2023.

The payment of the 5% NSR will commence on a quarterly basis following the start of commercial production.

The Company has no operating revenue and incurred a loss of \$107,417 for the nine months ended September 30, 2020 (2019 – loss of \$5,199,438). As at September 30, 2020, the Company has an accumulated deficit of \$42,380,728 (December 31, 2019 - \$42,273,311), and a working capital deficiency of \$9,910,792 (December 31, 2019 – working capital deficiency of \$9,235,414), with the inclusion of the current portion of the Wheaton Metals Agreement, which is \$10,671,200 (December 31, 2019 - \$8,442,200). If the Company designates the Wheaton Metals Agreement balance as long-term the working capital balance is \$760,408 (December 31, 2019 – working capital deficiency of \$792,314).

Based on its financial position as of September 30, 2020, the Company believes that it has sufficient funds to meet operational expenditures over the ensuing twelve-month period, providing that payments from Wheaton Metals continue to be received under the PMPA. The Company will continue to review planned investment expenditures, primarily at the Cotabambas and Antilla Projects, and overhead expenditures, in order to meet changes in working capital estimates. Other possible sources of funds include the payments receivable from Mintania, royalty income from Mintania on production from the Cochasyhuas property, milestone payments from Hudbay related to the Kusiorcco property, and continued exploration at the Humamantata project.

Commitments

In the normal course of business, the Company enters into contracts that result in commitments for future payments. The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments:

	2020	2021	2022	2023	2024	Total
Office lease (Vancouver)	\$ 33,310	\$34,308	\$ -	\$ -	\$ -	\$ 67,618
Accrued vigencias	\$ 761,164	\$ -	\$ -	\$ -	\$ -	\$ 761,164
Accounts payable	\$ 286,554	\$ -	\$ -	\$ -	\$ -	\$ 286,554
Accrued liabilities	\$ 61,656	\$ -	\$ -	\$ -	\$ -	\$ 61,656

Vigencias (or recording fees) of US\$3 per hectare are not commitments, but rather the annual payments required to maintain mineral concessions in good standing with the Peruvian government.

Key management personnel and related parties

Employment contracts have been entered into with each of the President and Chief Executive Officer (“CEO”), the Vice-President Exploration (“VP-Ex”), the Senior Vice-President, South America (“VP-SA”) and the Vice-President, Operations (“VP-Op”) and the Chief Financial Officer (“CFO”). No supplies were acquired in fiscal 2020 or fiscal 2019. The Company had no other transactions between directors and officers and/or companies controlled by directors or officers in common with the Company. At September 30, 2020, there was \$14,500 payable to two directors of the Company for directors’ fees and \$5,833 in wages payable pursuant to an amended employment contract to be paid in common shares of the Company pursuant to the terms of the contract on a quarterly basis (2019: \$2,463 owing to an officer for expenses on behalf of the Company).