Description of Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Goldex Resources Corporation (the "Company") for the year ended December 31, 2019 and the notes thereto. The following discussion is dated and current as of June 11, 2020. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The forward-looking information and statements are only made as of the date of this MD&A.

Description of Business

The Company is in the process of exploring mineral interests through its subsidiaries Compania Minera El Condor S.A. (Minera) and Goldex Resources Mexico S.A. (Goldex Mexico). Additional and more detailed information relating to the Company may be found at www.goldex.ca and at www.sedar.com

Discussion of Operations and Going Concern

The key determinants of the Company's operating results are the following:

(a) the state of capital markets, which affects the ability of the Company to finance its acquisition and exploration activities;
(b) the write-down and abandonment of exploration and evaluation assets as exploration results provide further information relating to the underlying value of such properties;
(c) market prices for gold and other precious metals and minerals;

The Company does not have any mineral properties in production and, therefore, did not generate any revenue from operations during the period. The Company has no earnings and therefore has historically financed its acquisition and exploration activities by the sale of common shares and issuance of debentures. Due to the Company's net loss, the continuation of the Company is dependent upon its ability to attain profitable operations and to generate cash flow and/or to raise equity capital through the sale of its securities, or secure additional exploration funding through option or joint venture agreements on its exploration and evaluation assets, or through the sale of capital assets or exploration and evaluation assets. In order to obtain financing sufficient to continue operations, the Company will continue to seek private placement funding, and joint venture partners and/or exploration funding for its properties.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional capital through the sale of shares or other sources as required to fund ongoing exploration activities and operating losses and ultimately on generating future profitable operations. The Company will need to raise capital to continue operations through its next fiscal year. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company's primary focus for the year ended December 31, 2019 was processing of its El Pato exploitation licence.

Exploration and evaluation assets were comprised of:

	For the year ended December 31, 2019		
	Opening balance	2019 expenditures	Ending balance
El Pato, Las Minas, Silimanita, San Juan - Guatemala			
Acquisition of Minera	$ 1,715,402	$ -	$ 1,715,402
Additional consideration	396,000	-	396,000
	2,111,402	-	2,111,402
Deferred exploration costs	4,078,098	137,740	4,215,838
Impairment	(5,065,563)	-	(5,065,563)
Total	$ 1,123,937	$ 137,740	$ 1,261,677

	For the year ended December 31, 2018		
	Opening balance	2018 expenditures	Ending balance
El Pato, Las Minas, Silimanita, San Juan - Guatemala			
Acquisition of Minera	$ 1,715,402	$ -	$ 1,715,402
Additional consideration	396,000	-	396,000
	2,111,402	-	2,111,402
Deferred exploration costs	4,052,021	26,077	4,078,098
Impairment	(5,065,563)	-	(5,065,563)
	1,097,860	26,077	1,123,937
Korokoro – Mali			
Acquisition cost	-	202,869	202,869
Deferred exploration costs	-	73,618	73,618
Impairment	-	(276,487)	(276,487)
	-	-	-
Total	$ 1,097,860	$ 26,077	$ 1,123,937

Details of deferred exploration costs are as follows:

	Year ended December 31, 2019		
	El Pato	Korokoro	Total
Consulting	$ 122,489	$ -	$ 122,489
Salaries and benefits	15,251	-	15,251
	$ 137,740	$ -	$ 137,740

	Year ended December 31, 2018		
	El Pato	Korokoro	Total
Consulting	$ -	$ 35,066	$ 35,066
License and fees	7,313	23,841	31,154
Insurance	3,364	-	3,364
Travel	-	14,711	14,711
Salaries and benefits	15,400	-	15,400
	$ 26,077	$ 73,618	$ 99,695

El Pato, Guatemala

The El Pato Property is located in the Eastern Department of Chiquimula, within the southeastern part of the Republic of Guatemala, Central America. The property covers approximately 65 square kilometers.

Upon the acquisition of Minera, the Company acquired a 100% interest in the El Pato Property. On October 13, 2003 the Guatemala Ministry of Energy and Mines granted Minera an exploration licence for the area of El Pato.

The license was valid for an initial 3-year period, which was extended for two additional 2-year periods ending October 13, 2010. In October 2010, Minera applied for a 25-year exploitation license on a 20 km^2 area of El Pato. The license is extendable for an additional 25 years. The Company relinquished the balance of the El Pato property upon application for the exploitation licence. During October 2010, a private company applied for an exploration licence on the balance of the El Pato property and entered into an agreement with the Company to assign its rights under the exploration licence to the Company. The El Pato property is subject to the following royalties: i) El Condor will receive $1.00 US per ounce of gold produced from the El Pato Property; and ii) a 1% NSR payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala).

During the year ended December 31, 2010, the Company acquired from a third party the rights to a new exploration licence, El Poc, for the area relinquished when the Company applied to convert to an exploitation license.

During the year ended December 31, 2017, the Company purchased a reclamation bond for $137,176 (800,000 Guatemalan Quetzales) in favour of the Ministry of Environment and Natural Resources of Guatemala for the El Pato property.

Las Minas (formerly Cerro Las Minas), Guatemala

The Cerro Las Minas Property is located contiguous to the El Pato property in the eastern Department of Chiquimula, within the southeastern part of the Republic of Guatemala, Central America. Upon the acquisition of Minera, the Company acquired a 100% interest in the Cerro Las Minas Property. The Company relinquished the property upon expiry of the licence on March 17, 2011. In March 2011 a private company applied for an initial 3 year exploration licence on the property and entered into an agreement with the Company to assign its rights under the exploration licence to the Company. The private company's licence may be extended for two additional 2-year periods; and subsequently converted to a 25-year exploitation license, extendable for an additional 25 years.

The Las Minas Property is subject to the following: i) El Condor will receive $1.00 US per ounce of gold produced from the Cerro Las Minas Property; and ii) a 1% NSR payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala).

During the year ended December 31, 2017, the Company relinquished this license as the license area is included in the Silimanita license described below.

Silimanita (formerly El Morro) and San Juan (formerly El Mojon), Guatemala

On June 9, 2008, the Guatemalan Ministry of Energy and Mines granted Minera an exploration licence for the area of El Morro. In February 2009 Minera applied to extend the area of the El Morro licence to 100 square kilometres to reacquire 12 of the 15 square kilometres relinquished in the Cerro las Minas extension application. On October 27, 2008, the Guatemalan Ministry of Energy and Mines granted Minera an exploration licence for the area of El Mojon.

During the year ended December 31, 2015 the Company relinquished the licences. Concurrently a private company applied for an initial 3 year exploration licence on the properties under the names Silimanita dn San Juan and entered into an agreement with the Company to assign its rights under the exploration licences to the Company. The private company's licences may be extended for two additional 2-year periods; and subsequently converted to a 25-year exploitation license, extendable for an additional 25 years.

The Silimanita and San Juan properties are subject to a 1% NSR payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala).

Kokokoro, Mali

On January 11, 2018, the Company signed a joint venture agreement ("JV") to explore and develop a gold license area consisting of 143 square kilometers in Mali, Africa (the "Korokoro"). The agreement entitled the Company to become the operator with a 51% interest in the JV and the license by completing a 43-101 report and paying 400,000 Euros at the rate of 33,000 Euro per month (the "Purchase Price"). The Company paid $202,869 towards the purchase price of the project. The Company issued a promissory note to a company controlled by the President of the Company, the proceeds which were to be applied toward the purchase price of the Korokoro project. The Company received advances of $202,869 under the promissory note. Under the terms of the promissory note principal and interest are payable only from distributions from the Kokoro project. On October 30, 2018, after extensive review of the project and consideration of the JV terms the Company decided not to proceed with the Korokoro Project. The promissory note was forgiven concurrent with the relinquishment of the property. Consequently the Company recorded a net impairment loss of $65,270 after writing down the $276,487 carrying value of the property along with $211,242 of forgiven principal and interest.

All administrative costs and expenses incurred by the Company are capitalized as deferred exploration expenditures until the properties are placed into production, sold or abandoned. These costs will be amortized over the estimated useful lives of the properties following the commencement of production or written off if the properties are sold or abandoned. The recorded costs of exploration and evaluation assets, including exploration expenditures, represent costs incurred and are not intended to reflect present or future values.

Discussion of Financial Condition

Selected Annual Information

Year ended	Revenues	Profit or (Loss)	Profit or (Loss) per share	Exploration Expenditures	Operating costs	Total Assets
	$	$	$	$	$	$
December 31, 2019	-	(288,773)	(0.02)	137,740	342,472	1,435,146
December 31, 2018	-	(1,037,687)	(0.09)	99,695	980,065	1,283,429
December 31, 2017	-	(658,994)	(0.10)	80,914	656,143	1,252,808

Summary of Quarterly Results

Period	Revenues	Profit or (Loss)	Profit or (Loss) per share	Operating costs
	$	$	$	$
4th Quarter 2019	-	(111,394)	(0.01)	133,961
3rd Quarter 2019	-	(69,275)	(0.01)	64,298
2nd Quarter 2019	-	(69,150)	(0.01)	86,983
1st Quarter 2019	-	(38,954)	(0.00)	57,230
4th Quarter 2018	-	(155,380)	(0.01)	122,833
3rd Quarter 2018	-	(120,956)	(0.01)	77,736
2nd Quarter 2018	-	(123,271)	(0.01)	171,835
1st Quarter 2018	-	(638,080)	(0.06)	607,661

Year ended December 31, 2019

The Company realized a net loss of $288,773 or $0.02 per share (2018 – $1,037,687 or $0.09 per share). Significant changes were as follows:

- Management fees for directors or officers of the Company totaled $96,000 (2018 - $96,000).
- Share based payments expense was $nil (2018 - $636,822).
- Professional fees (comprised of legal and accounting fees) were $98,731 (2018 - $71,181). The increase is due to legal costs in Guatemala.
- Transfer agent and filing fees decreased to $12,071 (2018 - $13,442).
- Office and administrative expenses of $3,317 (2018 - $39,594) decreased due to adoption of IFRS 16 Leases.
- Amortization expense increased to $14,751 (2018 - $2,337) due to adoption of IFRS 16 Leases.
- Foreign currency translation resulted in a gain of $42,629 (2018 - $44,089 loss)

Fourth Quarter

The Company realized a net loss of $111,394 or $0.01 per share (2018 - $155,380 or $0.01per share). Significant changes were as follows:

- Management fees for directors or officers of the Company totaled $24,000 (2018 - $24,000).
- Share based payments expense was $nil (2018 - $35,277).
- Professional fees (comprised of legal and accounting fees) were $68,030 (2018 - $27,730). The increase is due to legal costs in Guatemala.
- Transfer agent and filing fees decreased to $2,129 (2018 - $2,684).

Liquidity and solvency

The amount of cash at December 31, 2019 was $6,809 (2018 - $7,247).

The main sources of cash during the year ended December 31, 2019 were shares issued for cash $125,000 (2018 - $100,000), promissory note proceeds $30,058 (2018- $104,058), and advances from related parties $49,850 (2018 - $147,738). The primary uses of cash were operating activities - $56,273 (2018 - $119,639) and exploration and evaluation asset expenditures - $118,894 (2018 - $224,494).

The Company had a working capital deficit of $1,911,057 at December 31, 2019 (2018 – $1,622,188). The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional capital through the sale of shares or other sources as required to fund ongoing exploration activities and operating losses and ultimately on generating future profitable operations. The Company will need to raise capital to continue operations through its next fiscal year. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

During the year ended December 31, 2016, the Company received advances under a promissory note from a company controlled by a director in the amount of US$19,950. The note is unsecured, bears interest at a rate of 8% per annum, and has no fixed terms of repayment. During the year ended December 31, 2017, the Company received additional advances amounting to US$9,455. During the year ended December 31, 2019, the Company recorded interest expense of $3,100 (2018 - $3,095). As at December 31, 2019, principal and interest of $48,263 was due on the note.

During the year ended December 31, 2016, the Company issued a promissory note totalling US$15,000 to a third party. During the year ended December 31, 2017, the Company received additional advances amounting to US$22,500. The note is payable on demand and bears interest at a rate of 8% per annum. During the year ended December 31, 2019, the Company received further advances of US$25,000 and recorded interest expense of $5,452 (2018 - $3,947). As at December 31, 2019, principal and interest of $95,122 was due on the note.

During the year ended December 31, 2016 the Company issued a promissory note totalling US$2,005 to a third party. The note is payable on demand and is non-interest bearing. During the year ended December 31, 2017, the Company received additional advances from the third party in the amount of US$135,321. During the year ended December 31, 2018, the Company received additional advances of US$11,874. As at December 31, 2019, principal of $193,781 was due on the note.

During the year ended December 31, 2017, the Company issued a promissory note totalling $16,000 to a company controlled by the President of the Company. The note is payable on demand and bears interest at a rate of 8% per annum. During the year ended December 31, 2019, the Company recorded interest expense of $943 (2018 - $1,282) and repaid the promissory note in full.

During the year ended December 31, 2017, the Company issued a promissory note totalling $125,000 to a third party. The note is payable on demand and bears interest at a rate of 8% per annum. During the year ended December 31, 2018, the Company received additional US$93,045 advances. During year ended December 31, 2019, the Company recorded interest expense of $17,444 (2018 - $15,103). As at December 31, 2019, principal and interest of $255,441 was due on the note.
During the year ended December 31, 2017, the Company issued a promissory note totalling Q520,000 (Guatemalan Quetzales) to a related party. The note is payable on demand and bears no interest. As at December 31, 2019, principal of $87,569 was due on the note.

During the year ended December 31, 2018, the Company issued a promissory note totalling $1,418 to a related party. The note is payable on demand and bears interest at a rate of 8% per annum. During the year ended December 31, 2019, the Company received further advances of $473 on the loan and recorded interest expense of $63 (2018 - $35). As at December 31, 2019, principal and interest of $2,095 was due on the note.

During the year ended December 31, 2018, the Company issued a promissory note totalling $202,869 to a company controlled by the President of the Company, the proceeds which were to be applied toward the purchase price of the Korokoro project. The promissory note principal and 8% per annum interest were payable only from distributions from the Korokoro project. During the year ended December 31, 2018, the Company recorded interest expense of $8,373. On October 30, 2018, the Company decided to relinquish the project and principal of $202,869 and interest of $8,373 was forgiven.

During the year ended December 31, 2019, the Company recorded interest expense of $52,080 (2018 - $53,277) on the outstanding convertible debentures. An additional $33,019 (2018 - 29,809) interest expense was recorded and accreted back to the carrying value of the convertible debentures.

On December 12, 2018, convertible units in the amount of $20,000 were converted at $0.10 per unit into 200,000 shares.

Capital Resources

Authorized and issued capital stock as at the date of this report.

Authorized **–** unlimited common shares without par value and 100,000,000 preference shares without par value

Issued and Outstanding 15,067,036 common shares.

Options

Number	Exercise Price	Vested & Exercisable	Expiry Date
780,000	$ 0.50	780,000	November 1, 2022
150,000	$ 0.55	150,000	November 1, 2022
930,000		930,000	

Warrants

Number	Exercise Price	Expiry Date
14,350,000	$ 0.10	April 15, 2021
1,000,000	$ 0.07	April 9, 2025
15,350,000		

The Company currently has no source of operating cash flow, limited financial resources, and has no assurance that additional funding will be available to it for further exploration and development of its properties or to enable it to fulfill its obligations under any applicable agreements.

On August 9, 2011 the Company's shareholders approved the adoption of a new incentive Stock Option Plan (the "New Plan") to allow the Company to grant options to directors, officers, employees and consultants. Options are to be exercisable over periods of up to 5 years as determined by the Board of Directors of the Company. Options are required to have an exercise price no less than the market price prevailing on the day that the option is granted, less any applicable discount permitted under the rules and policies of the TSX-V. The New Plan provides that the number of common shares which may be issued pursuant to options granted under the New Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis. The Board of Directors may prescribe, at the time of grant of a particular option, vesting provisions as they may deem appropriate and are in compliance with TSX-V Policies. All outstanding options granted prior to adoption of the New Plan were rolled into the New Plan and vesting provisions were accelerated so that all outstanding options vested immediately upon adoption of the New Plan.

On September 16, 2019, the Company issued 500,000 shares upon exercise of 500,000 warrants at $0.10 for cash proceeds amount of $50,000. $5,890, the value of the exercised warrants was transferred from reserves to capital stock.

On May 29, 2019, the Company issued 250,000 shares upon exercise of 250,000 warrants at $0.10 for cash proceeds amount of $25,000. $2,944, the value of the exercised warrants was transferred from reserves to capital stock.

On February 26, 2019, the Company issued 500,000 shares upon exercise of 500,000 warrants at $0.10 for cash proceeds amount of $50,000. $5,890, the value of the exercised warrants was transferred from reserves to capital stock.

On February 21, 2018, the Company granted 250,000 stock options to consultants of the Company. The options have an exercise price of $0.55 and life of 4.70 years. The options vested equally on June 30 2018 and November 1, 2018. The fair value of the options was estimated using the Black-Scholes option-pricing model assuming an expected life of 4.7 years, a risk-free interest rate of 2.10% and an expected volatility of 151%. The Company recorded stock option expense of $136,010 in fiscal 2018.

On December 1, 2017, the Company granted 30,000 stock options to a consultant of the Company. The options have an exercise price of $0.50 and life of 4.92 years. The options vested equally on June 30, 2018 and November 1, 2018. The fair value of the options was estimated using the Black-Scholes Option-Pricing Model assuming an expected life of 4.92 years, a risk-free interest rate of 1.69% and an expected volatility of 120%. The Company recorded stock option expense of $31,575 in fiscal 2018.

On November 1, 2017, the Company granted 765,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of $0.50 and life of 5 years. The options vested equally on June 30, 2018 and November 1, 2018. The fair value of the options was estimated using the Black-Scholes Option-Pricing Model assuming an expected life of 5 years, a risk-free interest rate of 1.65% and an expected volatility of 119%. The Company recorded stock option expense of $469,237 in fiscal 2018.

Refer to the Company's financial statements for details of grants of stock options and stock purchase warrants.

Subsequent events

On May 14, 2020, convertible units in the amount of $20,000 were converted at $0.10 per unit into 200,000 shares.

On April 9, 2020, the Company completed a private placement of 1,000,000 units for gross proceeds of $50,000. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share at a price of $0.07 for a period of five years from the date of closing of the placement.

Related Party Transactions

During the year ended December 31, 2019, the Company entered into the following transactions with related parties:

a) The Company incurred management fees of $96,000 (2018 - $96,000) to a company controlled by the President of the Company, Mr. Charles Ross.

b) The Company incurred interest expense of $1,104 (2018 - $1,412) on a short-term loan and $943 (2018 - $1,282 and $8,373 on promissory notes) on a promissory note payable to a company controlled by the President of the Company, Mr. Charles Ross.

c) The Company repaid a promissory note principal of $16,000 (2018 – $nil) and accumulated interest of $2,944 (2018 – $nil) payable to the President of the Company, Mr. Charles Ross.

d) The Company incurred accounting fees of $21,007 (2018 – $nil) to a Company controlled by the CFO of the Company, Ms. Kiki Smith.

e) The Company incurred interest expense of $3,100 (2018 - $3,095) on a promissory note payable to a company controlled by a director of the Company, Mr. James Ravannack.

f) The Company incurred interest expense of $63 (2018 - $28) on a promissory note payable to a company controlled by a director of the Company, Mr. Raymond Strafehl.

Amounts due to related parties are as follows:

	December 31, 2019	December 31, 2018
Due to related parties:		
President and companies controlled by the President for management fees, expenses and accumulated interest	$ 337,816	$ 189,211
President and companies controlled by the President for expenses *	8,500	-
CEO and companies controlled by a director for expenses	4,601	4,863
	$ 350,917	$ 194,074
Promissory notes payable (Note 13):		
President and companies controlled by the President for principal*	$ -	$ 16,000
President and companies controlled by the President for interest	-	2,001
CEO and companies controlled by a director for principal *	40,082	40,114
CEO and companies controlled by a director for principal	87,569	88,429
CEO and companies controlled by a director for interest	10,276	7,370
	$ 137,927	$ 153,914

* These amounts are subject to 8% interest per annum, unsecured and have no fixed terms of repayment.

Management's Responsibility for Financial Statements

The Company's management is responsible for presentation and preparation of annual and interim condensed consolidated interim financial statements and of Management's Discussion and Analysis ("MD&A"). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Accounting Principles

The financial statements have been prepared in accordance with IFRS. The policies and estimates are considered appropriate under the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

New Accounting Policies Adopted

Leases

Effective January 1, 2019, the Company adopted IFRS 16 Leases using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. On adoption of IFRS 16, the Company recognized lease liabilities of $30,396 in relation to lease arrangements measured at the present value of the remaining lease payments, adjusted by commitments in relation to arrangements not containing leases, short-term and low-value leases, and discounted using the Company's incremental borrowing rate as of January 1, 2019. The incremental borrowing rate used to determine the lease liabilities at adoption was 12 percent. The associated right-of-use assets were measured at the amount equal to the lease liabilities on January 1, 2019, with no impact on retained earnings. See Note 6 – "Right-of-Use Assets" and Note 12 – "Lease Liabilities" of the Consolidated Financial Statements for additional information regarding the Company's leases.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective January 1, 2019:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.
- Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

Accounting Standards issued but not yet effective

Certain new accounting standards, amendments to existing standards and interpretations have been issued but have future effective dates that are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

Risks and Uncertainties

Management of Industry Risk

The mineral exploration business is speculative and involves a high degree of risk. There can be no assurance that the Company’s mineral exploration activities will be successful as few properties that are explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs being carried out or planned by the Company will result in a profitable commercial mining operation. At present, none of the Company’s properties have a known body of commercial ore and any proposed exploration programs are an exploratory search for ore.

The Company manages related industry risk issues directly. The Company’s mineral exploration activities expose it to potential environmental liability risk. The Company operates in the mineral interest field which is subject to environmental laws and regulations specific to countries in which exploration is conducted. Due to the diversity of these regulations compliance at all times cannot be assured. It is management’s policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company records liability for site recovery when determinable on a systematic basis in the period of determination. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

Government regulation
The mineral exploration and evaluation activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.
Foreign operations
The majority of the Company’s operations are currently conducted in Guatemala and Mexico and as such the Company’s operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary, but are not limited to, terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that

favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Guatemala and Mexico could adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Financial Instruments and Management of Financial Risk

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Management believes that the credit risk concentration with respect to cash, and accounts receivables is nominal. The risk in cash accounts is managed through the use of major financial institutions which have high credit quality as determined by the rating agencies. Accounts receivables are due primarily from a Canadian government agency.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at December 31, 2019, the Company had a cash balance of $6,809 to settle current liabilities of $1,925,821. All of the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed as high.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest rate risk
The Company has cash balances and large amounts of debt outstanding. The Company's current policy is to invest excess cash in investment-grade demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company has no debt at floating rates and is therefore not exposed to interest rate risk.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar. Current exploration activities occur in Guatemala and Mexico. Therefore, the Company is subject to foreign currency fluctuations in satisfying obligations related to its Guatemalan and Mexican exploration and administration activities. Currently the Company does not use any hedging or derivative instruments to reduce its exposure to foreign currency risk. The Company does not maintain significant cash or cash equivalents or other monetary assets or liabilities in the foreign country.

(c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices.

Profitability of the Company depends on metal prices for gold. Gold prices are affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold producing countries throughout the world.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

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

The carrying value of cash is determined using level one of the fair value hierarchy. The carrying value of accounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

Other risks
The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. Current global financial conditions have been subject to increased volatility as a result of which access to public financing has been negatively impacted. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. The market price of the Company's shares at any given point in time may not accurately reflect value. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

Critical Accounting Estimates

The preparation of financial statements in accordance 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 financial statements and the reported amount of revenues and expenses during the reported period. Actual results could differ from those estimates.

Caution Regarding Forward-Looking Information

Certain disclosures contained in this MD&A constitute forward-looking information within the meaning of the Ontario Securities Act and Alberta Securities Act or "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 of the United States. This is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits and the possibility that future exploration and development results will not be consistent with the Company's expectations. Some other risks and factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A are described under the heading "Risks" and in the Company's other public disclosure documents filed with certain Canadian securities regulatory authorities and available at www.sedar.com

Readers are cautioned that any such listings of risks are not, and in fact cannot be, complete. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Approval

The board of Directors of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of the Board of Directors,

"*C. Ross*"
Charles Ross
President and Director
June 11, 2020