SABLE RESOURCES LTD.

Management's Discussion and Analysis
For the three and six month period ended June 30, 2022

Management Discussion and Analysis as of August 29, 2022

The purpose of this Management's Discussion and Analysis ("MD&A") is to explain management's point of view regarding the performance of Sable Resources Ltd. ("Sable" or the "Company"). This MD&A also provides information to improve the readers' understanding of the consolidated financial statements and related notes as well as important trends and risks affecting the Company's financial performance and should therefore be read in conjunction with the interim condensed consolidated financial statements of the Company for the period ended June 30, 2022 ("Financial Statements"). 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.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets to review all financial reports, prior to filing.

Forward Looking Information

This MD&A contains certain statements that may be deemed "forward-looking statements," as defined by Canadian securities laws. Forward-looking statements relate to management's expectations or beliefs about future performance, events, or circumstances that include, but are not limited to, future production, costs of production, prices of gold, reserve or resource potential, exploration and operational activities, and events or developments that the Company expects or targets. Forward-looking statements can usually be identified by words such as: "future", "plans", "scheduled", "expects", "intends", "estimates", "forecasts", "will", "may", "could", "would", and variations thereof. Although the Company believes that these statements are based on reasonable assumptions, all forward looking statements involve known and unknown risks and uncertainties that may cause the actual performance, events, or circumstances of the Company to be materially different than anticipated. The Company and its operations are also subject to a large number of risks, including: the Company's liquidity and financing capability, economic and political instability in foreign jurisdictions, fluctuations in gold prices, market conditions, the impact of the COVID-19 pandemic, results of current exploration activities, the possibility of a labour stoppage or shortage, evolving environmental standards, delays in obtaining government permits and approvals, and such other risks as discussed herein and in other publicly filed disclosure documents. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause performance, events, or circumstances to differ materially from those described in forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements contained in this MD&A. Forward-statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

Qualified Person

The scientific and technical information contained in the Management Discussion and Analysis has been reviewed and approved by Luis Arteaga, Sable's Vice President, Exploration, who is a "Qualified Person" ("QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

COMPANY OVERVIEW

The Company is a Canadian listed public company with its shares traded on the TSX Venture Exchange ("TSXV") under the symbol "SAE" and on the OTC Venture Market (OTCQB) under the symbol "SBLRF". The Company is engaged in the acquisition, exploration, and development of mineral resource properties through its phase exploration methodology in the countries of Argentina and Mexico.

Sable started exploration in San Juan, Argentina in 2018, becoming one of the main players in the province with four active projects and a total of 163,969 hectares controlled. San Juan is home of the world-class Veladero Mine (Barrick Gold), the Gualcamayo mine (Mineros S.A.), as well as large and important exploration projects such as Filo del Sol (Filo Mining), Josemaria (Lundin Mining), Hualilan (Challenger Exploration), among others.

The province of San Juan has recently been highlighted as the most attractive destination for mining investment in Latin America *(Yunis, Jairo, and Elmira Aliakbari (2022). Fraser Institute Annual Survey of Mining Companies 2021. Fraser Institute. http://www.fraserinstitute.org*); replacing traditional mining jurisdictions like Chile and Peru.

RECENT DEVELOPMENTS

On August 17, 2022, the Company held its annual and special meeting of shareholders (the "Meeting"). At the Meeting, a total of 126,216,733 common shares were represented at the Meeting, representing approximately 45% of the total number of common shares of the Company issued and outstanding as at the record date. All matters presented for approval at the Meeting were duly authorized and approved including the election of all seven management nominees to the board of directors of the Company, the appointment of BDO Canada LLP as auditors of the Company for the ensuing year and authorization of the directors to fix their remuneration, approval of the Company's amended and restated option plan and approval of the Shareholders Rights Plan.

On August 24, 2022, 5.8 million warrants were exercised at an exercise price of $0.21 for proceeds of $1,218,000.

Q2 2022 OPERATING HIGHLIGHTS

Mineral Properties

Argentina

- In Argentina, the Company has been undertaking significant exploration activities at its three projects - Don Julio, El Fierro, and La Poncha.
- The exploration activities for the 2021 / 2022 season (September through May) included 18,509 metres of combined drilling at the El Fierro, Don Julio, and La Poncha projects as well as extensive surface (3,750 surface samples) and geophysical work (GroundMag and IP surveys).
- During the quarter, South32[1] made payments of $502,554 (US$390,000) to fund exploration activity at the Don Julio Project.
- Full results from surface and drilling activities are expected in September.
- Even without full results from last season, South32 has committed to 5,000m of drilling at Don Julio for the upcoming 2022 / 2023 exploration season which is expected to begin in October 2022. The drill campaign could be expanded to 7,000m depending on preliminary results and observations.

El Fierro

The 2021 / 2022 exploration season started at El Fierro in September 2021 with camp construction, mapping and geophysics. The Company finished its drill campaign in May 2022, totaling 12,000 metres in 65 holes. Besides the Ag-Au-Pb-Zn veins that initially characterized El Fierro, Sable started drilling its recently discovered Pyros Cu-Au-Mo porphyry target, and the intrusion related Au-Cu Antena target, both located within the El Fierro claims.

Don Julio Project

For the 2021 / 2022 season, the Company and South32[1] planned a very active season that included mapping, additional geophysical surveys for target definition, and drilling of 5,000 metres focused on Cu-Au porphyry targets associated with the extensive Miocene lithocap located in the central part of the Don Julio cluster. Exploration work started in early October 2021 with the camp setup and road preparation. Drilling commenced in late January 2022 and finished in early June with nine drillholes and 4,293m completed at the Poposa, Gringa and Punta Cana targets. A total of 2,764 core samples were collected and sent to ALS labs with all the targets showing encouraging signs of porphyry mineralization. The drilling was complemented by 161 surface rock samples and geophysical surveys including 50km of GroundMag and 30km of Induced polarization. The company is currently waiting for complete assays to start the release of results.

La Poncha

Since March 2021, and in preparation for drilling, the Company completed geological mapping of the two main mineralized zones (Poncha North and Poncha South), undertook extensive trenching, collected 744 rock and 145 soil samples, reprocessed historical geophysics, and collected 478 TerraSpec samples, and five geochronology samples. Drilling commenced in March 2022 and finished May 2022 with six drillholes and 2,216m completed

Mexico

In Mexico, Sable continues to evaluate existing anomalies within its land package and evaluating properties for acquisition in regions with high geological potential within mining friendly states of Mexico such as Sonora, Chihuahua, Sinaloa, and Durango. The Company continues to work with its legal team in Mexico to accelerate the registration of titles of its large land packages in Queretaro, Zacatecas, and Chihuahua.

OUTLOOK

The Company completed the 2021 / 2022 exploration season with 18,509 metres of drilling at three projects. Full results are expected in September. Observations and partial results are encouraging at the three drilled projects and the Company anticipates a very active campaign for the 2022 / 2023 season. Given the significant increase of exploration activity in the San Juan province, the Company has already secured three rigs for the next season.

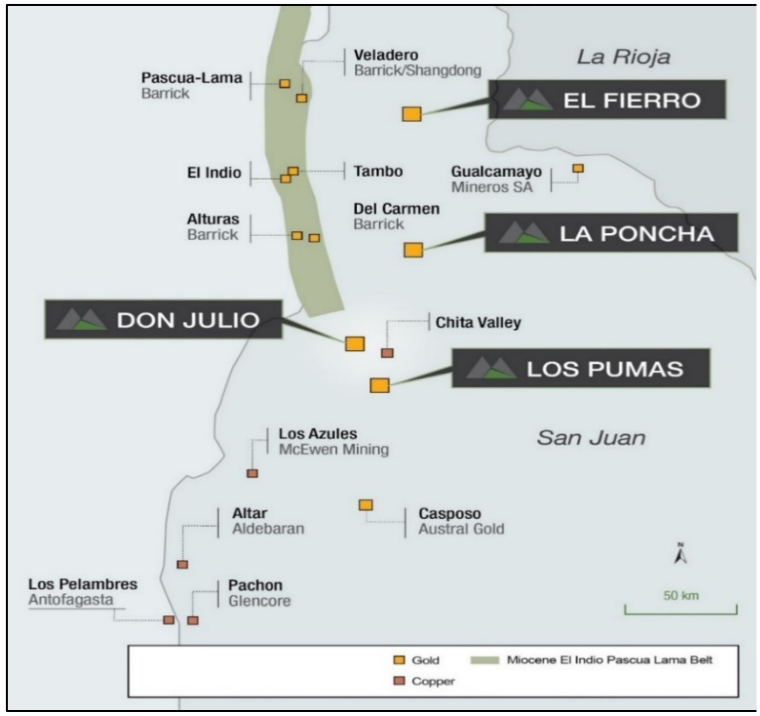
[1] Activities with South32 are undertaken pursuant to the EIA signed on January 27, 2021 that provides for South32 to provide US$8.5 million in exploration funding over five years (the "EIA Period"), the payment of 100% of the cash option payments to the underlying owners of the Don Julio Project and for a 7.5% operator fee to Sable for managing the exploration programs. Additional information on the EIA is disclosed in the Company's financial statements. See "Risk Factors" below.

EXPLORATION PROPERTIES

ARGENTINA

The Company has four active projects in Argentina:

- Don Julio
- Don Julio Regional (including Los Pumas)
- El Fierro
- La Poncha



Don Julio Projects

The Company holds the rights to acquire 100% ownership of 63,314 hectares and has staked additional 6,035 hectares of highly prospective ground at its Don Julio, Don Julio Cluster and other associated regional properties ("Don Julio Regional"), collectively "Don Julio" or the "Don Julio Projects" which properties are subject to the EIA with South32. Located in the pro-mining province of San Juan, the mineral claims are 62 km south of Barrick's Alturas gold deposit. Under the EIA, South32 and the Company will jointly explore the Don Julio Projects.

Since 2018 when Sable first initiated exploration at Don Julio, multiple targets with different styles of mineralization have been recognized, mapped, sampled, and evaluated. All the targets are fully drill permitted and show large alteration footprints which would allow hosting significant concealed mineralized systems.

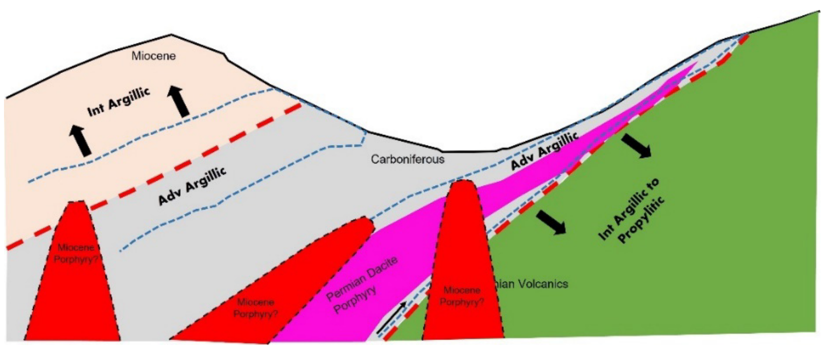
Punta Cana Target

Additional to the porphyry targets located within the Don Julio lithocap, the Company successfully discovered the partially outcropping Punta Cana porphyry in November 2021. The Punta Cana porphyry is located approximately 1.5km west of the southern margin of the known lithocap over an area of approximately 400 by 400m. Initial values from samples collected within the porphyry zone range from <0.1 to 3 g/t Au, and <0.1% Cu to 0.5% Cu. Two drill holes (DJ-DH-22-06 and DJ-DH-22-08) tested the Punta Cana porphyry this season. Although results are not available as at the date of this MD&A, both drill holes intercepted significant porphyry style mineralization typical of the Au-rich deposits of the Maricunga belt.


Mineralized specimens from the Punta Cana porphyry showing typical veinlets

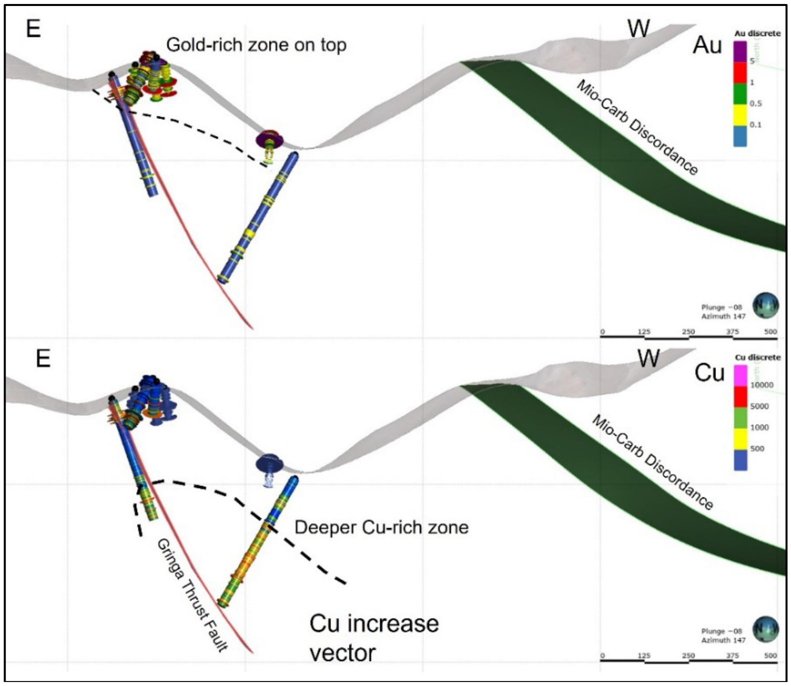
La Gringa Amarillo and Poposa Targets

In 2021, the Company conducted a complete geological re-interpretation of the historical data concluding that the Don Julio lithocap is tilted to the west. This significant conclusion demonstrated that all the drilling by previous companies was poorly located and any future drilling had to be located towards the west flank of the area.



Schematic section showing the structures controlling the location of the advanced argillic alteration within the Don Julio lithocap

After understanding the geometry of the lithocap, the Company defined at least three possible porphyry centres – the Gringa, Amarillo and Poposa targets. In the 2021 / 2022 exploration season, the Company drill tested the Gringa and Poposa with three holes (1,352m) being drilled at the Poposa target and two holes (1,423m projected). Holes DJ-DH-22-07 and DJ-DH-22-09 at La Gringa showed a clear transition from advanced argillic to sericitic alteration and both ended in strong biotite alteration hosted by sedimentary wallrock with abundant early porphyry veining. The presence of potassic alteration and associated early veining indicates that these holes are proximal to a Miocene porphyry stock. Even without full results the company anticipates that La Gringa will be the main focus of the next drilling campaign.



EW Section across the Gringa thrust fault showing the transition from shallow gold rich values into deeper copper high values with a clear westward vector

After the first drilling campaign in 2018, the Company extended the mapping to previously unexplored zones of the property along with extensive rock and talus sampling. As a result of this exploration work, several targets were discovered including Lodo Norte, Lodo Sur, San Gabriel, and Colorado (Intermediate Sulfidation); and the Fermin target (Pb, Zn, Cu skarn). The Intermediate Sulfidation targets are not priority for the Company at this moment while the high values of base metals observed at Fermin represent interest for Sable's exploration partner South32.

Fermin Skarn Target

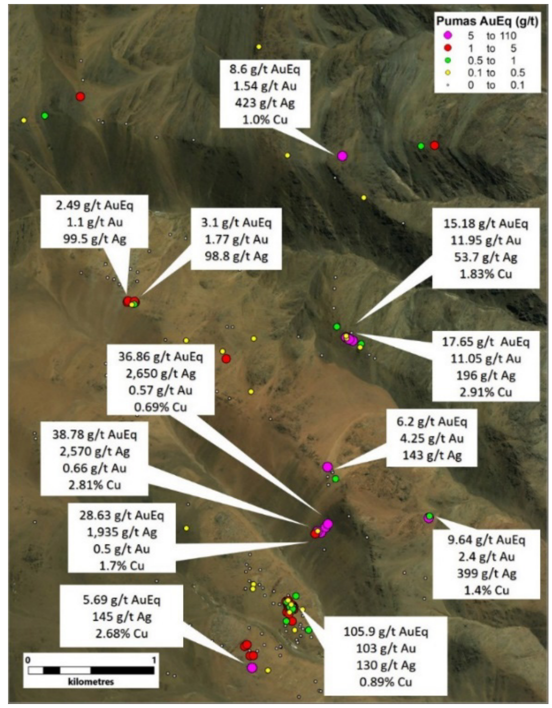
Exploration work undertaken by Sable in the 2018 / 2019 field season discovered skarn mineralization with observed thicknesses ranging from 10cm to several metres. The mineralized zone has been systematically sampled in multiple channel sections and results were released in Q1 2020 with the best intersection being 7.26% ZnEq over 21.4m (Sable's Press Release dated Feb 24, 2020). ZnEq is calculated combining anomalous values of Zn, Pb, Ag, and Cu. The mineralization is semi-continuous along strike for almost 2 km and is interpreted as the distal part of a concealed Au-Cu skarn-porphyry system to the west.

Although Fermin was not part of the recent exploration program, the Company expects to drill test it in the future.

Los Pumas Project

In January 2021, Sable issued a press release announcing geochemical sampling results from the Los Pumas Project located 21 km south of the Don Julio Cluster where the Company collected 260 rock samples that returned values of up to 103 g/t Au; 2,650 g/t Ag; and 2.9% Cu.

Exploration work for the 2021 / 2022 season was initiated in September 2021 with more than 20km of road construction, >1.5km of trenching; mapping, prospection, and 294 rock samples. Encouraging results for Au-Cu-Ag have been received from different zones of the project.



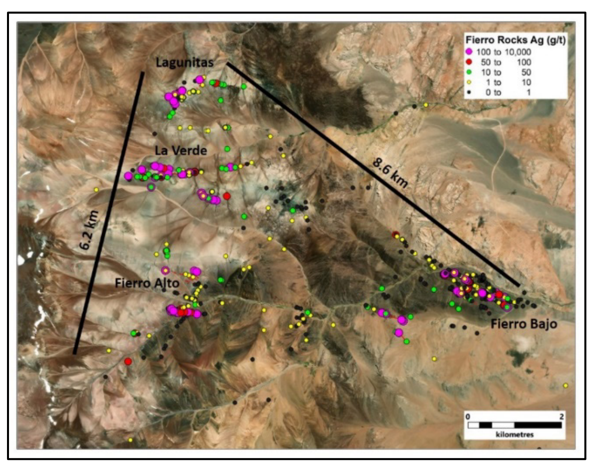
Distribution of Gold Equivalent values at Los Pumas Project

Additional to Los Pumas Project, the Company holds large unexplored areas within the regional block of Don Julio. The Company is already planning additional regional work for 2022 / 2023 exploration season. All the exploration work at Don Julio, Los Pumas, and Don Julio Regional are fully financed by South32.

El Fierro Project

El Fierro Project is located 250 km northwest of San Juan city and 120 km north of Sable's Don Julio Project. El Fierro is a historical small-scale mining district where silver, lead, and zinc were intermittently mined from the late 1800s until the 1960's decade. The area has not seen any modern exploration and has never been drilled before Sable's drill program conducted in Q1 and Q2 of 2021.

Fieldwork conducted during 2020 and 2021 defined four important mineralized centres: Fierro Bajo, Fierro Alto, La Verde, and Lagunitas, forming a district-scale footprint of 8.6km by 6.2km.

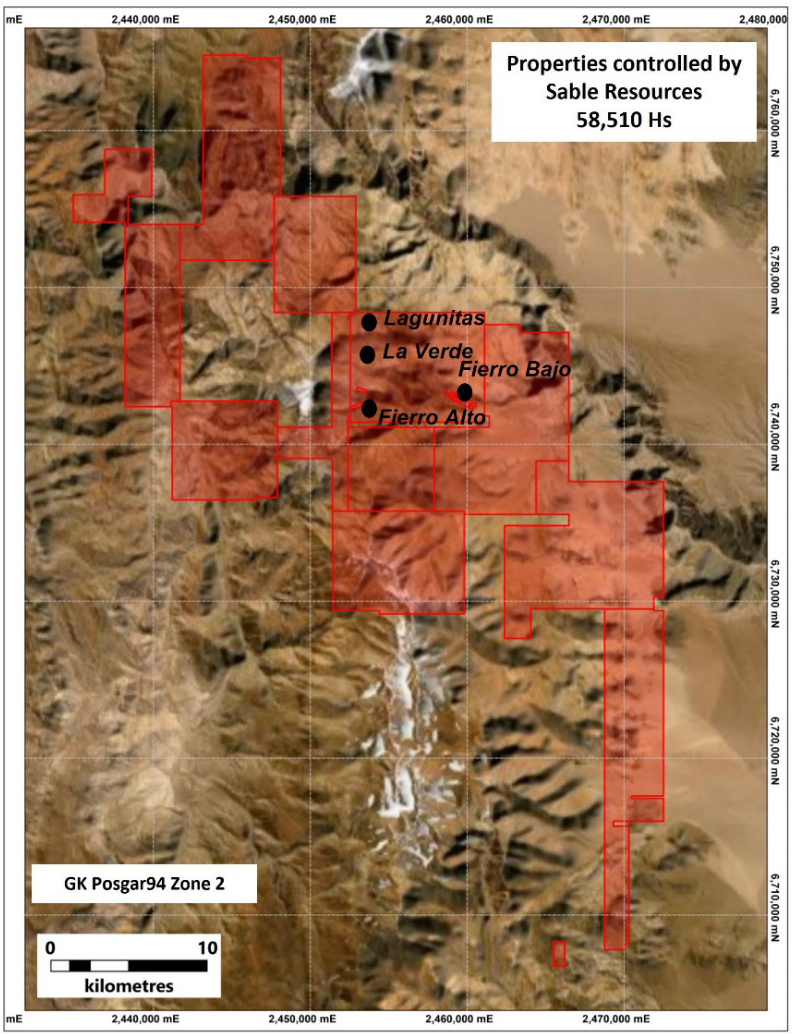


Location of mineralized zones at El Fierro Project

Mineralization at Fierro Bajo consists of at least four silver-rich veins that returned values from samples of up to 17,531 g/t AgEq (12,181 g/t Ag; 5.67% Pb; 1.6% Cu; and 0.2% Zn from a Grab Sample). Structures at Fierro Alto returned values as high as 1,946.50 g/t AgEq (1,070 g/t Ag; 20% Pb; 0.38 g/t Au; 1.003% Zn; and 1.33% Cu from a 0.25m Channel Sample). La Verde samples have returned some of the highest grades within the El Fierro Project, with values up to 4,525 g/t AgEq (3,840 g/t Ag; 19.8% Pb; 0.56% Cu from a Grab Sample).

In February 2021, Sable started the first drilling campaign ever conducted at El Fierro completing 3,278 metres in 25 holes (see press releases dated April 6th, May 3rd, May 17th and June 30th). Based on the encouraging results from the drilling campaign conducted in February 2021 and geochemical results from trenching and mapping that increased the footprint of the El Fierro Project (see press release dated July 21, 2021), a second drilling campaign commenced in October 2021.

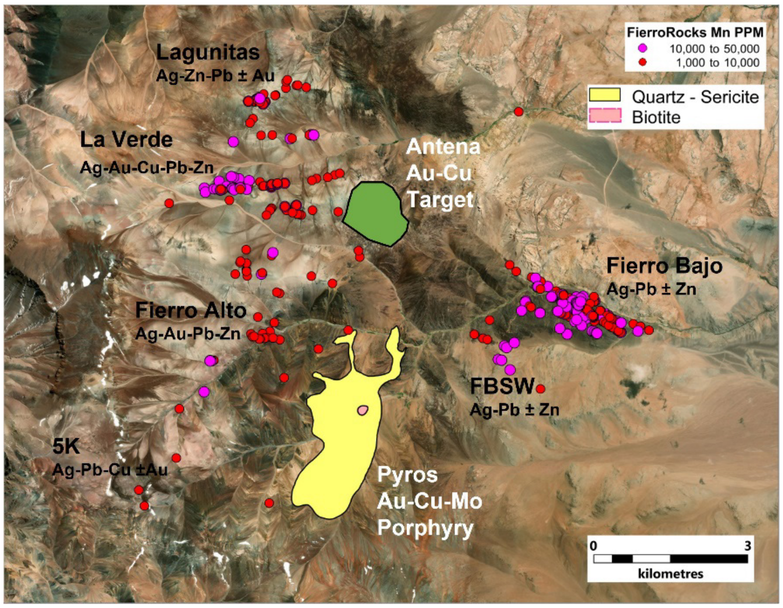
Through additional staking in 2021, the Company increased its land position in El Fierro from 46,391 hectares to 58,510 hectares. A significant portion of Sable's property at El Fierro remains totally unexplored, increasing the potential for finding additional mineralized zones.



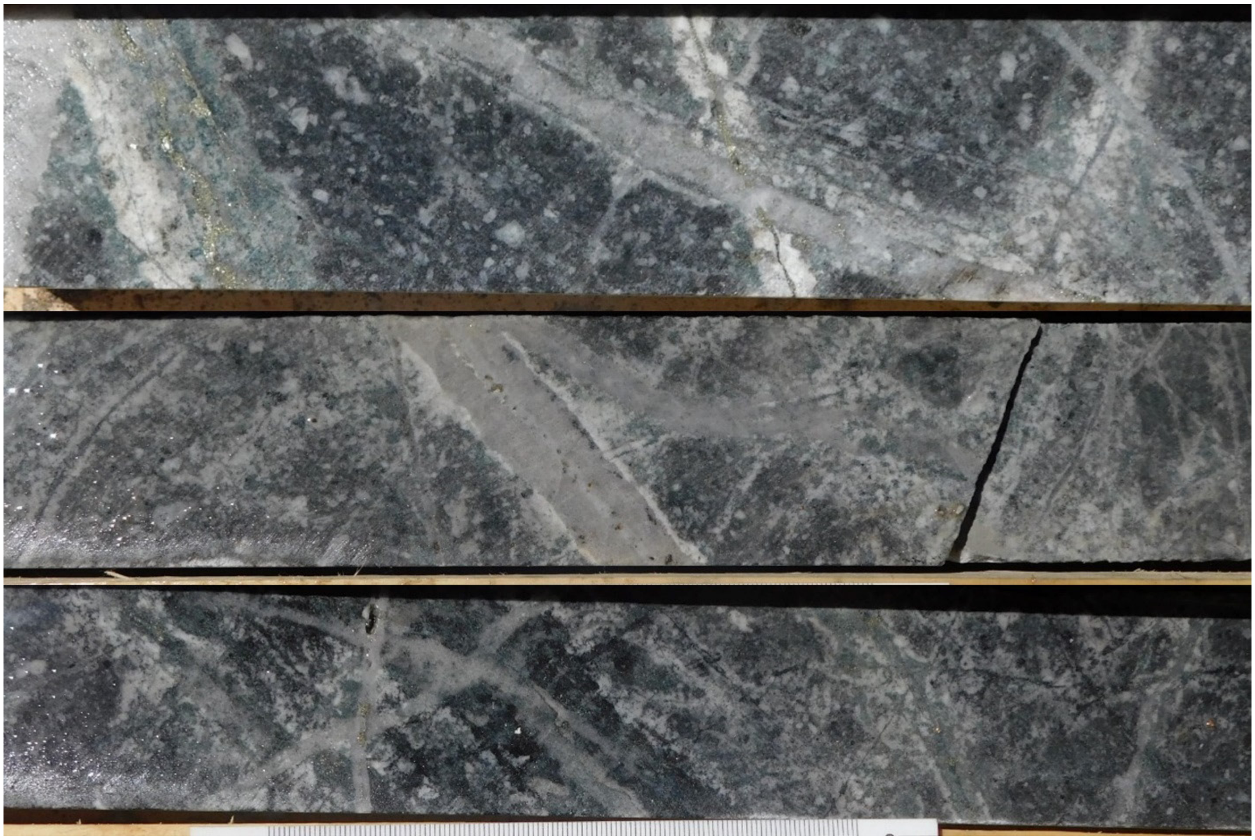
Properties controlled by Sable at El Fierro Project

Pyros Target

As a result of exploration in the newly staked ground at the El Fierro Project, the Company discovered the Pyros porphyry target which was an important part of the drilling campaign that has now been completed. Pyros is a large porphyry system approximately 4km by 2km. Surface geochemistry suggests Pyros is a Cu-Mo-Au system. Due to the large size and intense alteration, the Company decided to dedicate 5,000m of drilling across the Pyros target.



Location of the Pyros and Antena targets with respect to the main vein zones of El Fierro Project. Intense Manganese anomaly marks the periphery of high-temperature magmatic centers



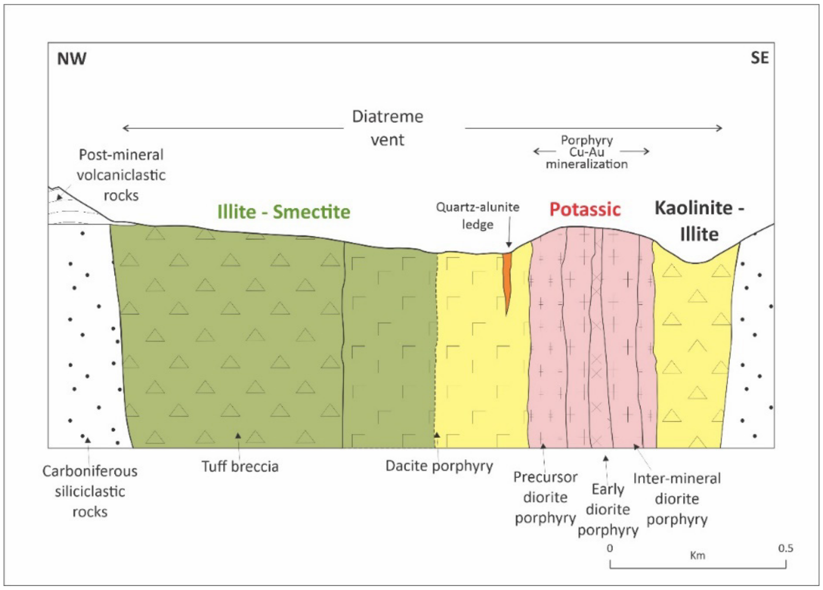
Examples of A and B veins with
pyrite > chalcopyrite - molybdenite in diorite porphyry
strongly altered to secondary biotite

The Company announced results from vein targets at El Fierro on January 11th and February 15th, with results from the new Pyros and Antena targets pending. As of the date of this MD&A, the second drilling campaign has been completed with a total of 12,000m in 65 holes. Full assay results are pending.

La Poncha Project

In March 2021, the Company signed an option agreement for the La Poncha Project comprising 18,114 hectares and located 69 km north of Don Julio and 50 km south of the El Fierro Project. The La Poncha Project was explored by at least three companies in the past including Golden Arrow (2008), Teck (2009), and Genesis Minerals (2012). These companies completed limited drilling on the property with several encouraging intercepts publicly released at the time. Historical highlights obtained by Golden Arrow in 2008 include 266m @ 1.21 g/t Au and 3.30 g/t Ag (129m – 395m); 61m @ 3.04 g/t Au and 7.16 g/t Ag (270m – 331m) and multiple other intercepts from 2008. In 2012, Genesis Minerals released 12.15m @ 4.87 g/t Au, 15.9 g/t Ag and 0.49% Zn. The Company notes that the mentioned intercepts correspond to information publicly released by the companies and a Qualified Person (QP) has not done enough work to verify these historical assay results.

Since the signing of the option agreement, the Company has advanced exploration in the two main mineralized zones of the project (Poncha North and Poncha South). The porphyry system at Poncha North is similar in age to the Filo del Sol project, located north of La Poncha, that recently released an intercept of 651.1m at 1.12% CuEq from hole FSDH-057 (Filo Mining press release dated May 12, 2022) and multiple other high-grade intercepts in 2021.



Schematic section across the Poncha North porphyry system showing the mineralized diorite phases and the surrounding diatreme vent

Photo from the Poncha North porphyry target showing A and B veins with pyrite > chalcopyrite - molybdenite in inter-mineral diorite with sericitic alteration overprinting early potassic alteration

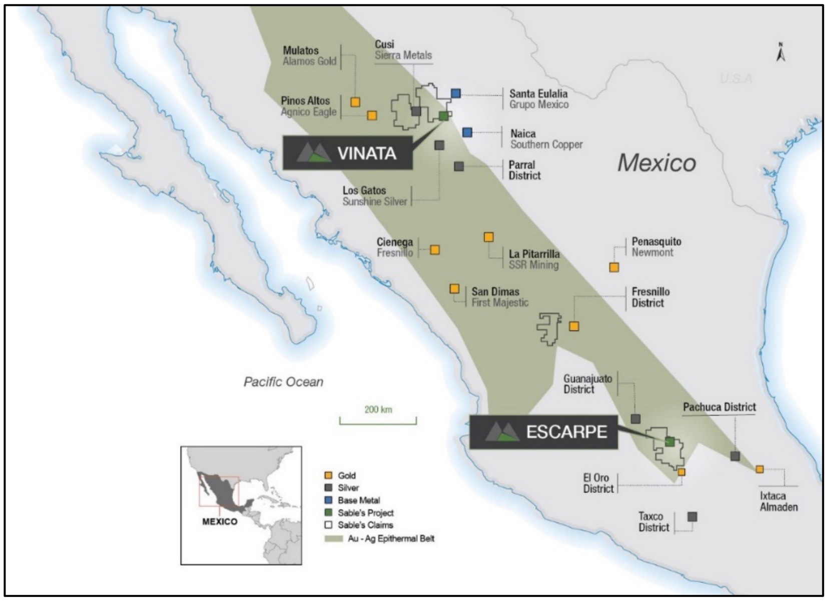
At Poncha South, Sable has identified a porphyry-style mineralization that was not previously recognized as well as extensions of the historically explored epithermal mineralization. Geochronology studies conducted by the Company have revealed that the observed porphyry mineralization coincides with the mineralization age of the Josemaria deposit (1,159 MTonnes @ 0.29% Cu, 0.21 g/t Au, 0.9 g/t Ag – Total M&I sulfide resource 2020 - Josemaria Resources website). The Company started exploration activities in October 2021 with camp setup and road work. In the 2021 / 2022 exploration season, Sable collected 744 rock samples and 145 soil samples, most of them at Poncha North which was the main focus of the drilling program. The Company's drilling campaign that commenced in March 2022 has been completed with 2,216m drilled in 6 holes. Full assays are pending.

Through staking in August 2021, the Company has increased its land position at La Poncha from 18,114 hectares to 34,937 hectares. Newly staked ground is located south of Poncha South and northwest of Poncha North opening significant exploration opportunities for finding new porphyry and epithermal targets within the project.

Mexico

The Company has three active projects in Mexico:

- Vinata Project
- El Escarpe Project
- Mexico Regional Program



Vinata Project

The Vinata Project is located in the Municipality of Chihuahua, State of Chihuahua, Mexico, 50 km south of the city of Chihuahua. The Vinata Project is located along possible extensions of known important mineral belts of northern Mexico including base metal CRD deposits as Santa Eulalia (50 km northeast of Vinata) and Naica (75 km southeast of Vinata), and the polymetallic vein system of the Gatos Silver's Cerro Los Gatos mine, located 75 km southwest of the Vinata Project.

In the fourth quarter of 2020, the Company conducted a second drilling campaign at the Vinata Project with two holes drilled at Vinata South that confirmed that the historically mined Mn structures have a stratigraphic control and don't show vertical zoning to Ag or Au mineralization and five additional holes at Vinata North drilled to extend the mineralization found in 2019, looking for zones of higher grade and testing geophysical anomalies. Hole VIN-DDH-20-13 intercepted low-grade mineralization similar to that observed in holes 01, 03, 04, and 07. Drilling was stopped after hole VIN-DDH-21-17. The Vinata Project remains a significant gold anomaly to be further explored. The Company will continue advancing exploration activities with the follow-up of stream sediment anomalies within its 39,000 hectares of titled ground to generate new targets.

El Escarpe Target

El Escarpe is an early-stage project, centrally located in the state of Queretaro, only 2.5 hours from Mexico City. The project is geologically located between the historical mining districts of Guanajuato and "El Oro" where silver and gold have been mined for centuries. Surface results and alteration indicate that Au-Ag Low Sulfidation mineralization is preserved below surface. Permitting is currently in process to drill potential "bonanza" zones to depth.

Mexico Regional

Phase 2 work following up stream sediment anomalies within the 39,414 hectare mineral claim recently titled from the Manzana application has been advancing since September 2020. The Company is working on the acceleration of the title process of its vast mineral applications in Queretaro, Zacatecas, and Chihuahua in order to conduct exploration campaigns within this highly prospective ground.

DISCUSSION OF OPERATIONS

For the three months ended June 30, 2022 and 2021:

Net loss for the three month period ended June 30, 2022 was $5,009,136 compared with $1,857,144 for the three month period ended June 30, 2021. The increase for the period is primarily due to the following variances:

- Exploration expenditures were $5,188,500 for the three-month period ended June 30, 2022 (June 30, 2021 - $1,511,041). The increase is due primarily to the three active drill campaigns at the Don Julio, El Fierro and La Poncha projects, compared to only one drilling campaign in the comparable period at the El Fierro project.

- General and administrative expense were $509,159 for the three-month period ended June 30, 2022 (June 30, 2021 - $344,467). The increase is due to higher general office and other costs as a result of the increased exploration activities required to support the exploration objectives.

- Provision of $1,055,308 for value-added tax receivables for the three-month period ended June 30, 2022 (June 30, 2021 –$812,832). The increase is due to increased exploration expenses at the Argentina properties that were subject to value-added tax.
- Gain of $1,622,766 on use of marketable securities for the three-month period ended June 30, 2022 (June 30, 2021 – $744,840). The increase is due to increased exploration expenditures in Argentina, as well as the trend in the Argentine Peso versus the Canadian and US dollars during the respective periods.

For the six months ended June 30, 2022 and 2021:

Net loss for the six month period ended June 30, 2022 was $8,806,738 compared with $3,915,450 for the six month period ended June 30, 2021. The increase for the period is primarily due to the following variances:

- Exploration expenditures were $11,792,026 for the six-month period ended June 30, 2022 (June 30, 2021 - $3,828,459). The increase is due primarily to the three active drill campaigns at the Don Julio, El Fierro and La Poncha projects, compared to only one drilling campaign in the comparable period at the El Fierro project.

- General and administrative expense were $995,110 for the six-month period ended June 30, 2022 (June 30, 2021 - $644,148). The increase is due to higher general office and other costs as a result of the increased exploration activities required to support the exploration objectives.

- Provision of $1,786,222 for value-added tax receivables for the six-month period ended June 30, 2022 (June 30, 2021 –$841,241). The increase is due to increased exploration expenses at the Argentina properties that were subject to value-added tax.

- Gain of $5,565,015 on use of marketable securities for the six-month period ended June 30, 2022 (June 30, 2021 – $1,322,944). The increase is due to increased exploration expenditures in Argentina, as well as the trend in the Argentine Peso versus the Canadian and US dollars during the respective periods.

Exploration Expenditures

Exploration expenditures by type

	Three months ended June 30, 2022	2021
Exploration expenditures		
Employee compensation	**$ 60,174**	$ 82,503
Camp and transportation	**294,830**	117,803
Consultants, geochemistry, and geophysics	**1,117,927**	492,772
Drilling	**1,944,569**	151,352
Fuel	**289,670**	49,060
Field supplies	**448,679**	73,919
Lease and rentals	**722,055**	429,478
Office and general and administrative	**132,867**	80,362
Insurance, bank fees and taxes (non-income)	**168,646**	33,792
Depreciation	**9,133**	-
Total exploration expenditures	**$ 5,188,500**	$ 1,511,041

	Six months ended June 30 2022	2021
Exploration expenditures		
Employee compensation	**$ 103,239**	$ 161,253
Camp and transportation	**442,582**	314,042
Consultants, geochemistry, and geophysics	**2,182,583**	1,110,913
Drilling	**4,727,750**	714,169
Fuel	**595,463**	146,727
Field supplies	**1,147,265**	246,225
Lease and rentals	**1,926,231**	766,904
Office and general and administrative	**241,603**	201,962
Insurance, bank fees and taxes (non-income)	**401,801**	166,264
Depreciation	**23,509**	-
Total exploration expenditures	**$ 11,792,026**	$ 3,828,459

Exploration expenditures by project

		Three months ended June 30,		
		2022		2021
Exploration expenditures				
Don Julio	**$**	**2,125,914**	$	323,065
Don Julio Regional		**-**		26,068
El Fierro		**1,839,315**		1,046,516
La Poncha		**1,205,650**		59,131
Mexico Regional		**17,621**		56,261
Total exploration expenditures	**$**	**5,188,500**	$	1,511,041

		Six months ended June 30,		
		2022		2021
Exploration expenditures				
Don Julio	**$**	**4,407,475**	$	712,111
Don Julio Regional		**18,116**		26,068
El Fierro		**5,330,924**		2,605,477
La Poncha		**1,942,789**		223,204
Mexico Regional		**97,722**		106,982
Vinata		**-**		154,617
Total exploration expenditures	**$**	**11,792,026**	$	3,828,459

SELECTED FINANCIAL INFORMATION

Current assets at June 30, 2022 were $17,698,747 versus $23,913,391 at December 31, 2021. The difference is primarily the result of receipt of $3,428,284 from South32 under the EIA, offset by $9,783,127 of cash flows used in operating activities.

Current liabilities at June 30, 2022 were $587,894 versus $1,181,120 at December 31, 2021. The difference is primarily the decrease in payables and accruals due the completion of drill programs at Don Julio, El Fierro and La Poncha.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly financial information for each of the last eight quarters.

Quarter Ending	Total Assets ($)	Total Liabilities ($)	Net Income (Loss) $	Net Income (Loss) per share $
June 30, 2022	22,678,217	5,929,109	(5,009,136)	(0.02)
March 31, 2022	28,342,405	7,077,079	(3,797,602)	(0.02)
December 31, 2021	28,469,543	3,109,051	(4,833,710)	(0.01)
September 30, 2021	31,502,688	1,616,755	(1,337,529)	(0.01)
June 30, 2021	33,055,712	1,653,744	(1,857,144)	(0.01)
March 31, 2021	22,830,897	2,118,345	(2,111,202)	(0.01)
December 31, 2020	24,657,343	1,597,064	7,140,112	0.03
September 30, 2020	16,715,820	1,387,627	(766,973)	(0.01)

The net losses incurred in the previous five quarters are a result of ongoing exploration work at the Company's projects in Argentina and Mexico. Net income incurred during the fourth quarter of 2020 was due to the gain on the sale of the option to acquire the Margarita Silver Project, and the gain on the sale of an additional 1% net smelter returns royalty to Osisko Gold Royalties.

LIQUIDITY AND CAPITAL RESOURCES

The Company has no known mineral resources and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances exploration activities by raising capital from equity markets, the sale of mineral properties and the sale of royalties from time to time. As at June 30, 2022, the Company had a cash and cash equivalents position of $17,538,290 (December 31, 2021 - $22,751,313) and working capital of $17,110,853 (December 31, 2021 - $22,732,271).

The Company's capital management objectives are to raise the necessary funds for its exploration projects and to manage these funds to best optimize its exploration and mining programs in the interests of its shareholders and other stakeholders at an acceptable risk.

In the management of capital, the Company includes shareholders' equity and cash and cash equivalents in the definition of capital.

The Company manages its capital structure and makes adjusts it based on changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may raise additional equity funds and acquire new exploration properties as circumstances dictate. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See "Risk Factors" below.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for its next fiscal year, as these expenditures are considered discretionary by management.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTSTANDING SHARE DATA

Issued Capital

The Company's authorized share capital consists of an unlimited number of common shares. As at June 30, 2022, an aggregate of 280,564,898 common shares were issued and outstanding and 286,364,898 as of the date of this MD&A.

Stock Options

The Company had 17,275,000 options as of June 30, 2022 and as of the date of this MD&A.

Restricted Shares Units ("RSUs")

The Company had no RSUs outstanding as of June 30, 2022 and as of the date of this MD&A.

Warrants

The Company had 41,117,154 warrants outstanding as of June 30, 2022 and 35,317,154 as at the date of this MD&A.

OFF-BALANCE SHEET TRANSACTIONS

The Company did not have any off-balance sheet arrangements as at June 30, 2022 or as of the date of this MD&A.

RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the periods ended June 30, 2022 and 2021:

- The Company incurred exploration costs in the amount of $11,671 (June 30, 2021 - $nil) paid to Talisker Exploration Services Ltd., a private company with shared directors and officers. Included in payables and accruals at June 30, 2022 are $nil (December 31, 20201 - $6,924).

- The Company incurred general and administrative expenses in the amount of $5,856 (June 30, 2021 - $6,776) paid to JDS Energy & Mining Inc., a private company with a shared director.

- The Company was remunerated for shared general and administrative costs of $7,541 (June 30, 2021 - $nil) by Talisker Resources Ltd., a public company with shared directors and officers.

- The Company was remunerated for general and administrative costs of $nil (June 30, 2021 - $10,560) by TDG Gold Corp., a public company with shared directors, for expenses relating to the Baker Project.

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three and six month periods ended June 30, 2022 and 2021 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	**2022**	2021
Salaries and director fees	**$ 241,177**	$ 211,751	**$ 482,348**	$ 432,502

As at June 30, 2022, an amount of $37,055 (December 31, 2021 - $410,558) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

COMMITMENTS

The Company entered into a shared lease agreement for its Toronto office premises for corporate and technical purposes for a total term of six and a half years. This lease obligation has been recorded in accordance with IFRS 16. Future minimum lease payments are as follows:

		1 year		2-3 years		4-5 Years		More than 5 years
Lease obligation	$	32,651	$	65,303	$	10,844	$	-

CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND UNCERTAINTIES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Critical Accounting Estimates and Assumptions

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

Share-based Payments

The Company applies the Black-Scholes pricing model to estimate the fair value of stock options granted and warrants issued, which is expensed to the statement of loss and comprehensive loss over each option award's vesting period. Under this model, the Company must estimate the term, volatility, the forfeiture rate of options granted, and warrants issued. Changes in these input assumptions can significantly affect the fair value estimate.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Functional Currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The Company has determined that its functional currency is the Canadian dollar. The determination of functional currency may require certain judgements to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

Determination of Cash Generating Unit (CGU)

In determining a CGU, management had to examine the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. The Company has determined that each important geographic location of its mineral interest qualifies as a CGU. Each of these assets generates or will have the ability to generate cash inflows that are independent of the other assets and therefore qualifies as an individual asset for impairment testing purposes.

Amortization Rates

The application of determining the useful lives of equipment is estimated by management based on assumptions about future events. Estimates and assumptions made may change if new information becomes available. New information may become available during the use of the equipment that causes the Company to adjust its estimate.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment of Non-financial Assets

The Company reviews and evaluates tangible and intangible assets, including mineral property interests, for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. An impairment test is conducted if an indication of impairment is found to exist.

Income Taxes

The Company recognizes deferred tax assets relating to tax losses carried forward only to the extend there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Recoverability of Value-Added Tax Receivables

The Company reviews and evaluates assumptions regarding the recoverability of value-added tax ("VAT") receivables in Argentina and Mexico at the end of each reporting period considering the relevant facts and circumstances, including past collectability and the general economic environment of the country to determine if a provision for the VAT receivable is required. As the amount receivable depends on performance by the governments in Argentina and Mexico, the timing and amount of collection for the VAT receivables may be materially different from the amount recorded in the consolidated financial statements.

Deferred Exploration Recoveries

Management considered the facts and circumstances surrounding the receipt of deferred exploration recoveries in determining that it represents a liability to the Company. The payment represents a portion of the funding that will form the consideration for South32's investment in Olivares S.A., should South32 exercise its right to acquire a 65% direct interest in Olivares S.A. In management's view, as the Company continues to operate the Don Julio Project, this payment for the future sale of a controlling interest in Olivares S.A. is considered to be a present obligation of the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside. As commodity price moves so too does the underlying value of the Company's gold projects. The Company monitors gold and silver prices to determine the appropriate course of action to be taken by the Company.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no material changes in the risks, objectives, policies and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to the cash and cash equivalents is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

As at June 30, 2022, the Company had a cash and cash equivalents balance of $17,538,290 (December 31, 2021 - $22,751,313) to settle current liabilities of $587,894 (December 31, 2021 - $1,181,120). Working capital for the Company as at June 30, 2022 was $17,110,853 (December 31, 2021 - $22,732,271).

Market risk

(a) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in US dollars, Argentine Peso and the Mexican Peso.

Based on the foreign currency balances at June 30, 2022, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect the net comprehensive loss by approximately $94,563. This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geopolitical implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

(b) Commodities price risk

The Company is exposed to price risk with respect to commodity prices. 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, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company.

Other price risk

From time to time, as part of the funding process to its subsidiary, the Company holds equity instruments for periods of two to three business days with the intention of trading. During these holding periods, the Company is exposed to changes in share prices which result in gains or losses being recognized in profit and loss. The Company does not hold these equity instruments at period end and therefore had no exposure to price risk as of June 30, 2022.

RISKS FACTORS

There are many risk factors facing companies involved in the mineral exploration industry. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Company but may not be the only risks faced by the Company. Risks and uncertainties not presently known by the Company, or which are presently considered immaterial may also adversely affect the Company's business, projections, results of operations and/or conditions (financial or otherwise).

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of several factors, including the quality of the project itself. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Company may be subject to risks that could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters, or estimation errors are prime examples of industry-related risks. The Company attempts to balance this risk through ongoing risk assessments conducted by its technical team.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Operating Hazards Risks

Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, weather conditions and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. The Company's exploration activities will be subject to the availability of third-party contractors and equipment. There are also physical risks to the exploration personnel.

The Company maintains insurance for amounts that it considers adequate, however, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Geopolitical Risk

The Company may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Company cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Company and may adversely affect its business.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Argentina and Mexico. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties, as well as the revocation or suspension of previously issued mining permits. Changes in mining or investment policies or shifts in political attitudes may also adversely affect the Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions, or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition, or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Non-compliance with applicable laws, regulations and permitting requirements (including allegations of such) may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed or causing the withdrawal of permits or mining licenses, and the imposition of corrective measures requiring material capital expenditure or remedial action resulting in materially increased cost of compliance, reputational damage and potentially impaired ability to secure future approvals and permits. The Company may be required to compensate third parties for loss or damage and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Economic and Political Instability in Argentina

The Company has projects located in San Juan Province, Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014 and 2020, Argentina defaulted on foreign debt repayments and on the repayment on several official loans to multinational organizations. In addition, the Argentinean government has renegotiated or defaulted on contractual arrangements. The current government, which took office in December 2019, has reinstated currency controls previously lifted by the opposition government, which, among other impacts, restricts the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multinational companies to distribute dividends abroad in United States dollars).

While the political environment in Argentina continues to develop, and the status of currency controls and restrictions remains fluid, past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina, or in its ability to obtain financing for its projects in the future.

Sources of Funds and Share Price Fluctuation Risks

The only sources of funds presently available to the Company are the sale of equity/debt capital or the sale by the Company of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that such sources will continue to be available, in the short term or at all. Failure to obtain additional financing on a timely basis could cause the Company to reduce or terminate its proposed operations and the loss of some or all the value of an investment in the securities.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and the corresponding effect on the Company's financial position.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective shareholders. The Company has sought a joint venture partner to fund the exploration of the Don Julio Project. Offering an interest in its Don Julio Project to a partner would dilute the Company's interest in the project.

Permits and Licenses Risks

The operations of the Company will require licenses and permits from various governmental authorities. The Company believes it will be able to obtain in the future all necessary licenses and permits to carry on the activities which it intends to conduct and intends to comply in all material respects with the terms of such licenses and permits. There can be no guarantee, however, that the Company will be able to obtain and maintain, at all times, all licenses and permits required to undertake its proposed exploration or to place its properties into commercial production and to operate mining facilities if its exploration programs are successful. Amendments to current laws and regulations governing the operating and activities of the Company and the more stringent implementation thereof could have a substantial adverse impact on the business, financial condition and the results of operations of the Company. Obtaining necessary permits, leases and licenses can be a complex, time-consuming process and the Company cannot be certain that it will be able to obtain necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits, leases and licenses and complying with these permits and applicable laws and regulations could stop, delay or restrict the Company from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, or fines, penalties or other liabilities. The Company could also lose its licenses or permits under the terms of its existing agreements.

Title Matters Risk

While the Company has followed and intends to follow standard industry-accepted due diligence procedures with respect to the title for any mineral claims in which it has or will acquire a material interest, there is no guarantee that title to such properties will not be challenged or impugned. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples. Surveys have not been carried out on the Company's mineral properties, and their boundaries and areas could be in doubt. The rules governing mining concessions in Mexico and Argentina are complex and any failure by the Company to meet requirements would have a material adverse effect on the Company. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

Surface Rights and Access

Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time-consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry-on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Commodity Price Risk

The Company is subject to commodity price risk for the sale of gold and silver. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from the extraction of mineral products. As such, the effect of these factors on the price of future product sales, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Currency Risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk with respect to cash balances and transactions as a portion of these amounts are denominated in US dollars, Argentine Pesos, and Mexican Pesos. The Company has not entered any foreign currency contracts to mitigate this risk.

Option, Joint Venture and Earn In Agreements

The Company has and may continue to enter into option agreements, joint ventures, and/or earn in agreements (collectively "Partner Agreements") as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company.

Under the terms of such Partner Agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with Partner Agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties, or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

Under the terms of such Partner Agreements, in the event a partner decided to cease funding and terminate the Partner Agreement, the Company may be subject to the payment of income tax in the local jurisdiction. The termination of a Partner Agreement could also result in other material adverse effects to the Company's business, financial results, and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Pandemic Diseases

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to a lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's exploration operations to operate as intended due to shortage of skilled employees, shortages in supply chains, the inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, the declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts. Given the fact that the Company's properties are in Argentina and Mexico, there are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infection disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to the infectious disease risks noted above and as such the Company's operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

COVID-19

The Company highlights that it continues to face risks related to COVID-19, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions.

The COVID-19 outbreak and its declaration as a global pandemic have caused companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions. The extent to which COVID-19 will continue to impact the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak

Since the outbreak of COVID-19 in March 2020, the Company has focused its efforts to safeguard the health and well-being of its employees, consultants and community members to ensure their safety during the global COVID-19 pandemic. The Company follows stringent COVID-19 protocols and is abiding by local and national public health guidelines in place in Canada, Mexico and Argentina, which include personnel health screening, attendance monitoring, physical distancing measures, use of personal protective equipment, enhanced cleaning and disinfection procedures, and active case monitoring and reporting protocols.

The impacts of the COVID-19 pandemic may also include disruptions in its exploration work and increased costs resulting from the Company's efforts to mitigate the impact of the COVID-19 pandemic on operations. A material adverse effect on the Company's employees, suppliers and/or partners could have a material adverse effect on the Company. Even after the COVID-19 outbreak has subsided, the Company may continue to experience material adverse impacts to its business as a result of the global economic impact, including any related recession.

As the Company continues to monitor developments with respect to COVID-19, both globally and within its operating jurisdictions, it will remain adaptive and will implement any such changes to its COVID-19 protocol, or its business in general, as may be deemed appropriate to mitigate any potential impacts to its business and its stakeholders.

Community Relations and Public Opposition to Mining Activities

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. In recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose globalization and resource development can be vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the mining industry or to the extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, despite the Company's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Company.

Environmental Risk

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Company operates. Environmental standards continue to evolve, and the current trend is moving toward a longer, more complete and rigid process. The Company reviews environmental matters on an ongoing basis. When appropriate, the Company will make appropriate provisions in its financial statements for any potential environmental liability. However, there is no assurance that existing or future environmental regulations will not materially adversely affect the Company's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Company holds interests that are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, and installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in the development of new mining properties. In parts of Argentina, there is environmental opposition to both mineral exploration and mining. Accordingly, there may be a certain degree of anti-mining sentiment that could potentially affect the risk of successfully developing the Company's mineral projects.

The Argentine Congress has passed legislation designed to protect the country's glaciers. This law would restrict development on and around glaciers. The detailed regulations that will govern the implementation of the law have not yet been written. Although not anticipated, this legislation could affect the Company's ability to develop parts of its mineral projects.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on supply chain disruptions may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

Competition and Marketability Risks

The resource industry is intensely competitive in all its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

Key Management Risk

The success of the Company's future business is largely dependent on a relatively small number of key members of management. The loss of any key member could be detrimental if a suitable replacement could not be found at a comparable compensation level.

Risk of Legal Proceedings in the Ordinary Course of Business

Due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The Company's operations are subject to the risk of legal claims by employees, unions, contractors, lenders, suppliers, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. Plaintiffs may seek recovery of very large or indeterminate amounts, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respect to claims that have no merit. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of the discovery of new evidence or advancement of new legal theories, the difficulty of predicting the decisions of judges and juries and the possibility that decisions may be reversed on appeal. The litigation process could, as a result, take away from the time and effort of the Company's management and could force the Company to pay substantial legal fees or penalties. There can be no assurances that the resolutions of any such matters will not have a material adverse effect on the Company's business, financial condition and results of operations.

Compliance with Anti-Corruption Laws

The Company is subject to various anti-corruption laws and regulations such as the Canadian Corruption of Foreign Public Officials Act. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

The Company's projects are located in Argentina and Mexico, which are perceived as having fairly high levels of corruption relative to Canada. The Company cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and/or its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

TSXV-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information on the Company can be found on the Company's website at www.sableresources.com or at SEDAR at www.sedar.com.