MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Form 51-102F1

For the three months ended September 30, 2019

(Stated in Canadian Dollars)

(Unaudited)

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For the three months ended September 30, 2019

Date of Report: November 27, 2019

General

The following Management's Discussion and Analysis ("MD&A") of Mexican Gold Corp. (the "Corporation") should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2019 with a comparative period for the year ended June 30, 2019, and the notes thereto. The Corporation's unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of November 27, 2019, and all information is current as of such date. Readers are encouraged to read the Corporation's public information filings on SEDAR at www.sedar.com.

This discussion provides management's analysis of the Corporation's historical financial and operating results and provides estimates of the Corporation's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward-looking statements. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that the Corporation's will derive there from. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

The scientific and technical geological content and interpretations contained in this report have been reviewed and approved by Mr. Sonny Bernales, P. Geo. a Qualified Person as defined by National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101").

Corporate Overview

Mexican Gold Corp. (the "Corporation") (formerly Source Exploration Corp.) was incorporated under the Business Corporation's Act (Alberta) on October 5, 2006, and is engaged in the acquisition, exploration, and evaluation of mineral properties. On January 17, 2011, the Corporation received all necessary approvals to continue into the jurisdiction of Ontario.

The Corporation is in the process of exploring and evaluating its mineral properties and, on the basis of the information to date, has not yet determined whether any of the properties contain economically recoverable reserves. The recovery of expenditures on the mineral properties is dependent upon the existence of economically recoverable mineralization, the Corporation securing and maintaining title and beneficial interest in the properties, and the ability of the Corporation to obtain the necessary financing to complete the exploration and development and future profitable production or, alternatively, on the sufficiency of proceeds from disposition.

Operational Highlights Q1 2020

Mexican Gold Corp. is engaged in the exploration and development of mineral properties in Mexico. Highlights from the period are:

Exploration Program

On September 27, 2019, the Corporation announced it would embark on an exploration and drilling program for the second quarter of fiscal 2020 to explore highly prospective targets at the Las Minas Project which includes a planned 3000-meter drill program designed to test 4 prospective targets and 2 geological concepts. Drilling commenced in mid-October 2019 with completion expected in mid-December 2019. The 4 planned targets for drilling are Pueblo Nuevo, the Cinco Senores TEM Anomaly, Las Minillas, and El Dorado and the 2 planned geological concepts for drilling are are the potential for skarn mineralization, Sub-Sill and at the Mancuerna Dike Swarm.

Exploration Highlights from the Program

On November 1, 2019, the Corporation provided an exploration update with the following highlights:

- 655 metres have been drilled over 5 holes to date
- The first 3 holes of the program tested for mineralization at the El Dorado zone
- LM-19-CS-13, the 4th hole, was drilled to 261 metres and tested a significant electromagnetic anomaly which is coincident with a km-scale zone of argillic alteration and strong pyrite enrichment with local indications of molybdenite, sphalerite, and galena.
- LM-19-LM-03, currently at 124 metres, is the 5th hole of the program and is being drilled to test a 350-metre extension of the prominent electromagnetic anomaly north of hole LM-19-CS-13. The entire anomaly lies on strike with the core of the El Dorado zone resource.

Updated NI 43-101 Resource Estimate

On October 10, 2019, the Corporation announced an updated 43-101 resources estimate for the Las Mina Project. The resource estimate was prepared by Mine Development Associates ("MDA") of Reno, Nevada, USA. Highlights from the updated resource estimate are:

- The Las Minas Project hosts 645,000 ounces of gold equivalent ("AuEq") at an average grade of 3.674 g AuEq/t, in the Indicated category – see Table 1 below.
- The Las Minas Project hosts 217,000 ounces of AuEq at an average grade of 2.679 g AuEq/t, in the Inferred category – see Table 1 below.
- MDA prepared the Las Minas resource estimate based on potential exploitation by underground mining methods and deemed 1.5 g AuEq/t to be the appropriate cut-off grade for the resource. The resource is no longer being analyzed from an open-pit perspective

The updated resource estimate incorporates the new and higher-grade mineralization discovered in the El Dorado Dike Contact zone as well as additional tonnage delineated by step-out drilling at the El Dorado and Santa Cruz zones. The resource estimate was developed using a newer and more refined geological and mineral domain model. MDA chose a cut-off grade based on a potential underground operation.

Table 1. Las Minas Total Reported Mineral Resources
(cutoff grade of 1.5g AuEq/t)

Class	Tonnes	g Au/t	oz Au	g Ag/t	oz Ag	% Cu	lbs Cu	g AuEq/t	oz AuEq
Indicated	5,457,000	1.782	313,000	6.5	1,148,000	1.250	150,319,000	3.674	645,000
Inferred	2,514,000	1.252	101,000	5.5	446,000	0.938	51,965,000	2.679	217,000

Note: rounding may cause apparent inconsistencies

CIM Definition Standards were followed for mineral resource estimates. The Las Minas mineral resource estimates were prepared by Mine Development Associates of Reno, Nevada under the supervision of Paul Tietz. Mr. Tietz is a Qualified Person and is independent of the Corporation as defined by NI 43-101. Mr. Tietz has reviewed and verified the Mineral Resource information in the Corporation's press release dated October 10, 2019.

The Effective Date of the Mineral Resource is September 12, 2019.

The stated resources are fully diluted to 3 m cubed blocks and are tabulated on a AuEq cutoff grade of 1.5 g AuEq/t.

Using the individual metal grades of each block, the AuEq grade is calculated using the following formula:

g AuEq/t = g Au/t + (0.0123077 * g Ag/t) + (1.4492753 * %Cu)

This formula is based on prices of USD $1,300.00 per ounce gold, USD $16.00 per ounce silver, and USD $2.75 per pound copper.

Metal recoveries were not included in the equivalency calculation since the metallurgical studies completed to-date indicate just a minor recovery difference. It is reasonably expected that the majority of Inferred mineral resources could be upgraded to the Indicated classification with continued exploration.

Prior to fiscal 2019, the Corporation had drilled an additional 6,454 metres in 39 holes, increasing the amount of drilling in the resource area by approximately 40%. The drilling focused on expansion of the resource footprint and testing nearby geophysical targets. The drill program successfully delineated the high-grade El Dorado Dike Contact Zone. High grade mineralization occurs on both sides of a cross cutting, diorite dike that bisects the El Dorado zone.

Additional stepout drilling completed in late 2017 and in 2018 expanded the western extension of the El Dorado zone as well as the Santa Cruz zone. Step-out drilling at the El Dorado zone intersected high-grade mineralization in hole LM-18-JB-25.

In 2018, resource expansion drilling at the Santa Cruz zone extended the zone above the area of previous drilling and at depth. Drill hole LM 18SC21, which tested the upward extension of the zone, intersected multiple zones of mineralization.

Pueblo Nuevo Valley

In 2017 and mid 2018 the Corporation conducted surface work and evaluation of the Pueblo Nuevo valley structure which lies in a deeply incised valley located approximately 2 to 3 km north-northwest of the main mineralized area.

The Initial exploration work demonstrated the potential for the discovery of additional resources. The clusters of high-grade veins over a wide area may offer the potential for a new resource. Drilling would be required to make this determination.

Surface sampling identified several high-grade quartz veins occurring along the same sill contact believed to be part of the metallogenic system as the better-known gold/copper skarn deposits at Las Minas proper.

The veins are contained within a 400 metre wide shear zone and spread over 600 metres of strike length. Sampling of newly discovered surface outcrops and historical mines include 81.3 g/t gold, 91.1 g/t silver, and 17.1 % zinc over 2.0 metres, 25.2 g/t gold and 165.8 g/t silver over 0.15 metres, and 29.0 g/t gold, 95.5 g/t silver, and 8.4% zinc over 0.20 metres. Earlier sampling of the Tamiagua 1 vein structure in 2017 yielded up to 24.86 g/t gold and 17.8 g/t silver over 0.25 metres contained within a 0.72 metre interval grading 19.09 g/t gold and 10.6 g/t silver.

Pepe Concessions

As previously disclosed, the Corporation through its Mexican subsidiary Roca Verde, S.A. de C.V. (Roca Verde) filed a response as a third party of interest after receiving notification of an appeal by the heir of one of the five co-owners of a neighbouring concession (the "Neighbouring Concession Coowner") to an earlier decision by the General Bureau of Mining ("GBM") located in Mexico regarding an overlapping area of its Las Minas property. The overlapping area comprises approximately 11% of the Las Minas project. The Corporation's interest in the Las Minas Project is held through Roca Verde, which owns six concessions, including the Pepe and Pepe Tres mining concessions (Collectively the "Pepe Concessions"). In 2016, Roca Verde received notice from the Regional Court of Tlaxcala of the Federal Tribunal of Administrative Justice advising that Neighbouring Concession Coowner has appealed (the "2016 Appeal") against the General Bureau of Mining's decision to nullify a portion of the area of the concession that overlaps a portion of the Pepe Concessions.

The Corporation, after consulting its Mexican legal counsel, is of the view that the appeal is without merit and that the February 28, 2014 decision by the General Bureau of Mining was correct in all material respects based on the review of the title documents relating to the Pepe Concessions and the neighbouring concessions, and both the former owners of the Pepe Concessions (from whom Roca Verde had acquired the Pepe Concessions) and currently Roca Verde have valid ownership to the overlapping area under applicable Mexican law. The Corporation believes that the 2016 Appeal will be denied in due course.

In early 2017, the above Neighbouring Concession Co-owner filed another petition with the General Bureau of Mining in Mexico requesting the cancellation of Roca Verde's Pepe mining concession. The GBM indicated that it would not review the petition until the 2016 Appeal is resolved. In 2017, the Neighbouring Concession Co-owner filed an appeal (the "2017 Appeal") in the Regional Court of Tlaxcala of the Federal Tribunal of Administrative Justice against the decision of the GBM as well. The Corporation after consulting its Mexican legal counsel is of the view that the 2017 Appeal is also without merit and believes that the 2017 Appeal will be denied in due course. Based on a review of the title documents relating to the Pepe Concessions and the neighbouring concession and having consulted with Mexican legal counsel, the Corporation believes that both the former owners of the Pepe Concessions and now Roca Verde have valid ownership to the overlapping area under applicable Mexican law.

Organizational Changes

On July 17, 2019, Jay Sujir was appointed as a director of the Corporation. Mr. Sujir is a Partner in Farris Law's Mining and Securities practice groups and has nearly 30 years of experience acting for mining and other natural resources companies. The Corporation also announced the resignation of Gord Glenn as director and Carl Hering as chief operating officer and director.

On September 1, 2019, Gavin Nelson resigned as CFO and Michael Kanevsky was appointed as Mexican Gold's new CFO. Michael is a Chartered Professional Accountant and began his career in the audit and assurance practice at Deloitte. He has had Controllership and financial reporting experience with several Canadian-based mining companies with operations in Latin America. Most recently, he has been CFO of several private mining companies.

Environmental Contingency

The Corporation's mining and exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of September 30, 2019, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Overall Objective

The Corporation's business objective is to generate returns for our shareholders by acquiring high potential precious metals exploration properties in safe jurisdictions and adding significant value by carrying out focused exploration and development programs.

Exploration and evaluation activities

The following table summarizes the accumulated costs incurred to date with respect to the Corporation's interest in mineral properties owned, leased or under option that the Corporation continues to explore:

	Las Minas $	Three months ended September 30, 2019 $	Year ended June 30, 2019 $	Inception to date total $
Analytical	-	-	-	376,149
Geological and consulting	20,937	20,937	251,338	4,115,031
Transportation and accommodation	-	-	-	177,174
Drilling	-	-	-	6,333,021
Geophysical	-	-	-	97,498
Operational support	32,032	32,032	103,009	544,431
Resource estimation	79,205	79,205	-	79,205
Other	-	-	-	402,026
Subtotal	132,175	132,175	354,347	12,124,536
Acquisition costs / Option payments	-	-	1,204,439	3,209,127
Total expenditures	132,175	132,175	1,558,786	15,333,663

The following table provides selected financial information and should be read in conjunction with the Corporation's audited consolidated financial statements for the periods below:

	Year ended June 30, 2019 $	Year ended June 30, 2018 $	Year ended June 30, 2017 $
Operations			
Other income	3,227	10,960	16,151
Comprehensive loss for the year	(3,115,759)	(3,529,472)	(3,119,345)
Basic and diluted loss per share	(0.06)	(0.09)	(0.17)
Balance Sheet			
Working capital	(165,347)	645,179	1,258,630
Total assets	721,156	803,484	1,394,819
Total liabilities	(886,503)	(158,305)	(136,189)

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the most recently completed interim quarters:

Three Months Ended	Total Assets $	Total Revenue $	Comprehensive Loss	
			Total	Per Share[11][12]
September 30, 2019	3,553,041	-	(1,017,945)[1]	(0.01)
June 30, 2019	721,156	-	(337,673)[2]	(0.01)
March 31, 2019	565,005	-	(554,093)[3]	(0.02)
December 31, 2018	893,087	-	(1,782,473)[4]	(0.02)
September 30, 2018	500,371	-	(447,570)[5]	(0.01)
June 30, 2018	803,484	-	(1,021,133)[6]	(0.04)
March 31, 2018	825,674	-	(912,212)[7]	(0.01)
December 31, 2017	1,094,305	-	(965,856)[8]	(0.03)
September 30, 2017	1,422,645	-	(595,809)[9]	(0.01)

1. Comprehensive loss of $(1,017,945), and loss for the period of $(1,011,008), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general expenses of $304,007, exploration and evaluation expenditures of $132,175, and share-based payments of $474,526. All other items were for working capital purposes.
2. Comprehensive loss of $(337,673), and loss for the period of $(305,129), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general expenses of $138,373, exploration and evaluation expenditures of $115,257, and share-based payments of $61,238. All other items were for working capital purposes.
3. Comprehensive loss of $(554,093), and loss for the period of $(547,932), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general expenses of $255,770, exploration and evaluation expenditures of $450,575, and share-based payments of $219,009. All other items were for working capital purposes.
4. Comprehensive loss of $(1,782,473) and loss for the period of $(1,846,310) with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general of $472,728, exploration and evaluation expenditures of $1,291,570, and share-based payments of $75,962. All other items were for working capital purposes
5. Comprehensive loss of $(447,570) and loss for the period of $(452,066), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general of $253,494, exploration and evaluation expenditures of $98,436, and share-based payments of $94,086. All other items were for working capital purposes.
6. Comprehensive loss of $(1,185,111) and loss for the period of $(1,020,943), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general of $305,499, exploration and evaluation expenditures of $519,403, and share-based payments of $151,399. All other items were for working capital purposes.
7. Comprehensive loss of $(838,074) and loss for the period of $(912,302), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general of $389,598, exploration and evaluation expenditures of $483,975, and share-based payments of $141,230. All other items were for working capital purposes.
8. Comprehensive loss of $(1,060,401) and loss for the period of $(965,856), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general expenses of $431,744, exploration and evaluation expenditures of $448,649 and share based payments of $181,746. All other items were for working capital purposes.
9. Comprehensive loss of $(445,886) and loss for the period of $(595,809), with the difference attributed to the exchange differences on translation of foreign operations. Loss for the period includes administrative and general of $224,233, exploration and evaluation expenditures of $175,587 and share based payments of $178,823. All other items were for working capital purposes.
10. Comprehensive loss of $(2,020,168) and loss for the period of $(1,985,606), with the difference attributed to the exchange on foreign operations. Loss for the period includes administrative and general of $326,226, exploration and evaluation expenditures of $1,325,915, and share-based payments of $251,812. All other items were for working capital purposes.
11. Basic and diluted.
12. Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Overall Performance and Results of Operations

Total assets increased to $3,553,041 at September 30, 2019, from $721,156 at June 30, 2019, primarily as a result of an increases in cash of $1,117,280 and short term investments of $2,000,000 partially offset by a decrease in amounts receivable and prepaids and deposits of $285,396. The most significant assets at September 30, 2019, were cash of $1,435,834 (June 30, 2019: $318,553) short term investments of $2,000,000 (June 30, 2019: $Nil) and amounts receivable of $66,870 (June 30, 2019: $287,825). Cash and short term investments increased by $3,117,281 during the three months ended September 30, 2019 as a result of the issuance of common shares and warrants in the amount of $4,000,000 partially offset by cash used in operating activities of $452,782 and repayment of a convertible note of $450,000.

Financial Highlights

During the three months ended September 30, 2019, the Corporations loss increased by $558,942 to $1,011,008 compared to $452,066 for the three months ended September 30, 2018. The increase in loss is largely due to:

- Exploration and evaluation expenditures for the three months ended September 30, 2019 were $132,175 (three months ended September 30, 2018 – $98,436). The increase is primarily due to higher exploration activity at the Corporation's Las Mina Project and costs incurred in connection with the Corporation's recently announced updated 43-101 resource estimate during the three months ended September 30, 2019 compared to less exploration activity at the Corporation's project during the three months ended September 30, 2018.

- General and administrative expenditures for the three months ended September 30, 2019 were $304,007 (three months ended September 30, 2018 – $253,494). The increase is primarily due to increased corporate activity during the three months ended September 30, 2019.

- Share-based payments for the three months ended September 30, 2019 were $474,526 (three months ended September 30, 2018 - $94,086) The increase is due to 4,800,000 fully vested stock options granted and continued vesting of past stock options granted during the three months ended September 30, 2019 compared to no stock options granted and continued vesting of past stock options grants during the three months ended September 30, 2018.

- Professional fees for the three months ended September 30, 2019 were $109,214 (three months ended September 30, 2018 – $6,050). The increase is due to higher legal fees as a result of increased corporate activity during the three months ended September 30, 2019.

The Corporation recorded loss and comprehensive loss of $1,017,945 or $0.01 basic and diluted loss per share for the three months ended September 30, 2019 compared to $447,570 or $0.01 basic and diluted loss per share for the three months ended September 30, 2018.

Liquidity and Financial Position

As at September 30, 2019, the Corporation had cash of $1,117,281 and short-term investments of $2,000,000 to settle current liabilities of $261,807.

The Corporation does not currently have a recurring source of revenue, other than interest income on its short-term investments and has historically incurred negative cash flows from operating activities. As at September 30, 2019, the Corporation had working capital of $3,291,234 consisting primarily of cash and short-term investments. Although the Corporation presently has sufficient financial resources to cover its existing obligations and operating costs, the Corporation expects to require further funding in the longer term to fund is planned programs and ongoing operations for the next year. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Corporation's operations and exploration programs. In order for the Corporation to meet its liabilities as they come due and to continue its operations, the Corporation is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the Corporation's ability to continue as a going concern.

The sources of funds currently available to the Corporation for its acquisition and exploration projects are solely due from equity financing. The Corporation does not have bank debt or banking credit facilities in place as at the date of this report.

July 2019 Financing – Net Proceeds of $4,000,000

On July 15, 2019, the Corporation closed a non-brokered private placement comprised of 50,000,000 units of the Corporation (the "Units") at an issue price of $0.08 per Unit for aggregate gross proceeds of $4,000,000 (the "Offering"). Each Unit consists of one common share in the capital of the Corporation (a "Common Share") and one transferable Common Share purchase warrant (a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.12 per Common Share for a period of five years, expiring July 15, 2024. All securities to be issued in connection with the private placement will be subject to a hold period expiring November 16, 2019.

Uses of Funds:	Intended Use of Proceeds (Estimated) $	Actual Use of Proceeds $	Over/(Under)-Expenditure at September 30, 2019 $
Property work program	300,000	132,175	(167,825)
Repayment of convertible note	450,000	450,000	-
Estimated operating expenses	1,700,000	452,782	(1,247,218)
Working capital to fund ongoing operations	1,550,000	-	(1,550,000)
Total Uses	4,000,000	1,034,957	(2,965,043)

Prior Financings

November 2018 and March 2019 Financing – Net Proceeds of $2,022,443

On November 22, 2018, the Corporation closed the first tranche of non-brokered private placement of 10,315,000 common shares (each a "Unit") at a price of $0.20 for gross proceeds of $2,063,000. Each Unit consists of one common share of the Corporation and once common share purchase warrant, exercisable at a price of $0.30 for a period of thirty-six months, subject to the Corporation's option to accelerate the expiry date of the Warrants on notice to the holders of the Warrants, if at any time after four months and one date from the closing date of the Private Placement, the closing price of its Common Shares on a stock exchange in Canada is greater than $0.45 per Common Share for a period of 20 consecutive trading days (the "Acceleration Option"). In connection with the closing of the first tranche, the Corporation paid to certain eligible finders $76,510 in cash fees in the aggregate and issued a total of 356,300 compensation warrants which are exercisable at a price of $0.30 per Common Share for thirty-six months, subject to the Corporation's Acceleration Option.

On March 13, 2019, the Corporation closed the second and final tranche of non-brokered private placement of 400,000 common shares (each a "Unit") at a price of $0.20 for gross proceeds of $80,000. Each Unit consists of one common share of the Corporation and once common share purchase warrant, exercisable at a price of $0.30 for a period of thirty-six months, subject to the Corporation's option to accelerate the expiry date of the Warrants on notice to the holders of the Warrants, if at any time after four months and one date from the closing date of the Private Placement, the closing price of its Common Shares on a stock exchange in Canada is greater than $0.45 per Common Share for a period of 20 consecutive trading days (the "Acceleration Option"). Share issue costs of
$169,014 were deducted from equity.

Uses of Funds:	Intended Use of Proceeds (Estimated) $	Actual Use of Proceeds $	Over/(Under)-Expenditure at June 30, 2019 $
Property work program	300,000	281,795	(18,205)
Property payments, acquisition and maintenance costs	1,200,000	1,204,439	4,439
Estimated operating expenses	350,000	319,702	(30,298)
Working capital to fund ongoing operations	172,443	64,269	(108,174)
Total Uses	2,022,443	1,870,205	(152,238)

Outstanding Share Data

During the three months ended September 30, 2019, the Corporation completed a non-brokered private placement comprised of 50,000,000 units at a price of $0.08 per unit for gross proceeds of $4,000,000. Each unit consists of one common share in the capital of the Corporation and one transferable common share purchase warrant with each warrant entitling the holder thereof to acquire an additional common share at an exercise price of $0.12 per common share for a period of five years.

During the three months ended September 30, 2019, 4,150,000 stock options with an exercise price of $0.105 and an expiry date of July 17, 2024 and 650,000 stock options with an exercise price of $0.115 and an expiry date of September 1, 2024 were granted to directors, officers, consultants and employees.

During the three months ended September 30, 2019, 2,313,466 stock options with a weighted average exercise price of $0.36 expired.

Subsequent to September 30, 2019, 275,000 stock options with a weighted average exercise price of $0.35 expired.

As at September 30, 2019 and the date of this report, there were 103,341,758 common shares issued and outstanding.

As at September 30, 2019, there were 6,262,000 stock options outstanding of which 42,667 were unvested. As at the date of this report, there were 5,987,000 stock options outstanding of which 21,333 were unvested.

As at September 30, 2019 and the date of this report, there were 64,561,133 warrants outstanding.

Related Party Transactions

Key management personnel compensation

During the three months ended September 30, 2019, key management personnel compensation totaled $484,502 (September 30, 2018 - $126,925) comprised of salaries and wages of $57,500 paid to the Chief Executive Officer and current Chief Financial Officer, $8,654 paid to the former Chief Financial Officer, $9,086 paid to a company controlled by the former Chief Financial Officer for accounting and management services, $3,750 paid to the Corporate Secretary, $8,500 paid to directors and share-based compensation of $389,554 relating to 4,050,000 stock options granted to directors and officers of the Corporation and $7,458 relating to the vesting of previously granted stock options to directors and officers of the Corporation.

(i) As at September 30, 2019, the directors were owed $66,667 (June 30, 2019 - $224,026) and this amount was included in accounts payable and accrued liabilities.

Commitment

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Office Lease	12,850	11,565	-	-	-

Risks and Uncertainties

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may exist. The Corporation is in the business of acquiring, exploring and evaluating mineral properties. It is exposed to a number of risks and uncertainties that are common to other exploration and mining companies. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, inflation and other risks

Mining Exploration and Development

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any exploration activities of the Corporation will result in the development of an economically viable mine project.

The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment, government regulations, location of the orebody and its proximity to infrastructure such as roads and power, required metallurgical processes, regulatory permit requirements, prevailing metal prices, economic and financing conditions at the relevant time.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The Corporation has never completed a mining development project and does not generate any revenues from production. The future development of properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure and the Corporation does not have any experience in taking a mining project to production. As a result of these factors, it is difficult to evaluate the Corporation's prospects, and the Corporation's future success is more uncertain than if it had a more proven history. The development of the Iron Point Project will include the construction and operation of mines, processing plants and related infrastructure.

As a result, the Corporation is and will continue to be subject to all of the risks associated with establishing new mining operations, including risks relating to the availability and cost of skilled labour, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, the Corporation cannot provide assurance that its activities will result in profitable mining operations at its mineral properties.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Regulatory Risks

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Corporation incurring significant expenditures. Changes to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations or more stringent enforcement thereof, could have a material adverse impact on the Corporation and increase costs, affect the Corporation's ability to expand or transfer existing operations or require the Corporation to abandon or delay the development of new properties.

The Corporation may be subject to potential legal claims based on an infringement of applicable laws or regulations which, if determined adversely to the Corporation, could have a material effect on the Corporation or its financial condition or require the Corporation to compensate persons suffering loss or damage as a result of any such infringement.

Permitting Risks

There can be no assurance that all licenses, permits or property rights which the Corporation may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that the Corporation has obtained, could have a material adverse effect on the Corporation by delaying or preventing or making more expensive exploration, development and/or production.

Environmental Risks and Hazards

The Corporation's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. Compliance with environmental regulations may require significant capital outlays on behalf of the Corporation and may cause material changes or delays in the Corporation's intended activities. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Corporation to comply fully with all applicable laws and regulations could have significant adverse effects on the Corporation, including the suspension or cessation of operations.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Corporation has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Corporation will not encounter challenges or loss of title to its assets. The Corporation does not carry title insurance.

The Corporation is actively engaged in the process of seeking to strengthen the certainty of its title to its mineral concessions, which are held either directly or through its equity interest in its subsidiaries. The Corporation cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Corporation will have or acquire valid title to these mining properties. Failure by the Corporation to retain title to properties which comprise its projects could have a material adverse effect on the Corporation and the value of its Common Shares.

Risks Associated with Potential Acquisitions

The Corporation may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of the Corporation's business and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with those of the Corporation. The Corporation may need additional capital to finance any such acquisitions.

Debt financing related to acquisition would expose the Corporation to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Corporation contemplates conducting exploration activities. The Corporation may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Corporation. Accordingly, there can be no assurance that the Corporation will be able to compete successfully for new mining properties.

Negative Operating Cash Flow

The Corporation is an exploration stage Corporation and has not yet commenced commercial production on any property and, accordingly, has not generated cash flow from operations. The Corporation has a history of losses and there can be no assurance that it will ever be profitable. The Corporation expects to continue to incur losses unless and until such time as it commences profitable mining operations on its properties. The development of the properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Corporation's control, including the progress of ongoing exploration, studies and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any joint venture agreements with any strategic partners, if any. There can be no assurance that the Corporation will ever generate revenues from operations or that any properties the Corporation may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that the Corporation's cost assumptions will prove to be accurate, as costs will ultimately be determined by several factors that are beyond the Corporation's control. The Corporation expects to continue to incur negative consolidated operating cash flow and losses until such time as it enters into commercial production.

Financing

Additional funding will be required to complete the proposed or future exploration and other programs on the Corporation's properties. There is no assurance that any such funds will be available. Failure to obtain additional financing, if required, on a timely basis, could cause the Corporation to reduce or delay its proposed operations. The majority of sources of funds currently available to the Corporation for its acquisition and exploration projects are in large portion derived from the issuance of equity. While the Corporation has been successful in the past in obtaining equity financing to undertake its currently planned exploration and development programs, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Corporation.

Personnel and Equipment

The ability to identify, negotiate and consummate transactions that will benefit the Corporation is dependent upon the efforts of the Corporation's management team. The loss of the services of any member of management could have a material adverse effect on the Corporation. The Corporation's future drilling activities may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that the Corporation will be able to acquire the necessary resources to successfully implement its business plan. The Corporation is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. If, for any reason, any one or more of such key personnel do not continue to be active in the Corporation's management, the Corporation could be adversely affected. There can be no assurance that the Corporation will successfully attract and retain additional qualified personnel to manage its current needs and anticipated growth.

The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Corporation's business, financial condition or results of operations.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available the Corporation may decide to not take out insurance against such risks. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Corporation.

Currency Risk

The Corporation is exposed to currency risk to the extent that monetary assets and liabilities held by the Corporation are not denominated in Canadian dollars. The Corporation has not entered into any foreign currency contracts to mitigate this risk. Certain of the Corporation's cash, amounts receivable and accounts payable and accrued liabilities are denominated in US dollars and Mexican Pesos including mineral property obligations. Therefore, the US dollar and Mexican Peso amounts are subject to fluctuation against the Canadian dollar. The Corporation also has transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the Mexican Peso.

Litigation

The Corporation is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Corporation's financial position or results of operations.

Enforcement of Civil Liabilities

Certain of the Corporation's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Corporation are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Corporation and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

Critical Accounting Policies and Estimates

The Corporation prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting estimates

- The valuation of share based payments. The fair value of common share purchase options granted and finder's warrants issued are determined at the issue date using the Black-Scholes pricing model.

(ii) Critical accounting judgments

- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Corporation will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

- The analysis of the functional currency for each entity of the Corporation. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary Corporation, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Corporation operates. As no single currency was clearly dominant the Corporation also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Recently Issued Accounting Pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after the date of the accompanying audited consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The mandatory effective date of IFRS 16 for the Corporation is for the annual period beginning on or after October 1, 2019. The Corporation has completed an assessment on the impact of IFRS 16 and has determined that the Corporation's lease for office space is of low value and has impact to the financial statements.

Financial Risk Management

The Corporation's operations include the acquisition and exploration of mineral properties in Mexico. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

[a] Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation does not have financial instruments that potentially subject the Corporation to credit risk. Overall the Corporation's credit risk has not changed significantly from the prior year. The Corporation places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

[b] Liquidity risk
Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has in place a planning and budgeting process to help determine the funds required to ensure the Corporation has the appropriate liquidity to meet its operating and growth objectives. The Corporation has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future.

The Corporation has $261,807 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

[c] Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Corporation deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Corporation is not exposed to interest rate risk.

[d] Currency risk
The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Corporation is the Canadian dollar. The functional currency of the subsidiary is the Mexican Peso. As at September 30, 2019, there are no significant financial instruments denominated in Mexican Pesos. Changes in the currency exchange rates between the Canadian dollar relative to Mexican Pesos could have an effect on the Corporation's results of operations, financial position or cash flows. The Corporation has not hedged its exposure to currency fluctuations. At September 30, 2019 a 100 basis point decrease/increase in the Mexican Peso would result in a foreign exchange gain/loss of $2,315.

[e] Market risk
Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Corporation's net earnings or the value of financial instruments. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

[f] Price risk
Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Corporation's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Corporation and the potential value of its property and investments.

Management of Capital Risk

The Corporation manages its common shares, stock options and warrants as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to acquire or dispose of mineral properties, issue new shares, issue new debt or repay debt. In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

The Corporation is not subject to any capital requirements imposed by any regulator.

There were no changes in the Corporation's approach to capital management during the three months ended September 30, 2019.

Proposed Transactions

There are no proposed transactions as at the date of this report.

Management's Report on Internal Control over Financial Reporting

In connection with National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Corporation will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional Information

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com.