



ORO X MINING CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS
For the nine months ended November 30, 2020

This Interim Management's Discussion and Analysis ("Interim MD&A") supplements but does not form part of the unaudited condensed consolidated interim financial statements of Oro X Mining Corp. ("the Company" or "Oro X") (formerly Western Pacific Resources Corp.) for the nine months ended November 30, 2020. The following information, prepared as of January 22, 2021, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended November 30, 2020 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). In addition, the following should be read in conjunction with the Consolidated Financial Statements of the Company for the year ended February 29, 2020 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The November 30, 2020 financial statements have not been reviewed by the Company's auditors.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

CORPORATE OVERVIEW

The Company is a Vancouver-based resource company seeking to acquire mineral properties in the Americas. The Company's principal focus is the acquisition of precious metal properties that are either exploration or producing assets. The company continues to pursue opportunities consistent with its strategy.

On October 8, 2020, the Company changed its name to "Oro X Mining Corp." and its trading symbol to "OROX".

The Company's shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "OROX".

HIGHLIGHTS – Q3 2020

Coriorcco Exploration Program

On January 11, 2021 the Company announced it begun mobilizing geological and geophysical teams to commence the 2021 Coriorcco exploration program. Geologists and geophysicists are expected to arrive on site at the beginning of February. The program will focus on systematically sampling and surveying the Coriorcco Dome to verify previous results and to generate priority-ranked targets for a maiden drill campaign later in 2021.

The geophysical survey team will run an Induced Polarization (IP) geophysical survey across the Coriorcco Dome to define vein structures in three dimensions below the surface. Concurrently, a grid soil survey targeting visible epithermal veins will also be completed across the dome and over contiguous surficial quaternary deposits to delineate additional veins that may be hidden below. While geologists are on site, the property will be prospected to further sample outcrop to identify and prioritize additional targets outside of the dome area.

The IP survey will consist of 9 north - south lines for a total length of 15.3 km on 200-metre spacings. The ground-based IP survey will be orientated perpendicular to major vein orientations and will help define structural controls. A magnetometry survey will also be run in parallel.

The geochemistry soil sampling campaign will consist of approximately 500 samples on a 50-metre grid across the Coriorcco Dome target area. Samples will be analysed by fire assay and ICP analysis for Hg, As, Sb, Au, and Ag.

Coriorcco Surface Rights Agreement

On January 18, the Company announced it had signed a landmark surface rights agreement with local communities that will allow for unrestricted exploration and development of the Coriorcco project for 6 years. In return, the Company will provide scholarships and materials for local students, utilize local labour whenever possible, support local agriculture capacitation, and make three CAD \$60,000 payments to the community.

This Agreement forms the basis of a comprehensive relationship with the community. For unencumbered access rights to Coriorcco, Oro X will provide:

- Three CAD \$60,000 payments to the community (S/. 500,000 total) over 6 years
- Prioritize local labour during exploration and development
- Technical scholarships for community members
- Funding for community guinea pig farms
- Construct watering troughs for livestock
- Promote local vicuña fiber production
- Distribute school supplies and kits to community students

CORIORCCO GOLD PROJECT, PERU

Overview

On October 8, 2020, Oro X acquired the legal and beneficial right, title, and interest in the option to acquire 100% of the legal and beneficial interest in to a 2,000 hectare concession known as the Coriorcco Property.

The Coriorcco gold project located in Lucana Province, Ayacucho region of southern Peru, is accessible by paved road to within 5 km of the project area. Located 80 km east of Peru's prominent Pan American highway, the project has potential for stand alone project development.

The Coriorcco Project is one of several zones within the San Juan de Lucanas mining district with outcropping quartz vein-hosted gold and silver mineralisation. The strong silicified and argillized volcanic Coriorcco Dome Structure is exposed through quaternary cover. The Target dome measures approximately 700 x 800 m and hosts 17 epithermal quartz, quartz-carbonate, and quartz-carbonate-adularia veins plus smaller vein occurrences. The most common vein orientations are northwest and east-northeast, these orientations represent the Andean Trend and antithetic transform structures. Veins pinch and swell along-strike and with depth. Vein 3 and Vein 6 are the two most significant veins at the Property and have been mapped at surface striking approximately east-northeast for 280 m and 405 m respectively. They have been traced to depth in historical mine workings up to 60 m below surface.

- Coriorcco Gold Project hosts 17 mineralised veins at surface with widths up to 2.5m within a 1 km by 800m zone of intense epithermal related alteration.
- Limited surface rock sampling by the previous operators include:
 - 22.90 g/t Au; 19.25 g/t Au; 14.20 g/t Au; 13.05 g/t Au
 - Average grade from surface sampling 1.91 g/t Au over 181 samples
 - Further encouraging sampling for underground workings to be verified

Coriorcco Option Agreement

Under the Coriorcco Option Agreement, the Company will have the right to acquire a 100% interest in the Coriorcco property by making a payment of USD \$3,000,000 plus general sales tax and granting a production royalty to the underlying concession holder (the "Coriorcco Royalty").

If the Company exercises the option to acquire the Coriorcco property, the royalty payments are calculated as follows:

	Price per dry metric tonne of gold bearing ore	
	Before 4 years	After 4 years
Vein Ore	\$3.50	\$7.00
Disseminated Ore	\$0.50	\$1.00

The Coriorcco Royalty can be repurchased for USD \$1,000,000 (the “Buy-Back Right”) prior to the fifth anniversary of the Coriorcco Option Agreement. Every year following the fifth anniversary of the Coriorcco Option Agreement, the cost of the Buy-Back Right increases by 10%.

If the Company exercises its option to acquire the Coriorcco property, Oro X will grant to Titan Minerals a 1% net smelter royalty (the “NSR”) over the Coriorcco property.

LAS ANTAS GOLD PROJECT, PERU

Overview

On October 8, 2020, Oro X acquired the legal and beneficial right, title, and interest in the option to acquire up to 85% of the legal and beneficial interest in to a 1,400 hectare concession known as the Las Antas Property.

The Las Antas Gold Project, which hosts significant exploration potential for stand alone, bulk tonnage, disseminated style gold mineralization, provides Oro X with a key foothold into a broader district that contains multiple high-grade gold-silver veins. Located within the prolific epithermal gold belt of Southern Peru, Las Antas is an important step towards development of a substantial land position in the region, generating multiple options.

Las Antas is hosted by the Calipuy volcanic layered stratigraphy in Southern Peru with andesitic flows, ignimbrites, tuffs, volcanic breccias and agglomerate units. The volcanic stratigraphy has been intruded by several andesitic to dacitic stocks, which comprise favourable units for mineralization and at surface are associated with a pervasive hydrothermal alteration system in halos of intense silicification, showing vuggy silica, alunite and illite.

The project is located within the Oligocene-Pliocene gold-silver Belt of Southern Peru, which contains various precious metal deposits including the Ares Mine (1.2Moz Au & 15Moz Ag) and the Antapite Mine (600koz Au).

Specific to the Las Antas Project area is two prioritized targets areas:

- Yuracmarca Target, 1.5×2.2 km of area with propylitization, argilization and silicification alterations.
- Cerro Amarillo Target, 3.5×2.3 km of area with intense silicification, in parts vuggy silica, altered breccias, alunite and Illite, argilitization and propylitization.

Las Antas Earn-in Agreement

Pursuant to the Las Antas Earn-in Agreement, the Company will have the right to acquire up to an 85% interest in the Las Antas property.

The Company can earn-in a 60% interest by:

- Spending USD \$2,000,000 within the earn-in period (which runs for two years from the date on which all applicable permits have been obtained).
- Making a payment to the underlying concession holder of USD \$450,000.

Once the Company has obtained a 60% interest in the Las Antas property it will form a joint venture with the

underlying concession holder (the “Las Antas Joint Venture”).

Following the creation of the Las Antas Joint Venture, the Company can obtain a further 25% interest in the Las Antas property, as follows:

- 5% interest from the underlying concession holder prior to the completion of a pre-feasibility study for USD \$500,000
- 10% interest from the underlying concession holder by completing a pre-feasibility study
- 5% interest from the underlying concession holder following the completion of a pre-feasibility study for USD \$1,000,000
- 5% at any time within 60 days following the commencement of commercial production from the Las Antas property for USD \$1,000,000

JULIAN PROPERTY, ECUADOR

The Julian Property is located in the Province of Azuay in the canton of Oña, overlapping the Parishes Oña Yacuambi and Nabón, approximately 64km southwest of the city of Cuenca and 100km southeast of Machala in the Cordillera Real de los Andes Ecuador.

The Julian concession covers 2,312 Ha and surrounds the El Mozo high sulphidation epithermal gold project.

Project Overview:

- The known El Mozo mineralized trend runs directly from El Mozo South-West onto Julian but it has not been drill tested.
- Julian is located on the same Miocene-Pliocene volcanic host rocks Piyasambo Formation as the “El Mozo” project and it also is located to the south-west projection of the “Collay-Shincata” mineralized belt (epithermal mineral occurrences).
- Ease of access with paved highway to within 30 mins of Julian
- Green Oil S.A. has already begun drill permitting and development of social license

Work completed in Q1 2020:

- Mapping
- Geophysics
- Rock and sediment sampling
- Compilation and prioritization of 2020 drill targets plan

OUTLOOK

M&A Developments

Peru

In Peru, the Company is currently completing a strategic review of advanced stage gold exploration, development and production targets. Due to management and advisors of Oro X having significant experience in Peru the company plans to increase its exposure in one of the world's top gold mining jurisdictions.

Ecuador

In Ecuador, the Company is leveraging its relationship with Green Oil S.A., the country's preeminent mining contractor, to advance the potential acquisition of a new mineral exploration concession package.

Coriorcco and Las Antas Exploration Strategy

The Coriorcco and Las Antas concessions lie within an established metallogenic belt in the San Juan de Lucanas Mining District.

The high priority Coriorcco Dome Structure hosts 17 epithermal quartz, quartz-carbonate, and quartz-carbonate-adularia veins, which may represent the upper reaches of a similar low-sulphidation epithermal mineralization. Previous work on the project focused on channel sampling and trial mining from 2010 to 2011. Four hundred meters of tunnels following two veins were driven into the silica cap of the Coriorcco Dome. Over 5,720 tonnes of ore averaging 7.5 g/t Au were exploited and sent to a third-party mill for processing.

The Company has begun mobilizing geological and geophysical teams to commence the 2021 Coriorcco exploration program. Geologists and geophysicists are expected to arrive on site at the beginning of February 2021. The program will focus on systematically sampling and surveying the Coriorcco Dome to verify previous results and to generate priority-ranked targets for a maiden drill campaign later in 2021.

The geophysical survey team will run an Induced Polarization (IP) geophysical survey across the Coriorcco Dome to define vein structures in three dimensions below the surface. Concurrently, a grid soil survey targeting visible epithermal veins will also be completed across the dome and over contiguous surficial quaternary deposits to delineate additional veins that may be hidden below. While geologists are on site, the property will be prospected to further sample outcrop to identify and prioritize additional targets outside of the dome area.

The IP survey will consist of 9 north - south lines for a total length of 15.3 km on 200-metre spacings. The ground-based IP survey will be orientated perpendicular to major vein orientations and will help define structural controls. A magnetometry survey will also be run in parallel. The geochemistry soil sampling campaign will consist of approximately 500 samples on a 50-metre grid across the Coriorcco Dome target area. Samples will be analysed by fire assay and ICP analysis for Hg, As, Sb, Au, and Ag.

Subject to receiving all necessary small-scale mining permits, Oro X anticipates commencing initial exploratory drilling at Coriorcco in 2021 upon completion of the surface exploration programs. The Company also plans to rehabilitate the historical mining works to re-sample and test through underground drilling the gold and silver bearing epithermal veins to determine grades at depth. Concurrently, the Company will also begin surface rock geochemical channel sampling at prospective disseminated gold targets in Las Antas in the second half of 2021.

Ecuador Assets Spin Out

To pursue a strategy of maximizing shareholder value through disciplined project development and accretive transactions, the Company is evaluating the potential of spinning out its Ecuadorian assets. The planned corporate reorganization would create two listed companies focused respectively on the development of projects in Peru and in Ecuador. The intention of the reorganization would be to allow the company to better allocate resources and deploy capital, while unlocking additional value for its shareholders.

SELECTED QUARTERLY INFORMATION

The following table provides information for the three and nine months ended November 30, 2020 and 2019:

	Note	Three months ended November 30,		Nine months ended November 30,	
		2020	2019	2020	2019
EXPLORATION EXPENDITURES	6	\$ (181,970)	\$ -	\$ (292,702)	\$ (2,469)
GENERAL AND ADMINISTRATIVE EXPENSES					
Amortization		-	(147)	(2,354)	(441)
Consulting fees	8	(428,423)	(28,000)	(798,403)	(203,000)
Directors fees	8	(4,000)	(3,000)	(10,000)	(21,000)
Investor relations		(308,805)	(180)	(394,622)	(735)
Office and administration		(46,866)	(722)	(77,688)	(907)
Professional fees	8	(63,764)	(12,700)	(194,210)	(21,795)
Salaries and benefits	8	(56,388)	-	(77,850)	-
Share-based payments	7,8	(473,657)	-	(864,172)	-
Transfer agent and regulatory fees		(44,217)	(6,334)	(94,196)	(9,989)
		(1,426,120)	(51,083)	(2,513,495)	(257,867)
Loss before other items		(1,608,090)	(51,083)	(2,806,197)	(260,336)
OTHER ITEMS					
Finance (cost) income		(4,530)	141	(5,292)	181
Other income		-	-	-	26,518
Foreign exchange gain		659	5	4,580	4,435
		(3,871)	146	(712)	31,134
Net loss and comprehensive loss for the year		\$ (1,611,961)	\$ (50,937)	\$ (2,806,909)	\$ (229,202)
Loss per share, basic and diluted		\$ (0.05)	\$ (0.02)	\$ (0.15)	\$ (0.11)
Weighted average number of common shares outstanding		33,668,844	2,886,167	18,703,307	2,111,668

Nine months ended November 30, 2020 vs. November 30, 2019

For the nine months ended November 30, 2020, the Company recorded a net loss of \$2.8M, compared to a net loss of \$229k in the comparative period. The significantly higher net loss was the result of higher exploration expenses (\$293k in the current period vs. \$2k in the comparative period), general and administrative expenses (\$2.5 million in the current period vs. \$258k in the comparative period).

The higher exploration expense was related to the concession fees and the work performed on both the Coriorcco Property and the Julian Property, which were both acquired in 2020.

The increase in general and administrative expense was mainly driven by \$864k in non-cash share-based payments, and increases of \$595k in consulting fees, \$394k in investor relations expense, and \$172k in professional fees.

In general, corporate activities have significantly increased compared to the prior year with three property acquisitions and multiple private placements. In addition, during the period ended November 30, 2020, the Company granted 2,575,000 stock options and 1,750,000 restricted share units ("RSU's"). This resulted in a large stock-based compensation expense in the current quarter. There were no comparable transactions in the

comparative period.

Three months ended November 30, 2020 vs. November 30, 2019

For the three months ended November 30, 2020, the Company recorded a net loss of \$1.6M, compared to a net loss of \$51k in the comparative period. The significantly higher net loss was the result of higher exploration expenses (\$181k in the current period vs. \$nil in prior comparative period), general and administrative expenses (\$1.4 million in the current period vs. \$51k in prior comparative period).

The increase in general and administrative expense was mainly driven by \$474k in non-cash share based payments, and increases of \$400k in consulting fees, \$309k in investor relations expense, and \$51k in professional fees.

The higher exploration expense was related to the concession fees and the work performed on both the Coriorcco Property and the Julian Property, which were both acquired in 2020.

In general, corporate activities have significantly increased compared to the prior period with two property acquisitions and a private placement. In addition, during the current period ended November 30, 2020, the Company granted 2,575,000 stock options and 1,750,000 restricted share units ("RSU's"). This resulted in a large stock-based compensation expense in the current quarter. There were no comparable transactions in the comparative period.

QUARTERLY RESULTS

	Nov. 30, 2020 (\$)	Aug 31, 2020 (\$)	May 31, 2020 (\$)	Feb 29, 2020 (\$)	Nov 30, 2019 (\$)	Aug 31, 2019 (\$)	May 31, 2019 (\$)	Feb 28, 2019 (\$)
Exploration (expense) recovery	(181,970)	(51,329)	(59,403)	2,469 ²	-	(2,469) ¹	-	-
General and administrative expenses ³	(952,463)	(628,906)	(68,738)	(47,864)	(51,083)	(111,421)	(95,363)	(131,881)
Share-based payments	(473,657)	(390,515)	-	-	-	-	-	-
Other income (expenses)	(3,871)	3,984	(41)	(102,919)	146	30,953	35	(67)
Net loss	(1,611,961)	(1,066,766)	(128,182)	(148,314)	(50,937)	(82,937)	(95,328)	(131,948)
Basic and diluted income (loss) per share	(0.05)	(0.10)	(0.03)	(0.01)	(0.02)	(0.05)	(0.06)	(0.08)
Total assets	10,925,231	2,212,064	140,640	64,654	134,373	149,551	120,626	119,781
Total liabilities	324,246	473,972	711,794	658,306	663,711	968,772	856,910	760,737
Shareholders' equity (deficiency)	10,600,985	1,738,092	(571,154)	(593,652)	(529,338)	(819,221)	(736,284)	(640,956)

¹ The Exploration costs for the quarter ended August 31, 2019 relate to care and maintenance activities on properties currently and previously held.

² The Exploration costs for the quarters ended February 29, 2020, relate to care and maintenance fees paid that were refunded.

³ The General and administrative expenses include amortization, consulting fees, directors fees, investor relations, office and administration, professional fees, salary and benefits, and transfer agent and regulatory fees.

Three months ended November 30, 2020 vs. August 31, 2020

For the three months ended November 30, 2020, the Company recorded a net loss of \$1.6M compared to a net loss of \$1.1M for the three months ended August 30, 2020. This loss from the current quarter is significantly higher than the previous quarter largely due to higher general and administrative expenses, especially consulting, investor relations and professional fees, as a result of the increased corporate activity as part of the acquisition of the Peru properties and concurrent private placement that closed in October 2020. In addition, the Company granted an additional 675,000 stock options and 1,750,000 RSUs in the current quarter resulting in a stock-based compensation expense of \$473k.

Three months ended November 30, 2020 vs. May 31, 2020

For the three months ended November 30, 2020, the Company recorded a net loss of \$1.6M compared to a net loss of \$128K in Q1 2020. This loss from the current quarter is significantly higher than the previous quarter largely due to higher general and administrative expenses, especially consulting, investor relations and professional fees, as a result of the increased corporate activity as part of the acquisition of the Peru properties, and concurrent private placement that closed in October 2020. In addition, the Company granted 675,000 stock options and 1,750,000 RSUs in the current quarter resulting in a stock-based compensation expense of \$488k. There were no stock options or RSUs granted in the comparative period.

Three months ended November 30, 2020 vs. February 29, 2020 and all prior historic quarters

The Company recorded a net loss of \$1.6M for the three months ended November 30, 2020, a significantly higher loss than all previous quarters. This was due to higher general and administrative expenses, especially consulting, investor relations and professional fees, as a result of the increased corporate activity as noted above. In the quarter ended February 29, 2020, the Company recorded a \$103k impairment to exploration assets. There were no comparable write downs during the comparable quarters.

Change in total assets

At November 30, 2020, the Company's total assets were \$10.9M. This was higher than all historic quarters in 2018 through 2020. This was mainly driven by the acquisition of mineral properties and equity financings that occurred during the nine months ended November 30, 2020.

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended November 30,		Nine months ended November 30,	
	2020	2019	2020	2019
Net cash used in operating activities	(1,746,410)	(350,985)	(3,287,488)	(324,652)
Net cash provided by financing activities	6,084,481	340,820	7,840,658	340,820
Net cash used in investing activities	(2,058,060)	-	(2,154,360)	-
Net change	2,280,011	(10,165)	2,398,810	16,168
Cash, end of period	\$ 2,445,659	\$ 18,254	\$ 2,445,659	\$ 18,254

Cash used in operating activities for the current nine months ended November 30, 2020 was \$3.3M, compared to \$325K for the nine months ended November 30, 2019. The significantly higher outflow in the current year was due to increased business activity as the company cemented its presence in both Ecuador and Peru with the acquisition of mineral properties.

Cash provided by financing activities during the nine months ended November 30, 2020 was the result of cash received from equity financings through private placements (\$7.4M) and exercise of warrants (\$0.4M).

Cash used in investing activities during the nine months period ended November 30, 2020 represents the cash paid associated with the Julian Property acquisition (\$96k) and Coriorcco and Las Antas Properties (\$2.1M). There were no comparable transactions in the previous period.

RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the periods ended November 30, 2020 and 2019 consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
J Dare Consulting Ltd. (Director)	Director fees
Roma Capital Corp. (Director, Officer)	Consulting fees
JR Management Corp. (Director)	Consulting fees
A15 Capital Corp. (Director, Officer)	Consulting fees
Green Oil S.A. (Director)	Consulting fees

At November 30, 2020, the Company had \$nil outstanding in accounts payables associated with related party transactions (February 29, 2020 - \$401,003).

Key management personnel are persons responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation, including amounts discussed above, is comprised of:

	Nine months ended November 30,			
	2020		2019	
Professional fees	\$	-	\$	63,000
Salaries and benefits		71,667		-
Consulting fees		258,887		70,000
Directors' fees		10,000		21,000
Share based payment		382,569		-
	\$	723,123	\$	154,000

SHAREHOLDER'S EQUITY

The authorized capital stock consists of an unlimited number of common shares without par value.:

	Stock options	Share purchase warrants	RSUs	Common shares
As at November 30, 2020	2,525,000	4,223,350	1,750,000	42,862,779
Exercised	-	6,250	-	-
As at date of report	2,525,000	4,217,100	1,750,000	42,862,779

As at the date of the report, warrants enabling the holders to acquire common shares are as follows:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
June 11, 2021	4,217,100	0.53	\$0.35
	4,217,100	0.53	\$0.35

As at the date of report, options enabling the holders to acquire common shares are as follows:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price
June 24, 2025	1,850,000	1,387,500	4.57	\$ 0.27
November 2, 2025	675,000	337,500	4.93	\$ 0.70
	2,525,000	1,262,500	4.66	\$ 0.38

RISKS AND UNCERTAINTIES

COVID 19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Corporation. The extent to which the COVID-19 pandemic impacts the Corporation's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Corporation's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Corporation. Even after the COVID-19 pandemic has subsided, the Corporation may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Corporation cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property does not have a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations or value it may obtain on disposition of an asset. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing

through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

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 or the value of the Company's investments and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company operates in North America and Ecuador. North America has stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates. A significant portion of the Company's expenditures are incurred in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of exploration conducted.

South America which has specific risks that may adversely affect the Company's business and results of operations, and which are different from, and in many cases, greater than, comparable risks associated with similar operations within North America. The political and economic environment in Ecuador has been unstable in the past, and the country has been subject to strikes and general civil unrest. There can be no assurance that the political or economic environment in Ecuador will be stable in the future. Risks associated with political or economic instability include, but are not limited to, terrorism, hostage taking, military repression, high rates of inflation, currency fluctuations and controls, crime, corruption uncertainty of the rule of law and legal systems, misuse of legal systems, labour unrest, risks of war or civil unrest, illegal mining and possible political or economic instability which may result in the impairment or loss of mineral concessions or other mineral rights. Mineral exploration and mining activities may be affected in varying degrees by political instability and government regulations relating to the mining industry.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

FORWARD LOOKING STATEMENTS

This MD&A may contain “forward-looking statements” that reflect the Company’s current expectations and projections about its future results. When used in this MD&A, words such as “will”, “may”, “should”, “estimate”, “intend”, “expect”, “anticipate” and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

Forward-looking statements are not historical facts, and include but are not limited to:

- a) Estimates and their underlying assumptions;
- b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company’s business model, future operations, the impact of regulatory initiatives on the Company’s operations, and market opportunities;
- c) General industry and macroeconomic growth rates;
- d) Uncertainty on success of corporate development initiatives (e.g. spin out of Ecuador assets)
- e) Expectations related to possible joint or strategic ventures; and
- f) Statements regarding future performance.

Although forward-looking statements and information contained in this MD&A are based on the beliefs of management, which we consider to be reasonable, as well as assumptions made by information currently available by management, there is no assurance that the forward-looking statements or information will prove to be accurate.

Forward-looking statements used in this MD&A are subject to various known and unknown risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, failure to obtain licenses that are expected to be issued (or issued in a timely manner), impact resulting from lack of community support, impact resulted from lack of governmental and regulatory support, and other factors. This list is not exhaustive and these and other factors should be considered carefully.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company 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 securities law.

QUALIFIED PERSON

Geological and mining technical information presented in this MD&A above has been approved by Mr. John Bolaños, a qualified person who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101, and he is independent of the issuer applying all of the tests in Section 1.5 of NI 43-101CP.

Mr. John E. Bolaños is a M.Sc. Mining Geologist from Camborne School of Mines (U.K.) and a Professional Geologist Eng. from The Central University of Ecuador (honours degree). He is a registered member of the Society for Mining, Metallurgy & Exploration (SME) of the United States; Director of the Ecuadorian College of Engineers in Geology, Mines, Oil and Environment; and a member of the Mining Chamber of Ecuador. He has 28 years of experience in the exploration and mining industry throughout the Americas.

Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in the current technical reports for those properties, all available under the Company's profile at www.sedar.com.