

SILVER VIPER MINERALS CORP.

FORM 51-102F1 - MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

The following discussion and analysis should be read in conjunction with the consolidated financial statements of Silver Viper Minerals Corp. (the "Company") for the year ended December 31, 2019 and 2018, and related notes thereto, which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All amounts are stated in Canadian dollars unless otherwise noted.

Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com

Date

This management discussion and analysis is dated April 27, 2020 and is in respect of the three and twelve months ended December 31, 2019.

Management's Responsibility for Financial Reporting

The accompanying consolidated financial report for the year ended December 31, 2019 has been prepared by management using accounting policies consistent with International Financial Reporting Standards ("IFRS"). Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements.

The certifying officers of the Company, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the financial report and MD&A (together the "filings") do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings.

The Board of Directors approves the financial report together with the other financial information included in the filing and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all corporate filings prior to filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding both the Company's plans and operations included in the "Company Overview" with respect to management's planned exploration and other activities, and in "Liquidity", and "Results of Operation" regarding management's estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company's common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

Company Overview

The Company was incorporated under the *Business Corporations Act* (British Columbia) on April 26, 2016, with the name Silver Viper Minerals Corp. The Company completed an Initial Public Offering (“IPO”) on September 27, 2017 and the Company’s common shares were listed for trading on the TSX Venture Exchange (“TSXV”).

The Company is engaged in the acquisition and exploration of mineral properties, as outlined below.

Clemente Gold-Silver Project, Sonora, Mexico

On September 30, 2016, the Company entered into an option agreement with Riverside Resources Inc. (“Riverside”) for the 100% owned “Clemente Reduccion” concession. On December 2, 2016, the Company entered into an amendment agreement to the option agreement. By the terms of the option agreement, as amended, in order to earn 100% ownership, the Company must make payments to Riverside in cash totalling \$750,000 and issue a total of 2,000,000 shares in staged, annual tranches over a five year period.

The Company must also incur exploration expenditures totalling \$4,000,000 over the same five year period. An additional requirement in the agreement is that the Company complete a minimum of 2,500 metres of diamond drilling on the property before the second anniversary.

Upon completion of the agreement terms, the Company will be deemed to have earned legal and beneficial title and interest to the Clemente Project and Riverside will transfer ownership to the Company’s Mexican subsidiary. Riverside will retain a 2.0% NSR royalty, 100% of which may be purchased by the Company before the fifth anniversary for \$4,000,000, or alternatively, after the fifth anniversary, but before the eighth anniversary, 50% of the NSR royalty for \$3,000,000.

The Clemente Gold-Silver Project (the “Clemente Project”) is situated in northwestern Sonora, Mexico and comprises a single mining concession entitled “Clemente Reduccion” with a total area of 6214 hectares. It was originally staked in 2010 as part of a larger, 2-claim package by Riverside. Reconnaissance work completed by Riverside identified prospective targets and in 2015, an application was filed to reduce the size of the property to its current configuration.

The project hosts three broad target areas, *El Mundo*, *Nuevo Mundo* and *Santa Elena*. Each target hosts silver-gold-base metal mineralization in structurally controlled veins exposed by small-scale historical mining. Prior to Company’s involvement, no drill testing had been recorded at the Clemente Project.

The property is situated within the “Sonora-Mojave megashear”, a region of large structurally controlled gold deposits including Cerro Colorado, San Francisco, El Chanate and Tajitos. The Clemente Project is characterized by a basement complex of Proterozoic plutonic and metamorphic rocks overlain by Proterozoic and Cambrian metasediments. The property is structurally complex and previous workers interpreted two phases of Laramide age thrust faulting, one phase of Laramide age folding and one of Tertiary age extensional faulting. Silver-gold-base metal mineralization is structurally controlled and is observed in fault hosted sulphide and hematite- dominant veins and breccias.

Exploration prior to the Company’s involvement, as reported by Riverside included collection of 442 rock chip samples, 96 stream sediment samples, a small ground magnetic survey and an ASTER remote sensing exercise. Results of the work identified three mineralized zones warranting immediate follow up; *El Mundo*, *Nuevo Mundo* and *Santa Elena*.

During the year ended December 31, 2017 the Company completed the first half of its Phase I diamond drilling program, a programmed 2,000 metres of HQ diameter core. In total nine holes were completed for a total of 1,061 metres. In addition, the Silver Viper field crews undertook reconnaissance style soil sampling and rock chip sampling/prospecting activities in areas along trend, and adjacent to known mineralized areas.

Company Overview (cont'd...)

Clemente Gold-Silver Project, Sonora, Mexico (cont'd...)

Two key prospect areas were tested during 2017, El Mundo was tested with four holes, for a cumulative 421.09 metres. Nuevo Mundo was with five holes for a total 640.45 metres.

El Mundo historical workings exploited a north striking, steeply west dipping vein/fault thought to cut the nose of a major anticline. Riverside's sampling of horizontal rock pillars in the old workings returned three best values of 512g/t silver and 0.69 g/t gold, 924g/t silver and 2.345g/t gold and 2108g/t silver and 5.44g/t gold across true widths of 0.5 metres, 1.0 metre and 0.55 metres respectively. Silver Viper confirmation samples confirmed the general tenor of these results though drilling during 2017 did not repeat grades or thicknesses sampled in the workings. A best result of 1.2 metres grading 30g/t silver, 0.08g/t gold and combined 0.23% lead zinc was returned from 33.8m downhole in hole CL-17-004.

Nuevo Mundo hosts silver-gold-base metal mineralization in vein/faults exposed by a series of small open cuts and underground workings. The area hosts scattered workings over an area measuring 575 metres x 1,400 metres. Mineralization at Nuevo Mundo appears to be hosted in structures dipping 25-40 degrees at varied orientations. Confirmation sampling returned values ranging from near-below detection up to a best value of 696g/t silver and 0.773g/t gold over a width of 0.5m from an oxidised vein exposed in old workings.

Drilling intersected thin mineralized/anomalous structures comparable to those mapped at surface. The best result from this area was from hole CL-17-006; 0.7 metres grading 827 g/t silver, 0.23 g/t gold, 1.64% lead and 1.45% zinc from 31.5m downhole. Holes CL-17-007 and CL-17-008 encountered historical mine workings at the projected target depth and were abandoned.

Santa Elena prospect is in the southeastern portion of the property and is characterized by small, historical workings and pits excavated along a strike length of approximately 500 metres. The area hosts silver-gold-base metal mineralization in low angle veins within interpreted thrust faults. A simple average of nine Riverside samples returned 781g/t silver and 0.309g/t gold. Silver Viper confirmation sampling also reflect this general tenor of mineralization. Silver Viper continued limited mapping and reconnaissance work over this prospect area during the reporting period, but no drilling was undertaken.

After assessing the results of its drilling program, the Company decided it no longer wished to conduct further work on the Clemente Project, and returned the property to Riverside as a consequence. The Company wrote-off capitalized acquisition costs of \$261,500 during the year ended December 31, 2018.

La Virginia Gold Silver Project, Sonora, Mexico

La Virginia is a Silver-Gold Exploration Property located in the basin and range province of eastern Sonora, Mexico and is composed of six mineral concessions acquired through three separate agreements entered into during 2018. The two option agreements regarding the Rubi-Esperanza group of three claims totaling 2,102 hectares were signed in June, 2018 (the "Option Agreements"). A second group of three concessions held by Pan American Silver Corp ("Pan American"), totaling 35,600 hectares was added to the property in December, 2018 when an option agreement was signed (the "Pan American Agreement"). The Company, in collaboration with Pan American, has filed reduction applications over the three larger concessions, which will significantly reduce the area of these three claims. The strategic reduction applications were made in order to reduce exposure to the high cost of carrying mature mineral claims and the process was guided by results and observations from the Company's regional exploration efforts. The Company has not received official confirmation of reductions at the time of writing. The combined property includes drill-tested mineralized structures as well as extensive additional grass roots potential along trend and as parallel zones.

The Property is characterized by laterally extensive epithermal-style, gold-silver mineralization in quartz stockworks, veins and hydrothermal breccias, hosted in andesites and felsic dykes. Mineralization is controlled by structures related to the north-northwest regional trend which controls the local basin and range topography. Anomalous geochemical results have been returned from these structures along the length of the property. Historical mining activities in the core claims, evidenced by several underground workings, are developed on zones of increased silica alteration and veining. The largest historical workings, "La Virginia" and "Con Virginia" are still accessible and host mineralization ranging between one metre to greater than 20 metres in thickness.

Company Overview (cont'd...)

La Virginia Gold Silver Project, Sonora, Mexico (cont'd...)

In early 2019 the Company successfully renegotiated the 2018 Rubi-Esperanza Option Agreements and as such, the payment schedules contained in the 2018 Option Agreements are now superseded by those detailed in the 2019 documents (the “Amended Option Agreements”) signed in June, 2019. The Rubi-Esperanza claims are owned by two groups of concession holders who negotiated as a collective, believing the value of the combined claims to be more than the individual concessions. Payments and royalties detailed below will be split evenly between two agreements drafted, one for each party detailing payments for 50% of the value listed below.

The Amended Option Agreements allow the Company to earn a 100% undivided interest in the Rubi-Esperanza claim group by making cash payments to the claim owners totalling US\$3,000,000 over a four-year period from June, 2019 and ending in June, 2023. The Company made the first payment of US\$50,000 in June 2019. Subsequent payments of US\$75,000, US\$100,000, US\$200,000 and US\$2,575,000 are due each anniversary. The final payment must consist of US\$1,200,000 in cash and the remainder can be in cash or shares at the Company’s discretion. Claim owners will retain a 2% NSR royalty which may be purchased by the Company for US\$2,000,000 within five years of the effective date, or for US\$3,000,000 after the fifth anniversary.

In addition to the Rubi-Esperanza claims, the Company reported on February 5, 2018, that it had entered into a non-binding Letter of Intent (LOI) to earn an undivided 100% interest in three additional mineral claims held by Pan American totalling 35,598 hectares. The Pan American Agreement was signed on December 14th, 2018. The claims described, surround the Rubi-Esperanza group and are known to host similar styles of mineralization, both along extensions of known trends and in potential parallel zones. In addition to acquiring the claims, the Pan American Agreement also provides the Company access to Pan American’s La Virginia drilling and geochemical databases, including data from 52,635 metres of diamond drilling in 188 diamond drill holes across the Rubi-Esperanza claim group. Pan American will retain a 2% NSR royalty over the entirety of the newly combined La Virginia Property.

On September 20, 2018, the Company commenced a combined confirmation and exploration diamond drill program on the Rubi-Esperanza Claims. The proposed program was designed to total 5,000 metres and would provide confirmation intercepts in areas of known mineralization and first pass tests on as yet undrilled targets along the main mineralized trend. At the suspension of work in mid-December 2018. The program completed initial tests on five distinct prospect areas distributed along 11km of prospective trend for a total of 4,753 metres in twenty holes. The prospect areas tested included, from south to north, El Huarache, Las Huatas, Con Virginia, El Rubi and La Gloria.

Significant results from all Phase I drill holes are publicly available and were reported in three news releases; dated November 15, 2018, January 17, 2019, and February 1, 2019. Results from the drilling ranged from no significant intercepts in holes LV18-190 (Las Huatas prospect), LV18-196 and LV18-197 (La Gloria prospect), up to a program best result of 13.3 metres (estimated true width 6.0 metres) averaging 3.16g/t gold and 228g/t silver from a downhole depth of 27.0m in hole LV18-201 (El Rubi prospect). Previously reported highlights from the 2018 drilling program include those from Las Huatas confirmation drilling with a best result of 18.0 metres (12.6 metres estimated true width) averaging 1.04g/t Au and 79g/t Ag from 178m in hole LV18-192.

In November 2019, drilling and geological crews were mobilized in preparation for the Phase II diamond drilling program, which was paused in late March 2020 due to the COVID-19 global pandemic. Phase II drilling comprises an additional 6,955 metres in 24 holes. The El Rubi discovery zone was tested with 20 holes for a cumulative 6,103 metres in Phase II, the nearby exploration prospect, Macho Libre received 4 holes for a total of 852 metres. Publicly available results are typically released in batches of three to five holes, as the data are received and validated. Significant results released from Phase II are documented in Silver Viper News Releases dated January 13, 2020, February 12, 2020, February 26, 2020 and March 30, 2020. Best results from the Phase II program include two metres (estimated true width 1.14m) averaging 15.55g/t gold and 1436g/t silver from a depth of 270.5 metres in hole LV20-217 and 8 metres (estimated true width 5.04m) averaging 9.15 g/t gold and 569 g/t silver from a depth of 192 metres in hole LV20-218. Additional targets slated for drill testing later in the year include El Rubi North and the Eastern anomaly, both within the general target area of El Rubi. Further targets will be added as they are refined by ongoing prospecting work.

A short description of selected targets on the project as follows.

El Huarache - is a previously undrilled target area approximately 300-400 metres wide by 1,000 metres long characterized by a series of NNW striking felsic dykes with coincident silicification, veining and, in some locations, anomalous gold and silver values. To date very little work has been completed in this area. The single hole drill test during 2018 returned some mineralization. Follow up prospecting and geochemistry is recommended.

Company Overview (cont'd...)

La Virginia Gold Silver Project, Sonora, Mexico (cont'd...)

Las Huatas – A historical area drill tested by previous operators, Las Huatas lies south of the historical mine workings of Con Virginia. The prospect lies along the main mineralized trend and drilling during 2018 was designed to provide confirmation data from the known mineralized zone. The target zone was encountered at the expected depths and returned grades comparable to those reported previously.

El Rubi - A highlight from the Company's 2018 work was the discovery at El Rubi of a newly identified mineralized zone comprising quartz veining, stockwork and breccia, located approximately mid-way between La Gloria and the historical drill area of Campo Santos. The 2018 drilling targeted and intersected a 100 metre long section of the main mineralized trend, open in both directions and is ready for follow-up work. This target area appears to be the northern extension of the La Virginia mineralized system, possibly offset by faulting up to 400 metres eastward when compared to the main mineralized zone.

The El Rubi structure appears to be laterally extensive, reminiscent of and very likely related to mineralization emplaced at La Virginia. Alteration of host rock and sulphide content at El Rubi are observed to be slightly increased, when compared to the intercepts from the Las Huatas zone. This prospective structure is interpreted to continue for up to two kilometres northward, and appears to extend up to one kilometre southward, likely the source of anomalous soil samples at the newly identified prospect Macho Libre. Very preliminary work at Macho Libre includes contour soil sampling and a follow-up reconnaissance chip sample result of 3.62g/t Au from the 2018 routine fieldwork.

Macho Libre is an extensive silicified structure located roughly 1km south of the El Rubi gold-silver occurrence. The defining characteristics of Macho Libre are similar to those of Con Virginia/La Virginia areas, comprising a thin (2-4 metres wide) laterally extensive, gold-silver bearing structure which may include breccia and quartz stockwork hosted mineralization. The structure outcrops at surface as a low, erosion-resistant silica ridge or "creston" for a distance of up to 2km. In some areas the outcropping silicified zone has preserved epithermal style bladed boiling textures. Reconnaissance soil sampling identified the zone as a multiple point anomaly, limited chip sampling has returned grades of up to 3.61 /t gold, 5g/t silver (Sample D006) and 2.12 g/t gold and 101 g/t silver (sample VRA085).

Regional sampling and reconnaissance initiated in early 2018 has continued into the reporting period. Surface exploration work completed since the cessation of drilling activities has focussed on refining targets north and east of the new discovery at El Rubi. The Company has collected over 1,600 reconnaissance soil samples and 140 prospecting rock chip samples from the region bringing surface geochemical sampling coverage to over 4,000 hectares in the northern half of the property. Results to date indicate continuation of the El Rubi mineralized trend in addition to several point anomalies scheduled for follow-up work as part of the routine exploration and target definition process

Dale Brittliffe P.Geo. is the Qualified Person as defined in National Instrument 43-101, and takes responsibility for the technical disclosure in this report with respect to the Clemente and La Virginia properties.

Exploration and Evaluation Assets

Rubi-Esperanza Claims, La Virginia

On June 25, 2018 the Company entered into option agreements (the "Option Agreements") to acquire the Rubi- Esperanza group of mineral concessions in Sonora, Mexico. The Option Agreements grant the Company the right to acquire 100% ownership of three prospective claims. On June 21, 2019, an addendum to the Option Agreements was signed ("Amended Option Agreements"), resulting in an overall reduction in cash payments. The table below outlines the payments in both the Option Agreements and the Amended Option Agreements. The Company will make the following cash payments per the Amended Option Agreements over the next five anniversaries of the date of the Option Agreements starting on June 25, 2019 as follows:

Exploration and Evaluation Assets (cont'd...)

Rubi-Esperanza Claims, La Virginia (cont'd..)

	Option Agreements	Amended Option Agreements
First anniversary	US\$190,000	US\$50,000 (paid CAD\$65,650)
Second anniversary	US\$500,000	US\$75,000
Third anniversary	US\$1,000,000	US\$100,000
Fourth anniversary	US\$2,800,000	US\$200,000
Fifth anniversary	\$Nil	US\$2,575,000*
Total	US\$4,490,000	US\$3,000,000

* Payment will comprise of US\$1,200,000 in cash, and the remainder in cash or shares at the Company's direction.

Claim owners will retain a 2% net smelter return royalty, which may be purchased by the Company for US\$2,000,000 within five years of the effective date of the option agreement, or for US\$3,000,000 after the fifth anniversary. The option agreement does not specify a work commitment.

Exploration expenditures for the year ended December 31, 2019 and 2018:

The Company spent a total of \$1,238,363 on exploration expenditures for the year ended December 31, 2019 and \$1,986,683 for the year ended December 31, 2018. Costs incurred during the year ended December 31, 2019 consisted of drilling expenses of \$283,027, general exploration expenses of \$667,899, geological expenses of \$150,834, and assay of \$136,603. The drilling season began in December 2019 on the La Virginia property. Costs incurred during the year ended December 31, 2019 for assay were as a result of analysis of lab work and results. General exploration consisted of the first semester mining rights payments of \$147,051 and reduced second semester mining rights payments of \$46,489 as well as camp supplies and field workers. The Company returned its Clemente property to Riverside as of December 31, 2018.

Exploration expenditures for the year ended December 31, 2019 are as follows:

	Clemente		La Virginia		Other		Total	
Drilling	\$	-	\$	283,027	\$	-	\$	283,027
General exploration		-		667,899		-		667,899
Geological		-		138,459		12,375		150,834
Assay		-		136,603		-		136,603
Total	\$	-	\$	1,225,988	\$	12,375	\$	1,238,363

Exploration expenditures for the year ended December 31, 2018 are as follows:

	Clemente		La Virginia		Other		Total	
Drilling	\$	-	\$	847,923	\$	-	\$	847,923
General exploration		59,623		617,299		-		676,922
Geological		26,310		277,406		4,750		308,466
Assay		-		153,327		-		153,372
Total	\$	85,933	\$	1,895,955	\$	4,750	\$	1,986,683

Results of Operations

Three Months Ended December 31, 2019 and 2018

During the three month period ended December 31, 2019, the Company incurred exploration expenses amounting to \$523,244 (2018 - \$1,238,219). Exploration expenditures were incurred on its La Virginia exploration program. The decrease during the current three months ended December 31, 2019 compared to the three months ended December 31, 2018 was a result of timing of when the drilling program began.

General operating costs totalled \$163,069 for the three months ended December 31, 2019 (2018 - \$ 110,906). These costs included depreciation of \$1,957 (2018 - \$Nil), filing fees of \$1,300 (2018 - \$1,936), foreign exchange gain of \$3,457 (2018 - gain of \$18,593), investor relations of \$74,143 (2018 - \$25,338), management fees of \$40,019 (2018 - \$44,950), office and administration fees of \$47,657 (2018 - \$43,588), and professional fees of \$1,450 (2018 - \$13,687). General operating costs were mainly comparable other than investor relations. Investor relations was \$74,143 for the three months ended December 31, 2019 compared to \$25,338 for the three months ended December 31, 2018, due to timing of when the Company attended investor relations conferences as well as increased investor relations needs from third parties.

The Company recognized interest income of \$15,585 for the three months ended December 31, 2019 (2018 - \$8,270) due to the Company's average cash balance during the three months ended December 31, 2019 and prime rate during the period.

In summary, the loss in the three month period ended December 31, 2019 amounted to \$670,728 (2018 - \$1,340,855) or \$0.01 (2018 - \$0.03) per share.

Results of operations for the Years Ended December 31, 2019 and 2018

During the year ended December 31, 2019, the Company incurred exploration expenses amounting to \$1,238,363 (2018 - \$1,986,683). Exploration expenditures were incurred on its La Virginia exploration program.

General operating costs totalled \$708,607 for the year ended December 31, 2019 (2018 - \$1,109,450). These costs included consulting fees of \$32,000 (2018 - \$Nil), depreciation of \$1,957 (2018 - \$Nil), filing fees of \$10,333 (2018 - \$6,988), foreign exchange loss of \$17,954 (2018 - gain of \$24,091), investor relations of \$271,474 (2018 - \$130,529), management fees of \$140,161 (2018 - \$160,344), office and administration fees of \$193,317 (2018 - \$221,158), professional fees of \$41,411 (2018 - \$69,046), and share-based compensation of \$Nil (2018 - \$545,476). Costs were mainly comparable other than consulting fees, foreign exchange loss (gain), investor relations, professional fees, and share-based compensation. Consulting fees increased from \$Nil in the year ended December 31, 2018 to \$32,000 in the year ended December 31, 2019 due to advisory services incurred by the Company in the period. Fluctuations in foreign exchange were due to a change in the Mexican peso and the US dollar in relation to the Canadian dollar. Investor relations costs were \$271,474 for the year ended December 31, 2019 compared to \$130,529 for the year ended December 31, 2018, due to timing of when the Company attended investor relations conferences as well as increased investor relations needs from third parties. There was a decline in office and administration fees from \$221,158 during the year ended December 31, 2018 to \$193,317 during the year ended December 31, 2018 due to timing of when administration costs were incurred. There was a decline in professional fees from \$69,046 during the year ended December 31, 2018 compared to \$41,411 during the year ended December 31, 2018, this change was due to increased legal fees paid in relation to the Company's agreement with Pan American in the prior period. The Company did not issue or have any stock options vest during the year ended December 31, 2019 resulting in share-based compensation expense of \$Nil. Options were granted and vested during the year ended December 31, 2018 resulting in share-based compensation expense of \$545,476.

The Company recognized interest income of \$23,481 for the year ended December 31, 2019 (2018 - \$54,012) due to the Company's average cash balance during the year ended December 31, 2019 and prime rate during the period.

In summary, the loss in year ended December 31, 2019 amounted to \$1,923,489 (2018 - \$3,303,621) or \$0.04 (2018 - \$0.08) per share.

Selected Quarterly Financial Information:

	Revenues	Loss for the period	Loss per share
Quarter ended December 31, 2019	Nil	(\$670,728)	(\$0.01)
Quarter ended September 30, 2019	Nil	(\$417,701)	(\$0.01)
Quarter ended June 30, 2019	Nil	(\$351,002)	(\$0.01)
Quarter ended March 31, 2019	Nil	(\$484,058)	(\$0.01)
Quarter ended December 31, 2018	Nil	(\$1,340,855)	(\$0.03)
Quarter ended September 30, 2018	Nil	(\$614,640)	(\$0.01)
Quarter ended June 30, 2018	Nil	(\$477,969)	(\$0.01)
Quarter ended March 31, 2018	Nil	(\$870,157)	(\$0.02)

Exploration expenditures during the three months ended December 31, 2019 was \$523,244 and consisted of drilling of \$283,027 relating to the beginning of the Company's drilling season at La Virginia, general exploration of \$173,981, geological fees of \$51,834 and lab work on its La Virginal project of \$14,402.

Exploration expenditures during the three months ended September 30, 2019 was \$203,559 and consisted of lab work on its La Virginal project of \$65,393, general exploration of \$105,166 and geological fees of \$33,000.

The Company's drilling season at La Virginia was completed during the three months ended December 31, 2018, which meant a decline in exploration expenditures drilling during the three months ended March 31, 2019. Exploration expenditures during the three months ended June 30, 2019 were as a result of lab work and analysis.

The Company did not issue any options during the three months ended March 31, 2019, which led to a reduction in operating expenditures for the three months ended March 31, 2019 versus the three months ended December 31, 2018. The Company granted stock options during the three month period ended March 31, 2018, which resulted in share-based compensation expense of \$536,812. This was the first quarter that Company recognised share-based compensation expense.

The Company spent increased exploration expenditures in the last two quarters of fiscal 2017 on its Clemente Property to fulfill its work commitment. The Company began its exploration program on its La Virginia Property during the three months ended September 30, 2018 and continued in the three months ended December 31, 2018, which led to increased exploration expenditures.

During the three month period ended June 30, 2018, the Company wrote-off its Clemente Project and recognised an impairment loss of \$261,500.

Proposed Transactions

There are no new proposed transactions noted.

Outstanding Share Data

The Company has unlimited authorized common shares and the issued and outstanding share capital at the date of this MD&A is:

	Common shares issued and outstanding	Warrants	Options
Balance at December 31, 2017	42,710,301	-	-
Balance at December 31, 2018	42,710,301	-	3,920,000
Balance at December 31, 2019	58,810,301	8,000,000	3,720,000
Balance at April 27, 2020	58,810,301	8,000,000	5,435,000

The Company completed a private placement on September 24, 2019 and raised gross proceeds of \$4,000,000 through the sale of 16,000,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one half of one share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$0.35 per share for a period of two years. Finders' fees of \$127,424 were paid as part of the private placement.

Liquidity

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

The operating loss for the year \$1,923,489 after adjustments for non-cash items and changes in other working capital balances, provided a net decrease in cash amounting to \$1,907,559 from operating activities.

Cash used in investing activities was \$78,353 (2018 - \$Nil) was for the first anniversary option payment on Rubi-Esperanza and the purchase of equipment during the year.

Cash from financing activities consisted of gross proceeds from a private placement of \$4,000,000 (2018 - \$Nil), funds from a stock option exercise of \$15,000 (2018 - \$Nil), less share issuance costs of \$153,778 (2018 - \$Nil). Total cash received from financing activities was \$3,861,222 (2018 - \$Nil).

As a consequence, the Company's cash position increased from the opening level of \$1,711,902 at the beginning of the year to \$3,587,212.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto.

Capital Resources

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended December 31, 2019.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company's management has been successful in raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions.

Related Party Transactions

Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

Compensation paid or payable to key management personnel for services rendered are as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Management fees (Steve Cope - 1105179 BC Ltd.; Stephen Brohman - 1047230 BC Ltd.)	\$ 96,585	\$ 120,000
Share-based compensation (Steve Cope and Carla Hartzenberg)	-	140,000
Total	\$ 96,585	\$ 260,000

Other related party transactions are as follows:

	For the year ended December 31, 2019		For the year ended December 31, 2018	
Investor relations *	\$	74,474	\$	47,128
Management fees *		43,576		40,344
Office and administration *		157,811		188,285
Geological consulting fees (Velia Ledezma - 683192 BC Ltd.)		46,667		49,000
Share-based compensation (Directors, Melissa Martensen and Velia Ledezma)		-		196,000
Total	\$	322,528	\$	520,757

* Fees were paid to a management service company controlled by a director of the Company that provides office space, a corporate secretary, investor relations, a CFO, accounting and administration staff to the Company on a shared cost basis.

As of December 31, 2019, the Company had \$24,834 in accounts payable (December 31, 2018 - \$174) owing to a director and company with common directors.

Off Balance Sheet Arrangements

The Company has no material off balance sheet arrangements in place.

Changes in Accounting Policies Including Initial Adoption

IFRS 16 Leases

IFRS 16, published on January 13, 2016, supersedes IAS 17 – Leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless a lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to reporting periods beginning on or after January 1, 2019.

The Company adopted IFRS 16 effective January 1, 2019 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease obligations related to its lease commitments for its office lease. It will be measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019. The associated right of use asset will be measured at the lease obligation amount, less prepaid lease payments, resulting in no adjustment to the opening balance of retained earnings. The Company applied the following practical expedients permitted under the new standard:

- leases of low dollar value will continue to be expensed as incurred; and
- the Company will not apply any grandfathering practical expedients.

As at January 1, 2019 IFRS 16 did not have any impact on the amount recognized in the financial statements. The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. For the year ended December 31, 2019, rent expense included in office and administration of \$60,000 has been incurred.

Financial Instruments and Risk Management:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a) Fair value of financial instruments

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts payable and accrued liabilities approximates its fair values due to the short-term maturity of the financial instruments.

b) Concentrations of business risk

The Company maintains a majority of its cash with a major Canadian financial institution. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

c) Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk arises from value-added tax (VAT) and goods and services tax (GST), which are recoverable from the governing body in Mexico and Canada, respectively. As the Company's exploration operations are conducted in Mexico, the Company's operations are also subject to the economic risks associated with those countries.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

e) Interest rate risk

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

f) Price risk

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

g) Foreign exchange risk

A portion of the Company's operational transactions are originally denominated in Mexican Pesos. Accordingly, the results of the Company's operations and comprehensive loss as stated in Canadian dollars will be impacted by exchange rate fluctuations. The Company does not hedge its exposures to movements in the exchange rates at this time.

The Company's exposure to foreign currency risk is on its cash, long term taxes receivable, and accounts payable and accrued liabilities. At December 31, 2019, a hypothetical change of 10% in the foreign exchange rate between the Canadian dollar and Mexican Peso would have an effect of \$30,925 on profit and loss.

Critical Accounting Estimates:

The preparation of these consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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, but are not limited to, the following:

- a) The recoverability of receivables. The Company considers collectability and historical collection rates in estimating the recoverable amount of receivables. If the recoverable amount of receivables is estimated to be less than the carrying amount, the carrying amount of receivables is reduced to the recoverable amount and an impairment loss is recognized in profit or loss for the period.
- b) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The carrying model is utilized and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.
- c) The inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate
- d) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.
- e) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

Events after the reporting period

Subsequent to the year ended December 31, 2019 the Company granted a total of 1,965,000 stock options at an exercise price of \$0.32 per option to employees, consultants, officers and directors. The options expire five years from the grant date and vest immediately.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economics, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Additional Information

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.