ORESTONE MINING CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended January 31, 2020

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Orestone Mining Corp. ("Orestone", or the "Company") and has been prepared based on information known to management as of May 29, 2020. This MD&A is intended to help the reader understand the consolidated financial statements of Orestone.

The following information should be read in conjunction with the audited consolidated financial statements as at January 31, 2020 and 2019 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the Company for the year ended January 31, 2020. Additional information relating to the Company can be found on SEDAR www.sedar.com.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review consolidated financial statement results, including the MD&A and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

Forward looking statements included or incorporated by reference in this document include statements with respect to:

- Plans for exploration of the Company's properties;
- Speculation on future commodity prices;
- Management expectations of future activities and results.

ORESTONE MINING CORP.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at http://www.orestone.ca.

SUMMARY AND OUTLOOK

During the year ended January 31, 2020, the Company continued to carefully manage its cash and corporate overhead activities. Detailed Mineral Property information, including Fiscal 2019 activity, can be found in Section 3.

Management's overall expectations for the Company are positive, due in part to the following factors:

- The Company completed a non-brokered private placement issuing 10,450,091 units at a price of $0.11 per Unit for aggregate gross proceeds of up to $1,149,510 in April 2019;
- The Company completed a non-brokered private placement by issuing 4,173,750 flow-through units at a price of $0.16 per unit for gross proceeds of $667,800 in August 2019.
- The Company announced assays received from the Company's 2019 drilling program at the Captain property. A total of 1,900 metres of drilling in 7 holes was completed in the Admiral Target and target T2, one of 9 large strong magnetic anomalies outlined at the Captain property.
- The Company announced the results of IP/Resistively geophysical survey on its Resguardo Project in the Copiapo District of Northern Chile.
- On May 19, 2020, the Company reported that the non-brokered private placement financing announced on February 14, 2020, for $500,000 at $0.10 per Unit had been terminated and announced a new non-brokered private placement consisting of up to 10,625,000 units ("Units") at a price of $0.08 per Unit for aggregate gross proceeds of up to $850,000 (the "Offering"). Each Unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will be exercisable for one common share of the Company at a price of $0.12 for two years from the date of issuance. If the closing trading price of the shares on the TSX Venture Exchange (or such other stock exchange on which the shares may be listed) is at or greater than $0.25 per share for any 20 consecutive trading days at any time commencing four (4) months after the Closing Date, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and, in such case, the warrants will expire on the earlier of (a) the 10th trading day after the date on which such notice is given by the Company and (b) the original expiry date of the warrants.

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1. Background

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia on April 30, 2007.

The Company is listed on the TSX Venture Exchange under the trading symbol "ORS" since March 11, 2008.

On August 29, 2017, the Company consolidated its share capital on the basis of one new share for every five old shares. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

2. Overview

2(a) Company Mission and Focus

Orestone is a junior mineral exploration company. The Company explores for gold and copper/gold in the Quesnel Terrane of British Columbia, Canada and northern Chile.

The Company actively evaluates potential joint ventures, mergers, and acquisitions in search of opportunities to acquire significant new mineral properties.

2(b) Qualified Person

The technical information reported in this MD&A has been reviewed and approved by Mr. Gary Nordin P. Geo., the Company's Senior Consulting Geologist. Mr. Nordin is a Professional Geoscientist and member of the Professional Engineers and Geoscientist Association of British Columbia (APGEBC) and a qualified person as defined by NI 43- 101.

2(c) Description of Metal Markets

Market interest for all metals such as gold and copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

2(d) Use of the terms "Mineral Resources" and "Mineral Reserves"

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

2(e) Historical estimates are not NI 43-101 compliant

The historical estimates contained in this MD&A have not been calculated in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves, as required by National Instrument 43-101 ("NI 43-101"). Accordingly, the Company is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101, and such historical estimates should not be relied upon. A qualified person has not done sufficient work to date to classify the historical estimates as current mineral resources or mineral reserves.

3. Mineral Property

3(a) Captain Property

The Captain Property and surrounding lands contain many airborne magnetic-high anomalies on ground previously worked by Placer Dome, Noranda and several junior resource companies during 1989 to 1996. Numerous airborne magnetic-high targets in the Quesnel Terrane are known to be related to underlying intrusions important for their relationship with copper-gold porphyry deposits such as Thompson Creek Metals' Mt. Milligan deposit immediately north of the Captain Property. Induced polarization ("IP") surveys over the airborne magnetic highs are a key method of identifying drill targets on the largely overburden covered Captain Property. Between 2008 and 2010, the Company undertook geochemical sampling, induced polarization and ground magnetic surveys, and limited percussion and diamond drilling. Detailed results are filed on Sedar.

In August, 2011, Orestone completed an IP/Resistivity and ground magnetics survey that consisted of a total of 30 kilometers of survey in six lines spaced 400 meters apart and was designed to expand upon previous geophysical surveys along logging roads. The objective of the survey was to better define the potential for copper-gold sulphide mineralization in the area surrounding diamond drill hole 09-05 which encountered potassic-altered volcanic and intrusive rocks. This vertical drill hole reached a depth of 137 meters with the last 3.1 meters encountering mineralized breccia grading 0.21 per cent copper and 0.35 grams per tonne (g/t) gold.

The results of the survey completed by Peter E. Walcott & Associates show three separate IP chargeability anomalies that flank magnetic high anomalies. The IP anomalies have widths of 1,000 meters or more that remain open, thus have yet to be fully outlined. The principal IP chargeability anomaly in the central portion of the survey area currently measures 1,000 meters by more than 4,000 meters and corresponds with a resistivity high. This coincident chargeability and resistivity high area is located on the western flank of a magnetic high interpreted to be a magnetite-bearing intrusive measuring 1,000 to 2,000 meters wide and in excess of five kilometers in strike length. This geophysical signature covering the central IP/resistivity high target on the Captain project is similar in nature to the geophysical signature of the MBX copper-gold deposit at Mt. Milligan. The geophysical report by Peter E. Walcott & Associates also recommends additional work to define anomalies that are located to the east and west of the current grid area.

In December of 2011, the Company initiated a diamond drilling program that was completed in January 2012. The drill program consisted of 4 holes totaling 1,275 meters with the objectives to test the previously described anomalies. Overburden depth from all the drill holes was relatively uniform, averaging 45 meters, which is consistent with overburden depth from the previous drill hole 09-05 The best results from the drilling are found in drill hole C11-01 that consisted of 0.23 g/t gold and 0.03% copper over 87 meters that included 0.298 g/t gold and 0.09% copper over 43 meters.

The drill program was successful in confirming the presence of copper and gold mineralization within a sequence of altered rocks consistent with that found in economic copper-gold porphyry systems. To confirm the presence of favorable alteration, a suite of samples from three holes were sent out for petrographic analysis. The results of this study support the Company`s interpretation that the alteration pattern from the drilling is indicating potential for economic mineralization and that more drilling is warranted.

In the fourth quarter of 2012, the Company completed 912.8 metres of diamond drilling in three holes in the East Mag or Admiral Target Area.

Vertical Hole C12-05 located 100 meters west of C11-01 was drilled to depth of 550.17 metres. The hole intersected bedrock at 63.7m; from 63.7m-150m sericite-carbonate altered volcanic rocks with 1-5% pyrite and minor chalcopyrite (copper mineral) were intersected; from 150m-550m moderate to strong potassic feldspar-actinolite-biotite and sericite-carbonate altered volcanics and monzonite porphyry dykes with finely disseminated magnetite-pyrite-chalcopyrite and blebby chalcopyrite and finely disseminated chalcopyrite in potassic feldspar altered veins and flooded zones. Magnetite is disseminated throughout and is associated with zones of pervasive, felted secondary actinolite-biotite. The above described four hundred meter mineralized intercept of finely disseminated and locally coarse blebby chalcopyrite increases in intensity down hole and remains open at depth.

Hole C12-05 returned two significant intervals of strong gold mineralization; the upper zone grading 0.65 g/t gold and 0.06% copper (on an uncut basis) over 118.8 meters and the lower zone grading 0.41 g/t gold and 0.07% copper (on an uncut basis) over 164.6 meters. The mineralization in hole C12-05 remains open to depth and analytical results are tabled below.

Hole C12-05	From/To (meters)	Length (meters)	Copper (percent)	Gold grams/tonne
Upper zone	88.1-206.9	118.8	0.06	0.65
Incl.	152.1-161.2	9.1	0.27	6.46
Lower zone	377.6-542.2	164.6	0.07	0.41
Incl.	499.5-505.6	6.1	0.51	4.45
Upper zone*	88.1-206.9	118.8	0.06	0.30
Lower zone*	377.6-542.2	164.6	0.07	0.32

*High Gold Values Cut to 1.6 g/t

In January of 2013, the Company conducted a detailed 130 kilometer ground magnetic survey that was completed in February 2013. The magnetic survey was designed to define the magnetic anomaly within the area of the recent drill discovery of significant gold/copper mineralization.

This magnetic survey was successful in identifying new magnetic anomalies. Drilling conducted in late 2012 intercepted disseminated gold-copper mineralization associated with magnetic monzonite dyke swarms and strong potassic alteration conforming to the classic alkalic porphyry model. The data generated from the magnetic survey has defined the size and shape of the magnetic targets which are also related to moderate IP chargeability highs in excess of 10mV/V (millivolts/volts). Combined, this data has defined compelling drill targets which will allow future drilling efforts to focus on the magnetite/gold association.

The survey on the West Mag target area outlined three large magnetic highs over a northwesterly trending area measuring 2500m x 5000m, the largest and most significant, T9 measures 1000m x 4000m with a northwesterly strike length. These large targets lay four kilometeres to the west of the Admiral target. It is believed they represent magnetite-potassic alteration and magnetic monzonite intrusives.

In July 2013, the Company completed a drilling campaign that consisted of three diamond drill holes totaling 642 meters. Holes C13-01 and C13-02 were drilled 400 metres respectively NW and SE of significant potassic alteration and copper gold mineralization intersected in previous holes C12-05 and C11-01. Hole C13-03 was drilled in the center of the Admiral target, a large magnetic high measuring 1000 metres by 1500 metres located 800 metres north of holes C12-05 and C11-01.

Hole C13-03 intersected an unaltered and un-mineralized post mineral alkalic gabbro dyke from the bedrock contact at 78.9m to 280.0m. At a depth of 204.9m to 207.9m a xenolith fragment of highly potassic-sericite altered monzonite porphyry was intersected which assays 0.226% copper and 1.90 g/t gold over three metres. The post mineral dyke is situated in the centre of the magnetic high and it is interpreted to measure 50 – 100 metres in thickness and 1000 meters in strike length and the xenolith fragment or rafted block is thought to have been transported from immediate adjacent rocks.

Hole 13-02 was drilled at an Azimuth of -70 NE across a strong magnetic anomaly and intersected two sections of potassic-sericite altered volcanic and monzonite dykes separated by a section of post mineral andesite dykes. The first mineralized and altered dyke was intersected from 32.4m to 66.4m for an interval of 34m with an average grade of 0.073% copper and 0.20 g/t gold while the second altered and mineralized dyke was intersected from 121.3m to 170.1m for an interval of 48.8m with an average grade of 0.055% copper and 0.35 g/t gold.

Hole C13-01 intersected intensely quartz-sericite-pyrite altered volcanics on the south margin of the

Admiral target averaging 183 ppm Cu and 52 ppb Au.

The Company now has all permits in place to facilitate 75 line kilometers of geophysics with 58 sites approved for drilling.

In January 2019, the Company staked an additional Cu-Au porphyry target “MAX” which is located 7 km northwest of its main East Admiral Au-Cu porphyry target.

The Max Extension claims cover 2,834 hectares (28.3 sq. km) and cover a phyllic altered felsic intrusive with disseminated chalcopyrite exposed along a forestry logging access road. The new Max target has marked similarities to the East Admiral zone lying at the junction of a NW and NE faults- associated with a MMI Cu-Au geochemical anomaly and quartz sericite alteration characteristic of the outer zone of a Cu-Au porphyry. The Max claims lie along a NW trending linear fault and linear magnetic high extending from the East Admiral Cu-Au zone.

The Captain Project now covers 72 sq. km and hosts a large gold/copper porphyry system with multiple targets located 41 kilometers north of Fort St. James, British Columbia and approximately 30 kilometers south of the Mt. Milligan copper-gold Mine owned by Centerra Gold. The project features relatively flat terrain, moderate tree cover and an extensive network of logging and Forest Service roads suitable for exploration year around.

On November 20, 2019, the Company announced assays received from the Company’s 2019 drilling program at the Captain property. A total of 1,900 metres of drilling in 7 holes was completed in the Admiral Target and target T2, one of 9 large strong magnetic anomalies outlined at the Captain property.

Hole C19-07 located two kilometres southeast of the Admiral Target was drilled into the western portion of target T2 intersecting a monzonite porphyry with very fine-grained disseminated pyrite - chalcopyrite mineralization over 91 metres grading 0.26 g/t gold and 0.065% copper from 112 m - 203.3 m including 24 metres grading 0.56g/t gold and 0.112 % copper from 178.9 m - 203.3 m. Hole 19-07 was drilled to undercut hole 13-02 located 200 m to the south which intersected 48.8 metres grading 0.35 g/t gold and 0.055% copper at the end of the hole (open to depth). Total thickness of the mineralized monzonite porphyry and altered volcanics is estimated at 140 metres with a combined average grade of 0.29 g/t gold and 0.062% copper. The T2 magnetic high target measures 200 m x 700 m.

Drilling in the Admiral Target was unsuccessful at locating the source of the mineralized zenolith (IP high target) within the post mineral dyke (PMD) intersected in drill hole C13-03. Drill holes C19-02 and C19-05 intersected chlorite altered volcanics on the north and west side of the PMD and drill holes C19-03, C19-04 and C19-06 on the northern and southern margin of the PMD intersected sericite altered monzonite with fine disseminated pyrite. Drill hole C19-03 immediately south of the PMD did intersect a sericite altered monzonite sill and andesite from 265.6 m to 295 m (30 metres) grading 0.24 g/t Au and 818 ppm copper, which remains open to depth.

3(b) Resguardo Copper-Gold Porphyry Project

The Resguardo project is located 90 kilometres NE of the City of Copiapo in Region III, Chile, covers 2,905 hectares of mining concessions and can be explored year around. The project geology is of the same Middle Tertiary porphyry copper belt as CODELCO’s El Salvador and Potrerillos mines 80 kilometres to the north. The project is located along the north/south Domeyko Fault System which hosts some of the largest copper deposits in the world and the confluence of regional fault systems coming out of the Maricunga Gold Belt which host numerous multi-million ounce gold and gold-copper deposits containing up to 25 million ounces gold.

Copper and gold mineralization (oxides and sulphides) have been discovered along two parallel 1000 metre structures featuring fracture-controlled chimney, manto and skarn style deposition. The structures are approximately 80 metres apart, up to 50 metres wide with grades from 0.40 to 7% copper and up to 0.60 g/t gold. Near-surface oxide copper grading 1% to 7% was mined intermittently from pits and tunnels and sold to ENAMI in Copiapo for processing.

The surface mineralization at Resguardo is surrounded by a large hydrothermally altered zone of clay and silica covering over one square kilometre and is underlain by a large IP (induced polarization) chargeability anomaly measuring 450m x 1000m. The IP anomaly indicates the probable source of surface copper mineralization and a large undiscovered sulphide copper porphyry may lie at depth.

Previous exploration conducted to outline the porphyry target consisted of structural mapping, alteration mapping, geochemical sampling, geophysical surveys (ground magnetometer, IP and Resistivity) and 514 metres of reverse circulation drilling.

Future exploration will consist of a moderate program of geophysics followed by RC drilling.

Orestone will have the option to purchase a 100% interest in the property from Sociedad Contractual Minera Resguardo (the "Optionor" or "CMR") for a five (5) year period (the "Option Period") and may exercise the Option by paying:

(i) US$70,000 initial payment (paid);
(ii) US$150,000 on or before the first anniversary of the Agreement (paid);
(iii) US$220,000 on or before the second anniversary of the Agreement;
(iv) US$460,000 on or before the third anniversary of the Agreement;
(v) US$1,100,000 on or before the fourth anniversary of the Agreement;
(vi) US$3,000,000 on or before the fifth anniversary of the Agreement;
(vii) Completing 2,000 metres of drilling at any time during the option period.

Upon completion of the purchase of the Resguardo copper project, a 1.5% net smelter royalty (the "NSR") will be reserved in favor of CMR. Orestone shall have the right at any time up to the seventh anniversary of the Agreement to purchase the NSR for US$6.0 million. Orestone will also have the right to mine ores from the property at any time during the option period and would pay a 7% royalty on production for this right.

On September 17, 2019, the Company announced the results of IP/Resistively geophysical survey on its Resguardo Project in the Copiapo District of Northern Chile. The survey was designed to test the potential for copper-gold porphyry or manto style mineralization below historic surface workings. A total of 8 kilometres of IP/Resistivity was completed in four lines, each of which was 2000 m length.

A large chargeability anomaly was outlined at a depth of 150 to 250m below surface with values greater than 12mV/V over a strike of 1400 metres and width of 500-800 metres. A central core of greater than 20 mV/V over a strike length of 1100 metres and width of 300-600 metres shows values up to 45mV/V and the anomaly remains open to depth.

In addition the most western line of the survey located 1000 metres west of the IP anomaly has outlined a broad IP chargeability anomaly of +9.5 mV/V over a 600 metre width open to the west indicating that there may be another target area requiring expansion of the IP/Resistivity geophysical coverage.

On November 25, 2019, the Company announced that the Company through its newly formed Chilean subsidiary Cerro Golpe de Rayo SpA, continued its exploration program on the Resguardo property in northern Chile. The program further defined potential for porphyry and manto style copper-gold mineralization at a shallow depth. Work consisted of detailed mapping, sampling of outcrops and systematic geochemical sampling.

Copper-gold mineralization occurs as dissemination's and fracture coatings within a 50-100 metre wide zone along a strike length of 1500 metres, open to the southwest. Where favorable flat lying carbonate beds occur, copper-gold manto-skarn mineralization is present up to 20 metres in thickness. Historically near-surface oxide copper grading 1% to 7% and approximately 0.50 g/t gold was mined intermittently from pits and tunnels. Although sampling is believed to have been competently carried out, it was not certified by a professional geologist, therefore the results are not NI 43-101 compliant and cannot be relied upon.

Orestone believes these historic workings to be peripheral to, and may represent leakage from, a large copper-gold porphyry or manto system at a shallow depth. This model is supported by the results of a recently completed Induced Polarization (IP) survey geophysical program detailed in the Company's news release of September 17, 2019.

The Company's exploration expenses for the year ended and as at January 31, 2020 are:

	Captain Property	Resguardo Property	Total
Property acquisition costs			
Balance, January 31, 2019	$ 292,808	$ 91,609	$ 384,417
Property payments	2,350	197,325	199,675
Balance, January 31, 2020	295,158	288,934	584,092
Deferred exploration costs			
Balance, January 31, 2019	1,396,902	7,821	1,404,723
Assays	16,513	7,441	23,954
Camp, travel and meals	27,377	3,048	30,425
Claim maintenance fee	-	31,204	31,204
Drilling	481,860	-	481,860
Field supplies and maps	7,855	2,265	10,120
Geological consulting	25,000	15,918	40,918
Geophysical consulting	-	17,394	17,394
Surveying	-	17,242	17,242
Legal	-	24,068	24,068
Balance, January 31, 2020	1,955,507	126,401	2,081,908
Mining exploration tax credit			
Balance, January 31, 2019	(295,764)	-	(295,764)
Additions	-	-	-
Balance, January 31, 2020	(295,764)	-	(295,764)
Total	$ 1,954,901	$ 415,335	$ 2,370,236

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control.

Industry
The Company is engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that a mineral deposit will ever be discovered and economically produced. Most exploration projects do not result in the discovery of commercially mineable ore deposits. If market conditions make financings difficult, it may be difficult for the Company to find joint venture partners. The Company may be unsuccessful in identifying and acquiring projects of merit.

Mineral resource estimates
The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and

judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

Gold and metal prices
The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The prices of other metals and mineral products that the Company may explore have the same or similar price risk factors.

Cash flows and additional funding requirements
The Company currently has no revenue from operations. If any of its exploration programs are successful and optionees of properties complete their earn-in, the Company would have to provide its share of ongoing exploration and development costs in order to maintain its interest or be reduced in interest or to a royalty interest. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are equity capital or the offering of an interest in its projects to another party. Current economic conditions have limited the Company's ability to access financing through equity markets and this has created significant uncertainty as to the Company's ability to fund ongoing operations for the next operating period.

Environmental
The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by NGOs has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

Laws and regulations
The Company's exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Title to mineral properties
While the Company has investigated title to its mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Unresolved native land claim issues in Canada may affect its properties in this jurisdiction in the future.

Possible dilution to present and prospective shareholders
The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company may seek joint venture partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration plays. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the joint venture partner. There is no guarantee that the Company can find a joint venture partner for any property.

Material risk of dilution presented by large number of outstanding share purchase options and warrants
At January 31, 2020, there were 2,250,000 stock options and 12,536,966 warrants outstanding. Of the 2,250,000 options, directors and officers hold 1,885,000 options and the remaining 365,000 are held by employees, advisors and consultants of the Company.

Volatility of share price
Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

Competition
There is competition from other mining exploration companies with operations similar to the Company's. Many of the companies with which it competes have operations and financial strength greater than the Company's.

Dependence on management
The Company depends heavily on the business and technical expertise of its management.

Conflict of interest
Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, the Company may miss the opportunity to participate in certain transactions.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at January 31, 2020, which considered the indicators of impairment in accordance with IAS 36, "Impairment Assets." Management concluded that no impairment charge was required because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all properties rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- the Company intends to continue its exploration and development plans on its properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

The following selected annual financial information has been derived from the last three audited financial statements of the Company, which have been prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

	2020	2019	2018
Total revenues	$ -	$ -	$ -
Expenses	$ 667,001	$ 387,874	$ 216,334
Loss for the year	$ 643,397	$ 387,498	$ 216,130
Basic and diluted loss per share	$ 0.03	$ 0.03	$ 0.03
Total assets	$ 2,620,598	$ 1,576,893	$ 1,523,788
Total long-term financial liabilities	$ -	$ -	$ -
Cash dividend declared - per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019
Total revenues	$ -	$ -	$ -	$ -
Loss before other items	$ 169,201	$ 197,302	$ 206,079	$ 94,419
Net loss	$ 166,329	$ 199,801	$ 182,848	$ 94,419
Loss per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01

	Three months ended			
	January 31, 2019	October 31, 2018	July 31, 2018	April 30, 2018
Total revenues	$ -	$ -	$ -	$ -
Loss before other items	$ 124,265	$ 95,780	$ 88,113	$ 79,716
Net loss	$ 124,086	$ 95,583	$ 88,113	$ 79,716
Loss per share	$ 0.01	$ 0.01	$ 0.01	$ 0.01

6(c) Review of Operations and Financial Results

For the three months ended January 31, 2020 compared with the three months ended January 31, 2019:

The Company recorded a net loss for the three months ended January 31, 2020 of $169,329 (loss per share - $0.01) compared to a net loss of $124,086 (loss per share - $0.01) for the three months ended January 31, 2019.

Excluding the non-cash share-based compensation of $52,122 (2019 - $25,149), the expenses increased to $117,079 (2019 - $99,116), a slight increase of $17,963. The change was primarily due to increases in: (a) investor relations (2020 - $23,418; 2019 - $13,346); (b) marketing expenses (2020 - $10,000; 2019 - $Nil) and (c) salaries and consulting fees (2020 - $44,738; 2019 - $4,586); while being offset by a decrease in professional fees (2020 - $22,527; 2019 - $78,285). All such increases were because the Company was active in promoting the Company's exploration programs at its Captain property and Resguardo property, while reducing the professional fees given that the Company had more consultants assisting.

For the year ended January 31, 2020 compared with the year ended January 31, 2019:

The Company incurred a net loss for the year ended January 31, 2020 of $643,397 (loss per share - $0.03) compared to a net loss of $387,498 (loss per share - $0.03) for the same period in 2019.

Excluding the non-cash share-based compensation of $166,512 (2019 - $89,166), the expenses increased to $500,489 from 2019's $298,708, an increase of $201,781. The increase was primarily due to: (a) investor relations (2020 - $78,701; 2019 - $20,594); (b) marketing expenditures (2020 - $30,975; 2019 - $Nil); (c) salaries and consulting fees (2020 - $199,711; 2019 - $87,348) and travel expenses (2020 - $34,256; 2019 - $Nil). All such increases were because the Company was active in promoting the Company's exploration programs at its Captain property and Resguardo property, as well as completing the private placements. These increases were offset by a decrease in (a) project search expenses (2020 - $15,796; 2019 - $31,753) and (b) professional fees (2020 - $75,497; 2019 - $113,977).

6(d) Liquidity and Capital Resources

As at January 31, 2020, the Company had working capital of $161,797 (January 31, 2019 – working capital deficiency of $276,360). As at January 31, 2020, cash totaled $159,419, an increase of $111,070 from $48,349 as at January 31, 2019. The increase is due to (a) net proceeds from financing activities of $1,791,902 while being offset by (b) operating expenses of $809,200 and (c) exploration and evaluation assets expenditures of $871,632.

During the year ended January 31, 2020, the Company issued an aggregate of 1,008,334 common shares for gross proceeds of $100,834 pursuant to the exercise of warrants.

On April 29, 2019, the Company completed a non-brokered private placement issuing 10,450,091 units ("Units") at a price of $0.11 per Unit for aggregate gross proceeds of up to $1,149,510 (the "Offering"). Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable for one common share of the Company at a price of $0.15 for two years from the date of issuance. The Company paid a cash fee of $25,846 of the proceeds of the Offering to certain arm's length finders.

On August 20, 2019, the Company closed the first tranche of a non-brokered private placement by issuing 1,573,750 units ("Unit") at a price of $0.16 per Unit for gross proceeds of $251,800, and on August 23, 2019 closed the second and final tranche of $416,000 by issuing 2,600,000 units at a price of $0.16 per Unit. Each Unit consists of one common share of the Company qualifying as a "flow through" share pursuant to the Income Tax Act (Canada) ("Flow Through Share") and one half of one common share purchase warrant, with each whole warrant being exercisable to purchase one (non flow through) common share of the Company at a price of $0.22 until August 20, 2020 for the first tranche and until August 23, 2020 for the second tranche. Finders' fees amounting to $26,040 were paid in connection with private placement.

On August 29, 2019, the Company granted directors, officers and consultants of the Company incentive stock options to purchase an aggregate of 300,000 common shares. The options are exercisable until August 28, 2024 at an exercise price of $0.20 per share.

On May 19, 2020, the Company reported that the non-brokered private placement financing announced on February 14, 2020, for $500,000 at $0.10 per Unit had been terminated and announced a new non-brokered private placement consisting of up to 10,625,000 units ("Units") at a price of $0.08 per Unit for aggregate gross proceeds of up to $850,000 (the "Offering"). Each Unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will be exercisable for one common share of the Company at a price of $0.12 for two years from the date of issuance. If the closing trading price of the shares on the TSX Venture Exchange (or such other stock exchange on which the shares may be listed) is at or greater than $0.25 per share for any 20 consecutive trading days at any time commencing four (4) months after the Closing Date, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and, in such case, the warrants will expire on the earlier of (a) the 10th trading day after the date on which such notice is given by the Company and (b) the original expiry date of the warrants. Pursuant to the private placement, $834,000 has been received.

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, economies, 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 ability to raise funds.

The Company relies on equity financings to fund its exploration activities, corporate overhead expenses and acquisitions. There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favorable. To date, the Company has not used debt or other means of financing to further its exploration programs.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances will allow its efforts to continue throughout 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at January 31, 2020, the Company's share capital was $7,559,093 (January 31, 2019 - $6,317,718) representing 28,178,283 common shares (January 31, 2019 – 12,546,108 common shares).

A continuity of warrants for the year ended January 31, 2020 is as follows:

Expiry date	Exercise price ($)	January 31, 2018	Issued	Expired	January 31, 2019	Issued	Exercised	Expired	January 31, 2020
June 14, 2019	0.15	-	500,000		500,000	-	-	(500,000)	-
October 25, 2019	0.10	3,991,667	-	-	3,991,667	-	(1,008,334)	(2,983,333)	-
August 20, 2020	0.22	-	-	-	-	786,875	-	-	786,875
August 23, 2020	0.22	-	-	-	-	1,300,000	-	-	1,300,000
April 28, 2021	0.15	-	-	-	-	10,450,091	-	-	10,450,091
Warrants outstanding		3,991,667	500,000	-	4,491,667	12,536,966	(1,008,334)	(3,483,333)	12,536,966
Weighted average exercise price ($)		$ 0.10	$ 0.15	$Nil	$ 0.11	$ 0.16	$ 0.10	$ 0.11	$ 0.16

A continuity of options for the year ended January 31, 2020 is as follows:

Expiry date	Exercise price ($)	January 31, 2018	Issued	Expired / cancelled	January 31, 2019	Issued	Expired / cancelled	January 31, 2020
June 28, 2018	0.50	100,000	-	(100,000)	-	-	-	-
October 7, 2018	0.50	30,000	-	(30,000)	-	-	-	-
November 22, 2022	0.15	785,000	-	(400,000)	385,000	-	-	385,000
April 28, 2023	0.15	-	400,000	-	400,000	-	-	400,000
June 4, 2023	0.15	-	100,000	-	100,000	-	(100,000)	-
October 4, 2023	0.15	-	250,000	-	250,000	-	(100,000)	150,000
June 3, 2024	0.15	-	-	-	-	1,015,000	-	1,015,000
August 29, 2024	0.20	-	-	-	-	300,000	-	300,000
Options outstanding		915,000	750,000	(530,000)	1,135,000	1,315,000	(200,000)	2,250,000
Options exercisable		915,000	600,000	(530,000)	985,000	911,250	(200,000)	1,846,250
Weighted average exercise price ($)		$ 0.20	$ 0.15	$ 0.24	$ 0.15	$ 0.16	$ 0.15	$ 0.16

If the remaining options and warrants were exercised, the Company's available cash would increase by $2,379,126.

As of the date of this MD&A, there are 28,178,283 common shares issued and outstanding and 42,965,249 common shares outstanding on a diluted basis.

6(f) Off-Balance Sheet Arrangements

None at this time.

6(g) Transactions with Related Parties

Payments to related parties were made in the normal course of operations and were valued at fair value. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. There are no commitments or guarantees associated with the outstanding balances.

Amounts in accounts payable:	Services for:	During the years ended January 31, 2020	2019	As at January 31, 2020	2019
David Hottman	Salaries and benefits	$ 67,200	$ 71,106	$ -	$ 117,600
A private company controlled by a director of the Company	Rent	4,800	14,400	-	30,162
A private company with an officer in common with the Company	Accounting, management, financing and rent services	61,950	32,200	5,145	26,818
A private company controlled by a director of the Company	Funds advanced	-	-	-	14,500
A private company controlled by President of the Company	Management services	60,000	-	7,875	-
Total		$ 193,950	$ 117,706	$ 13,020	$ 189,080

Amounts in prepaid expenses:	Services for:				
David Hottman	Funds advanced	$ 16,381	$ -	$ 8,619	$ -
Total		$ 16,381	$ -	$ 8,619	$ -

Amounts in receivables:	Services for:				
A private company controlled by a director of the Company	Rent/Funds advanced	$ 1,200	$ -	$ 34,720	$ -
Total		$ 1,200	$ -	$ 34,720	$ -

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

For the year ended January 31, 2020:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	$ 67,200	$Nil	$Nil	$Nil	$ 7,794	$ 74,994
Mark T. Brown Chief Financial Officer[(a)]	$Nil	$Nil	$Nil	$Nil	$ 13,513	$ 13,513
Bruce Winfield President, Director[(a)]	$Nil	$Nil	$Nil	$Nil	$ 19,463	$ 19,463
Gary D. Nordin Director	$Nil	$Nil	$Nil	$Nil	$ 23,360	$ 23,360
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$ 9,731	$ 9,731
Julia Aspillaga* Former Director	$Nil	$Nil	$Nil	$Nil	$ 5,687	$ 5,687
James Anderson Director	$Nil	$Nil	$Nil	$Nil	$ 29,194	$ 29,194
Patrick Daniels Director	$Nil	$Nil	$Nil	$Nil	$ 5,687	$ 5,687

[(a)] Mark T. Brown and Bruce Winfield receive payments for their services through private companies they control. Please refer to the table on the next page.

* Julia Aspillaga resigned on October 29, 2019 (date of AGM where she did not stand for re-election)

For the year ended January 31, 2019:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
David Hottman Chief Executive Officer, Director	$71,106	$Nil	$Nil	$Nil	$ 2,898	$ 74,004
Mark T. Brown Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$ 2,557	$ 2,557
Andrew Muir * Former Director	$Nil	$Nil	$Nil	$Nil	$ 459	$ 459
Douglas Willock * Former Director	$Nil	$Nil	$Nil	$Nil	$ 513	$ 513
Gary D. Nordin Director	$Nil	$Nil	$Nil	$Nil	$ 3,478	$ 3,478
John Kanderka Director	$Nil	$Nil	$Nil	$Nil	$ 2,898	$ 2,898
Julia Aspillaga Director	$Nil	$Nil	$Nil	$Nil	$ 27,341	$ 27,341
Patrick Daniels Director	$Nil	$Nil	$Nil	$Nil	$ 27,341	$ 27,341

* The directors resigned from the Board of Directors on April 28, 2018.

6(h) Financial Instruments

The fair values of the Company's cash, other receivable, accounts payables and accrued liabilities and shareholders' loan approximate their carrying values due to their current nature.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk and market risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings, reclamation bonds and receivables (excluding GST). The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is low.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Interest rate risk
Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and price risk. The Company is not subject to currency risk as the functional currency is the Canadian dollar. The Company

does not use any form of derivative or hedging instruments to reduce its foreign currency risk. The Company is not affected by price risk.

Management of industry risk
The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Currency risk
The Company's property interest in Chile make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currency. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of $4,760 dominated in US dollars.

The fair value of the Company's cash, marketable securities, receivables and trade and other payables approximate their carrying values.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and marketable securities are measured using level 1 inputs. There were no transfers between levels 1, 2 and 3.

6(i) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company 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 Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

7. Subsequent Events

None other than already disclosed in other sections.

8. Policies and Controls

8(a) Significant Accounting Policies and Estimates

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's accounting policies include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the assessment as to whether any impairment exists on the Company's exploration and evaluation assets.

8(b) Recent Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the January 31, 2020 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Amendment to IFRS 3 (effective January 1, 2020)

Amendment to *IFRS 3 – Business Combinations*: Narrow-scope amendments to IFRS 3 were issued by the IASB in October 2018 to clarify the definition of a business and provide guidance in determining whether an acquisition is a business combination or a combination of a group of assets. The amendments, which are effective for annual periods on or after January 1, 2020, emphasize that the output of a business is to provide goods and services to customers and provides supplementary guidance.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

Effective February 1, 2019, the Company adopted *IFRS 16 - Leases*, where virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, the Company is required to recognize leased assets ("right-of-use" assets) and the related lease liability on the statement of financial position.

The application of IFRS 16 has had no material impact on its results and financial position.

9. Internal Control Over Financial Reporting

Changes in Internal Control Over Financial Reporting ("ICFR")

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 Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue 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 NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

10. Information on the Board of Directors and Management

Directors:
David Hottman
Bruce Winfield
Patrick Daniels
Gary Nordin
John Kanderka
James Anderson

Audit Committee members:
John Kanderka (Chair), Gary Nordin and Patrick Daniels

Management:
David Hottman – Chief Executive Officer
Mark T. Brown, B.Comm, CPA, CA – Chief Financial Officer
Bruce Winfield - President