GOLDEN TAG RESOURCES LTD.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS –

QUARTERLY HIGHLIGHTS

THREE AND SIX MONTHS ENDED JUNE 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

The following interim Management's Discussion and Analysis ("**Interim MD&A**") of Golden Tag Resources Ltd. (the "**Company**" or "**Golden Tag**") for the three and six months ended June 30, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management's Discussion & Analysis ("**Annual MD&A**") for the year ended December 31, 2019. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the year ended December 31, 2019 and year ended December 31, 2018, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 31, 2020, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on the Company's website at **www.goldentag.ca** or on SEDAR at **www.sedar.com**.

This Interim MD&A contains forward-looking information as further described in the "Cautionary Note Regarding Forward-Looking Statements" at the end of this Interim MD&A. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section below.

Description of Business and Nature of Operations

The Company is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada. The Company's shares are listed on the TSX Venture Exchange ("**TSXV**"), trading under the symbol "GOG".

Traditionally, much of Golden Tag's exploration activity was involved in the search for and definition of gold in eastern Canada's classical greenstone belts, however, the Company has expanded its exploration activities to include Mexico. The Company currently holds a 100% interest in the San Diego property in Durango State, Mexico.

Financial and Operating Highlights

Corporate

During the six months ended June 30, 2020, the Company closed a private placement pursuant to which it issued 20,000,000 units at a price of $0.05625 per unit for gross proceeds for $1,125,000. Each unit consists of one common share in capital of the Company and one-half share purchase warrant entitling the purchase of one common share at a price per share of $0.075. In connection with the private placement, fees were provided consisting of a cash payment of $24,350 and the issuance of 392,005 broker warrants. Each whole broker warrant entitles the holder to acquire one unit for $0.05625 for a period of two years from the date of issuance. All securities issued are subject to a four-month hold period.

On May 28, 2020, the Company announced the resignation of Bruce Robbins as a Directors and interim Chief Executive Officer ("CEO") and of Marc Carrier as Directors, President and Chief Financial Officer ("CFO") of the Company. Concurrently, the Company announced the appointment of Greg McKenzie as President and CEO and a Director of the Company. In addition, Carmelo Marrelli was appointed as CFO of the Company and Will Ansley was appointed as Vice President of Corporate Development and Investor Relations.

On May 28, 2020, the Company granted options to acquire a total of 1,500,000 common shares of the Company to officers at the exercise price of $0.08 per share for a period of five years. The options vested immediately.

On June 18, 2020, the Company announced the appointment of Tom English as a Director of the Company.

On June 30, 2020, the Company granted options to acquire a total of 1,000,000 common shares of the Company to directors at the exercise price of $0.125 per share for a period of five years. The options vested immediately.

During the six months ended June 30, 2020, the Company sold 19,900 shares of Rubicon Minerals Corporation for gross proceeds of $21,400.

Exploration updates

The 100% owned San Diego project, located in the prolific Velardeña Mining district within Durango, Mexico, is among the largest undeveloped silver assets in Mexico. This district, dominated by Peñoles, S.A.B. de C.V., has hosted silver and base metal mining operations for over 100 years. In 2013, the Company published a 43-101 resource prepared by SGS Canada, as outlined in Table 1 below on the San Diego Project. The resource was based on 33,000 metres of drilling and included mineralization from 23 different zones with strong lateral and vertical continuity. The last phase of drilling on the property was completed in 2012 and an updated mineral resource estimate was issued in April 2013. Since this time only no exploration has been performed, only the undertaking of routine property maintenance.

Table 1: Summary of Estimated Mineral Resources- San Diego Project (SGS 2013)

SAN DIEGO RESOURCE ESTIMATE (1)	CoG (2) (g/t)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Ag.EQ (3) (g/t)	Ag Oz (M oz)
INDICATED RESOURCES								
Oxide Veins [6]	133	0.31	0.43	211	NA (4)	NA (4)	234	2.11
Sulfide Veins [14]	52-125	1.38	0.20	123	1.23	1.85	197	5.43
Fernandez Zone [2]	52	14.8	0.06	51	0.65	1.17	94	24.1
TOTAL (5)		**16.5**						**31.6**
INFERRED RESOURCES								
Oxide Veins [8]	133	0.29	0.43	238	NA (4)	NA (4)	261	2.2
Sulfide Veins [19]	52-125	13.1	0.11	93	1.41	1.83	171	39.2
Fernandez Zone [2]	52	28.7	0.05	46	0.7	1.08	88	42.4
TOTAL (5)		**42.1**						**83.8**

Notes: (1) Please refer to Table 1, page 3, SGS Canada "NI 43-101 Technical Report: Updated Mineral Resource Estimate San Diego Project" effective date April 12, 2013 available on www.sedar.com or the Golden Tag Web site www.goldentag.ca for further information. **(2)** CoG: Cut-Off Grade Ag.EQ (g/t); please refer to Table 31 on page 104 of the report for further information. **(3)** Ag.EQ: Silver Equivalent based on commodity prices of US$1455/oz Au, US$28.10/oz Ag, US$1.00/lb Pb, US$0.96/lb Zn applying estimated mill recoveries & smelter deductions & payables of 64.9% Ag, 76.4% Pb & 57.5% Zn for sulfide and 60.5% Ag & 62.5% Au for oxide resources. Zn and Pb are excluded from Ag.EQ for oxide resources and Cu and Au are excluded from Ag.EQ for sulfide resources. Please refer to Table 30 & Pages 103-104 of the report for more information. **(4)** Pb and Zn are excluded from oxide vein resources due to lack of metallurgical tests illustrating their potential recoveries. **(5)** Totals may not add up precisely due to rounding. **(6)** (Mt): million tonnes; (M oz): million ounces.

Cautionary Statement: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The resource estimate for the 21 veins and mineralized body were defined by a drill pattern and applying reasonable geological shapes to limit the lateral extent of the veins and mineralized body. Combinations of cross sectional and plan level views were used in order to develop an understanding of the structural relationship and cut off grades were applied. The indicated and inferred categories were partially based on historic structures that consistently exhibit lateral continuity and constant thickness, many of which can be traced along surface for hundreds of metres. There are no known factors such as environmental, permitting, legal, title, taxation, socio economic, marketing, political or other relevant factors which could materially affect the resources.

The San Diego property was originally known for narrow, high grade Ag veins in surface outcrop and shallow historic underground mine workings developed to mine oxidized veins. Initial exploration drilling confirmed the veins extended beneath the oxide zones as several laterally extensive, high-grade Ag-PbZn sulfide veins to depths in excess of 400 metres. Drill campaigns in 2011-2012 demonstrated that below 500 metres, vein zones often widen, in some cases to more than 20 metres. This drilling campaign also identified broader mineralized zones, associated with intrusive bodies and hornfels, where massive sulfide, stockwork, and skarn mineralization and replacement sulfides in limestones occur in the southern part of the property.

In the 2013 resource report, SGS recognized the prospective nature of the property and concluded that existing known mineralized zones, extended laterally and along their dip, could potentially provide an additional 20-50 million tonnes grading from 100 to 150 g/t Aq.Eq. It should be noted that the SGS stated range of potential tonnage and grades are conceptual in nature and insufficient exploration work has been performed to define a mineral resource in these areas, and it is uncertain if further exploration will result in the target being delineated as a mineral resource. However, the potential to expand the resource tonnage is a positive organic growth opportunity for the Company.

The Company's new management team have reviewed the historical work performed on the project, including SGS's recommendations, and would like to highlight four key drill ready targets where the existing resources could potentially be expanded through additional drill programs:

- The 1849 Target lies at the intersection of the East-West Fault Zone ("EWFZ) and Western Contact Zone (WCON) at the western contact of the central diorite intrusion on the property approximately 100 metres northwest of the Fernandez Zone, which is on the eastern contact of the diorite. This target area is located east of and within 250 vertical metres between holes SD-12-49 (20.4 m @ 73 g/t Ag, 1.81% Pb, 0.89% Zn & 14.9 m @ 72 g/t Ag, 1,86% Pb, 1.94% Zn) (1) and SD-07-18 (14.5 m @ 82 g/t Ag, 1.78% Pb, 1.94% Zn & 15.8 m @ 34 g/t Ag, 0.49% Pb, 0.62% Zn) [(1)], and along the 350 metre up-dip extension to surface. Mineralization encountered at the bottom of hole SD-07-18 is similar to that found within the Fernandez Zone. Further drilling will be required to confirm the potential of this target.

- In 2012, the Fernandez Zone was discovered ~450 metres below surface (1650 Level) and has been drilled down to a vertical depth of 850 metres below surface. This zone is located between two major structures, offers bulk mining potential, and remains open to the west, up-dip and at depth. The top of the zone was interpreted by SGS in 2013 at a vertical depth of 450 metres below surface, but no drilling has been conducted in this area to verify the upward extent of the zone. Impressive historical holes within the 43-101 resource include:

    - SD-12-47: 212 m @ 54 g/t Ag, 0.48% Pb, 1.28% Zn [(1)]
    - SD-12-49: 238 m @ 64 g/t Ag, 0.77% Pb, 1.59% Zn[(1)]
    - SD-12-50A: 257 m @ 66 g/t Ag, 0.74% Pb, 1.69% Zn[(1)]
    - SD-12-50W2: 186 m @ 53 g/t Ag, 0.56% Pb, 1.20% Zn[(1)]

- The Trovador Zone target is in a 400 x 400 metre area between indicated resources located 150 m below surface (in proximity to the historical workings), and above inferred resources estimated in 2013 at depth. Within this prospective area, inferred resources were estimated around hole SD-11-42: 7.03 m @ 0.21 g/t Au, 87.7 g/t Ag, 2.06% Pb, 1.39% Zn (445.50 - 452.53 m) [(1)]. The Trovador Zone is also open along strike to the west with historical drill intercepts ranging from 7 metres (SD-12-47: 6.92 m @ 66.9 g/t Ag, 0.9% Pb, and 3.22% Zn: 1004.4-1011.3 m) to over 50 metres (SD-11-40: 56.12 m @ 42.9 g/t Ag, 0.57% Pb, and 0.77% Zn: 782.1-838.2 m) [(1)].

- The Arroyo Zone was discovered in 2007 in hole SD-07-27 (166 g/t Ag over 4.60 m, including 776 g/t Ag over 0.6 m with 1.55% Cu)[(2)]. This vein has been traced over a strike length of 525 metres from the surface to shallow depths with few, widely spaced drill holes from previous programs and contains near surface, higher-grade Ag dominant oxide and sulfide mineralization which warrants further investigation.

Notes: (1) drill intercepts taken from Tables 12 & 15, pages 58-60 & 68-69 of the April 12, 2013 SGS 43-101 report; drill intercepts do not necessarily represent true widths. (2) Company news release dated August 27, 2008.

The Company is fully permitted to resume drilling at the San Diego Project and is in the process of designing a drill program, to be implemented as the silver price continues to recover.

Technical Information

Bruce Robbins, P.Geo., is the "qualified person", within the meaning of NI-43,101, has approved all scientific and technical information disclosed in this Interim MD&A under "Exploration updates". Mr. Robbins is a consultant of the Company.

Trends and Economic Conditions

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global silver prices;
- Demand for silver and the ability to explore for silver;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar, United States dollar and Mexcan Pesos; and
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian federal government and the Mexican government have not introduced measures that have directly impeded the operational activities of the Company other than the Company had to bring new working procedures in place. From time to time various Mexican government facilities are closed temporarily, however management believes businesses will continue to be allowed to operate and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

See "Cautionary Note Regarding Forward-Looking Statements" below.

Outlook

The Company intends to continue exploring the San Diego property in Durango State, Mexico. In addition, management will review project submissions, and conduct independent research, for projects in such jurisdictions and commodities as it may consider prospective.

There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

Financial Highlights

Three months ended June 30, 2020 compared with three months ended June 30, 2019

The Company's net loss totaled $396,27 for the three months ended June 30, 2020, with basic and diluted loss per share of $0.00. This compares with a net loss of $223,930 with basic and diluted loss per share of $0.00 for the three months ended June 30, 2019. The Company had no revenue in both periods presented. The increase in net loss was principally due to:

- Management and consulting fees increased in the three months ended June 30, 2020, to $211,586 compared with $36,250 for the same period in 2019, primarily due to change of management during the current period and severance payment to former CFO of $145,000 paid in the three months ended June 30, 2020.

- Professional fees increased in the three months ended June 30, 2020, to $60,249 compared with $32,498 for the same period in 2019, primarily due to higher corporate activity requiring external professional support services.

- Stock based payments increased in the three months ended June 30, 2020, to $175,153 compared with $nil for the same period in 2019. The increase is due to 2,500,000 stock options granted in the three months ended June 30, 2020 compared to nil during the three months ended June 30, 2019. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.

- Mineral property expenses of $18,023 for the three months ended June 30, 2020, is comparable to mineral property expenses of $18,017 for the three months ended June 30, 2019. Refer to the heading "Liquidity and Capital Resources" below for a summary of the Company's exploration program.

- Unrealized gain on change in fair value of marketable securities increased in the three months ended June 30, 2020, to $90,067 compared with an unrealized loss of $127,175 for the same period in 2019. The increase in unrealized gain was due to the change in fair value of marketable securities.

- All other expenses related to general working capital purposes.

Six months ended June 30, 2020 compared with six months ended June 30, 2019

The Company's net loss totaled $588,927 for the six months ended June 30, 2020, with basic and diluted loss per share of $0.01. This compares with a net loss of $279,738 with basic and diluted loss per share of $0.00 for the six months ended June 30, 2019. The Company had no revenue in both periods presented. The increase in net loss was principally due to:

- Management and consulting fees increased in the six months ended June 30, 2020, to $247,836 compared with $72,500 for the same period in 2019, primarily due to change of management during the current period and severance payment to former CFO of $145,000 paid in the six months ended June 30, 2020.

- Professional fees increased in the six months ended June 30, 2020, to $85,523 compared with $40,721 for the same period in 2019, primarily due to higher corporate activity requiring external professional support services.

- Stock based payments increased in the six months ended June 30, 2020, to $175,153 compared with $nil for the same period in 2019. The increase is due to 2,500,000 stock options granted in the six months ended June 30, 2020 compared to nil during the six months ended June 30, 2019. The Company expenses its stock options in accordance with the vesting terms of the stock options granted.

- Mineral property expenses of $65,338 for the six months ended June 30, 2020, is comparable to mineral property expenses of $39,330 for the six months ended June 30, 2019. Refer to the heading "Liquidity and Capital Resources" below for a summary of the Company's exploration program.

- Unrealized gain on change in fair value of marketable securities increased in the six months ended June 30, 2020, to $26,852 compared with an unrealized loss of $92,800 for the same period in 2019. The increase in unrealized gain was due to the change in fair value of marketable securities.

- All other expenses related to general working capital purposes.

The Company's total assets at June 30, 2020 were $2,336,903 (December 31, 2019 - $1,589,396) against total liabilities of $122,215 (December 31, 2019 - $21,225). The increase in total assets of $747,507 resulted from cash proceeds of $1,125,000 from the private placement and cash proceeds from sale of marketable securities of $21,401 which was offset by cash used for share issued costs of $64,709 and cash spent on exploration and evaluation expenditures and operating costs. The Company has sufficient current assets to pay its existing liabilities of $122,215 at June 30, 2020.

Cash Flows

At June, 2020, the Company had cash and cash equivalents of $2,088,290. The increase in cash and cash equivalents of $816,739 from the December 31, 2019 cash and cash equivalents balance of $1,271,551 was a result of cash outflows in operating activities of $264,953, cash inflows in investing activities of $21,400 and cash inflows in financing activities of $1,060,291.

Operating activities were affected by adjustments of realized gain on sale of marketable securities of $8, unrealized gain on change in fair value of marketable securities of $26,852, stock based compensation of $175,153, and net change in non-cash working capital balances of $175,681 because of a decrease in sale taxes receivable of $61,308, a decrease in prepaid expenses of $13,383 and an increase in trade payables of $100,990.

Cash provided by investing activities was $21,401 for the six months ended June 30, 2020. This related to proceeds from sale of marketable securities of $21,401.

Cash provided by financing activities was $1,060,291 for the six months ended June 30, 2020. Financing activities were affected by the proceeds from private placement of $1,125,000, which was offset by share issue costs of $64,709.

Liquidity and Capital Resources

From management's point of view, the Company's cash and cash equivalents of approximately $9M at the date of this Interim MD&A is adequate to cover current expenditures and exploration expenses for the coming year.

The Company may, from time to time, when marketing and financing conditions are favourable, proceed with fundraising to fund exploration and property acquisition projects.

The Company has commenced evaluating strategic opportunities to add shareholder value through merger and acquisitions or by acquiring projects directly. The focus will be in the America's having a primary focus on silver. The activities of the Company are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. There is no assurance that equity capital will be available to the Company in the future in the amounts or at the times desired or on terms that are acceptable to the Company, if at all. See "Risks and Uncertainties" below.

As of June 30, 2020, and to the date of this Interim MD&A, the cash resources of the Company are held with certain Canadian charted banks.

Regardless of whether the Company discovers a significant silver deposit, its working capital of $2,214,688 at June 30, 2020 is anticipated to be adequate for it to continue operations for the twelve-month period ending June 30, 2021.

Related Party Transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board as well as members of key management personnel.

Remuneration includes the following expenses:

	Three Months Ended June 30, 2020 ($)	Three Months Ended June 30, 2019 ($)	Six Months Ended June 30, 2020 ($)	Six Months Ended June 30, 2019 ($)
Management and administration fees paid to private companies controlled by directors and officers	199,211	36,250	235,461	72,500
Mineral properties expenditures paid to private companies controlled by directors	9,129	7,829	19,386	nil
Professional fees paid to private companies controlled by directors and officers	10,628	nil	10,628	nil
Stock based compensation	175,153	nil	175,153	nil
Total	**394,121**	**44,079**	**440,628**	**72,500**

Included in manage and administration fees paid to private companies controlled by directors and officers for the three and six months ended June 30, 2020 is $145,000 paid to a private company controlled by the former Chief Financial Officer according to the executive services agreement as a severance payment. This is a non-recurrent payment.

Included in trade payables are amounts due to companies owned and controlled by key management personnel of $36,875 and to directors of $2,935 (2019 - $819 and $60).

Of the 20,000,000 units issued during 2020 as part of the private placement, members of management subscribed for an aggregate of 6,333,500 units.

Of the 30,000,000 units issued during 2019 as part of the private placement, members of management and the Board of Directors subscribed for an aggregate of 2,800,000 units.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the unaudited condensed interim consolidated financial statements (i) do not contain any untrue statement of 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 is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Company, in each case as of the date of and for the periods presented by such statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), the Venture Issuer Basic Certificate filed by the CEO and CFO of the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as such terms are defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with IFRS.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of the Company's certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required to be provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the year ended December 31, 2019, available on SEDAR at www.sedar.com.

Covid-19 Risks

The worldwide emergency measures taken to combat the COVID-19 pandemic may continue, could be expanded, and could also be reintroduced in the future following relaxation. As governments implement monetary and fiscal policy changes aimed to help stabilize economies and capital markets, we cannot predict legal and regulatory responses to concerns about the COVID-19 pandemic and related public health issues and how these responses may impact our business. The COVID-19 pandemic, actions taken globally in response to it, and the ensuing economic downturn has caused significant disruption to business activities and economies. The depth, breadth and duration of these disruptions remain highly uncertain at this time. Furthermore, governments are developing frameworks for the staged resumption of business activities. As a result, it is difficult to predict how significant the impact of the COVID-19 pandemic, including any responses to it, will be on the global economy and our business. We have outlined these risks in more detail below.

Strategic & Operational Risks

The ongoing COVID-19 pandemic could adversely impact our financial condition in future periods as a result of reduced business opportunities via acquisitions and dispositions of exploration and development properties. The uncertainty around the expected duration of the pandemic and the measures put in place by governments to respond to it could further depress business activity and financial markets. Our strategic initiatives to advance our business may be delayed or cancelled as a result.

To date, our operations have remained stable under the pandemic but there can be no assurance that our ability to continue to operate our business will not be adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to operate as expected. The successful execution of business continuity strategies by third parties is outside our control. If one or more of the third parties to whom we outsource critical business activities fails to perform as a result of the impacts from the spread of COVID-19, it could have a material adverse effect on our business and operations.

Liquidity risk and capital management

Extreme market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit our access to capital markets and our ability to generate funds to meet out capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while we currently have sources of liquidity, such as cash balances, there can be no assurance that these sources will provide us with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave us unable to react in a manner consistent with our historical practices.

Market Risk

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability. The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact our financial condition.

Cautionary Note Regarding Forward-Looking Statements

This Interim MD&A contains certain "forward-looking information" as defined in applicable securities laws (collectively referred to herein as "**forward-looking statements**"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statements. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Regardless of whether the Company discovers a significant silver deposit, its working capital of $2,088,290 at June 30, 2020 is anticipated to be adequate for it to continue operations for the twelve-month period ending June 30, 2021	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2021, and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company	Unforeseen costs to the Company will arise; ongoing uncertainties relating to the COVID-19 pandemic; any particular operating cost increase or decrease from the date of the estimation; changes in operating and exploration activities; changes in economic conditions; timing of expenditures
The Company's properties may contain economic deposits of minerals	The actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of applicable commodities and applicable interest and exchange rates will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; and the Company has or will obtain adequate property rights to support its exploration and development activities	Commodity price volatility; ongoing uncertainties relating to the COVID-19 pandemic; uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions

Forward-looking statements	Assumptions	Risk factors
The Company's anticipated business plans, including costs and timing for future exploration on its property interests and acquisitions of additional mineral resource properties or interests therein	The exploration activities of the Company and the costs associated therewith, will be consistent with the Company's current expectations; and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Company; financing will be available for the Company's exploration and development activities on favourable terms; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; the price of applicable commodities will be favourable to the Company; no title disputes exist or will arise with respect to the Company's properties; the Company has or will obtain adequate property rights to support its exploration and development activities; and the Company will be able to successfully identify and negotiate new acquisition opportunities	Commodity price volatility; ongoing uncertainties relating to the COVID-19 pandemic; changes in the condition of debt and equity markets; timing and availability of external financing on acceptable terms may not be as anticipated; the uncertainties involved in interpreting geological data and confirming title to acquired properties; inability to secure necessary property rights; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other applicable legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits is subject to governmental and/or regulatory approvals; the Company does not have control over the actions of its joint venture partners and/or other counterparties
Management's outlook regarding future trends and exploration programs	Financing will be available for the Company's exploration and operating activities; the price of applicable commodities will be favourable to the Company; the actual results of the Company's exploration and development activities will be favourable;	Commodity price volatility; ongoing uncertainties relating to the COVID-19 pandemic; changes in the condition of debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political

Forward-looking statements	Assumptions	Risk factors
	management is aware of all applicable environmental obligations	conditions; the possibility that future exploration results will not be consistent with the Company's expectations; changes in environmental and other applicable legislation and regulation

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors identified or otherwise indirectly referenced in the "Risks and Uncertainties" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements contained in this Interim MD&A, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary note. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Subsequent Events

(i) On July 17, 2020, David Rigg and Jamie Levy, former directors of the Company, each exercised 500,000 options at $0.05 per share and expiry date of December 1, 2022 for an aggregate gross proceeds of $50,000.

(ii) On July 24, 2020, the Company announced the resignation of James Levy as a director of the Company effective immediately.

(iii) On July 24, 2020, 880,000 warrants with an exercise price of $0.12 expired unexercised.

(iv) On July 31, 2020, 500,000 warrants with an exercise price of $0.07 and expiry date of September 19, 2021 were exercised for gross proceeds of $35,000 and 225,000 warrants with an exercise price of $0.12 and expiry date of June 27, 2021 were exercised for gross proceeds of $27,000.

(v) On August 4, 2020, shareholders of the Company approved the following at the annual general and special meeting of shareholders: (a) a new 10% rolling stock option plan; (b) the repealing and replacing of general bylaws governing the business and affairs of the Company; (c) the amendment to the articles of continuance of the Company dated July 11, 1995 (the "Articles"), changing the province of the Company's registered office from Quebec to Ontario; and (d) to amendment to the Articles to permit the directors of the Company to increase the size of the Board by up to one-third (1/3) of the number of directors elected at the last previous shareholders' meeting.

(vi) On August 4, 2020, 300,000 warrants with an exercise price of $0.12 and expiry date of June 27, 2021 were exercised for gross proceeds of $36,000.

(vii) On August 4, 2020, Dwayne Melrose was elected to the Company's board of directors, replacing David Rigg.

(viii) On August 5, 2020, 750,000 warrants with an exercise price of $0.07 and expiry date of September 19, 2021 were exercise for gross proceeds of $52,500.

(ix) On August 10, 2020, 1,000,000 warrants with an exercise price of $0.07 and expiry date of September 19, 2021 were exercised for gross proceeds of $70,000 and 2,750,000 warrants with an exercise price of $0.12 and expiry date of June 27, 2021 were exercised for gross proceeds of $330,000.

(x) On August 14, 2020, the Company announced that it closed a non-brokered private placement pursuant to which it issued 25,000,000 units at a price of $0.28 per unit to raise aggregate proceeds of $7,000,000.

Mr. Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 42.8% or 10,700,550 units in the private placement.

Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant (each, a "Warrant"). Each whole Warrant shall entitle the holder thereof to acquire one common share at a price of $0.40 for 24 months following the closing of the private placement, whereupon the Warrants expire. The Warrants contain an acceleration provision whereby if the closing price of the common shares on the TSXV is $0.70 or more for 10 consecutive trading days the Company will have the right to accelerate the expiry date of the Warrants.

In connection with the private placement, eligible finders were paid an aggregate cash commission of $345,756 and an aggregate of 1,198,130 finder's warrants (the "Finder's Warrants"). Each Finder's Warrant shall entitle the holder thereof to acquire one common share at a price of $0.28 for 24 months following the closing of the private placement, subject to the acceleration provision.

The securities issued and issuable pursuant to the private placement will be subject to a four month and one day hold period. The Company intends to use the net proceeds of the private placement to fund advancement of the Company's 100% owned San Diego Project, in Durango Mexico, and for working capital and general corporate purposes.

(xi) On August 20, 2020, 740,000 warrants with an exercise price of $0.12 and expiry date of June 27, 2021 were exercised for gross proceeds of $88,800.

(xii) On August 31, 2020, the Company announced it granted 9,900,000 stock options to management and directors at a price of $0.325 per share which vest over time and are exercisable for a period of up to 5 years.