



**FORM 51-102F1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2021**

**300 – 1055 West Hastings
VANCOUVER, B.C. V6E 2E9**

The following discussion and analysis, prepared as of November 23, 2021, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2021 and audited consolidated financial statements for the years ended December 31, 2020 and 2019. All financial information in this document is prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on the Company's website at www.forteminerals.com and SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting timelines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. 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 report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- the supply and demand for, deliveries of, and the level and volatility of prices of copper, gold and other commodity prices;
- the availability of financing for the Company's development of the projects on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; and
- the ability to attract and retain skilled staff and consultants.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, copper and gold prices, access to skilled exploration personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Additional risk factors are described in more detail hereinafter. **Investors should not place undue reliance on forward-looking statements as the plans, intentions, or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

DESCRIPTION OF BUSINESS

Forte Minerals Corp. (with its subsidiaries, collectively, the "Company" or "Forte") is a mining exploration company focused on copper and gold in Peru. Forte was incorporated under the *Company Act* (British Columbia) on March 1, 2011. The Company name was changed from Plan B Minerals Corp. on April 20, 2018. On April 27, 2021, the Company changed its name to Forte Minerals Corp. The Company maintains its registered office at 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4. The Company's principal place of business is 300 – 1055 West Hastings Street, Vancouver, British Columbia, Canada V6E 2E9.

OVERALL PERFORMANCE AND HIGHLIGHTS

To date, the Company has not yet realized profitable operations and has relied on debt and equity financings and trade credit to fund the losses. The Company recognized a comprehensive loss of \$373,440 (2020 – \$545,970) during the nine months ended September 30, 2021.

Proposed Transactions

The Company has entered into an agreement with Haywood Securities Inc. ("Agent") to act as lead agent and sole bookrunner for the Company in connection with the initial public offering ("Offering") of the Company and concurrent listing of the common shares in the capital of the Company on the Canadian Securities Exchange.

The proposed offering will be for an aggregate of 8,333,333 units (each a "Unit") at an offering price of \$0.30 per Unit ("Offering") for gross proceeds of \$2,500,000. Each Unit consists of one common share and one share purchase warrant. Each whole warrant will be exercisable for a period of 36 months at a price of \$0.50 per share. The Company has granted to the Agent an over-allotment option, exercisable at any time up to the closing date, to sell up to a further 15% of the Units sold pursuant to the Offering, at the Offering Price.

The Company will pay the Agent a commission of 7% of the gross proceeds of the Offering, excluding gross proceeds from Units to purchasers on a president's list, in respect of which the Agent's commission will be equal to 3% of the gross proceeds of such sales. Additionally, the Agent will be paid a fee of \$40,000 of which \$25,000 is payable in cash and \$15,000 is payable through the issuance of Units. The Agent will also receive the same compensation rates in agent warrants ("Agent's Warrants"). Each Agent's Warrant will be exercisable at a price of \$0.30 per Unit for a period of 12 months following the closing date of the Offering and have the same terms as the Offering units.

OUTLOOK

Pucarini Gold Project

The drill permit under an Environmental Impact Statement ("DIA") is currently in the application process for the Pucarini property. Once the permit is received, the Company anticipates completing a phase one 4-hole diamond drill program, for a total of 1,000 metres, at Pucarini to test the coincident geochemical and geophysical anomalies delineated from the recent exploration program. The goal is to evaluate the potential for economic gold grade resources of sulfide mineralization at depth. Upon successfully encountering gold mineralization, the Company subsequently plans to carry out a phase two 2,000m drilling program. In 2020, the Company staked a further 16,100 hectares comprising 9 separate alteration anomalies within the Pucarini district. These argillic and sericitic alteration anomalies will be subject to further investigation and surface exploration follow-up work in 2021.

Don Gregorio Copper Gold Porphyry Project

The drill permit under a Technical Environmental Study (the "FTA") approval for the Don Gregorio property from the Ministry of Energy and Mines ("MINEM") of Peru is currently in the application process. The FTA enables the Company to commence its drilling program at Don Gregorio subject to filing a notice for permit activation, and obtaining the local water permit, which is ongoing. Once the permit is received, the Company anticipates completing a drilling exploration program which will consist of 5,000 metres of diamond drilling to test the mineralization at depth and drilling in and around the known copper gold intersections to complete a resource estimate in accordance with NI 43-101 as well as testing new target areas on the property. The Company's preliminary exploration target is in and around the historical drilling cluster, which has the potential to host 200 to 500 million tonnes of mineralized material, with grades of 0.30-0.45% copper, 0.1-0.15 g/t gold. In parallel, the Company will undertake preliminary metallurgical studies. The Company doesn't anticipate starting the exploration program until sometime in 2022.

Esperanza Copper Moly Project

The Company is in the process of deploying a MT geophysical survey to delineate the hydrothermal system. The drill permit under an Environmental Evaluation (the "FTA") approval for the Esperanza Property from the Ministry of Energy and Mines ("MINEM") of Peru is currently being initiated. The FTA enables the Company to commence its drilling program at

Esperanza subject to filing a notice for permit activation, and obtaining the local water permit, which is ongoing. Once the permit is received, the Company anticipates completing a drilling exploration program which will test the porphyry mineralization encountered on surface.

EXPLORATION AND EVALUATION ASSETS

Details of the exploration and evaluation asset acquisition costs are as follows:

Exploration and evaluation assets	September 30, 2021
Don Gregorio, Peru	\$ 126,510
Esperanza Project, Peru	374,606
Pucarini Project, Peru	447,682
Total	\$ 948,798

Esperanza Project, Peru

Esperanza is an early-stage porphyry Cu-Mo prospect situated in southern Peru about 180 km northwest of Arequipa and 5 km north from the town of Ispacas. The project consists of 2518.17 ha of mineral concessions located within Comunidad Campesina de Ispacas, Yanaquihua District of Condesuyos Province in the Arequipa Region. The property is 100% owned by Forte Copper Corp. with a 1% Net Smelter Return royalty held by Globetrotters Resource Group Inc.

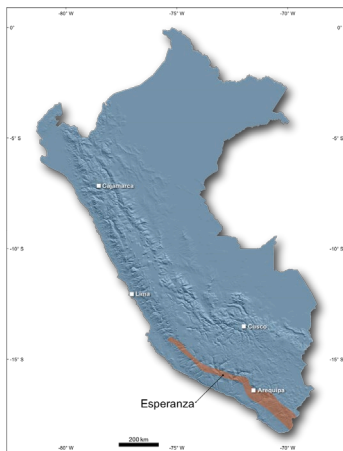


Figure 1. Location of the Esperanza Project, Peru. The project resides in the northwest of the Paleocene magmatic belt (shown as an orange band), which hosts large porphyry copper mines in southern Peru including Cerro Verde, Cuajone, Toquepala.

Esperanza is within a magmatic arc composed of Late Cretaceous to Paleocene plutons that can be traced from Peru’s southern border to least 200 km northwest of Arequipa. The Paleocene component of the arc defines the Southern Peru Copper Belt, which hosts large porphyry deposits such as Cerro Verde, Cuajone, Toquepala, and Quellaveco.

A large porphyry-related hydrothermal system with a 4.2 x 3.1 km hydrothermal alteration footprint is partially exposed on the property beneath post-mineral volcanic cover. A granodiorite phase of the Peruvian Coastal Batholith hosts mineralization and alteration. A potassic alteration zone with dimensions 3.4 x 2.7 km enclosed within a broader propylitic halo is inferred from field mapping. Outcrop sampling and mapping demonstrate the hydrothermal system is copper-bearing. Potassic, propylitic, and phyllic alteration accompanied by veining sequences and hydrothermal breccia typically associated with porphyry systems are exposed and mapped on the property. Multiple generations of sulfide-bearing quartz veinlets with varying proportions of pyrite and chalcopyrite are distributed in potassic alteration and the inner margin of propylitic-altered equigranular granodiorite. Pyrite veinlets with hydrolytic halos of sericite and chlorite equivalent to D-veins overprint quartz veinlets.

Large boulders showing hydrothermal alteration identified in 2003 in a drainage near Esperanza were the first indication a hydrothermal system existed in the area. A Peruvian prospector staked the ground covering the southeastern portion of Esperanza in 2011 for its gold potential but later dropped the concession. Globetrotters successfully acquired the claims through a competitive bid in 2017-2018 to consolidate the tenure over the prospect.

Mapping, outcrop sampling, and geophysical programs were completed by Globetrotters from 2014 with the objective of resolving the exploration target. Property-scale mapping approximated the hydrothermal footprint and outcrop sampling confirmed the hydrothermal system as copper-bearing. Globetrotters commissioned concurrent induced polarization (IP), DC resistivity, and magnetic surveys in July 2014. Very low resistivity was persistent across the survey area and low magnitude chargeability anomalies were outlined but chargeability and resistivity responses were difficult to reconcile with the initial mapped geology. Subsequent fieldwork resulted in a more accurate map of post-mineral volcanic cover and its role interfering with geophysical response beneath the post-mineral cover. This mapping also resolved alteration patterns that suggest one or more hydrothermal centres are located under post-mineral volcanic cover. Critically, the outer fringes of a potassic alteration zone are exposed near the edges of cover.

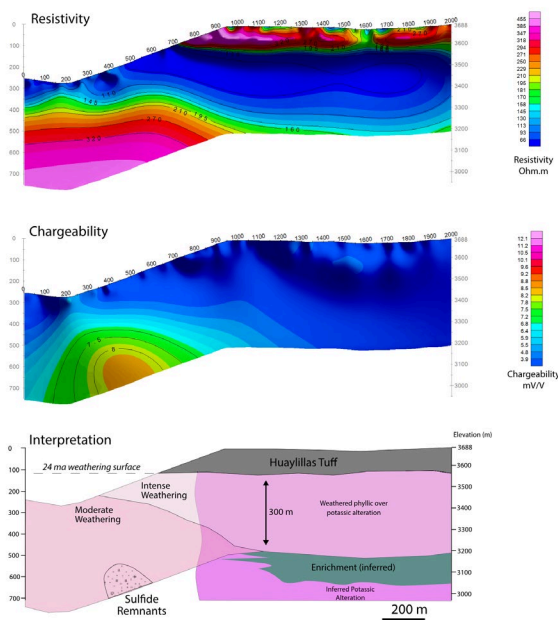


Figure 2. 2D inversion models of resistivity and chargeability, along with a geological interpretation from Line 1200. Interpretation is based on mapping and geophysical response. The flat-lying Huayllillas Formation is clearly visible in the resistivity inversion as a horizontal, high apparent resistivity layer. This correlates with the mapped position of the Huayllillas Formation. The unit is not as obvious in the chargeability inversion. An anomalously low, sub-horizontal apparent resistivity zone (<100 Ohm-m) is immediately beneath the Huayllillas layer. There is not a corresponding chargeability anomaly beneath Huayllillas layer. A weak chargeability anomaly appears at depth where the colluvial cover terminates on surface of the section.

Completion of geological mapping on the northwest side of the target and more detailed magnetic surveying are recommended to constrain the westward extent of potassic and propylitic alteration. Further investigation of IP response by undertaking limited number of IP test lines using different equipment or survey configuration supplemented by MT data may help reconcile IP results with observed geology and give a solution for returning a reliable bedrock response under the covered part of the target.

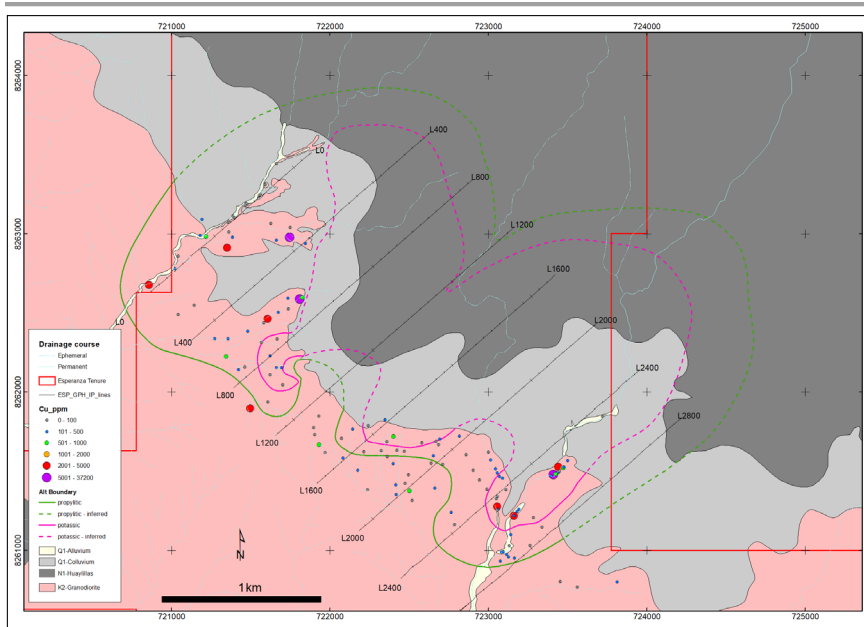


Figure 3. Simplified property geology map showing the distribution of the ~24ma Huayllillas pyroclastic sequence, unconsolidated colluvium derived from the pyroclastic sequence and the equigranular granodiorite host rock that is part of the Coastal Batholith. Mapped and inferred alteration boundaries shown in solid and dashed lines outline the target area. A propylitic alteration zone with dimensions 4.2 x 3.1 km encloses potassic zone of 3.4 x 2.7 km. Copper geochemistry from outcrop sampling is shown to highlight the relation of higher copper concentrations with mapped potassic alteration

The town of Ispacas functions as a service center for the small-scale gold mining activities in the district. Globetrotters and the Ispacas Community agreed to one-year renewable permits allowing surface exploration activities to be conducted on the property. A road constructed to access small gold mining operations in the region is used to access the project. The community controls access to the road and charges a small per use fee to supplement road maintenance costs.

People who work at small-scale mines exploiting gold-bearing veins are based in Ispacas. Most are informal miners organized into associations called “Soledad”, which have temporary work agreements with Minera Andina de Exploraciones S.A., the main mining company in the district. In general, the Community is supportive of exploration work in the region but a work agreement involving Community support payments is required. There are the usual concerns regarding environmental impacts of mining. Additionally, the community will want to negotiate control and compensation for the use of the access road constructed and maintained by the Community to access gold mining operations. The Community will expect a more comprehensive economic benefits agreement as exploration progresses.

Pucarini Project, Peru

Pucarini is an early-stage, high-sulfidation gold project located in Lampa Province, Department of Puno. The 1,000 ha concession is 43 km from Juliaca, the region’s largest commercial centre and 830 km southeast of Lima. The property is 100% owned by Forte Copper Corp with a 1% Net Smelter Return royalty held by Globetrotters Resource Group Inc. In 2020, the Company staked a further 16,100 hectares comprinign 9 separate alteration anomalies within the Pucarini district. These argillic and sericitic alteration anomalies will be subject to further investigation and surface exploration in 2021.

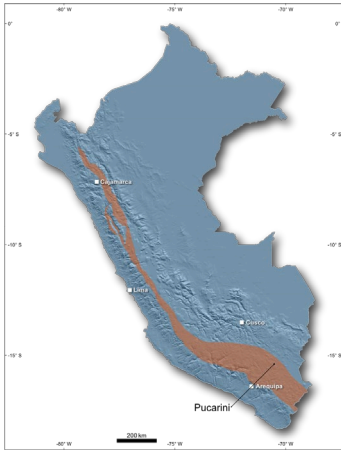


Figure 4. Location of the Pucarini Project, Peru. The project is in the southern segment of the Miocene magmatic belt (shown as an orange band), which is the host to large Miocene high-sulfidation gold deposits in northern Peru including Pierina, Yanacocha, and Alto Chicama.

Globetrotters Resources Peru SAC acquired the property through the Peruvian auction process in 2018 and transferred ownership to Forte Copper Corp in 2020 under a share purchase agreement. Prior to Globetrotters exploration activity, Teck Resources Peru SAC carried out preliminary mapping and sampling programs between 2011 and 2015 before relinquishing the property. No drilling has been completed to date. Forte Copper Corp continued exploration by completing magnetic, induced polarization and resistivity geophysical surveys, geological mapping, outcrop sampling, and a soil geochemical survey.

The property is underlain by a thick volcanic succession comprised of Miocene andesite to dacite pyroclastic and lava assigned to the Sillapaca Formation. Geological mapping outlined extensive argillic hydrothermal alteration measuring approximately 3 x 4 km, which encloses smaller zones of advanced argillic alteration. Outcrop sampling indicates gold mineralization is associated with quartz veining, hydrothermal breccia veins and dikes, and advanced argillic alteration. Geological, geophysical, and geochemical evidence combine to establish drill targets at 100 to 250 metres below surface across the property. The targets can be tested by an initial 1,000 drill program.

Acquisition of the Don Gregorio Project

The Company has an option to acquire a 60% interest on the Don Gregorio project from Candente Copper Corp. ("Candente"). The property is a 900 hectares gold and copper prospect in northern Peru. To maintain the option on the property, the Company has paid US\$98,500 and must:

- a) Make payments as follows:
 - a. US\$100,000 on or before 30 days of receipt of a drilling permit ("First Drill Permit");
 - b. US\$100,000 within 30 days of a completed first phase drill program ("First Phase Drill Program"); and
 - c. US\$200,000 within 60 days of a completed second phase drill program ("Second Phase Drill Program").
- b) Carry out the First Phase Drill Program of 5,000 meters upon the issuance of the First Drill Permit, which First Phase Drill Program shall be completed within two years of the First Drill Permit, or (ii) in lieu of completing the First Phase Drill Program, the Company may elect to pay to Candente US\$100 per meter for each of the 5,000 meters not drilled as part of the First Phase Drill Program, up to a maximum amount of US\$500,000, and such payment shall be made prior to the second anniversary of the First Drill Permit.
- c) Carry out the Second Drill Program of a further 5,000 meters prior to the earlier of the third anniversary of the First Drill Permit and the first anniversary of a permit received to complete the Second Drill Program.

Following completion of the option, Candente and the Company will form a joint venture of 40% and 60% participating interest respectively.

Don Gregorio, Peru

Don Gregorio is a porphyry copper system accompanied by gold and molybdenum within a 900-ha concession located in Jaen Province, Department of Cajamarca. The project is situated at the northern end of the Miocene magmatic belt, which hosts many well-known porphyry copper and epithermal gold deposits in Peru, including La Granja, Cañariaco, Yanacochoa, and Lagunas Norte. The prospect, originally named La Huaca was discovered by Peruvian government surveys in 1974. Prospecting, geological mapping, geochemical rock and soil sampling, geophysical surveys, and drilling identified leached cap overlying supergene copper enrichment. The upper 100 metres of the system was tested with 8 holes, drilled in 1977. Newmont drilled another 4 holes in 1995 to test anomalous gold detected in the northern portion of the previously outlined leached cap. All holes drilled on the project encountered anomalous copper mineralization. Additional geological mapping was conducted in 2007, when a subsidiary of Candente Copper Corp. acquired the property.

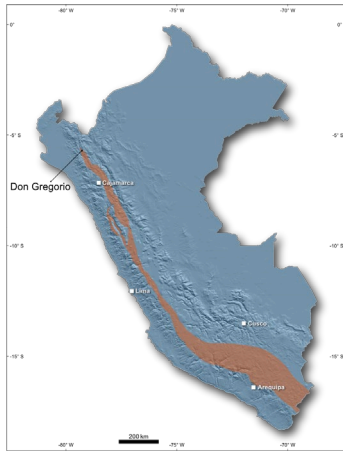


Figure 5. Location of the Don Gregorio Porphyry Cu-Au Project, Peru. The project is near the northern end of the Miocene magmatic belt (shown as an orange band), which is the host to large Miocene porphyry systems including Toromocho and Antamina.

The leached cap measuring 1.3 x 0.5 km is superimposed on a quartz-sericite-pyrite altered porphyry intrusion. The porphyry system is emplaced into Jurassic and Cretaceous volcanic and sedimentary formations overlying Precambrian metasedimentary rocks. Limits of the leached cap and hydrothermal alteration associated with the porphyry system are not completely defined and the chargeability anomaly remains open to the north, northwest and northeast. Previous drilling encountered a typical leached profile above supergene enrichment that transitions into primary sulfide mineralization. Highlights of the 1648.55m of historical drilling completed since 1977 are shown in table 1.

Table 1. Highlights of historical drilling at Don Gregorio.

Hole Name	From	To	Length	Cu %	Au g/t	Zone
LH-03	0.00	300.05	300.05	0.285	0.079	Total
	0.00	42.00	42.00	0.412	0.133	Supergene
	42.00	300.05	258.05	0.265	0.089	Primary
LH-04	0.00	153.30	153.30	0.394	0.153	Total
	0.00	36.00	36.00	0.438	0.250	Supergene
	36.00	153.30	117.30	0.321	0.152	Primary

Historical exploration has partially tested the near-surface expression at the Don Gregorio porphyry system. Future exploration is necessary to identify wider and better grade supergene mineralization extending from historical drill hole intersections, locate the porphyry centre expected to coincide with higher grade hypogene (primary) mineralization, and evaluate the depth extent of mineralization with deeper drilling.

Exploration expenditures

The Company incurred exploration expenditures for the nine months ended September 30, 2021, as follows:

For the nine months ended September 30, 2021	Esperanza Project, Peru	Pucarini Project, Peru	Don Gregorio, Peru	Total
Assay	\$ -	\$ 16,840	\$ -	\$ 16,840
Camp accommodations and travel	-	2,269	-	2,269
Community relations	1,532	13,592	-	15,124
Field office	10,334	25,831	-	36,165
Geological	-	10,712	-	10,712
Property costs	-	34,307	28,875	63,182
Total, September 30, 2021	\$ 11,866	\$ 103,551	\$ 28,875	\$ 144,292

For the nine months ended September 30, 2020	Esperanza Project, Peru	Pucarini Project, Peru	Don Gregorio, Peru	Total
Camp accommodations and travel	\$ -	\$ 3,113	\$ -	\$ 3,113
Community relations	22,077	14,023	-	36,100
Field office	795	25,098	5,362	31,255
Geological	688	6,760	6,376	13,824
Property fee	-	-	34,435	34,435
Recoveries	(672)	-	-	(672)
Total, September 30, 2020	\$ 22,888	\$ 48,994	\$ 46,173	\$ 118,055

SUMMARY OF QUARTERLY RESULTS

	For the Quarters Ended			
	September 30 2021	June 30 2021	March 31 2021	December 31 2020
	\$	\$	\$	\$
Net loss for the period	(52,434)	(163,649)	(147,520)	(301,132)
Comprehensive loss for the period	(63,640)	(170,827)	(145,556)	(319,135)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)

	For the Quarters Ended			
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
	\$	\$	\$	\$
Net loss for the period	(461,018)	(58,296)	(30,827)	(30,575)
Comprehensive loss for the period	(455,646)	(60,340)	(29,984)	(31,185)
Basic and diluted loss per share	(0.02)	(0.01)	(0.00)	(0.00)

The Company's operating losses are due to general and administrative costs, such as legal, consulting, management, and accounting expense incurred to manage the Company's operations. The Company is also expensing on the statement of loss and comprehensive loss all exploration costs incurred prior to the determination of the potential feasibility of mining operations, a positive construction and production decision, and the securing of appropriate financing. The Company had been relatively inactive prior to the completion of the private placement and acquisition of the Esperanza and Pucarini Projects in July 2020. The more significant losses after these transactions in the quarters ended September 30, 2020, and December 31, 2020, reflect the investment in the technical report on the Pucarini Project. In the quarters ended March 31,

2021, and June 30, 2021, activity has reflected the final work under the letter of intent ("LOI") for a reverse takeover transaction which was terminated, and subsequent transition to an IPO listing.

RESULTS OF OPERATIONS

Three months ended September 30, 2021 and 2020

For the three months ended September 30, 2021, the Company recognized a comprehensive loss of \$63,640 (2020 - \$455,646). Significant variances in the comprehensive loss are as follows:

- Consulting fees of \$10,500 (2020 - \$15,250) is associated with payments for financial reporting support and general consulting services.
- Exploration expenditures of \$5,329 (2020 - \$83,620) related to exploration work done on the Don Gregorio, Esperanza, and Pucarini properties, most significantly in property maintenance costs in both periods. In the prior period, the Company was working on its 43-101 technical reporting resulting in a higher expense.
- Investor relations of \$2,150 (2020 - \$2,300) includes expenditures for its public relations and investor outreach activities.
- Management fees of \$24,000 (2020 - \$24,000) are fees to the Chief Executive Officer of the Company.
- Marketing fees of \$2,500 (2020 - \$3,754) includes fees paid to a consultant in preparation of marketing materials for the Company.
- Professional fees of \$13,057 (2020 - \$25,320) decreased as the Company incurred additional time in the prior period with respect to a potential RTO transaction.
- Travel fees of \$3 (2020 - \$1,002) decreased from less corporate travel due to COVID-19.

Nine months ended September 30, 2021 and 2020

- Consulting fees of \$31,500 (2020 - \$15,250) is associated with payments for financial reporting support and general consulting services.
- Exploration expenditures of \$144,292 (2020 - \$118,055) related to exploration work done on the Don Gregorio, Esperanza, and Pucarini properties.
- Management fees of \$72,000 (2020 - \$54,000) are fees to the Chief Executive Officer of the Company.
- Marketing fees of \$16,861 (2020 - \$8,754) includes fees paid to a consultant in preparation of marketing materials for the Company.
- Professional fees of \$72,841 (2020 - \$28,071) increased as the Company accrued increased accounting and legal fees for the preparation of listing.
- Travel fees of \$8 (2019 - \$4,476) decreased from less corporate travel due to COVID-19.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has not yet realized profitable operations and has relied on debt and equity financings and trade credit to fund the losses. The Company currently requires additional financing to continue and, if additional financing is required, there can be no assurances that such financing will be available or if available, will be on reasonable terms. The Company's growth and success is dependent on additional external sources of financing.

Cash and Working Capital

As at September 30, 2021, the Company had cash of \$239,069 and working capital of \$159,813, compared with cash of \$777,359 and working capital of \$658,656 as of December 31, 2020.

Cash Used in Operating Activities

Cash used in operating activities during the nine months ended September 30, 2021 was \$442,670 (2020 - \$196,836) resulting from a net loss of \$364,198 (2020 - \$550,141) and net of non-cash and working capital adjustments.

Overall, cash use has accelerated with the completion of the private placement and acquisition of the Esperanza and Pucarini properties in 2020. The Company has increased its rate of investment on exploration expenditures and corporate activity.

Requirement of Additional Equity Financing

The Company has relied primarily on equity financings to date for its operations. The Company needs more funds to finance its exploration and development programs and ongoing operating costs. The Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions until such time that the Company becomes self-sustaining.

RELATED PARTY TRANSACTIONS

As at September 30, 2021 the Company is owed \$Nil (December 31, 2020 - \$18,441) included in accounts receivable from Pac Roots Cannabis Corp. ("Pac Roots") a company of which the CEO is a former officer. The Company and Pac Roots entered into a sublease agreement with the effective date of January 1, 2020 and ending December 31, 2029. The sublease is terminable on 60 days' notice.

On August 10, 2020, the Company received promissory notes from the CEO, Corporate Secretary, and Richard Osmond, director, each in the amount of \$30,000 (the "Promissory Notes"). The Promissory Notes accrue interest at a rate of 2% per annum and matures on July 10, 2023. The Promissory Notes are secured by 750,000 common shares and one-half share purchase warrants which entitle the holders to purchase common shares at a price of \$0.20 per share until August 10, 2023.

Management Compensation

Key management personnel comprise of the CEO, CFO, Corporate Secretary and directors of the Company. The remuneration of the key management personnel is as follows:

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Payments to key management personnel		
Consulting fees – Red Fern Consulting Ltd., a company in which the CFO, Samantha Shorter, has a significant investment	\$ 31,5	\$ 5,2
Marking and investor relations – Dalair Corporate Services Inc., a company owned by the Corporate Secretary, Anna Dalair	9,0	-
Management fees – Patrick Elliott	72,0	54,0
Share-based compensation		102,6

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Risk Management

The Company's financial instruments are exposed to the following risks:

Credit risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents and amount due from a related party included in receivables, amounting to \$239,069 as at September 30, 2021. As the Company's policy is to limit cash holdings to instruments issued by major Canadian and Peruvian banks, the credit risk is considered by management to be negligible. The Company considers credit risk with respect to these amounts to be low.

The Company is also subject to credit risk with respect to the Promissory Notes. The Promissory Notes are secured by Units. The value of the Units can vary with the Company's share price and fluctuate relative to the receivable amount. However, the Promissory Notes are due from persons actively engaged with the Company and are considered low risk for collection.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at September 30, 2021, the Company had working capital of \$159,813. The Company's financial obligations are limited to accounts payable and accrued liabilities and loans payable, all of which have contractual maturities of less than a year.

Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash and cash equivalents. Management believes the interest rate risk is low given the current low global interest rate environment. As at September 30, 2021, the Company maintained all of its cash balance on deposit with a major Canadian and a major Peruvian bank.

Foreign currency risk

The Company has engaged a number of vendors in the pursuit of mineral exploration activities in Peru. As such, the Company is exposed to some foreign currency risk. Fluctuations in the exchange rate between the Canadian dollar, United States dollar and the Peruvian sol may have an adverse effect on the Company's business and costs to proceed with preferred vendors. The Company does not enter into any foreign exchange hedging contracts. Cash held in the Peruvian entities is generally held in US dollars and converted to soles as required. As at September 30, 2021, the Company held cash of US\$59,286. A 10% movement in the foreign exchange rate would have impacted the net loss by approximately \$5,929.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. As at November 23, 2021, the following common shares, options and share purchase warrants were outstanding:

	November 23, 2021	September 30, 2021	December 31, 2020
Common shares	27,128,587	27,128,587	27,128,587
Stock options	3,150,000	3,150,000	3,150,000
Warrants	<u>6,138,593</u>	<u>6,138,593</u>	<u>6,138,593</u>
Fully diluted	<u>36,417,180</u>	<u>36,417,180</u>	<u>36,417,180</u>

TECHNICAL CONTENT

Paul Johnston, P.Geo., a consultant of the Company and a Qualified Person under the meaning of Canadian National Instrument 43-101, has reviewed and approved the technical content of this Management's Discussion and Analysis.

APPROVAL

This MD&A was approved and authorized by the Board on November 23, 2021.