



ROYAL ROAD
MINERALS

ROYAL ROAD MINERALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

Introduction

The following interim Management's Discussion & Analysis ("Interim MD&A") of Royal Road Minerals Limited (the "Company" or "RRM" or "Royal Road") for the three and nine months ended September 30, 2022 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2021. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since 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 Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2021 and 2020, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, 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 November 29, 2022, unless otherwise indicated.

For the purposes of preparing this 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 can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Description of Business

The Company is a mineral exploration and development company specializing in highly prospective but under prospected regions. The Company is focused on the exploration and development of its Colombian and Nicaraguan properties.

The Company was incorporated under the *Companies (Jersey) Law 1991* on May 6, 2010 as "Tigris Resources Limited". On April 10, 2015, the Company changed its name to "Royal Road Minerals Limited" and amended its share capital structure by converting all of its par value shares to no par value shares and consolidating its then outstanding shares on the basis of two pre-consolidation shares for every one post-consolidation share. On April 15, 2015, the Company completed a business combination transaction (the "Arrangement") by way of an arrangement under the *Business Corporations Act* (Alberta), whereby the Company acquired its wholly-owned subsidiary Royal Road Minerals Canada Limited, a corporation resulting from the amalgamation of Kirkcaldy Capital Corp. and Royal Road Minerals Canada Limited. As a result of the Arrangement, on April 20, 2015, the ordinary shares of the Company were listed and commenced trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "RYR". The Company's registered and head office is located at Ground Floor, Portman House, Saint Helier, Jersey, Channel Islands, JE2 3RE.

On January 20, 2017, the Company made a formal offer to purchase all of the outstanding common shares of Caza Gold Corp. ("Caza") on the basis of 0.16 of an ordinary share of RRM for each common share of Caza. In March 2017, the Company completed the compulsory acquisition of all of the remaining outstanding common shares of Caza. Consideration was measured at fair value of the Company's shares, being 24,054,258 shares at \$0.09 per share and total transaction cost of \$174,074 as the transaction is an asset purchase.

On July 6, 2017, the Company announced that it had completed an internal reorganization to facilitate the disposal of non-operational assets in Mexico and streamline its corporate structure. Through this reorganization, ownership of the Company's key operating subsidiary in Nicaragua was transferred by Caza to RRM, and its non-operational assets in Mexico were disposed of through the sale of an aggregate of 134,886,372 Caza common shares to an arm's length purchaser, Generic Capital Corporation, in exchange for cash proceeds of \$80,000 and for net assets of \$227,410 resulting in a gain on disposition of \$307,410.

On September 6, 2017, the Company announced that it had executed a strategic alliance agreement with Hemco S.A. for mineral exploration in Nicaragua. The objective of the alliance is to identify and explore gold and copper targets in Nicaragua in the areas covered by Royal Road's and Hemco's respective specified existing licenses, which together cover large regions of highly prospective and under-explored land areas and include in excess of 35 currently identified prospect areas. The Alliance will bring together two experienced project generation and exploration teams with track records of success. Royal Road and Hemco will share their collective experience and databases, co-fund early stage exploration programs, and jointly seek to advance their current projects and pursue new projects in Nicaragua. In particular, the Alliance is initially focused on defining reserves in excess of two million ounces of gold (or gold equivalent) recoverable.

On December 18, 2017, the Company announced that it had entered into a definitive agreement (the "ECOMUN Agreement") with Economías Sociales del Común ("ECOMUN") in support of its gold and copper exploration projects in the Nariño Province in southern Colombia. The ECOMUN Agreement provides for the support of Royal Road's long-term mineral exploration and development plans in Nariño Province, aligns Royal Road with the Colombian Government's post-conflict aspirations, as contemplated by the British Embassy's Business and Peace Initiative (to which Royal Road is a signatory), and demands an exemplary level of social engagement and environmental stewardship from both parties.

ECOMUN is a joint social and economic organization, which was formed by Presidential Decree on May 29, 2017, with funding and other support provided by the Colombian government and with the aim of collective and individual economic and social reincorporation of the members of the Revolutionary Armed Forces of Colombia People's Army (FARC-EP), in accordance with the final peace agreement, between the Government of Colombia and the FARC-EP on November 24, 2016. This Agreement was the first of its kind since the 2016 peace agreement.

On March 20, 2018, the Company announced that, through its wholly owned Nicaraguan subsidiary, Nicaza S.A., it had entered into a collaborative agreement (the "Collaboration Agreement") with Nicaraguan environmental Non-Governmental Organization, the Centro de Entendimiento con la Naturaleza (the "CEN").

The Collaboration Agreement provides for Royal Road and the CEN to work together to design and implement inclusive strategies involving different stakeholders in the Company's areas of influence and allowing the parties to put into practice, effective methods to protect biodiversity, water sources and soil. Under the terms of the Collaboration Agreement, the CEN will provide socio-environmental advice and Royal Road will ensure best practices and favourable conditions for the execution of jointly-developed socio-environmental strategies.

On May 31, 2019, the Company announced that it had closed the acquisition of Northern Colombia Holdings Limited from Compañía Kedahda Limited, an affiliate of AngloGold Ashanti Limited. Northern Colombia Holdings, through its subsidiaries, owns Exploraciones Northern Colombia SAS, which holds or has rights to a title package comprised of mining concession agreements covering approximately 35,747 hectares of land, and the rights with respect to

applications that have been made to acquire mining concessions over approximately 168,841 hectares of land, in prospective mineral belts in the Nariño, Cauca, Antioquia and Caldas departments of Colombia.

On March 3, 2020, the Company announced that it had entered into a definitive strategic alliance agreement with Mineros S.A. in relation to the Company's Guintar and Niverengo concessions and its Margaritas title application (GNM Project) in Antioquia District, Colombia. The agreement provided Mineros S.A. with the option to earn up to a 50% interest in the properties by paying Royal Road the sum of USD \$1 million upon signing the Agreement, by providing Royal Road with USD \$1 million for the exploration of the GNM Project to acquire a 25% interest and to acquire an additional 25% interest by providing Royal Road with a further USD \$1.5 million in exploration expenditure. Royal Road are operators of the strategic alliance.

On December 14, 2021, the Company announced that it had executed Binding Heads of Agreements over properties proximal to it Guintar Niverengo Margaritas (GNM) project in Colombia.

The Heads of Agreements are in relation to a mining concession and a concession application. The Company has paid option payments for an aggregate amount of USD \$250,000 for both properties that will increase to additional USD \$250,000 after certain milestones have been reached. After this, the Company can acquire an interest of 80% of the properties for an aggregate amount of USD \$3.375 million. In both cases, the 20% interest retained by the Titleholders and the Applicants, respectively, will be free carried until a successful feasibility study is delivered in connection with the relevant property, at which point this interest will be converted to a 2% net smelter returns royalty in relation to metals extracted from the underlying properties, which may be purchased by the Company for USD \$20 million in the case of the Concession Contract and USD \$10 million in the case of the Application.

Corporate and Operational achievements

Corporate Update

Issuance of stock options

On April 6, 2022, the Company announced the grant of an aggregate of 4,000,000 options to purchase common shares of the Company exercisable at a price of \$0.35 per common share for a period of 2 years to directors, officers and consultants of the Company.

Mineral properties

Exploration update

Set forth in this section is a description of the Company's material mineral projects. All scientific and technical data contained in this MD&A have been reviewed and approved by Dr. Tim Coughlin, BSc (Geology), MSc (Exploration and Mining), PhD (Structural Geology), FAusIMM, President and Chief Executive Officer of RRM and a qualified person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

Colombia

In 2016 and 2017, the Company acquired 114 licence applications amounting to approximately 350 thousand Hectares in the Western Cordillera of Nariño Province. The area under application extends down to the Ecuador border, sits upstream from the Magui-Payan and Barbacoas alluvial goldfields and surrounds many known operating gold mines, small gold workings and mapped porphyry copper occurrences. The region is relatively unknown from a geological and economic perspective due to security and access issues which prevailed prior to the 2016 peace agreement between the Government of Colombia and FARC rebels. As part of its commitment to the British Embassy's Peace and

Business Initiative and in order to align the Company's activities with the peace process, in late 2017 the Company entered into a strategic alliance with Economías Sociales del Común ("ECOMUN"), a joint social and economic organization, formed by Presidential Decree on May 29, 2017, with funding and other support provided by the Colombian government and with the aim of collective and individual economic and social reincorporation of the members of the Revolutionary Armed Forces of Colombia People's Army (FARC-EP). The agreement anticipates that ECOMUN will assist the Company with local access and with its social license in Nariño Province.

In 2019, the Company completed a transaction to acquire a Colombian title package from AngloGold Ashanti comprising of mining concession agreements covering approximately 3,000 hectares of land, and the rights with respect to applications that have been made to acquire mining concessions over approximately 169,000 hectares of land, in the Nariño, Cauca, Antioquia and Caldas departments.

The Company is currently conducting regional exploration for gold and copper projects in southern Colombia and formalizing informal mine operations within its mining titles there. Gold exploration in southern Colombia has been focussed principally on mining concession contracts the Company acquired from AngloGold Ashanti in the La Llanada and El Molino gold districts and copper exploration has been focused on attaining the social license to operate in the Rio Nulpe district close to Colombia's border with Ecuador. Currently, Royal Road has entered into seven mining formalization agreements in Nariño. The Agreements were negotiated and entered into under the framework of the Colombian government's National Policy for Mining Formalization wherein specific portions of the area held under concession by the Company will be returned directly to informal miners so that new formalized concession contracts over such returned areas may be granted, enabling legal and responsible mining operations to take place. In exchange, Royal Road will receive a quarterly royalty equivalent to 3% of the doré extracted from the formalized concessions and has been granted the sole and exclusive right to carry out all exploration activities on the formalized concessions and the right to acquire 70% of the formalized concessions, subject to the completion of certain exploration milestones. In-case the Company assists in further optimizing mine operations on formalized concessions, Royal Road may increase the royalty to be received by a further 1%.

Elsewhere in northern Colombia the Company has been focusing its efforts in the Guintär Niverengo Margaritas (GNM) project. Additionally the company advanced an option agreement to explore and acquire 80% interest in one title (El Aleman) and one application adjacent to the northern part of the Guintar Niverengo titles.

Guintar-Niverengo-Margaritas (GNM) Project

In the region of Antioquia, in central northern Colombia, the Company is operating an exploration joint venture over its Guintar-Niverengo-Margaritas (GNM) Project with local Colombian company Mineros S.A. The agreement was executed on March 3, 2020. Under the terms of the agreement, Mineros initially paid to Royal Road the sum of USD \$1 million and had the option (the "First Option") to acquire a 25% interest in the GNM Project by providing Royal Road with USD \$1 million for the exploration of the GNM Project. If Mineros exercises the First Option, Mineros has the option to acquire an additional 25% interest in the GNM Project by providing Royal Road with a total of USD \$1.5 million in additional funding for the GNM Project and thereafter, Royal Road and Mineros would each hold a 50% interest in a new GNM Project Company. Mineros has met expenditure requirements and notified the Company that it has exercised the First Option and in the second quarter of 2022, Mineros met its further expenditure requirements and notified the Company that it has exercised the Second Option, resulting in each party owning a 50% interest in the GNM project.

The GNM project area comprises two contiguous concession contracts and one further concession contract located in the Anza mining district, approximately 50 Km west of Medellín. The titles were acquired through the Company's purchase of Northern Colombia Holdings Limited, an affiliate of AngloGold Ashanti Limited.

AngloGold-Ashanti ("AGA") commenced work on the project area in 2015 and completed two scout drilling campaigns for a total of 5662 meters. The Guintär title area covers an artisanal mining district with more than 50 known historic underground adits developed on steeply-dipping, broadly east-west oriented gold mineralized vein structures. AGA's 8-hole, scout-drilling program at Guintär targeted steeply-dipping sheeted vein structures and returned best results of; GUI-DD-009, 28 meters at 0.9 grams per tonne and GUI-DD-006, 12 meters at 1.8 grams per tonne gold (not true width). Outcrop on the neighboring Niverengo title area is limited and so AGA's drilling was focused on a 2000 by 800 meter wide target zone identified primarily using geophysical data and soil geochemical results. Best intersections were from NIV-DD-003, 36m @ 1.2g/t gold from surface and NIV-DD-004, 10m @ 1.6g/t gold and 88m @ 0.9g/t gold.

In 2020 Royal Road completed an initial 1179m diamond drilling program focused on the Niverengo title area. Drilling intersected skarn-style mineralization hosted primarily in folded calc-silicate sedimentary rocks and crosscutting east-west oriented pyrrhotite vein and breccia bodies with elevated gold, silver and copper. Best results were:

- NIV-DDH-007 14m at 4.1 g/t gold equivalent
- NIV-DDH-008 10m at 2.3 g/t gold equivalent
- NIV-DDH-010 18m at 1.9 g/t gold equivalent; and 21.5 meters at 1.3 g/t gold equivalent
- NIV-DDH-015 10.8m at 3.4 g/t gold equivalent

At Niverengo, gold mineralization is related to garnet, pyroxene skarn alteration and pyrrhotite vein and breccia bodies. Recent multi-element geochemical vector studies have identified that this assemblage may be laterally and vertically distal from the primary gold and/or copper source.

Drilling to test this theory and locate a primary intrusion-related source to mineralization commenced at the Guintär project area in July of 2021. The drilling intersected sheeted and stockwork-style veinlets in a porphyritic intrusive rock and returned significant results including:

- GUI-DD-012 303.7m at 0.7 g/t gold, 4.3 g/t silver and 0.22% copper; including 62m at 2.1 g/t gold, 12.4 g/t silver and 0.62% copper
- GUI-DD-013 126.0m at 0.8 g/t gold, 5.5 g/t silver and 0.40% copper; and 44m at 1.1 g/t gold and 2.1 g/t silver

Drilling on the Guintär project recommenced in February 2022 and has returned further significant results including:

- GUI-DD-020 118.0 meters at 0.8 grams per tonne gold, 3.8 grams per tonne silver and 0.17% copper Including (from 6.0 meters), 54.0 meters at 1.0 grams per tonne gold, 5.5 grams per tonne silver and 0.24% copper
- GUI-DD-021 181.0 meters at 0.9 grams per tonne gold, 3.6 grams per tonne silver and 0.20% copper Including (from 148.0 meters), 43.0 meters at 2.4 grams per tonne gold, 8.0 grams per tonne silver and 0.40% copper
- GUI-DD-024 177.0 meters at 0.8 grams per tonne gold, 3.3 grams per tonne silver and 0.16% copper

Additionally the company has drilled the Aleman title on which it has an option agreement to acquire 80% interest with exploratory drill hole result:

- ALM-DD-001 80.5 meters at 1 gram per tonne gold, including 18 meters at 3 grams per tonne gold (from 323 meters down hole depth).

Nicaragua

In early 2017, Royal Road acquired the Nicaraguan subsidiary of Caza Gold Inc and in-country assets totaling close to 75,000 hectares of exploration licenses in the prospective Chortis Belt of western Nicaragua. The acquisition included two key assets, the Los Andes porphyry project and the Piedra Iman (Iron-Oxide) copper-gold project.

In September of 2017, Royal Road executed a 50%-50% Strategic Alliance for gold and copper exploration in Nicaragua with Hemco a subsidiary of Colombian company Mineros S.A. The objective of the Alliance is to identify and explore gold and copper targets in Nicaragua in the areas covered by Royal Road's and Hemco's respective existing licenses, which together cover large regions of highly prospective and under-explored areas and include in excess of 35 currently identified prospect areas. Royal Road and Hemco share their collective experience and databases, co-fund early stage exploration programs, and jointly seek to advance their current projects and pursue new projects in Nicaragua. In particular, the Alliance is initially focused on defining reserves in excess of two million ounces of gold (or gold equivalent) recoverable. Royal Road Minerals is operator of the Strategic Alliance.

Initially the alliance drill-tested the Piedra Iman project but failed to intersect any significant copper or gold mineralization and so interest was refocused onto Hemco's exploration titles in northeastern Nicaragua. Exploration there has so far identified two key projects: Luna Roja and Caribe.

On December 17, 2020, the Company announced that it had entered into a binding letter of intent with Mineros S.A. pursuant to which the Company agreed to sell to Mineros its entire 50% interest in the Luna Roja Skarn Gold Project. On May 21, 2021, the Company completed the sale to Hemco Nicaragua S.A. ("Hemco"), a subsidiary of Mineros S.A. of its entire 50% interest in the Luna Roja Project, comprising the Monte Carmelo I and II mining concession in Nicaragua. Mineros paid to the Company a purchase price of USD \$22.5 million in cash on the closing of the transaction, plus a 1.25% net smelter royalty on all future mineral production from the Luna Roja Project.

Caribe

In February 2018, during reconnaissance follow-up of airborne geophysical anomalies, the Company's exploration team identified a new prospect known as "Caribe". Topographically, the Caribe area is relatively planar, outcrop is limited to creek and river exposures and there is no previous record of mineralization in the area. Initial grab sampling of strongly weathered and altered volcanic float material returned anomalous gold with associated anomalous values in molybdenum and arsenic. Follow-up deep auger soil sampling was then conducted using a 3-meter long hand-auger to access the residual soil horizon located below the organic and saprolitic layers. Soil-sampling identified a strongly anomalous area of gold geochemistry (range 20 to 983ppb, mean 149ppb gold) of 600 by 400 meters in area which remains open to the north and east.

Additionally, 18 small 1 meter square and 2 to 3 meter deep shafts were dug in order to expose bed-rock, assist mapping and collect channel and grab rock-chip samples. The highest grab rock-chip sample collected from these shafts to-date returned 3.5 grams per tonne gold from quartz-veinlet stockwork hosted in strongly oxidized rhyodacite with potassium feldspar alteration.

An initial 4-hole, 413 meter, exploratory drilling program commenced at Caribe in August 2019 and was completed in mid-September 2019. All drill holes intersected gold with significant intersections including:

- CB-DDH-001 28m at 1.1 g/t gold
- CB-DDH-002 14m at 1.0 g/t gold
- CB-DDH-004 18m at 1.0 g/t gold

Drill holes CB-DDH-003 and CB-DDH-004 ended in gold grade, with the last samples returning 2.1 and 2.3 grams per tonne gold respectively.

A follow-up approximately 2000m diamond drilling program (currently extended) commenced at the Caribe project during August of 2021 and is currently underway. Significant (greater than 1 g/t gold) results from the program include:

- CB-DDH-006 74m at 0.9 g/t gold; and 14m at 1.0 g/t gold
- CB-DDH-007 12m at 1.0 g/t gold (bogged and abandoned above objective)
- CB-DDH-009 45m at 1.0 g/t gold; and 35 m at 1.1 g/t gold (bogged and abandoned above objective)
- CB-DDH-010 42 m at 1.0 g/t gold
- CB-DDH-011 42 m at 1.0 g/t gold (bogged and abandoned above objective)
- CB-DDH-015 63 meters at 1.0 grams per tonne gold (bogged and abandoned above objective)
- CB-DDH-016 100.45 meters at 1.0 grams per tonne gold (to end of hole and bogged and abandoned above objective)
- CB-DDH-017 90 meters at 1.0 gram per tonne gold (bogged and abandoned above objective)
- CB-DDH-019 35 meters at 1.0 and 10 meters at 1.0 grams per tonne gold (bogged and abandoned above objective)
- CB-DDH-021 29 meters at 1.0 gram per tonne gold
- CB-DDH-022 12 meters at 1.2 grams per tonne gold (within a broader halo of 44 meters at 0.7 grams per tonne gold)
- CB-DDH-023 10.1 meters at 1.85% Copper equivalent
- CB-DDH-025 201 meters at 1.1 grams per tonne gold
- CB-DDH-039 68 meters at 0.9 grams/tonne gold
- CB-DDH-040 104 meters at 0.8 grams/tonne gold; and 66 meters at 1.3 grams/tonne gold
- CB-DDH-044 114 meters at 1.0 grams/tonne gold

Lower-grade gold (less than 1 gram per tonne, applying a 0.2 gram per tonne cut off) is notable in longer intersections including CB-DDH-006 which returned 144 meters at 0.7 grams per tonne, CB-DDH-009 which returned 146 meters at 0.7 grams per tonne and CB-DDH-011 which returned 80 meters at 0.7 grams per tonne gold. Generally gold mineralization is associated with elevated molybdenum and copper. Molybdenum and copper grades are irregular and related to particular hydrothermal breccia and vein phases. Up to 0.3% molybdenum has been returned across a 1 meter sample interval, drill hole CB-DDH-009 returned 6 meters of 0.1% molybdenum and 1.2 grams per tonne gold and CB-DDH-011 returned 5 meters at 0.1% molybdenum and 1.7 grams per tonne gold. The best copper intersection to-date has been 10.1 meters at 1.85% copper equivalent (+ gold, molybdenum and silver) from drill hole CB-DDH-023.

Gold, copper and molybdenum mineralization is hosted mostly within a multi-phase volcanic breccia body, disseminated in fine networks of crosscutting quartz veinlets and in subvertical vein-breccia zones with pyrite, marcasite, molybdenum and copper. The breccia body is broadly trachytic-dacitic in composition, multiphase and polymict, containing fragments of porphyritic intrusion and bands of altered tuff. It is interpreted to be a diatreme or fissure-controlled breccia. Fine free gold is associated with chalcopyrite and molybdenite with traces of bornite and covellite. Alteration is predominantly pervasive sericite-illite-pyrite overprinted by silica. The mineral and alteration assemblages imply a porphyry-style association and are interpreted to suggest a porphyry copper-gold target located beneath or adjacent to the breccia body.

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Discussion dated: November 29, 2022

In order to fully test the spatial extent and continuity of gold at the project, Royal Road and Hemco have jointly acquired a portable Rotary Air Blast/Reverse Circulation (RAB/RC) drilling rig with capacity to test beneath more than 50 meters of soil and laterite cover. Grid-based RAB drilling at Caribe commenced in September of 2021 and is currently ongoing.

Regional Exploration

The Company has identified several regional, early-stage gold and copper targets in Nicaragua and is currently advancing them to drilling stage.

A summary of exploration costs by major projects are as below:

	Nine Months ended September 30, 2022	Three Months ended September 30, 2022
	\$	\$
Colombia Projects		
GNM	358,901	144,337
Formalization	7,985	2,982
Northern Block Regional	17,082	948
Southern Block Regional	82,631	11,755
Admin	316,655	97,852
Other	183,840	98,536
Total Colombia	967,093	356,409
Nicaragua Projects		
Piedra Imán	91,569	47,647
Los Andes	271,289	117,751
Admin	108,853	34,620
Total Nicaragua	471,711	200,018
Total Direct Exploration	1,438,804	556,427

Trends

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. Apart from these and the risk factors noted under the heading "Risk Factors", 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 "Risk Factors" below.

Outlook

The Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility and the impact of the global disruption in equity markets as a result of the COVID-19 outbreak. There is no assurance that the Company's funding initiatives will continue to be successful to fund its planned exploration activities, which are focused on drilling in Nicaragua and drill preparation and regional exploration in Colombia.

Financial Performance

For the three months ended September 30, 2022, compared with the three months ended September 30, 2021:

For the three months ended September 30, 2022, the Company's net loss was \$923,630 compared to a net loss of \$1,596,623 for the prior period. The decrease in net loss of \$672,993 was as result of the following:

- During the three months ended September 30, 2022, foreign exchange gain increased by \$787,859 compared the 2021 comparable period. This increase is due to the appreciation in the value of the US dollar value compared to the Canadian dollar in the 2022 period.
- Exploration and evaluation expenditure and loss from joint operation with Hemco for the three months ended September 30, 2022 totalled \$817,840 compared to \$695,024 for the 2021 comparable period. Exploration and evaluation expenditure will vary based on budgeted plans.

For the nine months ended September 30, 2022, compared with the nine months ended September 30, 2021:

For the nine months ended September 30, 2022, the Company's net loss was \$5,380,274 compared to a net income of \$19,487,516 for the prior period. The increase in net loss of \$24,867,790 was as result of the following:

- During the nine months ended September 30 2021, the Company recognized a gain for sale of property interest of \$29,668,466 due to the sale of Luna Roja project. For this sale, the Company recorded \$4,553,427 of foreign tax paid.
- Exploration and evaluation expenditure and loss from joint operation with Hemco for the nine months ended September 30, 2022 totalled \$3,402,284 compared to \$3,391,214 for the 2021 comparable period. Exploration and evaluation expenditure will vary based on budgeted plans.
- During the nine months ended September 30, 2022, stock-based compensation expense decreased by \$879,626 compared the 2021 comparable period. Stock based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.

Liquidity and Financial Position

As at September 30, 2022, the Company has a working capital of \$23,787,834 (December 31, 2021 - \$28,705,261); the continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

The Company derives no income from operations, as all of its projects since inception have been exploration projects. Accordingly, the activities of the Company have been financed by private placements of securities. As the Company does not expect to generate cash flows from operations in the near future, it will continue to rely primarily upon the sale of securities to raise capital. As a result, the availability of financing, as and when needed, to fund the Company's activities cannot be assured. See "Risk Factors" below.

Transactions with Related Parties

In accordance with IAS 24, key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include executive and non-executive directors. The key management personnel of the Company are the directors and officers of the Company.

No individual party had overall control of the Company during the periods being presented. Transactions between the Company and its subsidiary have been eliminated on consolidation.

The amounts due to related parties of the Company at the reporting date, as disclosed below, arose due to transactions entered into with the related parties in the ordinary course of business.

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2022	2021	2022	2021
Salaries	\$ 307,794	\$ 75,251	\$ 878,460	\$ 430,197
Stock based compensation	\$ 15,853	\$ 339,696	\$ 249,503	\$ 1,192,361
Professional fees	\$ 7,500	\$ 12,500	\$ 22,500	\$ 20,000

Off-Balance Sheet Agreements

The Company has not entered into any off-balance sheet arrangements as of the date of this report.

Outstanding Share Capital

As of the date of this MD&A, the Company has 265,695,801 common shares outstanding and 14,200,000 stock options.

Risk Factors

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com).

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 "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2021, available on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking statements; as such term is defined under applicable securities laws. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding the growth, results of operations, performances and business prospects and opportunities of the Company. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "intend", "will", "project", "could", "believe", "predict", "potential", "should" or the negative of these terms or other similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or events to differ materially from those anticipated, discussed or implied in such forward-looking statements. The Company believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A and should be considered carefully and investors should not place undue reliance on them as the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These statements speak only as of the date of this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) the supply and demand for, deliveries of, and the level and volatility of prices of gold and other precious metals; (iii) the timing of the receipt of any outstanding regulatory and governmental approvals for the Company's projects; (iv) the ability to meet social and environmental standards and expectations; (v) the availability of financing for the Company's development of its properties on reasonable terms; (vi) the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; (vii) the ability to attract and retain skilled staff; (viii) exploration and development timetables; and (ix) capital expenditure and operating cost estimates.

These forward-looking statements involve risks and uncertainties relating to, among other things, exploration and development risks, changes in commodity and, particularly, gold prices, access to skilled mining personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals 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 contained in this MD&A. 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. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities law.