Management's Discussion and Analysis

For the Three and Nine Months Ended June 30, 2019

General

The following Management Discussion and Analysis ("MD&A") of Regulus Resources Inc. (the "Company" or "Regulus") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of August 29, 2019 and should be read in conjunction with the interim condensed consolidated financial statements for the three and nine months ended June 30, 2019 and 2018, the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The following should also be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 2018 and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.regulusresources.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

Regulus was formed in December 2010 in connection with the sale of Antares Minerals Inc. to First Quantum Minerals Ltd. Regulus is managed by the Antares team responsible for the discovery of the Haquira East porphyry copper deposit, which led to the sale of Antares. The goal of the Company is to discover and de-risk a large scale deposit that could ultimately be sold to a major mining company, similar to what was achieved with Antares. Regulus was initially established to continue exploration at its Rio Grande Au-Cu-Mo porphyry project in northern Argentina. The Company put the Rio Grande project on hold in 2012 in response to challenging market conditions and began pursuing opportunities for new mineral projects with good potential for significant discoveries. In September 2014, the Company completed a merger with Southern Legacy Minerals Inc. ("Southern Legacy"). The primary objective of the merger was to acquire the AntaKori Cu-Au-Ag project in northern Peru, which is now the flagship project for Regulus. The AntaKori project is located in a region with several large-scale gold and copper mines and deposits and adjacent to two operating mines (Tantahuatay and Cerro Corona). In March 2019, the Company released an updated NI 43-101 resource for AntaKori containing Indicated Resources of 250 million tonnes with a copper grade of 0.48%, gold grade of 0.29 grams per tonne and silver grade of 7.5 grams per tonne, and Inferred Resources of 267 million tonnes with a copper grade of 0.41%, gold grade of 0.26 grams per tonne and silver grade of 7.8 granms per tonne. Management is confident that further work will expand the current deposit to a size that will be of interest to major mining companies. All of the Company's assets in Argentina, including the Rio Grande project, were transferred to Aldebaran Resources Inc. as part of the "spin-out" transaction described below.

The following is a summary of the significant milestones since October 1, 2018 to date.

Spin-Out

Upon receiving final approval from the TSX-Venture Exchange on November 2, 2018, the Company completed the spin-out of its wholly owned Argentinian subsidiaries, Regulus Argentina S.A. and Minera El Toro S.A. (the "Argentine subsidiaries") into Aldebaran Resources Inc. ("Aldebaran").

The spin-out was completed by way of a statutory plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement") wherein Regulus transferred its Argentine subsidiaries to Aldebaran in exchange for 30,331,534 common shares ("Aldebaran Shares") of Aldebaran, which were distributed to Regulus shareholders on the basis of one Aldebaran Share for each three Regulus common shares held as of the close of business on September 28, 2018. See press release dated October 25, 2018 for further details.

Updated Mineral Resource Estimate

In March 2019, the Company reported an updated mineral resource estimate at its AntaKori copper-gold project in Northern Peru. This is the first mineral resource estimate prepared for Regulus at the project and supercedes a previous estimate prepared for Southern Legacy Minerals Inc. Regulus engaged Wood (formerly AMEC Foster Wheeler) to independently estimate the mineral resources at AntaKori. The estimate relies on new data from drilling completed by Regulus through November 2018 and drilling data provided through a collaborative agreement established in 2017 with the adjoining property holder. See more below under Property Review/AntaKori Project. See press release dated March 1, 2019 for further details.

Drill Results

Drill results for the period under review are discussed under "Mineral Property Review" below.

Outlook for 2019

Exploration activities will continue to focus primarily on the AntaKori project in 2019. An updated NI 43-101 mineral resource estimate was completed as scheduled in March 2019 including all results from the Phase I drilling program. Subject to financing, the Phase II drilling program is anticipated to consist of approximately 25,000 metres of additional drilling and will form the basis for an additional updated mineral resources estimate.. The Phase II program is ongoing with four rigs currently drilling to allow the completion of the planned drilling by late 2019 or early 2020. The current four holes in progress are AK-19-033A, 35, 36 and 37. Hole AK-19-033 was lost at 340.70 m and had to be restarted (now AK-19-033A) and is designed to infill a gap in the current resource model. Hole AK-19-34, designed to test a high-magnetic geophysical target to the north, has been recently completed to a depth of 1524.22 m with final assays pending.. Holes AK-19-035 and AK-19-36 are in progress and are designed to test a high-magnetic geophysical target to the north. Hole AK-19-036 has also commenced and is designed to both infill a gap in the current resource model and extend mineralization on the eastern portion of the claim block. The approval process for permits to explore the northern portion of the AntaKori claim block is ongoing and the permits are now expected to be received in Q4 -2019. Once these permits are received, the Company will have the ability to extend drilling to the north to more directly test several promising geophysical targets. With the initiation of significant and nearly non-stop drilling and exploration activity at the AntaKori project, the Company has projected a 2019 drilling budget of $13,000,000. The 2019 exploration program will also see increased emphasis on acquisistion of surface rights as the drilling extends to the north in previously un-drilled areas. As a result of the level of exploration activity at the project, the Issuer anticipates an increased investment in social benefits, programs and activities to enhance community relations and development in the areas close to the project. The Issuer has a dedicated community relations team that maintains constant contact with the principal communities in the area of influence of the project. By the end of June 2019, the Company completed its first larger public works project to provide improved water services for the community of Chencho, Peru at a cost of US$300,000.

At the date of this MD&A, the Company has approximately $5.7 MM in cash and cash equivalents. The Company anticipates that additional capital will be raised during 2019 by means of an equity financing. If additional financing is not completed, the Phase II drilling program at AntaKori will be reduced to approximately 15,000 m. The only firm commitments for the AntaKori project include 2019 annual concession fees and remediation costs estimated at $215,000.

Longer-term Outlook

Following the completion of the AntaKori Phase II drilling program, the Company plans to prepare an updated mineral resource estimate update by mid 2020. If the extent of the deposit is largely defined by the Phase II program, the Company plans to complete a PEA by late 2020 at the earliest. If the extent of the deposit is not defined by the Phase II drilling program, additional drilling would occur prior to the completion of the PEA. Once the PEA is completed, 1-2 years of infill drilling, metallurgy and other pre-feasibility level field investigations would be completed, leading to a Pre-feasibility Study at the earliest possible date of 2022. Completion of all of the Company's objectives is subject to the Risks and Uncertainties listed at the conclusion of this MD&A, including the ability of the Company to raise additional capital in a timely manner.

Changes to Executive Team

Effective March 1, 2019, the Company appointed Adam Greening to the position of Vice President, Coporate Development. Mr. Greening joined Regulus from Yamana Gold Inc. where he played a key role in that company's evaluation and execution of several successful acquisitions and sales. He is a professional geologist with over 12 years experience in the mining industry having also worked with Goldcorp and MPH Consulting. Mr. Greening has a B.Sc. (Honors) from Memorial University of Newfoundland and an MBA from the Rotman School of Management, University of Toronto.

Effective May 22, 2019, Gordon P. Leask stepped down as a non-executive director of the Company. Mr. Leask had been a director of the Company since 2012.

Effective June 6, 2019, Jason Attew was appointed to the Board of Directors and as Chair of the Audit Committee. Jason most recently served as the Chief Financial Officer at Goldcorp Inc. where, in addition to leading the finance and investor relations operations, he was also responsible for Goldcorp's corporate development and strategy culminating in the US$32 billion merger with Newmont Mining Corp. this past April. Jason also has extensive capital markets experience from his time in investment banking with the BMO Global Metals and Mining Group where he was at the forefront of structuring and raising significant growth capital as well as advising on both formative and transformational mergers and acquisitions for corporations that have become industry leaders over the past two decades. Jason holds a Master of Business Administration, Queen's University and a Bachelor of Science (Honours), University of British Columbia.

Effective August 13, 2019, Joe Fernandez was appointed to the position of Vice President, Project Development. Mr. Fernandez has been with Regulus since 2016 in the role of Manager, Project Development. Prior to that, he served with the Company's senior management team in Antares as the Vice President, Project Development of the Haquira project in Peru where he was responsible for the completion of the PEA. Mr. Fernandez is tasked with overseeing the project development and future engineering and metallurgical study-work at AntaKori.

Mineral Property Review

This review has been prepared by John Black, CEO and Director of the Company. The scientific and technical data contained in the section has been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.

The Company owns a project located in Peru (the AntaKori Property) and the right to acquire an interest in a project located in Nevada (the Golden Brew Property). The Company also holds an early stage prospect in Canada.

AntaKori Project

The flagship project for Regulus is the AntaKori Cu-Au-Ag project located in northern Peru. This project has a NI 43-101 resource containing Indicated Resources of 250 million tonnes grading 0.48% Cu, 0.29g/t Au and 7.5g/t Ag, and Inferred Resources of 267 million tonnes grading 0.41% Cu, 0.26g/t Au and 7.8g/t Ag (please refer to Regulus news release of March 1, 2019 and table below). The resource estimate is based on historical drilling completed by El Misti Gold (1997-98) and Sinchao Metals (2007-08), as well as new drilling completed through November 2018 by Regulus and drilling data provided through a collaborative agreement established in 2017 with the adjoining property holder (see press release by Regulus dated January 24, 2017). The reported resource is only reported for the portion of the mineralization system that is owned or controlled by Regulus and is open for expansion in several directions.

Summary of AntaKori Mineral Resource Estimate at a 0.3% CuEq Cut-off											
Resource Category	**Million Tonnes**	**Cu Grade (%)**	**Au Grade (g/t)**	**Ag Grade (g/t)**	**CuEq Grade (%)**	**AuEq Grade (g/t)**	**Cu B lbs**	**Au M oz**	**Ag M oz**	**CuEq B lbs**	**AuEq M oz**
Indicated	250	0.48	0.29	7.5	0.74	1.09	2.6	2.3	61	4.1	8.8
Inferred	267	0.41	0.26	7.8	0.66	0.96	2.4	2.2	67	3.9	8.2
See Notes below.											

Notes to accompany Indicated and Inferred Mineral Resource table assuming open pit mining methods for AntaKori Project:

1. *Mineral Resources have an effective date of 22 February 2019; Douglas Reid, P. Eng., a Wood employee, is the Qualified Person responsible for the Mineral Resource estimate.*
2. *Inputs to costs for cut-off grade assumes a conventional truck and shovel open pit mine handling and feeding a 60,000 t/d concentrator and producing a copper-gold concentrate with arsenic for sale to specialists in concentrate trading, third-party smelters and refineries.*
3. *Mineral Resources are reported based on a CuEq cut-off of 0.30% constrained within a pit shell.*
4. *Mineral Resources are only reported within Regulus concessions.*
5. *CuEq and AuEq grades and metal contents in this table are mutually exclusive and are not additive.*
6. *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.*
7. *Copper price used is US$6,614/t (US$3.00/lb), gold price is US$1,400/oz, silver price is US$18.00/oz.*
8. *Assumed metallurgical recoveries: copper 85%, gold 55%, silver 50%.*
9. *Assumed pit slope of 45 degrees.*
10. *Assumed open pit mining cost of US$1.85/t plus lift charge to average US$2.00/t, processing cost of US$7.18/t, G&A cost US$1.00/t.*

AntaKori Overview

The AntaKori project is located in northern Peru and hosts a large Cu-Au-Ag skarn system with associated breccias and porphyry-style mineralization developed in sedimentary and intrusive rocks, with a later overprint of epithermal, high-sulphidation mineralization associated with the overlying Miocene volcanic rocks. A NI 43-101 technical report entitled "AntaKori Project, Cajamarca Province, Peru, NI 43-101 Technical Report", dated February 22, 2019 and prepared by Amec Foster Wheeler (Perú) S. A., a Wood company, was filed on SEDAR and can be viewed at www.sedar.com under the profile "REGULUS RESOURCES INC". The NI 43-101 technical report reports Indicated Resources of 250 million tonnes grading 0.48% Cu, 0.29g/t Au and 7.5g/t Ag, and Inferred Resources of 267 million tonnes grading 0.41% Cu, 0.26g/t Au and 7.8g/t Ag (please refer to Regulus news release of March 1, 2019 and table above). The estimate is based on historical drilling completed by by El Misti Gold (1997-98) and Sinchao Metals (2007-08), as well as new drilling completed through November 2018 by Regulus Resources and drilling data provided through a collaborative agreement established in 2017 with the adjoining property holder (see press release by Regulus dated Jan 24, 2017). The reported resource is only reported for the portion of the mineralization system that is owned or controlled by Regulus and is open for expansion in several directions.

The AntaKori Cu-Au-Ag project is located 60 km north of the city of Cajamarca in the Hualgayoc District, northern Peru. The project is located in a world-class Au-Cu province which hosts a number of nearby deposits, as described below.

- Immediately adjacent to the producing Tantahuatay Gold Mine (Buenaventura-Southern Copper)
- 7 km to the NW of the Cerro Corona Gold-Copper Mine (Goldfields)

- 35 km to the NNW of the Yanacocha Gold Mine (Newmont-Buenaventura)
- 40 km to the SE of the La Granja Porphyry Copper deposit (Rio Tinto)
- 50 km to the NW of the Michiquillay Porphyry Copper deposit (recently auctioned by the Peruvian Government to Southern Copper)

Highlights of the AntaKori project include the following:

- The Company owns or controls 20 mineral concessions, for a total of 438 hectares, which cover most, but not all of the currently known AntaKori mineralized system. Further consolidation of mineral tenure is in process.
- A total of 17,954 m of drilling was completed in 70 drill holes (22 reverse circulation drill holes and 48 diamond drill holes) by previous operators El Misti Gold (1997-98) and Sinchao Metals (2007-08).
- A total of 26,827 m of drilling completed in 40 drill holes on AntaKori concessions by Regulus to date, with drilling ongoing with 4 rigs currently active.
- An Independent NI 43-101 report has documented a large Cu-Au-Ag skarn system with associated mineralized breccias and porphyry-style mineralization hosted in sedimentary and intrusive rocks, and associated epithermal, high-sulphidation mineralization in the overlying volcanic rocks.
- Zones of mineralization have been intercepted by the previous drilling within large geophysical anomalies, thus confirming the utility of the geophysics used in identifying future exploration targets.
- Indication that the mineralized system is open in all directions, and has potential for expansion through future exploration programs.
- Access to infrastructure as property is located adjacent to two operating mines.

The scope of the mineralized system at AntaKori offers significant upside potential but it will require several years and extensive drilling to better define this project.

The project is being explored under definitive agreements with Compañía Minera Coimolache S.A. ("Coimolache") (the "Coimolache DA") and Compañía Minera Colquirrumi S.A. ("Colquirrumi") (the "Colquirrumi DA"), companies that hold mineral concessions immediately adjacent to, and inter-fingering with AntaKori. These agreements allow for mutual access, mutual rights of expansion and collaborative exploration of the project area, providing benefit to all three parties. Coimolache is a mining company that owns and operates the Tantahuatay gold-silver mine immediately adjacent to the southern margin of AntaKori. The principal shareholders of Coimolache are Compañía de Minas Buenaventura S.A.A. ("Buenaventura" – 40% and operator) and Southern Peru Copper S.A.A. (44%). The Coimolache DA allows for mutual access, mutual rights of expansion and collaborative exploration with a principal objective of determining the size and nature of the AntaKori copper-gold deposit and a secondary objective of allowing the expansion of Coimolache's Tantahuatay oxide gold mine by way of lay-back onto Regulus' mining concessions. Colquirrumi is a wholly owned subsidiary of Buenaventura. The Colquirrumi DA allows Regulus an option to earn-in to up to a 70% interest in a large area (2,571 hectares) of Colquirrumi mining concessions located immediately to the north and east of Regulus' mining concessions and also providing Colquirrumi with a one time option to claw-back to a 70% interest by making a cash payment to Regulus.

Significant Results During the Current Period to the Date of this Report

The Phase I drill program at AntaKori was completed in October 2018 with a total of 22,140 m drilled through hole AK-18-027 (20,325.72m within Regulus concessions). Drilling continued directly into the Phase II program with an additional seven holes completed to date (6,562.55 m from AK-18-028 through AK-18-034). The Phase I program successfully completed the objective of confirming and extending the previously reported resource at AntaKori and provided the basis for the preparation of an updated mineral Resource Estimate which was completed in Q1-2019.

In January 2019, the Company announced the results from Phase I drill holes AK-18-022 through AK-18-027 (see news release dated January 30, 2019). All of the holes encountered significant mineralization with the most notable results from hole AK-18-026 along the northern margin of drilling completed to date.

<u>Highlights from drill holes AK-18-022 through AK-18-027 – AntaKori Project:</u>

- AK-18-026:
  - 236.35 m with 0.53% Cu, 0.63 g/t Au and 12.09 g/t Ag (1.09% CuEq) from 87.55 m depth including
  - 33.96 m with 2.46% Cu, 3.02 g/t Au and 37.92 g/t Ag (4.96% CuEq) from 153.15 m depth
  - Both high-sulphidation epithermal and skarn with overprint of carbonate base metal intermediate sulphidation veining

    and
  - 145.10 m with 0.35% Cu, 0.14 g/t Au and 10.17 g/t Ag (0.54% CuEq) from 351.30 m depth
  - Skarn mineralization

and
- 473.20 m with 1.16% Cu, 0.21 g/t Au and 8.43 g/t Ag (1.39% CuEq) from 640.50 m depth
including
- 88.00 m with 1.50% Cu, 0.38 g/t Au and 19.32 g/t Ag (1.95% CuEq) from 647.00 m depth
and
- 51.80 m with 1.95% Cu, 0.49 g/t Au and 12.61 g/t Ag (2.41% CuEq) from 762.30 m depth
and
- 42.10 m with 2.24% Cu, 0.15 g/t Au and 5.13 g/t Ag (2.39% CuEq) from 890.40 m depth
and
- 55.55 m with 1.93% Cu, 0.09 g/t Au and 4.12 g/t Ag (2.04% CuEq) from 968.00 m depth
- Well developed breccia in Farrat Formation quarzite that is cemented by pyrite, chalcopyrite, bornite, chalcocite and magnetite with minor late infilling of enargite and tennantite. The orientation of the breccia body is currently undetermined. This is the most significant occurrence of bornite encountered to date at the project.

- AK-18-027:
  - 344.9 m with 0.30% Cu, 0.16 g/t Au and 7.89 g/t Ag (0.49% CuEq) from 266.90 m depth
  - Predominantly as skarn
  and
  - 160.65 m with 0.29% Cu, 0.12 g/t Au and 1.22 g/t Ag (0.39% CuEq) from 764.65 m depth
  - Zone of abundant porphyry dikes cutting skarn and quartzite

- AK-18-025:
  - 514.85 m with 0.27% Cu, 0.37 g/t Au and 10.78 g/t Ag (0.63% CuEq) from 104.80 m depth
  - Drilled from same platform as AK-18-026 and AK-18-023 but oriented to north
  - Mineralization is predominanty as skarn in underlying Cretaceous sedimentary sequence

- AK-18-024:
  - 601.09 m with 0.35% Cu, 0.17 g/t Au and 5.22 g/t Ag (0.51% CuEq) from 68.38 m depth
  and
  - 120.50 m with 0.43% Cu, 0.10 g/t Au and 2.62 g/t Ag (0.52% CuEq) from 768.65 m depth
  - The upper interval is predominantly skarn but the lower interval is hosted in brecciated Farrat Formation quartzites with notably higher copper grades associated with pyrite-chalcopyrite-bornite as fracture filling and breccia matrix.

- AK-18-023:
  - 270.91 m with 0.18% Cu, 0.22 g/t Au and 8.92 g/t Ag (0.42% CuEq) from 104.19 m depth
  and
  - 86.60 m with 0.23% Cu, 0.11 g/t Au and 4.03 g/t Ag (0.34% CuEq) from 415.50 m depth
  - Drilled from same platform as AK-18-026 but at a more shallow angle to the north
  - Hole was lost prior to full target depth due to difficult drilling conditions

- AK-18-022:
  - 332.67 m with 0.35% Cu, 0.34 g/t Au and 7.68 g/t Ag (0.66% CuEq) from 119.63 m depth
  including
  - 71.66 m with 0.76% Cu, 0.91 g/t Au and 8.94 g/t Ag (1.50% CuEq) from 178.74 m depth
  further including
  - 13.50 m with 1.63% Cu, 2.44 g/t Au and 21.21 g/t Ag (3.56% CuEq) from 221.50 m depth
  - High-sulphidation style mineralization in Miocene volcanic sequence to a depth of 252.60 m with low to moderate grade skarn below

Further details regarding the mineralized intercepts encoumtered in drill holes AK18-022 to AK-18-027 together with a discussion of the results can be found on the Regulus website.

In April 2019, the Company announced the results from Phase II drill holes AK-18-028 through AK-18-030 (see news release dated April 2, 2019). All of the holes encountered significant mineralization with the most notable results from hole AK-18-030 which is the first hole to step-out significantly to the northwest of the area of the current resource and encountered an extensive zone of low arsenic copper-gold mineralization in porphyritic intrusive rocks and skarn.

<u>Highlights from drill holes AK-18-028 through AK-18-030 – AntaKori Project:</u>

- AK-18-028:
  - 274.00 m with 0.42% Cu, 0.39 g/t Au and 11.52 g/t Ag (0.80% CuEq) from 226.60 m depth
  including
  - 18.65 m with 0.44% Cu, 3.47 g/t Au and 42.70 g/t Ag (3.30% CuEq) from 226.60 m depth

and
- 25.49 m with 0.71% Cu, 0.24 g/t Au and 31.91 g/t Ag (1.17% CuEq) from 274.00 m depth
  and
- 35.87 m with 1.00% Cu, 0.38 g/t Au and 20.36 g/t Ag (1.46% CuEq) from 312.90 m depth
  and
- 67.03 m with 0.28% Cu, 0.13 g/t Au and 3.80 g/t Ag (0.41% CuEq) from 568.47 m depth
  and
- 94.37 m with 0.37% Cu, 0.08 g/t Au and 1.91 g/t Ag (0.44% CuEq) from 794.50 m depth
- Mineralization is predominantly skarn with increasing breccia at depth

- AK-18-029:
  - 398.45 m with 0.26% Cu, 0.13 g/t Au and 3.66 g/t Ag (0.39% CuEq) from 217.00 m depth
    including
  - 63.25 m with 0.47% Cu, 0.21 g/t Au and 4.19 g/t Ag (0.66% CuEq) from 527.60 m depth
    and
  - 202.05 m with 0.41% Cu, 0.13 g/t Au and 3.43 g/t Ag (0.53% CuEq) from 643.20 m depth
    including
  - 35.15 m with 0.77% Cu, 0.22 g/t Au and 11.85 g/t Ag (1.04% CuEq) from 670.15 m depth
  - Mineralization in this hole occurs both as high sulphidation epithermal mineralization in the Miocene volcanic sequence to a depth of approximately 343 m and skarn style mineralization in the underlying Cretaceous calcareous sedimentary sequence with increasing breccia at depth.

- AK-18-030:
  - 68.10 m with 0.26% Cu, 0.36 g/t Au and 10.87 g/t Ag (0.61% CuEq) from 225.70 m depth
    and
  - 307.60 m with 0.25% Cu, 0.17 g/t Au and 2.67 g/t Ag (0.39% CuEq) from 566.00 m depth
  - This hole is located approximately 500 m to the northwest of any previous drilling reported by Regulus. The hole was altered and mineralized over the entire length. Although grades are not high, the mineralization is persistent throughout the hole and with notably low arsenic contents in the porphyritic intrusive and skarn mineralization in the lower portion of the drill hole (see table 2 below).

AK-18-028 and AK-18-029 were collared to test Regulus mineral concessions, within the footprint of the newly reported AntaKori NI 43-101 Indicated and Inferred Mineral Resources (see news release of March 1, 2019), to confirm and extend the known, but only partially delineated resource. AK-18-030 is located more than 500 m to the northwest of any drilling to date and encountered extensive mineralization both as high sulphidation epithermal mineralization in Miocene volcanic rocks at the top of the hole and also as lower grade but extensive copper-gold mineralization in underlying intrusive rocks and skarn.

Further details regarding the mineralized intercepts encoumtered in drill holes AK18-028 to AK-18-030 together with a discussion of the results can be found on the Regulus website.

In July 2019, the Company announced the results from Phase II drill holes AK-19-031 and AK-19-032 (see news release dated July 25, 2019).

<u>Highlights from drill holes AK-19-031 and AK-19-032 – AntaKori Project:</u>

- AK-19-031:
  - 610.20 m with 0.84 % Cu, 1.02 g/t Au and 10.28 g/t Ag (1.66 % CuEq) from 3.7 m depth
    - Including 291.25 m with 1.13 % Cu, 1.74 /t Au and 12.77 g/t Ag (2.49 % CuEq)
      - Further including 176.50 m with 1.48 % Cu, 2.72 g/t Au and 18.62 g/t Ag (3.59 % CuEq)
  - Intersected both high-sulphidation epithermal and skarn, as well as breccia mineralization
  - Successfully infilled and upgraded resources

- AK-19-032:
  - 372.33 m with 0.32 % Cu, 0.19 g/t Au and 7.21 g/t Ag (0.58 % CuEq)
    - Including 15.60 m with 0.43 % Cu, 0.23 g/t Au and 13.78 g/t Ag (0.72 % CuEq)
    - And 15.60 m with 0.44 % Cu, 0.24 g/t Au 11.77 g/t Ag (0.72 % CuEq)
    - And 14.16 m with 0.81 % Cu, 0.35 g/t Au and 13.19 Ag (1.18 % CuEq)
  - 14.25 m with 1.24 % Cu, 0.25 g/t Au and 6.98 g/t Ag (1.48% CuEq)
  - Intersected both high-sulphidation epithermal and skarn mineralization, with majority of higher-grade material being low-arsenic skarn
  - Successfully infilled resources

Further details regarding the mineralized intercepts encoumtered in drill holes AK19-031 to AK-19-032 together with a discussion of the results can be found on the Regulus website.

Puchuldiza Overview

The Puchuldiza Au project, located in Tamarugal Province, Chile, was 100% owned by the Company. The Company completed an initial field review of this project in 2015 with emphasis on determination of potential for higher grade mineralization and to better understand the social and environmental setting of the project. Based upon this review, the Company determined that the project did not fit the criteria for further exploration and in May 2019 concluded the sale of the project to Metalla Royalty & Streaming Ltd. for proceeds of $100,000.

Golden Brew Overview

The Company has an option agreement with Highway 50 Gold Corp. to earn a 50% interest in the Golden Brew project in central Nevada by spending US$5.0 million on exploration by May 2022. Upon earn-in the parties will form a joint venture on a 50/50 basis. A minimum US$500,000 firm commitment in the first year was met by September 30, 2017. An additional work commitment of US$750,000 in exploration expenditures had to be completed by May 28th, 2019 (the "Additional Work Commitment") to maintain the option agreement in good standing for a total of US1,250,000 in expenditures by that date. In April 2019, the Company commenced a 3,000 metre 4-hole drilling program and thereby completed the Additional Work Commitment. The Company must spend additional exploration expenditures of US$1,000,000 (total of US$2,250,000) by May 28, 2020 or the Company will forfeit its right to earn any interest in the Golden Brew project.

Golden Brew is located at the intersection of the southern flank of the Eastgate volcanic trough and the Western Nevada rift in north-central Nevada. Gold mineralization at Golden Brew is hosted within jasperoid and silicified breccias over a strike length of 2,500 feet and widths up to 200 feet. The jasperoid is developed in thin-bedded limestones and limey siltstones and is anomalous in Carlin-type pathfinder elements of arsenic, antimony and mercury with gold values ranging from 0.1 grams/tonne to 4 grams/tonne. The priority target on the property is the edges of a structural horst block located one mile outboard of the jasperoid outcrop under shallow to moderate thicknesses of pediment cover. Drilling in 2011 intersected a 150 foot section of elevated arsenic and antimony at the south-east corner of the horst block within the favorable carbonate section. The horst block is coincident with the projected intersection of a set of crustal scale structures and a strong magnetic low. This magnetic low may reflect magnetic destruction of alteration related to the mineralizing system. Drilling will focus on the northeastern and southeastern structural corners of the horst block, areas of gravity lows within the gravity high. Gravity lows in this setting may be a function of alteration (decalcification) related to Carlin-type gold mineralization. The targeted areas straddle the boundary between lands administered by the Bureau of Land Management (BLM) and the US Forest Service.

In August 2019, the Company announced results of its recent drill program at Golden Brew. The Company completed 3 holes for a total of 2,280 m to test potential for a covered Carlin style system. The most encouraging result from the drill program was from drill hole GBR-19-10. Hole 10 intersected Carlin-type mineralization within decalcified thin-bedded silty limestones from 701 m to 724 m that had anomalous gold and arsenic, up to 163 ppb gold and 475 ppm arsenic. The Company will review these results to determine the best path forward for the Golden Brew project. For more information on the drilling, see Table 1 below.

Table 1 – Golden Brew Drill Hole Location Information

	UTM Coordinates		**Elevation**	**Orientation**		**Total Depth**
Hole Name	***E (m)***	***N (m)***	***metres***	***azimuth***	***inclination***	***metres***
GBR 19-10	479485	4341863	2,036		-90	762
GBR 19-11	479956	4342033	2,060		-90	762
GBR 19-12	479485	4341863	2,051	90	-60	765

Other Projects Overview

Fireweed, British Columbia, Canada

The Fireweed Property is a polymetallic Ag, Zn, Pb, Cu, Au prospect of massive sulphide and sulphide replacement type mineralization located in central British Columbia, approximately 55 km east-northeast of the city of Smithers. The property is 10 km northwest of the former Granisle Mine, 5 km west of the former Bell Copper Mine, and 17 km southwest of the undeveloped Morrison deposit. The Fireweed property is the only property held by Regulus in Canada and management is currently looking to option the project to a third party.

Operations and Financial Condition

Results of Operations for the Nine Months Ended June 30, 2019 Compared to the Nine Months Ended June 30, 2018

During the nine months ended June 30, 2019, income from operating activities was $11,194,937 compared to loss from operating activities of $2,282,638 for the nine months ended June 30, 2018. Significant variances from the same period in the prior year are as follows:

- During the period ended June 30, 2019, the Company recorded a gain on transfer of spin-out assets of $17,517,997 (2018 - $Nil) and a write-off of receivables of $771,983 (2018 - $993,609). The gain recorded is a non-cash item that reflects the value of the Aldebaran shares received by the Company in exchange for the spinout of its Argentina projects. See Note 4 of the accompanying condensed consolidated interim financial statements.

- An increase of $2,516,690 in share-based compensation. Share-based compensation was $2,761,744 for the period ended June 30, 2019 compared to $245,054 for the period ended June 30, 2018 due to the timing of vesting of stock options issued. During the period ended June 30, 2019, the Company issued 5,550,000 stock options at an exercise price of $1.60 expiring on February 24, 2024, 200,000 stock options at an exercise price of $1.78 expiring on March 1, 2024 and 200,000 stock options at an exercise price of $1.40 expiring on June 6, 2024.

- An increase of $85,828 in investor relations and shareholder information. Investor relations and shareholder information was $211,166 for the period ended June 30, 2019 compared to $125,338 for the period ended June 30, 2018. The increase is mainly due to the increased activity related to conferences and the addition of new investor relations consultants.

- A loss of of $894,534 on foreign exchange for the period ended June 30, 2019 compared to a gain of $1,034,261 for the period ended June 30, 2018. The difference was mainly the result of fluctuations of the US$, the Peruvian Nuevo Sol and the CAD$ in the current period as compared to the prior period.

Results of Operations for the Three Months Ended June 30, 2019 Compared to the Three Months Ended June 30, 2018

During the three months ended June 30, 2019, loss from operating activities was $2,408,728 compared to loss from operating activities of $802,076 for the three months ended June 30, 2018. Significant variances from the same period in the prior year are as follows:

- An increase of $1,669,163 in share-based compensation. Share-based compensation was $1,715,592 for the period ended June 30, 2019 compared to $46,429 for the period ended June 30, 2018 due to the timing of vesting of stock options issued.

- A decrease of $60,370 in consulting fees. Consulting fees was $46,572 for the period ended June 30, 2019 compared to $106,942 for the period ended June 30, 2018. The decrease is mainly due to fewer consultants used in the current period as compared to the same period of the prior year.

- A loss of of $884,824 on foreign exchange for the period ended June 30, 2019 compared to a loss of $33,050 for the period ended June 30, 2018. The difference was mainly the result of fluctuations of the US$, the Peruvian Nuevo Sol and the CAD$ in the current period as compared to the prior period.

Cash Flow

Operating Activities

Cash outflow from operating activities was $4,205,716 for the period ended June 30, 2019 compared to cash outflow of $963,835 for the period ended June 30, 2018. The change was the cumulative result of several variations in the items affecting cash flow from operations as discussed above under “Results from Operations”.

Financing Activities

Cash outflow from financing activities was $1,087,823 for the period ended June 30, 2019 compared to cash inflow of $4,902,138 for the period ended June 30, 2018. The cash outflows in the current period are primarily the result of the repayment of loans payable and the cash inflows from the previous period are primarily from proceeds received from exercise of warrants and stock options.

Investing Activities

Cash outflow from investing activities was $7,629,031 for the period ended June 30, 2019 compared to $9,354,296 for the period ended June 30, 2018. The cash outflows are primarily from expenditures on exploration and evaluation assets in the current and previous periods.

Summary of Quarterly Results

The following is a summary of certain selected unaudited financial information for the most recent eight fiscal quarters.

All in $1,000’s except loss (gain) per share	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Working capital (deficiency)	$6,269	$10,342	$13,470	$17,387
Loss (gain)	$3,373	$2,165	$(16,733)	$2,324
Loss (gain) per share	$(0.03)	$(0.03)	$(0.17)	$0.01
Loss (gain) per common share (diluted)	$(0.03)	$(0.03)	$(0.17)	$0.01
Total assets	$50,872	$51,758	$54,438	$58,270
Total liabilities	$1,722	$1,887	$2,861	$3,862
Deficit	$59,077	$55,704	$53,539	$70,272

All in $1,000's except loss (gain) per share	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Working capital (deficiency)	$(3,124)	$617	$4,297	$4,604
Loss (gain)	$1,309	$392	$582	$1,051
Loss (gain) per share	$0.02	$0.01	$0.01	$0.01
Loss (gain) per common share (diluted)	$0.02	$0.01	$0.01	$0.01
Total assets	$35,880	$34,061	$34,158	$31,592
Total liabilities	$4,471	$2,696	$2,360	$2,674
Deficit	$67,948	$66,639	$66,247	$65,665

During the period ended December 31, 2018, the Company recorded a gain on transfer of spin-out assets of $17,517,997 and a reduction in share capital of $18,198,920.

Liquidity and Capital Resources

Cash at June 30, 2019 totaled $7,138,984 compared to $19,678,786 at September 30, 2018. Working capital at June 30, 2019 was $6,269,225 compared to $17,386,525 as at September 30, 2018. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. See "Outlook for 2019" above for further details.

Exploration and evaluation of assets at June 30, 2019 totaled $42,030,418 compared to $33,640,074 as at September 30, 2018.

The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had 90,994,594 common shares issued and outstanding and the following stock options and warrants outstanding:

Stock Options

Exercise Price	Number Outstanding	Expiry Date
$ 1.50	2,000,000	September 2, 2021
$ 1.84	100,000	December 28, 2022
$ 2.00	50,000	July 11, 2023
$ 1.60	5,550,000	February 4, 2024
$ 1.78	200,000	March 1, 2024
$ 1.40	200,000	June 6, 2024
	8,100,000	

Warrants

Exercise Price	Number Outstanding	Expiry Date
$ 1.60	4,217,452	January 27, 2020
$ 1.90	187,307	September 27, 2020
	4,404,759	

Related Party Transactions

During the period ended June 30, 2019, the Company entered into the following transactions with key management personnel and related parties.

a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended June 30, 2019, DBD Resources was paid $183,746 (2018 - $192,462). Management services paid to DBD Resources are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss.

   At June 30, 2019, the Company owed $Nil (September 30, 2018 – $21,503) to DBD Resources. During the year ended September 30, 2018, Mr. John Black loaned the Company $460,122 ($350,000 USD). During the period ended June 30, 2019, the Company repaid the loan in full, including accrued interest of $8,224 ($6,374 USD).

b) For the period ended June 30, 2019, Mr. Fernando Pickmann, President, COO and a director of the Company, was paid or accrued $174,753 in consulting fees (2018 – $168,404). Consulting fees paid or accrued to Mr. Pickmann are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss. A law firm at which Mr. Pickmann was a partner was also paid or accrued $184,385 (2018 - $97,281) for legal services. Legal fees paid to Mr. Pickmann's law firm are classified as legal expenses in the interim condensed consolidated statements of operations and comprehensive loss.

   At June 30, 2019, the Company owed $Nil (September 30, 2018 - $94,078) to Mr. Pickmann and owed $1,433 (September 30, 2018 – $101,062) to the law firm at which Mr. Pickmann was a partner.

c) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended June 30, 2019, Unicus was paid $50,000 (2018 – $37,500). Management services paid to Unicus are classified as management fees expense in the interim condensed consolidated statements of operations and comprehensive loss.

   At June 30, 2019, the Company owed $Nil (September 30, 2018 – $Nil) to Unicus. During the year ended September 30, 2018, Mr. Mark Wayne loaned the Company $800,000. During the period ended June 30, 2019, the loan was paid in full, including accrued interest of $17,454.

d) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, Chief Geological Officer of the Company. For the period ended June 30, 2019, K.B. Heather was paid $166,343 (2018 – $192,462). Amounts paid to K.B. Heather are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss.

   At June 30, 2019, the Company owed $16,358 (September 30, 2018 – $43,007) to K.B. Heather. During the year ended September 30, 2018, Dr. Kevin B. Heather loaned the Company $300,000. During the period ended June 30, 2019, the Company repaid the loan in full, including accrued interest of $4,767.

e) At June 30, 2019, the Company owed $Nil (September 30, 2018 – $12,209) to non-executive directors.

f) The Company incurred $46,093 of expenses on behalf of Aldebaran, a company with common directors and management which spun-out during the period ended June 30, 2019. This balance is included in receivables.

g) The Company holds 2,000,000 common shares (September 30, 2018 – 2,000,000 common shares) of Highway 50 Gold Corp., a company with directors in common, included within long term investments.

The loans described in a), c) and d) above were made by certain officers of the Company to allow the continuation of drilling at its AntaKori project while the spin-out of its Argentina assets to Aldebaran was progressing. The negotiations and completion of the spin-out transaction took significantly longer than expected and the Company was unable to raise capital during this process.

The named officers invested portions of their short term loans ("Short Term Loans") in the Company's $1.90 private placement financing as follows:

- John Black invested $400,000 of his $460,544 loan repayment in the financing, purchasing 210,526 shares at $1.90. The remaining principal of $60,544 was repaid to Mr. Black in cash, together with $8,224 of accrued interest.
- Mark Wayne was repaid the full amount of his loan in cash, including accrued interest of $17,454. He also invested in the financing, purchasing 175,000 shares at $1.90.
- Kevin B. Heather invested all $300,000 of his loan repayment in the financing, purchasing157,894 shares at $1.90. He received a payment of $4,767 for accrued interest.

The Short Term Loans accrued simple interest at 10% per annum and were unsecured. The interest rate was determined by an assessment of what the Company would have to pay if it was able to borrow funds from an unrelated party. The terms of the loans, including the interest rate, were approved by the independent directors of the Issuer.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The remuneration of directors and other members of key management personnel during the period ended June 30, 2019 and 2018 are as follows:

	Fees and Bonus	Share-based Benefits	Total
Period ended June 30, 2019			
Chief Executive Officer	$ 183,746	$ 433,522	$ 617,268
Chief Geological Officer	166,343	433,522	599,865
Chief Financial Officer	50,000	433,522	483,522
Chief Operating Officer	174,753	433,522	608,275
Non-executive directors and officers	-	223,490	223,490
	$ 574,842	$ 1,957,578	$ 2,532,420

	Fees and Bonus	Share-based Benefits	Total
Period ended June 30, 2018			
Chief Executive Officer	$ 192,462	$ 18,872	$ 211,334
Chief Geological Officer	192,462	18,872	211,334
Chief Financial Officer	37,500	18,872	56,372
Chief Operating Officer	168,404	18,872	187,276
Non-executive directors and officers	32,105	37,744	69,849
	$ 622,933	$ 113,232	$ 736,165

Aside from loans with terms specifically disclosed above, amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

Investor Relations

In January 2019, the Company amended an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin is now paid USD$2,500 per month and in February 2019, was granted an additional 25,000 stock options of the Company at $1.60 for a 5-year period under the terms and conditions of the Company's Stock Option Plan. Ms. Brangwin does not own any shares of Regulus.

Financial and Capital Risk Management

Please refer to the June 30, 2019 interim condensed consolidated financial statements on www.sedar.com.

Recent Accounting Policies

Please refer to the June 30, 2019 interim condensed consolidated financial statements on www.sedar.com.

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).

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Contingencies

There are no contingent liabilities.

Internal Controls Over Financial Reporting

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

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Other MD&A Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com.

Disclosure for Venture Issuers without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the condensed interim consolidated financial statements for the period ended June 30, 2019 to which this MD&A relates. A breakdown of the components of the exploration and evaluation assets of the Company is disclosed in the condensed interim consolidated financial statements for the period ended June 30, 2019 to which this MD&A relates.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks, as they relate to the Company's unaudited interim consolidated financial statements for the period ended June 30, 2019 and this MD&A, include:

Exploration and Development Risk

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for Mineral Resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power;

anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Mineral Resource Estimates

The Company's reported Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Resources will be recovered. By their nature, Mineral Resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral Resource estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect Mineral Resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used in the Whittle shell that constrains the Mineral Resources amenable to open pit mining methods;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of Mineral Resource estimates. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license..

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Peru and the United States. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and for Peru in particular include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Corporation's existing assets and operations. Real and perceived political risk may also affect Corporation's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries, which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, and silver. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Currency Risk

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar, the US Dollar, and the Peruvian Nuevo Sol. Fluctuations in exchange rates may have a significant effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Corruption and Bribery

The Company is required to comply with anti-corruption and anti-bribery laws, including the Extractive Sector Transparency Measures Act, the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company. The Company has adopted a comprehensive Anti-Corruption Policy in order to mitigate this risk.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Environmental Risks

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Issuer's operations, could result in additional costs and liabilities, restrictions on or suspension of the Issuer's activities and delays in the exploration of and development of its properties

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

Cautionary Note Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes “forward-looking information” and forward-looking statements” within the meaning of applicable securities legislation (collectively, “forward-looking information” or “forward-looking statements”) concerning the business, operations, financial performance and condition of the Company. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", “projects” , “estimates”, “budgets”, “scheduled”, “forecasts”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible”, "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results “will”, "may", "could", "would", “should”, "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the “Risks and Uncertainties” section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the mineral resources estimates for the AntaKori Project, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A contains forward-looking statements or information pertaining to the anticipated timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, mineral resources, costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

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).