



ALTALEY MINING CORPORATION

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2021

Report dated: November 22, 2021

(Expressed in thousands of Canadian dollars)

TABLE OF CONTENTS

1.-	Cautionary Note Regarding Forward-looking Information	2
2.-	Company Profile and Business Overview	3
3.-	Operating and Financial Performance Highlights	4
4.-	Overall Operations Performance	5
5.-	Quarterly Financial Performance Results	6
6.-	Campo Morado Mine and Tahuehueto Mining Project	9
7.-	Non-GAAP measures	17
8.-	Liquidity	18
9.-	Capital Resources	22
10.-	Off Balance Sheet Arrangements	25
11.-	Transactions with Related Parties	25
12.-	Subsequent Events	26
13.-	Proposed Transactions	26
14.-	Accounting Policies and Critical Estimates and Judgments	26
15.-	Financial Instruments	26
16.-	Other Requirements	27
17.-	Disclosure Control and Procedures	28

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Altaley Mining Corporation (formerly Telson Mining Corporation), (“Altaley” or the “Company”) has prepared this Management’s Discussion and Analysis (“MD&A”) as of September 30, 2021 and should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2020. Unless otherwise stated, all financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) or (“GAAP”) and all dollar amounts herein are presented in thousands of Canadian dollars unless stated otherwise. Unless otherwise stated and per share amounts, references to \$ means thousands of Canadian dollars, US\$ means United States dollars and MXN\$ means Mexican pesos.

All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of November 22, 2021, unless otherwise stated. Additional information on the Company, is also available under the Company’s profile at www.sedar.com and on the Company’s website: www.Altaleymining.com.

The information in this MD&A contains “forward-looking information” that are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements.

1.- Cautionary Note Regarding Forward-looking Information

Certain statements included in this MD&A may contain forward-looking statements that relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements concerning the future financial and operating performance of the Company and its search for resource properties; the future prices of natural resource based commodities; the estimation of reserves and resources; the realization of reserve estimates; timing of technical reports, scoping studies, and preliminary economic assessments; expected content of scoping studies and preliminary economic assessments; anticipated working-capital requirements; capital expenditures; costs and timing of future exploration; requirements for additional capital; government regulation of resource operations; environmental risks; title disputes or claims; and limitation of insurance coverage.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “proposes”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, general business and economic uncertainties; exploration and resource extraction risks; uncertainties relating to surface rights; the actual results of current exploration activities; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of natural resource based commodities; increased competition in the natural resource industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of arbitrary changes in law; title risks; and the risk of loss of key personnel.

The forward-looking statements contained herein are based on a number of assumptions that the Company believes are reasonable but may prove to be incorrect. These assumptions include, but are not limited to, assumptions that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply and demand for natural resource based commodities develops as expected; that the Company receives regulatory approvals for its exploration projects on a timely basis; that the Company is able to obtain financing for its projects on reasonable terms; that the Company’s reserve estimates are within reasonable bounds of accuracy and that the geological, operational and price assumptions upon which they are based are reasonable; and that the Company is able to hire the personnel needed to carry out its business plan.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading “Risks Factors and Uncertainties” elsewhere in this MD&A. Forward-looking statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). No obligation is undertaken to update publicly or otherwise revise any forward-looking statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

2.- Company Profile and Business Overview

Altaley is a Canadian mining company listed on TSX Venture Exchange under the symbol “ATLY” and it is focused on the operation and development of mineral resource properties in North America. The Company owns and operates Campo Morado Mine (“Campo Morado”) in Guerrero state, Mexico and is also advancing its Tahuehueto mining project (“Tahuehueto”) towards production, which is in Durango state, Mexico.

The Company was incorporated on April 11, 1986, under the laws of British Columbia, Canada under the name of Samarkand Resources Corp., and most recently, on June 10, 2021, the Company changed its name to Altaley Mining Corporation.

The location of the Company’s mining properties are as follows:



Campo Morado Mine

Altaley owns 100% of the Campo Morado which includes an underground multi-metal mine with infrastructure, installations and equipment capable of processing 2,500 tonnes of ore per day, as well as six mining concessions occupying approximately 12,045 hectares located in the state of Guerrero, Mexico.

After the acquisition of Campo Morado, the Company restarted mining operations on a pre-production basis starting in October 2017. Effective May 15, 2018, the Company completed commissioning of Campo Morado mine and declared commercial production.

On August 14, 2019, the Company curtailed operations at Campo Morado mine placing the mining project into care and maintenance as a result of declining zinc prices for a period of about five months. However, with increasing zinc prices and significant improvements in community relations the Company made the decision to bring the mine project out of care and maintenance and restarted operations during the last week of January 2020. Nevertheless, on April and May 2020 the Company temporarily suspended operations as mandated by the Mexican Government

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

for COVID-19 precautions, and re-initiated Mining operations on June 3, 2020, after mining was declared an essential service in Mexico and safety and health protocols were approved by the Mexican Government.

Tahuehueto Mining Project

Tahuehueto includes 28 mining concessions that total 7,492 hectares located in the northwest portion of the state of Durango Mexico, about 250 km northwest of Durango city, and 160 km northeast of the city of Culiacan, Sinaloa.

The most recent technical report published for Tahuehueto, a prefeasibility study and reserve/resource calculation, shows the project contains probable reserves of 3.3 million tonnes of grading 3.4 g/tonne gold, 41.8 g/tonne silver, 0.31% copper, 1.1% lead and 2.0% zinc. Furthermore, compliant resources inclusive with reserves, were calculated at Measured and Indicated (M&I) categories to 6.1 million tonnes grading 2.48 g/tonne gold, 42.8 g/tonne silver, 0.31% copper, 1.2% lead and 2.15% zinc plus Inferred Resources of 3.5 million tonnes grading 1.3 g/tonne gold, 37.5 g/tonne silver, 0.27% copper, 1.34% lead and 2.44% zinc.

Effective January 1, 2017, management determined that technical feasibility and commercial viability were established through the positive results associated with the pre-feasibility study completed for this project, therefore, the decision was taken to move the asset into a development stage asset under IFRS.

3.- Operating and Financial Performance Highlights – Three months ended September 30, 2021

- Mine operating profit during the quarter was \$9,558 and total net income of \$4,284. Year to date mine operating profit of \$23,803 and total net income of \$15,655
- Cash flow from operations before changes in non-cash working capital of \$5,785
- Gross revenues of \$23,076
- The Company processed 168,443 tonnes of ore (1,851 tonnes per day - "tpd") grading 4.37% zinc, 0.31% copper, 132 g/t silver and 1.03 g/t gold
- The Company produced 10,743 tonnes of zinc concentrate and 2,690 of lead concentrate
- Approximately 10,169 tonnes of zinc and 2,296 tonnes of lead concentrates were sold with an average grade of 45% and 22% respectively
- Ore mined during the period was 151,388 tonnes of ore grading 4.30% zinc, 1.18% lead, 137 g/t silver and 1.13 g/t gold

Board Changes

On May 10, 2021, the Company announced a restructuring of its Board of Directors which included the following incoming Board members: David Rhodes, Natascha Kiernan, Mark Bailey and Tom Kelly, all independent Directors except for David who is also the Chairman of the Board. In order to accommodate for this Board restructure, the Company also accepted the voluntary resignations as Board members of Rory Godinho, Enrique Margalef and Yao Sun.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

4.- Overall Operations Performance

2021 Quarterly Operational Performance Results

The following table and subsequent discussion provide a summary of the operating performance of the Company for the three and nine months ended September 30, 2021, and 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Operational				
Ore Processed	168,443	127,438	506,872	286,314
Zn concentrate produced (ton)	10,743	7,778	33,568	18,057
Average realized zinc price per tonne (US\$)	\$ 2,915	\$ 2,332	\$ 2,809	\$ 2,071
Zn grade	45%	46%	46%	46%
Zn recovery	66%	70%	71%	70%
Pb concentrate produced (ton)	2,690	1,609	7,245	3,878
Average realized lead price per tonne (US\$)	\$ 2,139	\$ 1,848	\$ 2,063	\$ 1,745
Pb grade	22%	21%	22%	21%
Pb recovery	29%	29%	29%	29%
Cost Analysis				
C1 Cash Cost (US\$/lb)	\$ 0.45	\$ 1.26	\$ 0.55	\$ 0.88
All-in Sustaining Cost (US\$/lb)	\$ 0.70	\$ 0.80	\$ 0.79	\$ 1.03
Financial				
Gross revenues	\$ 23,076	\$ 11,148	\$ 68,781	\$ 25,483
Mine operating profit	\$ 9,558	\$ 473	\$ 23,803	\$ (220)
Income (Loss) for the period	\$ 4,284	\$ 4,377	\$ 15,655	\$ (1,944)
Non-restricted cash	\$ 7,466	\$ 729	\$ 7,466	\$ 729
Working capital deficiency	\$ (5,451)	\$ (56,516)	\$ (5,451)	\$ (56,516)
Shareholders				
Basic earnings (loss) per share	\$ 0.02	\$ 0.03	\$ 0.07	\$ (0.01)
Diluted earnings per share	\$ 0.01	\$ 0.03	\$ 0.06	\$ -

Operational Performance Results

Campo Morado Mine

Production and concentrate sales

During Q3-2021, Campo Morado produced 10,743 tonnes of zinc concentrate grading an average of 45% zinc, 2.29 g/t gold, 724 g/t silver and sold approximately 10,169 tonnes of zinc concentrate generating Q3-2021 revenue from zinc concentrate of US\$12.32 million. Additionally, produced 2,690 tonnes of lead concentrate grading an average of 22% lead, 1.56% copper, 5.45 g/t gold, 919 g/t silver and sold 2,296 tonnes generating Q3-2021 revenue from lead concentrate of US\$2.1 million.

Approximately 151,388 tonnes of mineralized material were mined with average grades of 4.3% zinc, 1.18% lead, 137 g/t silver, 1.13 g/t gold achieving recoveries of 66.4% in zinc, 29% in lead, 11.3% in gold, and 23% in silver. An estimated 168,443 tonnes of mineralized material were processed through the processing plant aching a C1 cash cost per lbs of US\$0.45.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Tahuehueto Mining Project

Pre-production during Q3-2021

There was no mining and/or ore processing during the three and nine months ended September 30, 2021, and 2020.

5.- Quarterly Financial Performance Results

Three and nine months ended September 30, 2021, and 2020

The following tables is a summary of the condensed interim consolidated statements of income (loss) and comprehensive income (loss) of the Company.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Mine operating income	\$ 9,558	\$ 473	\$ 23,803	\$ (220)
General expenses	(2,668)	136	(6,311)	(2,830)
Other (expenses) income	(2,606)	3,768	(1,837)	1,106
Net income (loss) for the year	4,284	4,377	15,655	(1,944)
Foreign currency translation adjustment	281	(4,019)	298	(166)
Total comprehensive income (loss) for the period	\$ 4,565	\$ 358	\$ 15,953	\$ (2,110)

During Q3-2021, the Company reported total mine operating income of \$4,284, total comprehensive income of \$4,565, and basic and diluted earnings per share of \$0.02, and \$0.01, respectively. In comparison, the Company reported total mine operating income of \$4,377, total comprehensive income of \$358, and basic and diluted earnings per share of \$0.03 for the three months ended September 30, 2020.

The overall performance of Campo Morado has improved quarter over quarter during the last eighteen months, this is the result of various initiatives to improve mining and ore production as well as other cost reduction initiatives. When comparing Q3-2021 and Q3-2020, mine production increased from 93,845 tonnes in Q3-2020 to 151,388 tonnes in Q3-2021, plant production increased from 127,438 tonnes of ore processed in Q3-2020 to 168,443 tonnes in Q3-2021. This translates into an increase of tonnes of concentrates produced and sold, which contributed to the increase in mine profit and total income for the period. The following sections will describe this in more detail.

Mine operating income for the three and nine months ended September 30, 2021, and 2020, is comprised of:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Revenue				
Gross sales	\$ 23,076	\$ 11,148	\$ 68,781	\$ 25,483
Treatment and selling costs	(5,364)	(4,451)	(18,854)	(11,951)
	17,712	6,697	49,927	13,532
Cost of Sales				
Production cost	7,254	5,794	23,743	12,701
Royalties	644	231	1,663	462
Accretion of provision for site reclamation and closure	111	88	328	271
Depreciation and amortization	145	111	390	318
	8,154	6,224	26,124	13,752
Mine operating income	\$ 9,558	\$ 473	\$ 23,803	\$ (220)

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

During Q3-2021, the Company generated revenues in the amount of \$23,076 as a result of, selling an estimated 10,169 tonnes of zinc concentrate with an average of 45% zinc and 733 g/t silver at an average selling price of zinc per tonne of US\$2,909 and US\$25.4/oz of silver. The Company also sold about 2,296 tonnes of lead concentrate with an average of 21.7% lead, 793 g/t silver and 5.8 g/t gold at an average selling price per tonne of lead of US\$2,134, US\$25.6/oz silver and US\$1,788/oz gold. Net revenues of \$17,712 were inclusive of treatment charges and penalties in the amount of \$3,357 and freight and selling costs in the amount of \$2,007 reported during the current quarter.

Total cost of sales incurred during Q3-2021 was \$8,154, including production cost in the amount of \$7,254, which represents direct costs attributable to the production of concentrates. It also includes royalties paid and/or payable to the Servicio Geologico Mexicano in the amount of \$644, for a 2% and 3% discovery royalty and accretion, and depreciation expenses of \$111 and \$145, respectively. Accretion charged to the cost of sales relates to the increase in the carrying amount of the provision for site reclamation and closure due to the passage of time by using a discounted cash flow approach and depreciation was recorded to recognize the declining value of the tangible assets due to its use based on the straight-line method of depreciation over the estimated life of the assets.

During the three months ended September 30, 2021, the Company processed 168,443 tonnes of mineral compared to approximately 127,438 tonnes of ore processed in the comparative period. The Company also mined about 151,388 tonnes of ore in Q3-2021 compared to 93,845 tonnes of ore during the comparative period. Other variables such as treatment and selling costs, production costs associated with the production of concentrates and royalties also increased accordingly on the same basis as production increased.

General and administration expenses for the three and nine months ended September 30, 2021, and 2020 are comprised of:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
General Expenses				
Consulting fees, wages and benefits	\$ 524	\$ (464)	\$ 1,632	\$ 1,790
Legal and professional fees	231	89	579	220
Office, rent and administration	1,375	112	2,334	490
Amortization of right-of-use assets	33	55	60	110
Regulatory, transfer agent and shareholder information	24	(4)	43	17
Travel, promotion and investor relations	142	53	608	180
Share-based compensation	339	23	1,055	23
	\$ 2,668	\$ (136)	\$ 6,311	\$ 2,830

During Q3-2021, the Company incurred general expenses in the amount of \$2,668, compared to \$136 earned during Q3-2020. The net increase of \$2,804 is mainly attributable to the following:

Share-based compensation recorded in the current period relates to stock options granted between January and September 2021, to certain directors, officers, employees and insiders of the Company for an aggregate amount of 8,775,000 stock options issued following the terms of the Company's stock option plan. These stock options are exercisable into one common share of the Company at an exercise price between \$0.20 and \$0.55 per common share for a period of five years. The stock options granted vest as to one third on the date of the grant, one third after six months and one third on the first-year anniversary; this represents a total vesting period of 12 months.

Office, rent, and administration costs increased \$1,263 due to \$740 in bank fees related to the arrangement of the Accendo Loan, in addition to \$444 increases in Campo Morado headquarters costs including surcharges, updates and professional fees. Consulting fees, wages, and benefits increased \$988 between Q3-2020 and Q3-2021 as a result of costs associated with the preparation of commercial production from the Tahuehueto mining project. Costs capitalized to the Tahuehueto mining project in Q3 2020 resulted in a gain in the comparative period, thus increases in consulting fees, wages and benefits are primarily a result of gains not realized in Q3 2021.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Legal and professional fees increased by \$142 in connection to extra legal fees incurred during the Q3-2021 as a result of more legal corporate activity in connection to the preparation and review of agreements related to the restructure of debt agreements with Escorfin, Nyrstar and Trafigura, and also to prepare and review the loan agreement with Accendo Banco S.A. de C.V. ("Accendo") and Empress Royalty Corp., to provide the Company financing to complete the construction and ramp-up of Tahuehueto mining project.

Other expenses (income) for the three and nine months ended September 30, 2021, and 2020 are comprised of:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Other (income) expense:				
Interest income and other	\$ (212)	\$ 119	\$ (425)	\$ (247)
Accretion of provision for site reclamation and closure	7	8	22	24
Change in fair value of marketable securities	135	(54)	275	(521)
Interest expense and other	613	286	3,120	972
Other (income) expenses	1,912	-	(825)	-
Foreign exchange loss (gain)	151	(4,127)	(330)	(1,334)
	\$ 2,606	\$ (3,768)	\$ 1,837	\$ (1,106)

During Q3-2021, the Company incurred net other expenses in the amount of \$2,606, compared to net other income of \$3,768 incurred during Q3-2020. The total net other expenses incurred in the current quarter is mainly attributable to: 1) An amount of \$225 was recorded during the quarter in connection to the restructure of the loan with Nyrstar; 2) An amount of \$1,312 was recorded as a result of non-substantial modifications to the Campo Morado Loan Agreement and Real de la Bufa Loan Agreement with Trafigura, 3) An amount of \$110 was recorded as a loss for the substantial modification of the Line of Credit with Escorfin which resulted in an extinguishment of the Line of Credit, and 4) About \$690 of accrued interest on the loans with Trafigura, Nyrstar and Escorfin. Additionally, foreign exchange variations are recorded in connection to fluctuations in exchange rates between the United States dollar, Mexican peso and Canadian dollar and the underlying assets or liability and the currency in which these are receivable or payable.

Selected Quarterly Financial Information

	2021			2020				2019
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gross revenues	\$ 23,076	\$ 24,489	\$ 21,216	\$ 18,960	\$ 11,148	\$ 6,608	\$ 7,727	\$ 1,580
Mine operating income (loss)	9,558	9,056	5,189	(260)	473	(756)	63	(3,156)
Net profit (loss)	4,284	7,568	3,802	(9,680)	4,377	(4,553)	(1,768)	(1,944)
Basic earnings (loss) per share	0.02	0.03	0.02	(0.06)	0.03	(0.03)	(0.01)	(0.17)
Diluted earnings (loss) per share	0.01	0.03	0.01	(0.06)	0.03	(0.03)	(0.01)	(0.17)
Cash	7,466	8,908	10,792	257	729	662	242	145
Total assets	81,265	69,207	64,125	52,924	52,862	50,766	52,355	51,234
Non-current liabilities	41,605	6,620	6,465	6,435	6,422	5,754	5,758	6,228
Equity (deficiency)	5,461	(903)	(12,316)	(26,711)	(23,493)	(25,078)	(24,531)	(24,132)
Working capital deficiency	(5,451)	(38,470)	(45,881)	(60,334)	(56,516)	(58,912)	(59,023)	(56,239)

Q1 through Q3 2021 continue to reflect the overall economic and operations improvements of the Company since the change of management on February 18, 2020. Since then, many operation and admin initiatives have been put in place resulting in improvements to the operations and all areas of the Company. Key indicators including mine and production rates, sales and other have significantly improved quarter over quarter which translates into higher revenues, lower costs and expenses and higher profits.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Cash flow results

The following table provides a summary of cash flows for the three and nine months ended September 30, 2021, and 2020:

	Three months ended September 30, 2021		Nine months ended September 30, 2020	
	2021	2020	2021	2020
Cash provided by (used in):				
Operating activities	\$ (467)	\$ 4,184	\$ 1,731	\$ (2,076)
Investing activities	(4,717)	(659)	(10,554)	(1,537)
Financing activities	7,252	1,502	19,926	3,015
Effect of foreign exchange rate changes on cash	536	(4,960)	152	1,182
Increase in cash during the period	2,604	67	11,255	584
Cash beginning of period	8,908	662	257	145
Restricted funds	(4,046)	–	(4,046)	–
Cash end of period	\$ 7,466	\$ 729	\$ 7,466	\$ 729

As of September 30, 2021, the Company had a cash balance of \$7,466 and a working capital deficiency of \$5,451. Current liabilities at the same date are in the amount of \$34,199, which have been incurred in connection with the acquisition and restart of Campo Morado mining project, the advancement of the Tahuehueto project into development and maintaining the Company's public listing.

During the period ended September 30, 2021, the Company used net cash in operating activities in the amount of \$467 compared to cash generated in the amount of \$4,184 during the same period of last year. The decrease in cash is due to the changes in working capital items that used most of the available cash to pay for accumulated accounts payable and accrued liabilities.

The Company also used cash for \$4,717 in investing activities during Q3-2021 compared to \$659 used during the period ended September 30, 2020. The \$4,058 increase in cash used in investing activities was cash used in development asset additions to continue the advancement of its Tahuehueto project and add to its fixed assets.

During the current period, the Company generated \$7,252 in financing activities comprised mainly of newly acquired debt for proceeds of \$7,134 inclusive of the first and second tranches of the Accendo MTLF. Current available financing is being used to finalize the development activities at the Tahuehueto project and general working capital purposes.

6.- Campo Morado Mine and Tahuehueto Mining Project

Campo Morado Mine

Summary of NI 43-101 compliant Mineral Resources and Preliminary Economic Assessment, the "PEA"

The PEA Report was prepared by Eric Titley BSc, PGeo of Titley Consulting Ltd., William J. Lewis BSc, PGeo of Micon International Limited ("Micon"), Christopher Jacobs CEng, MIMMM of Micon, James W.G. Turner BSc(Hons) ACSM, MSc MCSM, MIMMM CEng of Micon and Eur Ing Bruce Pilcher CEng, FIMMM, FAusIMM (CP) of Micon.

Campo Morado PEA Highlights

Undiscounted cash flow before income and mining taxes of US\$114M

- Pre-tax Net Present Value ("NPV") at an 8% discount rate of US\$81M
- Undiscounted cash flow after income and mining taxes of US\$91M
- After-tax NPV at a discount rate of 8% of US\$65M
- Life of mine ("LOM") of 12 years, with 9.7 million tonnes of potential mill feed at an average grade of 4.33% zinc grade, 1.00% lead grade, 0.78% copper grade, 131.9 grams per tonne ("g/t") of silver and 1.71 grams

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

per tonne ("g/t") of gold.

Note – only potential mill feed resources located in close proximity to existing underground mine workings that are easily accessible with limited mine development are currently included in the PEA mine plan. There are additional measured and indicated resources of approximately 6.9 million tonnes available that could extend the projects LOM.

- Mining rate of 2,500 tonnes per day ("tpd")

Campo Morado Mine resources estimate with effective date as at November 5th, 2017:

Cut-off ZnEq (%)	ZnEq (%)	Tonnes	Au (g/t)	Ag (g/t)	Cu (%)	Pb %	Zn (%)
Measured							
3.0	6.94	17,004,000	1.34	91	0.73	0.67	3.17
4.0	7.87	13,412,000	1.49	104	0.76	0.78	3.71
5.5	9.27	9,292,000	1.70	124	0.82	0.94	4.56
7.0	10.71	6,318,000	1.88	143	0.87	1.11	5.44
Indicated							
3.0	5.78	16,848,000	1.25	85	0.68	0.61	2.25
4.0	6.62	12,324,000	1.42	99	0.72	0.73	2.68
5.5	7.94	7,335,000	1.70	123	0.78	0.92	3.31
7.0	9.32	4,086,000	1.96	151	0.86	1.12	3.94
Measured + Indicated							
3.0	6.36	33,852,000	1.29	88	0.70	0.64	2.71
4.0	7.27	25,736,000	1.46	102	0.74	0.76	3.22
5.5	8.68	16,627,000	1.70	123	0.80	0.93	4.01
7.0	10.16	10,404,000	1.91	146	0.87	1.11	4.85
Inferred							
3.0	5.03	3,316,000	0.98	76	0.52	0.58	2.10
4.0	5.85	2,152,000	1.11	90	0.55	0.71	2.54
5.5	7.27	988,000	1.32	116	0.64	0.92	3.20
7.0	8.75	416,000	1.52	148	0.76	1.10	3.78

Campo Morado Operations

Altaley purchased Campo Morado in September 2017 and during August 2017, Altaley commenced underground pre-production mining operations at Campo Morado. Mining development commenced within the El Largo Zone with mineralized mined development material transported and stockpiled at the mill site.

On August 14, 2019, the Company suspended mining operations at Campo Morado placing the mine into care and maintenance as a result of weak zinc prices.

Altaley brought the mine out of care and maintenance and reinitiated mining and milling operations during late January 2020, subsequently during April and May 2020 the Company temporarily suspended operations as

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

mandated by the Mexican Government for COVID-19 precautions, and re-initiated Mining operations September 4, 2020, after mining was declared an essential service in Mexico.

As of the date of this MD&A mining operations are continuing.

Management initiated an extensive metallurgical test work program to investigate technologies for potentially increasing both base metal recoveries and precious metal recoveries at Campo Morado, which, if successful, will enable Campo Morado to increase revenues and will create additional mine flexibility to target precious metal rich zones in times of reduced base metal pricing. This metallurgical test work program commenced during mid-July and is expected to be completed within four months during November 2021. Successful testing results from these technologies may also allow the Company to reprocess the existing tailings stored in the historic tailings facility to potentially recover a portion of the precious and base metals contained within the tailings.

- The company has engaged Maelgwyn Mineral Services Ltd ("MMS") of Cardiff, United Kingdom to investigate the potential for increased recoveries of gold, silver, zinc, lead and copper through MMS patented Imhoflot™ pneumatic flotation technology for concentrate flotation and Leachox™ Process for forced oxidation and leach recovery of precious metals.
- The Imhoflot™ pneumatic flotation pilot plant has been in operation at it rated capacity for approximately six weeks at Campo Morado . Altaley is testing the recoveries of base metals generated by the Imhoflot pilot plant to compare with the recoveries currently being realized within the mine's traditional mechanical flotation circuit. This pilot plant testing will end during the first week of December and the equipment returned to MMS. Upon completion the testing results will be analyzed by MMS and reported to the Company.

The Company has also engaged Glencore Technologies to test the possibilities of increased metal recoveries utilizing Jamison Cell Flotation Technology. A Jamison cell pilot plant recently arrived to Campo Morado and is in the process of assembly to begin testing a number of process streams within the processing plant and will also test the potential metal recoveries from historic tailings material stored within the Naranjo Bajo tailings storage facility. This Jamison Cell pilot plant is anticipated to operate at Campo Morado for at least 60 to 90 days.

- Altaley is also in discussions with Woodgrove Technologies designing a pilot plant program utilizing Woodgrove Flotation Reactor technologies to test Woodgrove's patented technology for potential increases in both base and Precious metal companies. It is anticipated that a Woodgrove pilot plant would be available at the Campo Morado mine site early Q1 2022.

Forced Oxidation and Leaching Technologies

- As part of the extensive metallurgical testing program underway Altaley is planning to move into second phase testing with both the LeachOx Process and Albion Process. These two proven competing patented technologies effectively force oxidize material from a processing plant and subject the oxidized material to leaching to recover metals. Material to be oxidize can be metal concentrates and/or tailings material. The previous owner of the Campo Morado mining unit conducted successful first phase testing of forced oxidation and leaching techniques with the LeachOx Process and the Albion process both demonstrating a potential pathway to increase precious metal recoveries at the mine.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

ABOUT 2013 1ST PHASE LEACHOX TESTING AT CAMPO MORADO

- Previous First Phase Leachox testing was conducted very successfully on Campo Morado mineralization during 2013 by the mine's previous owner. (See the Company's press release dated [April 1, 2019](#) where historic Leachox testing showed recovery increases up to 65% gold and 86% silver are possible at Campo Morado).
- 2013 Leachox testing demonstrated that substantial increases in precious metal recoveries are available at Campo Morado using Maelgwyn Leachox Process. Very positive results were obtained in the 2013 testing of two separate mineralized zones where samples were submitted for testing to MMS. First phase Leachox testing returned recovery results of up to 65% gold and 75% silver at a grind size of 20 microns from the process tailings sample of the G9-Southwest Zone and recoveries of 45% gold and 81% silver at a grind of 40 microns were returned from the Reforma deposit sample. MMS's 2013 report stated, "It should be noted that the above test work was scouting test work only and higher recoveries would probably be achieved with optimization work". Campo Morado current recoveries using only mechanical flotation are approximately 20% for gold and 40% for silver.

ABOUT THE LEACHOX PROCESS:

- The Leachox process is a partial sulphide oxidation process for the recovery of gold and silver from sulphide minerals. Depending upon the mineralogy, several processes are used, but central to the Leachox process is the Aachen shear reactor. In the leach process, it enhances the kinetics and reduces reagent consumptions (oxygen, cyanide, and lime) which otherwise can be prohibitive. The reactor is designed to introduce a high degree of shear which removes passivating films that reduce recovery.

ABOUT ALBION PROCESS™

- Albion Process™ is a combination of ultrafine grinding and oxidative leaching at atmospheric pressure. The feed to the Albion Process™ are base or precious metal concentrates. The sulphides in the feed are oxidised and valuable metals liberated, with the economic metals recovered by conventional downstream processing. It was developed in 1994 by Glencore and is patented worldwide.

Altaley also intends to initiate metallurgical testing utilizing other potential recovery methods such as bioleaching and the SART process to test the effectiveness of these technologies to improve recoveries from ongoing operations and potentially reprocessing the existing precious metal rich tailings stored within the historic Bajo Tailings Storage Facility.

During July 2021 the Campo Morado operations team completed work on the expansion of the Alto Tailings Storage Facility ("TSF"). This expansion work just completed provides an additional capacity of approximately 13 months. Additional future expansions of the TSF incorporated in the original TSF design can extend the TSF life by an additional 4 years.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020



Tahuehueto Mining Project

NI 43–101 Compliant Pre-Feasibility Study

In January 2017, Altaley announced the results of a NI 43–101 compliant Prefeasibility Study (the “PFS”) for Tahuehueto.

The PFS was prepared by Metal Mining Consultants Inc. based in Highlands Ranch, Colorado. The PFS was authored by Scott E. Wilson of MMC along with contributions from other industry experts. This PFS has been prepared in compliance with Form 43-101F1 (Technical Report) and Companion Policy 43-101CP. The effective date of the report is November 18, 2016.

The following summarizes the PFS.

The Tahuehueto is an advanced stage polymetallic project. The mineralization consists of epithermal Au-Ag veins and brecciated structures with lead, zinc and copper, located in the Durango State within the prolific Sierra Madre Mineral Belt which hosts a series of historic and producing mines and most of México’s active exploration and development projects.

From 1996 to the day of this PFS, Altaley and Real de la Bufa, S.A. de C.V., a Mexican subsidiary of Altaley, have conducted surface and underground sampling and mapping, drilled 248 holes totalling 47,276m into several mineralized bodies, and conducted metallurgical testing, as well as geophysics and other geological studies. The Project consists of 28 mining concessions that total 7,492.7889 ha.

Tahuehueto configuration evaluated in the PFS is an owner-operated 790 tpd underground mine that will utilize overhand cut and fill mining with conventional mining equipment in a blast/load/haul operation. Mill feed will be processed in a 550 tpd comminution circuit consisting of primary and secondary crushing, grinding in a single ball mill followed by three floatation circuits producing lead, copper, and zinc concentrates. The concentrates will be trucked from site for smelting and refining.

The highlights of this Pre-Feasibility Study report include:

- Post-tax Net Present Value (“NPV”), using an 8% discount rate of US\$77M, with an internal rate of return (“IRR”) of 36% and a payback period of three years.
- Pre-tax NPV, using an 8% discount rate of US\$138M with an IRR of 56%.
- Financial Analysis completed on base case metal price forecasts of US\$0.87/lb for lead, US\$0.92/lb for zinc, US\$2.65/lb for copper, US\$1,180/oz for gold and US\$16.70/oz for silver.
- Metal Prices lower than 3-year averages.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

- Average annual earnings before interest, taxes, depreciation, and amortization (“EBITDA”) of US\$16.7M per year and US\$352M over the life of the Project.
- Probable Mineral Reserves of 3.3 million tonnes, grading 3.4 g/t gold, 41.8 g/t silver, 0.31% copper, 1.1% lead and 2.0% zinc.
- 21-year mine life with average annual production of 16,100 oz of gold, 177,100 oz of silver, 900 k-lbs of copper, 3,200 k-lbs of lead and 5,600 k-lbs of zinc.

Pre-production capital costs of US\$32.2M including US\$17.2M surface site development including mill construction and US\$14.9M of mining equipment and preliminary underground development.

The mineral resource has been limited to mineralized material that occurs within the mineralized blocks and which could be scheduled to be processed based on the defined cut-off grade. All other material was reported as non-mineralized material.

Table 1.1 Tahuehueto Measured, Indicated, and Inferred Mineral Resource Estimate cut-off grade of 2.5 g/t of gold equivalent (AuEq)

Classification	kTonnes	Au Grade (gpt)	Cont Au kOz	Ag Grade (gpt)	Cont Ag kOz	Cu Grade (%)	Cont Cu klbs	Pb Grade (%)	Cont Pb klbs	Zn Grade (%)	Cont Zn klbs
Total Measured	2,771	2.77	247	44.70	3,982	0.31	18,914	1.27	77,827	2.29	139,821
Total Indicated	3,343	2.23	240	41.26	4,435	0.30	22,466	1.15	84,455	2.04	155,687
Total Measured and Indicated	6,114	2.48	487	42.82	8,417	0.31	41,380	1.20	162,282	2.15	295,508
Total Inferred	3,501	1.31	147	37.59	4,230	0.27	20,469	1.34	103,080	2.44	188,409

Tahuehueto Bulk Sample and Pre-production Testing

On February 23, 2017, the Company announced that it had finalized the sale of lead and zinc concentrates produced from its industrial scale bulk sample collected from the El Creston zone during late 2016 and 2017, on its 100% owned Tahuehueto project.

The collection and processing of this industrial test provided proof of concept that the selective mining method utilized in the bulk sample collection to be employed at Tahuehueto in future mining operations resulted in industry-standard mining costs and metal recovery processes utilized at the sulphide flotation toll mill were very successful in producing saleable lead and zinc concentrates.

Tahuehueto Pre-production Program

Based upon the successful results of the above referenced industrial-scale bulk sample, Management initiated a program of pre-production during the Tahuehueto mine development and construction phase. Pre-production mining commenced early September 2017 and continued throughout 2018 and part of 2019. Management curtailed pre-production at Tahuehueto during Q3 2019.

Tahuehueto Pre-production operations during 2019, produced a total of 32,558 tonnes of ore.

During 2019, an estimated 12,316 tonnes of ore were shipped to the Atocha Toll Mill.

Mineral processing at the Atocha Toll mill processed 13,574 tonnes of ore producing,

- 436 tonnes of lead concentrate with average grades of 90.08 grams per tonne gold, 879 grams per tonne silver, 39% lead, and 4.80% copper.
- 547 tonnes of zinc concentrate with average grades of 12.23 grams per tonne gold, 158 grams per tonne silver, and 45% zinc.

Overall average metal recoveries achieved during the 2019 were 83.83% gold, 84.56% silver, 88.89% lead, 82.02% zinc, and 93.37 copper.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Underground Exploration

Tahuehueto underground development along the major mineralized structure, El Perdido, extended approximately 225 meters along strike to the north-east from the Level 12 access decline. The first 60 meters of this development was designed to prepare reserves identified by previous drilling for mining, however, the development drift was extended in continuous mineralization beyond known reserves/resources outlined by previous drilling and exposed an additional 165 meters of continuous mineralization beyond the known drilling. This development is effectively serving as both mine development and underground exploration and is adding new resources at Tahuehueto. Underground exploration drilling is planned to further explore this newly exposed mineralization within the El Perdido structure.

Channel sampling results from this newly exposed El Perdido mineralization are the subject of corporate news releases dated June 25, 2019 available on the Company's web site and are verifying the continuity of mineralization along the El Perdido structure helping to prove managements assumption that the El Perdido Zone connects with the Santiago Zone on the same structure and if continuously mineralized will allow new exploration along approximately 800 meters of unexplored structure which could add significant additional resources to the project.

Mine Construction and Underground Development

The Company initiated underground development work in November 2017. Underground development is estimated to be 90% complete to provide continuous ore feed for at least the first full year of production to the on-site processing facility under construction. Development included the Level 12 decline, the El Perdido development drift, El Creston development drift, the Haulage level portal, and the main access decline for Level 20 known as Ramp 540.

Altaley initiated construction activities on-site at Tahuehueto in 2018. In 2018 and 2019 construction was advanced to within an estimated 50-60% of completion. However, as a result of reduced cash flows from the Company's Campo Morado operations, Altaley management curtailed, on a temporary basis, its construction efforts at Tahuehueto.

On February 23, 2021, the Company announced that it had executed a Letter of Intent with Accendo Banco S.A. de C.V. ("Accendo"), Empress Royalty Corp., & Endeavour Financial (the "Accendo Syndicate") to provide up to US\$25 million of financing (collectively the "Financing") to complete the construction and ramp-up of Altaley's 100% owned Tahuehueto project. The reader is referred to the Company's press release of February 23, 2021 available on the Company's website, www.Altaleymining.com.

On March 30, 2021, the Company announced that it had completed the first stage of the above referenced financing by closing a \$10.1 million non brokered private placement. Proceeds from this private placement allowed the Company to reinstate construction efforts at Tahuehueto. The reader is referred to the Company's press release of March 20, 2021, available on the Company's website.

On April 16, 2021, Altaley announced the execution of US\$5 million silver stream agreement Empress Royalty Corp. and on July 22, 2021 Altaley announced a US\$12 million loan facility agreement with Accendo Banco S.A. Institucion de Banca Multiple to complete the final part of its previously announced US\$25 million Accendo Syndicate Funding plan providing a fully funded solution to complete the construction and ramp-up of Altaley's 100% owned Tahuehueto Gold Mine project.

On September 30, 2021 the Company was notified that Accendo had its banking license revoked by Mexican regulators thereby rendering the Accendo loan facility unavailable for future drawdowns. The Company had drawn approximately US\$6.5 million from the facility and had proximately \$3 million deposited in the current banking account with Accendo.

Altaley, is intending to fund final capital requirements with cash deposits, positive cash flow from Campo Morado and a US\$3 million bridge loan financing or private placement.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

As of the date of this Management Discussion construction efforts at Tahuehueto have advanced steadily with good progress being made on all fronts including assembly of the milling facility, camp construction being essentially complete, construction of the tailing's storage facility, road access improvements, waterline and power generation plant. Construction efforts are continuing in anticipation of commencing production at half capacity of approximately 500 tonnes per day near the end of 2021 and completing construction in early 2022 to ramp up to full anticipated capacity of 1,000 tonnes per day.

1st Ball Mill Being Installed



Mill Concentrate Filtration Area



Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Mineral Properties and Development Assets

Effective January 1, 2017, the Company commenced capitalization of all direct costs related to the development of the Tahuehueto project to property, plant and equipment under IAS 16, as management determined the technical feasibility and commercial viability were established through the positive results associated with the pre-feasibility study, thereby moving it into a development stage asset under IFRS.

As at September 30, 2021, the Company capitalized the following acquisition and developments costs:

MINERAL INTEREST AND DEVELOPMENT ASSETS

	Tahuehueto
Balance as at December 31, 2020	\$ 16,585
Costs incurred:	
Freight and related costs	156
Depreciation and amortization capitalized	1,013
Camp cost, equipment, and field supplies	573
Supplies, fuel, lubricants and other	135
Project general and office expenses	233
Permitting, environmental and community costs	205
Salaries and wages	345
Share-based compensation	104
Travel and accommodation	58
Interest capitalized, net	1,349
Total additions for the year	4,171
Foreign currency movement	409
Balance, September 30, 2021	\$ 21,165

Qualified Person

The Qualified Person who has reviewed and approved all technical disclosure in this MD&A is Ralph Shearing, P. Geol, who is the Company's President, CEO and Director.

7.- Non-GAAP measures

The Company has included certain non-GAAP performance measures throughout this MD&A. These performance measures are employed by management to assess the Company's operating and financial performance and to assist in business decision-making. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors and other stakeholders use this information to evaluate the Company's operating and financial performance; however, as explained elsewhere herein, these non-GAAP performance measures do not have any standardized meaning. Accordingly, these performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

C1 cash cost per pound of payable zinc

C1 cash costs per pound of payable zinc for the Campo Morado Mine operation are estimated by adding the total cost to produce concentrate (mining, milling, site general and administration), adding the cost of transporting concentrate to the point of sale, adding the cost of smelter treatment and refining charges, subtracting the by-product credits estimated from sales of lead, silver, gold and dividing by the pounds of payable zinc. By-product credits are calculated using the realized weighted average metal price, during the year.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

All-in sustaining costs (“AISC”)

The Company believes that AISC more fully defines the total costs associated with producing zinc. The Company calculates all-in sustaining costs as the sum of total cash costs (as described above), corporate general and administrative expense (net of stock-based compensation), reclamation cost accretion and amortization and sustaining capital, all divided by the zinc pounds produced to arrive at a per pound figure.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus growth capital.

(Amounts in US dollars)

	Three months ended September 30,		Nine months ended September 30,					
	2021	2020	2021	2020				
Non GAAP reconciliation								
Production payable Zinc (1,000 lb)		8,888	6,564	27,957	15,136			
Production cost per financial statements (US\$000)	\$	5,757	\$	4,373	\$	18,995	\$	9,419
Treatment and refining charges (US\$000)		2,664	2,326	9,757	6,553			
Freight (US\$000)		1,593	1,024	5,304	2,293			
By-product credits (US\$000)		(6,035)	(2,593)	(18,669)	(4,952)			
C1 cash cost (US\$000)	\$	3,979	\$	5,131	\$	15,387	\$	13,313
C1 cash cost per payable pound of zinc (US\$/lb)								
Production Cost	\$	0.65	\$	0.67	\$	0.68	\$	0.62
Treatment and refining charges		0.30	0.35	0.35	0.43			
Freight		0.18	0.16	0.19	0.15			
By-product credits – estimated		(0.68)	(0.39)	(0.67)	(0.33)			
C1 cash cost per payable pound of zinc (US\$/lb)	\$	0.45	\$	0.78	\$	0.55	\$	0.88
All-in Sustaining Costs								
C1 cash cost (US\$000)	\$	3,979	\$	5,131	\$	15,387	\$	13,313
Depletion, Depreciation & Amortization (US\$000)		115	83	311	235			
Accretion (US\$000)		88	66	262	200			
Corporate Costs (US\$000)		939	(318)	2,743	1,431			
Royalties (US\$000)		511	173	1,330	343			
Capital Expenditure (sustaining) (US\$000)		632	95	2,104	95			
All-in Sustaining Costs (US\$000)	\$	6,263	\$	5,230	\$	22,138	\$	15,617
AISC per payable pound of zinc (US\$/lb)	\$	0.70	\$	0.80	\$	0.79	\$	1.03

Note: Amounts in the table above are presented in thousands of US dollars. These amounts were translated into US dollars using the average foreign exchange rate or the true US dollar amounts if available.

8.- Liquidity

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, development, exploration and evaluation of assets. The Board does not impose quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

The Company's principal business activity is the production of base metals and the acquisition, exploration and development of resource properties in Mexico, with a focus on the mine operation of Campo Morado and the development of Tahuehueto mine project. Effective May 16, 2018, the Company completed commissioning of Campo Morado mine and declared commercial production. On February 23, 2021, the Company executed a letter of intent with Accendo Banco S.A. de C.V., Empress Royalty Corp., & Endeavour Financial (the “Accendo Syndicate”) to provide up to US\$25 million of financing to complete the construction and ramp-up of Tahuehueto mining project, meet debt service obligations and working capital purposes. On September 29, 2021, the Mexican National Banking and Securities Commission revoked Accendo's banking license and started its liquidation. The Company has a US\$5.8 million balance to be drawn down from its executed Medium Term Loan Facility (“MTLF”)

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

which is now considered impaired and was part of the total US\$25 million Accendo Syndicate financing. Notwithstanding, subsequent to completing the necessary financing to place Tahuehueto into commercial production there can be no assurances that the Company will meet its production targets and that realized metal prices will be sufficient to cover the cost of operations. In addition, the business of mineral development involves a high degree of risk and there can be no assurance that the Company's current operations, including development programs, will result in profitable mining operations. The recoverability of the carrying value of mineral interests, and the Company's continued ongoing existence is dependent upon the preservation of its interest in the underlying properties, the achievement of profitable operations, the ability of the Company to raise additional sources of funding, and/or, alternatively, upon the Company's ability to dispose of some or all of its interests on an advantageous basis. These conditions may cast significant doubt upon the Company's ability to continue as a going concern. The Company has a working capital deficit as at September 30, 2021 of \$5,451 and an accumulated deficit of \$85,097. Current liabilities as of the same date are in the amount of \$34,199, which have been incurred in connection with the acquisition and restart of Campo Morado mining project, the advancement of the Tahuehueto project into development and maintaining the Company's public listing in good standing. The condensed interim consolidated financial statements of the Company as at September 30, 2021, have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business.

There are inherent risks to mining that may affect the Company's liquidity. The ability to generate revenue and positive cash flow will depend on the ability of the Company to meet its production targets, ship concentrates and realize economic commodity prices for zinc, lead, gold and silver. Exchange rates could also have a significant impact on the Company's profitability since some of its costs and expenses are denominated in currencies other than the US dollar.

The Company has received the following sources of capital:

Line of Credit

On July 22, 2016, the Company entered into an agreement with Estrategica Corporativa en Finanzas, S.A.P.I. de C.V. ("Escorfin"), for a line of credit for up to \$9.2 million (MXN\$150 million) (the "LOC"). The funds from the LOC were used towards the Company's investment plan established in its completed Internal Scoping Study. The funds drawn down under the LOC accrue interest at a rate of 15% per annum, payable monthly after a grace period of 12 months. Interest generated during the grace period will be subsequently paid in 12 consecutive monthly instalments. Furthermore, the Company is required to pay back any cash advances in 24 equal consecutive monthly instalments following a 36-month grace period and no later than July 28, 2022. In case of default any payment under the LOC, the Company will pay a moratorium interest rate of 30% per annum. The Company has drawn down from its LOC a total amount of \$2.8M (MXN\$46 million) primarily to further its Tahuehueto project.

Effective July 1, 2021, the Company and Escorfin agreed to amend the LOC agreement resulting in a substantial modification whereby the outstanding balance including interest was capitalized and converted to United States dollars at current exchange rates. The remaining term was extended 36 months from the date of amendment with a grace period equal to 12 months on principal and interest. The amended interest rate was decreased to 10% per annum from 15% per annum and as consideration for LOC modification, the Company has agreed to issue Escorfin, 500,000 bonus shares and 1,500,000 bonus warrants. Each bonus warrant is exercisable within a period of two years at a price of \$0.475. The shares issued were valued at the date of issuance, July 30, 2021 and the bonus warrants were fair valued using the Black-Scholes option pricing model, together totaling \$1,197 which was recorded in other assets.

For the three months ended September 30, 2021, the Company has an outstanding balance of \$4,643, it capitalized accrued interest of \$284, accrued additional interest in the amount of \$114, and repaid principal and interest in the amount of \$nil. For accounting purposes and due to the modification of LOC terms explained above, the Company recorded an extinguishment loss of \$110.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Due to Nyrstar Mining Ltd

As at September 30, 2021, the Company has a balance owing of \$6,556, which includes accrued interest of \$491 for the period, interest paid of \$2,345, and principal paid of \$674.

On June 13, 2017, the Company acquired Campo Morado mine for a total purchase price of US\$20 million paid as follows: 1) US\$0.8 million at signing of the agreement (paid), 2) US\$2.7 million on or before September 12, 2017 (paid), and 3) US\$16.5 million on or before June 13, 2018 (US\$11.5 million paid).

On June 12, 2018, the Company renegotiated the terms for the remaining US\$8.5 million balance on the Campo Morado Agreement and entered into a loan agreement with Nyrstar ("Campo Morado Loan Agreement").

Effective June 17, 2021, the Company and Nyrstar agreed to amend the Campo Morado Loan Agreement with the following terms: the Company will repay the interest owing, a portion of the principal of the loan and the incurred VPP for a total of US\$3.2 million (paid) upon the execution and funding of the Accendo MTLF. The remaining outstanding balance of the loan will be paid in twenty-six equal monthly instalments accruing interest at a rate of 10% per annum.

Along with the monthly principal repayments mentioned above, Altaley will also pay at the end of each quarter once the grace period has ended, 70% of any excess cash above US\$7 million generated by Altaley on the Campo Morado mining project.

The above loan amendments resulted in a non-substantial modification of the obligation, with the terms outlined above. As a result of the amendment of terms, the Company recognized a loss on modification totaling \$225 impacting the valuation in relation to the Campo Morado Loan Agreement.

Effective April 13, 2021, the Company exercised its option to settle the US\$4 million VPP obligation under the Campo Morado Agreement. As consideration, it was agreed that the obligation was settled with 14,600,000 common shares of Altaley valued at \$0.345 per common share. The Company recorded a gain of \$2,125 which represents the difference between the fair value of common shares issued at \$2,920 and the \$5,045 contingent consideration settled with Nyrstar.

Effective September 30, 2021, Breakwater Resources Ltd. ("Breakwater") acquired from Nyrstar the rights and obligations associated with the Campo Morado Loan Agreement. The Deed of Novation between the Company, Nyrstar, and Breakwater effectively releases and discharges the Company and Nyrstar from further obligations to each other with respect to the Campo Morado Loan Agreement and their respective rights against each other thereunder are cancelled. In respect to the Deed of Novation, the Company and Breakwater each undertake liabilities and obligations towards the other and acquire rights against each other effectively replacing Nyrstar with Breakwater as the lender in relation to the Campo Morado Loan Agreement.

Loan Facilities

On September 11, 2017, the Company entered into a loan agreement ("Loan Agreement Campo") with Trafigura in the amount of US\$5 million for financing working capital to initiate the restart of continuous mining operations at the Campo Morado mining facility. The loan bears interest at an effective annual rate equivalent to LIBOR (3M) plus 5%, it has a three-year term with nine months grace period followed by thirty monthly repayments. In connection to the loan agreement the Company's subsidiary, Minas de Campo Morado, S.A. de C.V., also entered into an Offtake agreement with Trafigura, ("Offtake Agreement Campo") in which the Company will sell all its zinc and lead concentrates for a fifty-one-month term starting October 2017.

On December 7, 2017, the Company entered into an additional loan agreement ("Loan Agreement Real") with Trafigura Mexico, S.A. de C.V. in the amount of US\$15 million for financing working capital, rehabilitation and operation of the Tahuehueto mining project. The Loan Facility is available in three tranches, the first tranche equivalent to US\$7.5 million was received upon signing of the agreement. The second tranche equal to US\$5

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

million was received on November 6, 2018. The third tranche for US\$2.5 million was available in nine months after the signing of the agreement but shall not pass nine months after the signing of the agreement subject to securing additional funding of US\$2.5 million in the form of equity and/or a loan and at least US\$2 million of these funds are invested on capital expenditures. The loan bears interest at an effective annual rate equivalent to LIBOR (1 year) plus 6%, it has a three-year term with a twelve-month grace period followed by twenty-four repayments. In connection to the loan agreement the Company's subsidiary Real de la Bufa, S.A. de C.V., also entered into an Offtake agreement with Trafigura., ("Offtake Agreement Real") in which the Company will sell all its zinc and lead concentrates for a sixty-month term, starting January 2018.

Under the terms of the Loan Agreement Campo and Loan Agreement Real (collectively the "Trafigura Loans"), the Company is subject to covenants. The Company was not in compliance and on July 1, 2021, the Company and Trafigura agreed to amend the terms of the Trafigura Loans. The loan amendments resulted in a non-substantial modification whereby the interest rates remain unchanged and the outstanding balances including interest were capitalized. The terms of the Loan Agreement Campo and Loan Agreement Real were extended to September 30, 2023 and September 30, 2024, respectively, with 26 equal instalments beginning August 30, 2021 for the Loan Agreement Campo and 32 equal instalments beginning February 1, 2022 for the Loan Agreement Real. As a result of the amendment of terms, the Company recognized a loss on modification totalling \$1,087 impacting the valuation of the Trafigura Loans.

As at September 30, 2021, the Company has a balance owing of \$4,815 under the Loan Agreement Campo which includes accrued interest capitalized in the period in the amount of \$108, additional accrued interest of \$72, principal repayments of \$387, and interest repayments of \$66 during the current period. Due to the modification of terms above, the Company reported a loss on modification of \$74.

As at September 30, 2021, the Company has a balance owing of \$19,768 under the Loan Agreement Real which includes accrued interest capitalized in the period in the amount of \$478, additional accrued interest of \$266, principal repayments of \$nil, and interest repayments of \$294 during the current period. Due to the modification of terms above, the Company reported a loss on modification of \$1,013.

Accendo Loan

On July 1, 2021, the Company and Accendo executed a US\$12 million Medium Term Loan Facility ("MTLF") for the purpose of funding the construction of Altaley Mining's Tahuehueto mining project and several working capital purposes. First and second funding were received in the amount of US\$3.2 million and US\$2.5 million on July 19, 2021 and August 23, 2021, respectively. Additionally, an amount of US\$500,000 was advanced during the year ended December 31, 2020.

The main terms and conditions of Accendo's MTLF are as follows:

- Loan facility amount - US\$12 million
- Repayment term - 4 years including a one-year grace period on principal
- Repayable in 36 equal monthly payments starting 12 months after closing
- Interest rate of 13.5% per annum payable quarterly in arrears calculated on the drawn amount
- Secured by second ranking security interest over all assets of the Company
- An arrangement fee of 2.5% of the facility amount payable from the proceeds upon first draw down at the closing
- An origination fee of 2.5% of the facility amount payable from the proceeds upon first draw down at the closing

Altaley issued 15 million bonus warrants at an exercise price of \$0.09 per common share for a period of 48 months. The bonus warrants were issued in lieu of a work fee but subject to cancelation if the loan facility is fully drawn. The bonus warrants were fair valued using the Black-Scholes option pricing model and their value is \$1,628 which was recorded in other assets. The assumption used for determining the fair value of the warrants were risk-free interest

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

rate 0.33%, expected dividend yield \$nil, stock price volatility 128% and expected life of 4 years. The unamortized balance at September 30, 2021 is \$947 (December 31, 2020 is \$1,354).

On September 29, 2021 the Mexican National Banking and Securities Commission revoked Accendo's operating license to organize and operate as a multiple banking institution and started a liquidation process to protect the savings of the bank's clients. The Company has a US\$5.8 million balance to be drawn down from the MTLF, however due to recent events the Company anticipates that its ability to draw any future funds is impaired.

As at September 30, 2021, the Company has a balance owing of \$7,967 under the Accendo MTLF which includes disbursements of \$7,134, accrued interest of \$190, principal repayments of \$109, and interest repayments of \$35 during the current period.

Right of use assets and right of use liabilities

The continuity of right of use liabilities for the three and nine months ended September 30, 2021, and the year ended December 31, 2020, are as follows:

	Amount
Balance lease liabilities, December 31, 2019	\$ 1,927
New leases	303
Cancelation or amendment of leases	(160)
Lease payments	(359)
Interest expense	102
Interest paid	(102)
Foreign exchange movement	(90)
Balance lease liabilities, December 31, 2020	\$ 1,621
Lease payments	(304)
Cancelation or amendment of leases	(729)
Interest expense	53
Interest paid	(53)
Foreign exchange movement	14
Balance, September 30, 2021	\$ 602

9.- Capital resources

Common shares issued

Common share transactions:

Period ended September 30, 2021

- i. On March 30, 2021, the Company closed a non-brokered private placement for gross proceeds of \$10,080. The Company issued 50,400,000 units (each, a "Unit") of the Company at a price of \$0.20 per Unit. Each Unit is comprised of one common share (a "Common Share") and one-half of one common share purchase warrant (each whole such warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Common Share of the Company at a price of \$0.30 per Common Share within twenty-four months from March 29, 2021 (the "Closing Date"). All securities issued under the private placement are subject to a hold period expiring four months and one day after the Closing Date.

Escorfin, a related party, acquired 500,000 Units.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

In connection with the above private placement, the Company incurred in \$478 of finders' fees and \$28 of legal fees.

- ii. Effective April 13, 2021, the Company exercised its option to settle the US\$4 million VPP obligation under the Campo Morado Agreement (Note 10). As consideration, it was agreed that the obligation was settled with 14,600,000 common shares of Altaley valued at \$0.345 per common share.
- iii. On July 30, 2021, the Company issued 500,000 common shares to Escorfin, a related party, in part for its efforts in amending the terms of the LOC (Note 11(a)).
- iv. During the period ended September 30, 2021, the Company issued 3,073,335 common shares for gross proceeds of \$428 in connection with stock options exercised. The fair value of the options exercised was \$401 and was transferred from the equity reserves and recorded against share capital.
- v. During the period ended September 30, 2021, the Company issued 3,165,000 common shares for gross proceeds of \$687 in connection with share purchase warrants exercised. There was no fair value allocated to 2,165,000 of these share purchase warrants. The fair value of the remaining 1,000,000 warrants exercised was \$208 and was transferred from the equity reserves and recorded against share capital.

Period ended September 30, 2020

- i. On February 4, 2020, the Company closed the first tranche of a non-brokered private placement offering, whereby gross proceeds of \$1,946 were raised by the issuance of 19,458,442 units (each, a "Unit") at a price of \$0.10 per Unit. Each Unit is comprised of one common share and one half of one whole transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at \$0.25 within twenty-four months from closing. The fair value of the warrants is \$10.

Escorfin, a related party, acquired 5,853,796 Units.

- ii. On May 27, 2020, the Company closed the second and final tranche of a non-brokered private placement offering, whereby gross proceeds of \$197 were raised by the issuance of 1,965,990 units at a price of \$0.10 per unit. Each unit is comprised of one common share and one half of one whole transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at \$0.25 within twenty-four months from closing.

Escorfin, a related party, acquired 1,412,400 units.

In connection with the above private placement, the Company issued 361,239 units as finders' fees. Each unit is comprised of one common share and one half of one whole transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at \$0.25 within twenty-four months from closing. The finders' warrants were recorded at a fair value of \$6.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

- iii. On July 10, 2020, the Company closed a non-brokered private placement (PP Jul10) which consisted of 13,996,145 units (the Units Jul10) at a price of \$0.10 per Unit Jul10 for gross proceeds of \$1,400. Each Unit Jul10 is comprised of one common share and one half of one whole transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional common share of the Company at \$0.15 within twenty-four (24) months from closing. All securities issued under the PP Jul10 were subject to a hold period expiring four months and one day after the closing date.

Other sources of funds

As at September 30, 2021, the other sources of funds potentially available to the Company are through the exercise of outstanding stock options and share purchase warrants with terms as follows:

Stock options outstanding are as follows:

Expiry date	Outstanding		Exercisable	
	Number of options	Exercise price	Remaining contractual life (years)	Number of options
November 11, 2022	1,383,333	\$ 0.65	1.12	1,383,333
February 2, 2023	300,000	0.30	1.34	300,000
March 16, 2023	300,000	0.30	1.46	300,000
April 16, 2023	400,000	0.30	1.54	400,000
January 29, 2025	200,000	0.20	3.33	133,333
February 8, 2025	250,000	0.20	3.36	166,667
August 6, 2025	100,000	0.16	3.85	100,000
February 25, 2026	5,250,000	0.30	4.41	3,500,000
May 11, 2026	75,000	0.46	4.61	25,000
May 19, 2026	2,000,000	0.45	4.64	666,667
August 9, 2026	100,000	0.53	4.86	33,333
August 23, 2026	100,000	0.55	4.90	33,333
September 20, 2026	100,000	0.48	4.98	33,333
Outstanding, September 30, 2021	10,558,333			7,075,000

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Share purchase warrants outstanding are as follows:

Outstanding				
Expiry date	Granted	Exercise price	Remaining contractual life (years)	
February 4, 2022	8,029,221	\$	0.25	0.3
October 16, 2023	11,000,000		0.18	2.0
May 27, 2022	1,163,615		0.25	0.7
July 9, 2022	6,645,573		0.15	0.8
June 30, 2024	15,000,000		0.09	2.8
March 29, 2023	25,087,500		0.30	1.5
July 1, 2023	1,500,000		0.48	1.8
	68,425,909	\$	0.22	1.6

In the future, the Company may have capital requirements in excess of its currently available resources and may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

10.- Off-balance sheet arrangements

The Company does not utilize off-balance sheet arrangements.

11.- Transactions between related parties

The Company's related parties consist of the Company's directors, officers and companies associated with them including the following:

- Estrategica Corporativa en Finanzas, S.A.P.I. DE C.V. ("Escorfin") with Roberto Guzman as a Director in common.

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management.

a) Compensation of key management personnel:

Key management personnel include members of the Board of Directors and officers of the Company. The net aggregate compensation paid, or payable and related party transactions are shown as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Short-term benefits	\$ 224	\$ 133	\$ 581	\$ 444
Share-based compensation	135	-	536	-
	\$ 359	\$ 133	\$ 1,117	\$ 444

b) Related party balances:

As at September 30, 2021, directors and officers or their related companies were owed \$157 (December 31, 2020 – \$615) included in accounts payable and accrued liabilities mainly in respect to reimbursement of expenses and labour obligations. These amounts are unsecured, non-interest bearing and have no specific terms of settlement.

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

c) Estrategica Corporativa en Finanzas, S.A.P.I. DE C.V. ("Escorfin")

Effective November 6, 2018, the Company appointed Roberto Guzman to the Board of Directors. Roberto is also the president, director and shareholder of Escorfin (Note 11(a)). Escorfin is a private equity fund that specialize in real estate development, energy innovations, and tourism investment in Mexico.

The following summarizes the transactions and balances owing to Escorfin as at September 30, 2021.

	September 30, 2021		December 31, 2020	
Current portion	\$	682	\$	4,127
Long term portion		3,961		-
Balance	\$	4,643	\$	4,127

During the three and nine months ended September 30, 2021, the Company incurred interest in the amount of \$149 and \$398 respectively of which \$nil was paid for both periods.

During the three and nine months ended September 30, 2020, the Company incurred interest in the amount of \$55 and \$714 respectively of which \$nil was paid for both periods.

Escorfin acquired the following Units in the private placement:

During the nine months ended September 30, 2021, Escorfin participated in private placements dated March 30, 2021 and February 4, 2021 whereby 500,000 Units and 5,853,796 Units, respectively were acquired by the related party. During the nine months ended September 30, 2020, Escorfin acquired 1,412,400 Units on May 27, 2020.

In addition to the Units acquired via private placement, Escorfin was granted 500,000 bonus shares and 1,500,000 bonus warrants in connection with the restructure of the LOC.

12.- Subsequent events

Between October 1, 2021 and November 22, 2021, the Company issued 1,372,250 common shares for gross proceeds of \$349 through the exercise of share purchase warrants. On October 5, 2021, a treasury order was issued by the Company cancelling 66,667 shares previously issued.

13.- Proposed transaction

The Company has not engaged in any proposed transactions that have not been executed.

14.- Accounting policies and critical accounting estimates and judgements

Full disclosure of the Company's accounting policies and significant accounting estimates and judgments in accordance with IFRS can be found in note 2 and 3 of its audited consolidated financial statements as at December 31, 2020.

15.- Financial Instruments

As at September 30, 2021, the Company's financial instruments consist of cash, marketable securities, amounts receivable, accounts payable and accrued liabilities, obligation under share purchase obligation, current portion of the long-term debt, Empress royalty stream and Nyrstar Mining, Ltd. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity. Marketable securities are classified as level one and recorded at fair value using quoted market prices. The fair value of the long-term debt has been determined

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

based on Level 1 of the fair value hierarchy and approximates their carrying values as the cost of the long-term debt is consistent with market rates.

The Company's financial instruments are exposed to certain financial risks including, credit risk, liquidity risk, foreign currency risks, interest rate risk, commodity and equity price risk and capital risk management. Details of each risk are laid out in the notes to the Company's consolidated financial statements.

16.- Other requirements

Outstanding share data

Authorized: Unlimited number of common shares

Number of common shares issued and outstanding as at December 31, 2020: 182,766,619

Number of common shares issued and outstanding as at November 22, 2021: 255,810,537

Stock options as at November 22, 2021:

Expiry date	Number of options	Outstanding		Exercisable	
		Exercise price	Remaining contractual life (years)	Number of options	
November 11, 2022	1,383,333	\$ 0.65	0.97	1,383,333	
February 2, 2023	300,000	\$ 0.30	1.20	300,000	
March 16, 2023	300,000	\$ 0.30	1.31	300,000	
April 16, 2023	400,000	\$ 0.30	1.40	400,000	
January 29, 2025	200,000	\$ 0.20	3.19	133,333	
February 8, 2025	250,000	\$ 0.20	3.22	166,667	
August 6, 2025	100,000	\$ 0.16	3.71	100,000	
February 25, 2026	5,250,000	\$ 0.30	4.26	3,500,000	
May 11, 2026	75,000	\$ 0.46	4.47	25,000	
May 19, 2026	2,000,000	\$ 0.45	4.49	666,667	
August 9, 2026	100,000	\$ 0.53	4.72	33,333	
August 23, 2026	100,000	\$ 0.55	4.75	33,333	
September 20, 2026	100,000	\$ 0.48	4.83	33,333	
Outstanding	10,558,333			7,075,000	

Altaley Mining Corporation

Management Discussion and Analysis

(Expressed in thousands of Canadian dollars, unless otherwise stated and per share amounts)

For the three and nine months ended September 30, 2021, and 2020

Share purchase warrants outstanding as at November 22, 2021:

Expiry date	Outstanding		Remaining contractual life (years)
	Granted	Exercise price	
February 4, 2022	6,781,971	\$ 0.25	0.2
October 16, 2023	11,000,000	0.18	1.9
May 27, 2022	1,163,615	0.25	0.5
July 9, 2022	6,645,573	0.15	0.6
June 30, 2024	15,000,000	0.09	2.6
March 29, 2023	24,962,500	0.30	1.3
July 1, 2023	1,500,000	0.48	1.6
	67,053,659	\$ 0.22	1.5

17.- Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized, and reported within the time periods specified by securities regulations and that the information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021, and 2020, and this accompanying MD&A (together, the "Interim Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.