

Rosita Mining Corporation

Management Discussion & Analysis – QUARTERLY HIGHLIGHTS

For the three months ended March 31, 2019

Introduction

This interim Management Discussion and Analysis (“MD&A”) has been prepared based on information available to Rosita Mining Corporation (“Rosita” or the “Company”) as at May 30, 2019. For the three months ended March 31, 2019 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management’s discussion & analysis, being the Management’s Discussion & Analysis (“Annual MD&A”) for the fiscal year ended December 31, 2018. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company’s Annual MD&A, audited annual financial statements for the years ended December 31, 2018, and December 31, 2017, together with the notes thereto, and unaudited condensed interim financial statements for the three months ended March 31, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company’s unaudited condensed interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of May 30, 2019, unless otherwise indicated.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Management’s Report on Internal Controls over Financial Reporting

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements; and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

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

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

- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS). The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Cautionary Note on Forward-Looking Information

This document may contain or may refer to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

Description of Business

Rosita Mining Corporation (the "Company"), is an exploration-stage, publicly-traded company on the TSX Venture Exchange ("TSXV") under the symbol 'RST'. The Company was incorporated in Ontario, Canada and is a junior prospecting and natural-resource company, focused on growing exploration and mineral assets to build shareholder value. As the Company's assets are located outside North America, they are subject to the risk of foreign investment, including additional local taxation and royalties, renegotiation of contracts, possible expropriation, currency exchange fluctuations and political uncertainty. The Company's head office is at Suite 200, 82 Richmond Street East, Toronto, ON M5C 1P1.

Outlook and Overall Performance

Financial condition

The Company had total assets of \$2,339,247 as at March 31, 2019 compared to \$2,377,888 as at December 31, 2018. The decrease in total assets was due to a decrease in exploration and evaluation assets due to exchange rate adjustment.

The Company's current liabilities increased from \$249,397 at December 31, 2018 to \$270,873 at March 31, 2019. The increase in total liabilities was due to an increases in accounts payable and accrued liabilities of \$6,495 and advances from related parties of \$14,982 for unpaid management fees incurred by management.

As at March 31, 2019, the Company had a working capital deficit of \$249,291 compared to a working capital deficit of \$226,150 at December 31, 2018. The increase in working capital deficit was due increase in accounts payable, accrued liabilities and advances from related parties.

Operations

The Company's operations are not generally subject to seasonal variations. The timing of exploration activities is influenced primarily by the availability of funds and the identification of suitable exploration targets. However, due to either their location or nature, the exploration of some properties may be restricted during certain times of the year due to climatic conditions.

Trends

The Company is a mineral exploration company, focused on the acquisition, exploration and development of mineral properties.

The Company's future performance and financial success is largely tied to the success of its exploration and development activities. The development of assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral reserves and to date has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

Current global economic conditions and financial markets are volatile and are likely to be so for the foreseeable future, reflecting ongoing concerns about the global economy. This affects the mining industry, and, as it relates to the Company, affects the availability of equity financing for the purposes of mineral exploration and development. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration, development and property acquisitions, particularly without excessively diluting the interests of its current shareholders. With continued market volatility expected, the Company's current strategy is to continue exploring its properties and to seek out other prospective project opportunities. The Company believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining momentum on key initiatives. The Company regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in short-term operating and longer-term strategic decisions.

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

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming

more restrictive. As of March 31, 2019, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Discussion of Operations

Three months ended March 31, 2019 compared with three months ended March 31, 2018

Rosita's net loss totaled \$23,662 for the three months ended March 31, 2019, with basic and diluted loss per share of \$0.00. This compares with a net income of \$64,810 with basic and diluted income per share of \$0.00 for the three months ended March 31, 2018. The increase of \$88,472 in net loss was principally because decrease in foreign exchange variance of \$80,558.

Liquidity and Financial Position

The activities of the Company, principally the acquisition and exploration of mineral properties, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options. There is no assurance that equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

New Standards Adopted

Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At January 1, 2019, the Company adopted the following and there was no material impact on the Company's financial statements. The Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;

Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;

- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The Company adopted this standard and there was no material impact on the Company's unaudited condensed consolidated interim financial statements.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

- (i) For the three months ended March 31, 2019, the Company incurred management fees of \$8,000 (three months ended March 31, 2018 - \$12,000) to a company controlled by the Chief Executive Officer of the Company. As at March 31, 2019, the Company was owed \$140,183 (December 31, 2018 - \$132,183) and the amount owing is unsecured, noninterest bearing, and due on demand.
- (ii) As at March 31, 2019, the Company owes \$50,301 (December 31, 2018 - \$50,301) to a company controlled by the former Chief Financial Officer of the Company. The amount owing is unsecured, non-interest bearing, and due on demand.

Exploration and Projects

Rosita D Concession update

Cumulative to-date, the Company (including Alder prior to its acquisition by Rosita) has expended approximately \$5,166,667 million on the Rosita Project. Pursuant to the JV Agreement, all approved expenditures in excess of \$4,000,000 (the amount at which the Company earned its 65% interest in the project) are to be borne by the joint venture by each joint venture partner at its current participation percentage. To date, the Company has funded the entire excess amount on behalf of the joint venture. The Company has received notice from Calibre that it would not be participating in excess expenditures of approximately \$1,166,667, resulting in a dilution of its participating interests of approximately 5% to 30% .

The Company also continued with base-line aspects and reporting for the permitting application and completed engineering for a PEA that was file on SEDAR on April 20, 2017. The Resources estimated and the results of the test work and engineering previously disclosed, allowed the following Project to be defined for the PEA:

- Anticipated Life-of-Mine of 10 years, utilizing 4.67 million tonnes of the material included in the resource tabulation categorized as Indicated Mineral Resources grading at 0.51 grams per tonne gold, 8.2 grams per tonne silver and 0.59% copper and 1.53 million tonnes categorized as Inferred Mineral Resources grading at 0.61 grams per tonne gold, 11.3 grams per tonne silver and 0.65% copper.

- Anticipated capacity of the treatment plant (milling plus heap leach) of 1,000 tonnes per day for the first 5 years, expanding to 2,000 tonnes per day for the subsequent 5 years.

The metal prices assumed for the economic model are as follows: All monetary amounts are in US dollars:

- Gold: \$1,250 per ounce;
- Silver: \$18 per ounce;
- Copper: \$2.50 per pound.

Other criteria, assumptions and conclusions from the PEA may be summarized as follows: All monetary amounts are in US dollars:

- Pre-production capital costs including 30% contingencies, \$11.4 million;
- Total capital over life of mine, \$26.1 million;
- Operating costs over life of mine per tonne of throughput, \$18.50 per tonne;
- Nicaraguan royalty rate of 3% NSR and 0.5% to an independent 3rd party applied to all saleable products;
- Nicaraguan income tax rate of 30%, after depreciation of fixed assets at 10%;
- Internal rate of return (after all government taxes) of 41%;
- Net present value at 7% discount rate (after all government taxes) of \$28.8 million; and
- Payback of initial pre-production capital (after all government taxes) of 2.8 years.

Marilyn Three Properties

On August 11, 2018, the Company acquired a 100% interest in mining claims and patents located near Grand Falls, Newfoundland comprised of 104 claim blocks of approximately 6,448 acres. In exchange for the interest in the claims, the Company will pay \$35,000 (paid) and issue 2,500,000 common shares. The seller retains a 2% net smelter royalty (NSR), and the Company has the option to acquire 1% of the NSR for \$1,000,000

Commitments, liquidity and capital resources

The Company continues its obligation to pay a 0.5% net smelter royalty ("NSR") on its interest in the Rosita project and the seller retains a 2% net smelter royalty on its interest in the Marilyn Three Properties

As at March 31, 2019, the Company had a cash balance of \$12,878 (December 31, 2018 - \$17,855) and a working capital deficiency of \$249,291 (December 31, 2018 - \$226,150). Its property is in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options, the sale of equity and/or debt of the Company or the sale by the Company of an interest in its Rosita property, in whole or in part.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the fiscal year ended December 31, 2018, available on SEDAR at www.sedar.com.