KING GLOBAL VENTURES INC.
(Formerly Rosita Mining Corporation)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of King Global Ventures Inc. (formerly Rosita Mining Corporation) ("King" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 10, 2020 unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of King's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

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

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on all of its current projects for the twelve-month period ending December 31, 2020 (see subsequent financing described in "Outlook and Overall Performance" below).	The operating and exploration activities of the Company for the twelve-month period ending December 31, 2020, and the costs associated therewith, will be consistent with King's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to King.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic conditions.
King's properties may contain economic deposits.	Financing will be available for future exploration and development of King's properties; the actual results of King's exploration and development activities will be favourable; operating, exploration and development costs will not exceed King's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to King, and applicable political and economic conditions are favourable to King; no title disputes exist with respect to the Company's properties.	Commodity price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with King's expectations; availability of financing for and actual results of King's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends.	Financing will be available for King's exploration and operating activities; the price of commodities will be favourable to King.	Commodity price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; ongoing uncertainties relating to the COVID-19 virus, changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond King's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause King's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

King Global Ventures Inc. (formerly Rosita Mining Corporation) (the "Company"), is an exploration/development-stage, publicly-traded company. On September 25, 2019, Rosita Mining Corporation changed to King Global Ventures and is trading on the TSX Venture Exchange ("TSXV") under the symbol 'KING'. 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. The Company's properties are located in Quebec Newfoundland, Canada and Nicaragua. As the Company has assets that 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 $2,546,935 as at December 31, 2019 compared to $2,377,888 as at December 31, 2018. The increase in total assets was due to an investment in a joint venture in Santa Rita Mining.

The Company's current liabilities increased from $249,397 at December 31, 2018 to $572,405 at December 31, 2019. The increase in total liabilities was due to increases in accounts payable and accrued liabilities of $38,224, advances from related parties of $144,154 for unpaid management fees incurred by management, and loans payable of $146,630.

As at December 31, 2019, the Company had a working capital deficit of $461,407 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.

In **September 2019**, King Global Ventures Inc. reported that its name was changed from Rosita Mining Corporation.

In **February 2020,** the Company announced it had acquired the York Gold Project in N.E. Quebec. The York Gold Property is on trend (the "Elmer Trend") between Azimut's Elmer Property (and their recent Patwon Prospect discovery) and the Eleonor Gold Mine. The York Gold Property is comprised of 77 claims and exceeds 40 square kilometres in size. The York Property is located approximately 550 km north of Val d'Or.

The acquisition terms provide for a payment of $12,000 and the issuance of 1,250,000 units of King to the vendor. Each Unit is comprised of one common share and one twelve-month warrant. Each warrant is exercisable to acquire one share at $0.07 in the first 6 months and $0.10 in the following 6 months. The vendor retains a 2% NSR of which 1% can be acquired for $1 Million.

In **February 2020,** the Company had appointed Mr. Volodymyr (Vlad) Bondarenko, a businessman based in North Vancouver, BC, as a director to fill a vacancy arising from the resignation of Mr. Glen Macdonald as a director.

In **May 2020**, the Company announced that it had closed its private placement and had issued 40 million units at $0.015 per unit for gross proceeds of $600,000. Each unit of the offering comprises one common share of the Company and one share purchase warrant. Each warrant will entitle the holder to acquire one additional share in the capital of the Company at a price of five cents per warrant for a period of two years from closing, subject to the Company's option to accelerate expiry in the event that the shares close at, or above, $0.07 for 10 consecutive trading days.

In **June 2020,** the Company appointed of Jeff Ivan of Okotoks to the office of President of the Company. Jeff Ivan is an accomplished professional in the Agri-minerals business over the last 20 years working on numerous transactions at the executive level. Mr. Ivan brings a unique talent to the Company having conducted business in various international markets including many developing regions such as Africa and SE Asia.

Exploration and Projects

Rosita D Concession

On August 29, 2011, the Company entered into an option agreement with Calibre Mining Corp. to earn a 65% interest in the Rosita project. To exercise the option, the Company must perform the following:

(i) Issue 200,000 common shares as follows:
- 40,000 common shares within 5 business days of the TSX approval of the option agreement (issued);
- 40,000 common shares on or before October 3, 2012 (issued);
- 40,000 common shares on or before October 3, 2013 (issued);

- 40,000 common shares on or before October 3, 2014 (issued);
- and 40,000 common shares on or before October 3, 2015 (issued).

(ii) Incur $4,000,000 of exploration expenditures on the property as follows:

- $500,000 on or before October 3, 2012 (incurred);
- An additional $750,000 on or before October 3, 2013 (incurred);
- An additional $1,250,000 on or before October 3, 2014 (incurred); and
- An additional $1,500,000 on or before October 3, 2015 (incurred).

On June 30, 2014, the Company entered into a royalty agreement with Forbes & Manhattan, Inc. ("Forbes") for the settlement of accounts payable totaling $508,500. The royalty is a 0.5% net smelter royalty ("NSR") multiplied by the Company's participating interest in the Rosita Project at the time. The royalty becomes effective upon the Company earning the 65% interest in the Rosita Project (completed in November 2015). The Company may reacquire the NSR by paying $1,508,500 to Forbes.

In November 2015, the Company fulfilled the requirements under the option agreement and it had earned its 65% interest in the Rosita project. Pursuant to the option agreement, upon earn-in, an automatic joint-venture was created between Rosita and Calibre and in November 2016, the Company and Calibre memorialized an agreement (the "JV Agreement") with an effective date of November 23, 2015. For accounting purposes, the Company has determined that the JV Agreement does not meet the criteria set forth in IFRS 11 *Joint Arrangements*.

On October 11, 2018, the Company, through its subsidiary ALR, was a party to a joint venture agreement between the Company and two other non-related companies which resulted in the incorporation of a joint venture company, Santa Rita Mining Company ("Santa Rita"), a Nicaraguan company. As part of the joint venture agreement, the Company would transfer its interest in the Rosita Project into Santa Rita in exchange for a 17.5% interest in Santa Rita. On March 11, 2019, the Company transferred its interest in the Rosita Project into Santa Rita.

The Company, via its subsidiary ALR Resources, formed a Nicaraguan Joint Venture company, Santa Rita Mining (SRM). The Company holds a 17.5% interest in SRM. A private Nicaraguan Company, Century Resources is investing a total of US$8.5 million to earn 75% of SRM. On July 12, 2019, Century Resources, met the first milestone of contributing US$1,500,000 in order not to lose the total of its shares in SRM.

Summarized statement of financial position – Santa Rita Mining Corporation

As at December 31, 2019	**(Unaudited) ($)**
Current assets	1,557,413
Non-current assets	2,085,340
Total assets	3,642,753
Current liabilities	725,297
Share capital	2,917,456
Total equity and liabilities	**3,642,753**

Summarized statement of operations and comprehensive loss – Santa Rita Mining Corporation

Year ended December 31, 2019	**Unaudited) ($)**
Expenses	
Depreciation	10,821
Office and miscellaneous	245,759
Rent	71,927
Travel	238,758
Total expenses	**(567,265)**
Loss before other income	**(567,265)**
Net loss and comprehensive for the year	**(567,265)**
The Company's share of loss for the year	**(99,271)**

Changes in the investment in joint venture for the year ended December 31, 2020:

Balance, December 31, 2018	
Transfer of property to joint venture	$2,486,847
Unrealised gain on transfer of property to joint venture	(73,123
Foreign exchange adjustment	3,291
Share of joint venture loss for the year ended December 31, 2019	(99,271)
Balance, December 31, 2019	**$2,317,744**

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.

<u>Qualified Person</u>

John Cook, CEO, is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects and has reviewed and approved its scientific and technical content.

Trends

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.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global commodity prices;
- Demand for commodities and the ability to explore for such commodities;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of government supplies, such as water and electricity;
- The ability to complete a transaction;
- Purchasing power of the Canadian dollar and United States Dollar; and
- Ability to obtain funding.

The Canadian federal government, the provincial governments of Ontario and Newfoundland; and the government of Nicaragua have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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 December 31, 2019, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the consolidated financial statements which can be found at www.SEDAR.com. This information has been prepared in accordance with IFRS and is presented in Canadian Dollars which is the functional currency of the Company.

	Years Ended December 31,		
	2019 ($)	**2018 ($)**	**2017 ($)**
Total revenue	Nil	Nil	Nil
Net loss for the year	(8,452)	(273,470)	(283,952)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)
Total assets	2,546,935	2,377,888	2,116,858

Selected Quarterly Financial Information

As King has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues or the sale of assets. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties. See "Trends" above and "Risk Factors" below.

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)
		Total ($)	Per Share ($)	
2019-December 31	Nil	(206,442)	(0.00)	2,546,935
2019-September 30	Nil	122,966	0.00	2,350,228
2019-June 30	Nil	112,090	0.00	2,261,949
2019-March 31	Nil	23,662	0.00	2,339,247
2018-December 31	Nil	212,949	0.00	2,377,888
2018-September 30	Nil	108,764	0.00	2,155,527
2018-June 30	Nil	16,566	0.00	2,220,633
2018-March 31	Nil	(64,810)	(0.00)	2,312,295

Discussion of Operations

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

King's net income totaled $206,442 for the three months ended December 31, 2019, with basic and diluted income per share of $0.00. This compares with a net loss of $212,949 with basic and diluted loss per share of $0.00 for the three months ended December 31, 2018. The increase of $419,391 in net income was principally because of a gain on disposal of mineral property of $356,546 and a decrease in deferred tax expense of $120,594.

Year ended December 31, 2019 compared with year ended December 31, 2018

Operating expenditures for the year ended December 31, 2019 were limited to allow the Company to meet all of its reporting and disclosure requirements. The loss for the year ended December 31, 2019 was $8,452 (2018 - $273,470). The decrease in the loss for the year ended December 31, 2019 over the year ended December 31, 2018 of $265,018 was mainly attributable to a gain on disposal of mineral property of $356,546; a decrease in share-based payments of $76,320 for granting of stock options to officers and directors of the Company; and decrease in deferred tax expense of $120,594. This was offset by an increase in general and administrative cost of decrease of $165,186; loss from investment in joint venture of $99,271; and interest expense of $26,106.

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.

Recent Accounting Pronouncements

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 consolidated financial statements.

Critical Accounting Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of amounts receivable, recoverability of mineral property resources and investment in joint venture, fair value of share-based compensation, and unrecognized deferred income tax assets.

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

- ✓ Assessment of the going concern assumption;
- ✓ Determination of technical feasibility and commercial viability of mineral property resources;
- ✓ Determination of the classification and accounting of the Company's investment in Santa Rita Mining Company as a joint venture; and
- ✓ Determination of functional currency in accordance with IAS 21.

Capital risk management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, warrant reserve, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

Financial risk management

Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- ✓ Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ✓ Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- ✓ Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments, which include cash, amounts receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. In addition to Canadian dollars, the Company conducts transactions in Nicaraguan Cordoba. A 10% change in the foreign exchange rate would not have a material impact on the Company's consolidated financial statements.

Interest Rate Risk

Interest rate risk is the risk from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2019, the Company had cash and amounts receivable of $105,204 (2018 - $21,316) to settle current liabilities of $572,405 (December 31, 2018 - $249,397).

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

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. The Company entered into the following transactions with related parties:

(i) As at December 31, 2019, the Company owed $276,337 (2018 - $132,183) to a company controlled by the Chief Executive Officer of the Company which is unsecured, non-interest bearing, and due on demand. During the year ended December 31, 2019, the Company incurred management fees of $128,000 (2018 - $48,000) and conference fees of $nil (2018 - $25,000) to a company controlled by the Chief Executive Officer of the Company.

(ii) As at December 31, 2019, the Company owed $50,301 (2018 - $50,301) to a company controlled by the former Chief Financial Officer of the Company, which is unsecured, bears interest at 12% per annum, and is due on demand. In addition, the Company also owed $19,911 (2018 - $nil) of accrued interest, which has been included in accounts payable and accrued liabilities. During the year ended December 31, 2019, the Company incurred interest expense of $19,911 (2018 - $nil).

(iii) During the year ended December 31, 2019, the Company granted stock options with a fair value of $nil (2018 - $53,424) to officers and directors of the Company.

Share Capital

As of the date of this MD&A, the Company had 108,052,282 issued and outstanding common shares.

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
1,000,000	August 2, 2021	$0.11
2,000,000	August 19, 2021	$0.06

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated 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 consolidated financial statements; and (ii) the consolidated 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"), this Venture Issuer Basic Certificate 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 GAAP (IFRS).

The issuer'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.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company is reliant upon additional equity financing in order to continue its business and operations, because it is in the business of mineral exploration and at present does not derive any income from its mineral assets. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional equity funding in the future, it will be unable to carry out its business.

Commodity Price Volatility

The price of gold can fluctuate drastically, and is beyond the Company's control. While the Company would benefit from an increase in the value of gold, a decrease in the value of gold could also adversely affect it.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds an option or concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada and Nicaragua.

Uninsurable Risks

Mineral exploration activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of its common shares. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations that may entail costs and delays, depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to a wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species, aboriginal title and access and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Company to suitably develop its properties. The Company will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

Conflicts of Interest

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Additional Disclosure for Venture Issuers without Significant Revenue

Expenses

	Year Ended December 31	
Names	**2019 ($)**	**2018 ($)**
Amortization	1,718	3,246
Interest (net)	26,106	Nil
Office and miscellaneous	196,124	30,938
Share-based compensation	Nil	76,320
Shareholder communication	13,293	60,342
Total Expenses	**237,240**	**170,846**

Exploration and evaluation expenditures

Names	Year Ended December 31, 2019 ($)	Year Ended December 31, 2018 ($)
Rosita Project		
Consulting and salaries	Nil	9,904
Field expenses	Nil	72,433
Foreign exchange	20,362	44,845
General exploration and other	Nil	103,972
Total - Rosita	**20,362**	**231,154**
Marilyn Three Project		
Acquisition	Nil	110,000
Total – Marilyn Three	**Nil**	**110,000**
Total Exploration and evaluation	**20,362**	**341,154**