Form 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended December 31, 2019

The following Management's Discussion and Analysis ("MD&A") of Antioquia Gold Inc. (the "Company" or "Antioquia") should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2019 and the notes thereto. The Company's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of June 12, 2020 and all information is current as of such date. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

This discussion provides management's analysis of Antioquia's historical financial and operating results and provides estimates of Antioquia's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

ANTIOQUIA BUSINESS

Antioquia Gold Inc. (the "Company" or "Antioquia") is a mineral Company engaged in operation of primarily gold resource properties in Colombia. The Company has an office in Toronto, Canada with operations and office and field facilities located in Colombia. The Company trades on the TSX-V under the symbol "AGD" and on the OTC pink sheets.

The Company's primary focus is the operation of its Cisneros underground gold operation ("Cisneros Operation") consisting of two underground mines and a process plant located outside Medellin, Colombia, along with exploring and developing additional properties. The Company controls a total 17,147.59 hectares of mineral leases in the Cisneros Operation area. Commercial production was declared on March 1, 2019.

Additional information relating to Antioquia, Antioquia's business and activities, including Antioquia's most recently filed annual information form, can be found on SEDAR at www.sedar.com and on the Company's website at www.antioquiagoldinc.com.

CORPORATE HISTORY, BACKGROUND AND GENERAL DEVELOPMENT

Antioquia was formerly known as High American Gold Inc. which was originally formed pursuant to an amalgamation agreement dated April 25, 1997 involving Stromatalite Resource Corp. and Intex Mining Company Limited.

On July 30, 2008, Antioquia Gold Inc. completed a transaction (the "Am-Vest Transaction") with Am-Ves Resources Inc. ("Am-Ves"), a company incorporated under the laws of Alberta on January 19, 2006. On July 30, 2008, the Company acquired 100% of the outstanding shares of Am-Ves. This transaction was accounted for as a reverse takeover where the shareholders of Am-Ves acquired control of Antioquia. On March 31, 2009 Antioquia and Am-Ves were amalgamated under the laws of Alberta and now operate under the name Antioquia Gold Inc.

As part of the Am-Ves Transaction, 6,129,100 common shares issued to certain shareholders of Am-Ves were placed into escrow pursuant to an escrow agreement entered into among the Company, certain shareholders, and the Company's transfer agent and became subject to a staggered release from escrow over a period of three years. The final 15% held in escrow were released on August 5, 2011.

On March 24, 2016 Antioquia continued under the laws of British Columbia.

The Company owns 100% of Antioquia Gold Ltd., a Barbados company, which in turn has a branch registered to conduct business in Colombia, South America. On December 2, 2009, the Company completed the 100% acquisition of Ingenieria Y Gestion Del Territorio S.A. ("IGTER"), a company incorporated under the laws of Colombia. All the mineral exploration activities of the Company are in Colombia.

In October 2015, the Company started the construction phase of the Cisneros project, which consists of two underground mines (Guaico and Guayabito), a 500 tpd treatment plant, tailing deposit and 10 km pipeline.

The Company has been testing and optimizing the processing plant since January 1, 2019, and successfully completed the ramp up schedule with recovery rates and concentration ratios within the estimated design parameters for the current phase. The Company continues to further optimize production. On March 1, 2019, the Company declared the successful start of production at the Cisneros Mine in Antioquia, Colombia.

Accomplishments during the year ended December 31, 2019

During its first year of operations, from January to December 2019, 12,192 ounces of gold were produced at the Cisneros Operation. An average of 475 tonnes were processed per day with a 93.8% average recovery during the period.

A summary of the monthly production from the beginning of the operation highlighting the high recovery rates achieved in the process is given in the table below.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Total 2019**
Mineral Processed (Dry Tonnes)	1,656	9,666	11,891	15,027	16,028	16,474	17,438	16,958	15,585	16,052	15,145	11,869	**163,789**
Feed Grade (g/t Au)	2.30	2.16	2.90	2.80	2.74	2.54	2.88	2.33	2.02	2.03	2.26	2.47	**2.47**
Gold Produced (Oz)	112	598	1,044	1,292	1,354	1,246	1,524	1,223	958	993	1,034	887	**12,265**
Total Recovery (%)	91.7%	89.2%	94.2%	95.6%	96.0%	92.7%	94.3%	96.3%	94.5%	95.0%	94.0%	94.1%	**93.8%**
Days Worked	11	28	31	30	31	30	31	31	30	31	30	31	**345**
Average Processed (Dry Tonnes/Day)	151	345	384	501	517	549	563	547	520	518	494	382	**475**
Gold Sold (Oz)	-	-	945	767	1,240	1,548	1,136	1,377	1,149	884	1,103	1,185	**11,332**

In December 2018, an underground exploration drilling program began. Three rigs were operated through mid-March 2020; where 3,200 meters were drilled in 10 holes before drilling was suspended. The drilling program is focused on extending the knowledge of the Nus shear zone at depth and exploring structural systems located west of the Guayabito Mine.

In addition, the Company has, in parallel with legal procedures, started mine design at the recently acquired La Palma property. This property has an important history of artisanal mining and Gramalote Colombia Limited conducted exploration activities in the area about two years ago. Antioquia Gold expects that planning and initial development activities will be completed before the end of 2020.

Significant progress on the six strategic fronts that are in development has been realized:

1. 1200 TPD Plant Expansion: Construction is proceeding according to schedule. The new mill is onsite and electrical and mechanical assembly has begun. The completion date has been defined for April 2020 (since extended due to COVID-19 protocols). The environmental impact study is being evaluated by the authorities and a report is expected before the end of 2020.

2. New mining contractor: The main equipment is currently on the mine and the new contractor is ready to begin work. The new contractor has significant experience and will prepare, develop and mine the Company's mineral resources in a cost-efficient manner.

3. Alternative mining pilot tests in narrow veins: Pilot mining tests in narrow veins were concluded. After a detailed evaluation of productivity, cost, quality (dilution), and safety, the Company has decided to change the mining method for narrow veins to Long Hole (Sub Level Stoping). An intensive preparation program to scale this method has begun and is projected to be completed before the end of the second quarter.

4. Energy purchase contract: A lower rate for electricity supply is being applied as a result of the new contract with the energy supplier.

5. Purchase of Third-Party Material: This line of business shows significant progress.

6. Installation of ore sorting process: This project has been delayed until next year. The Company will focus on increasing production through plant expansion, the new narrow vein mining method and development of the La Palma operation. The ore sorting process will be installed after these initiatives are completed.

The implementation of these lines of action seek, in the medium term, to improve the profitability of the Company and increase its production levels in a sustainable manner over time.

Mining assets

The Company's only asset is its Cisneros Operation, covering 17,147.59 hectares, located 55 kilometers northeast of Medellin in the Department of Antioquia, Colombia. The property is subject to a 3.2% royalty payable to the Colombian government and is comprised of 12, 100% owned mining concessions within individual royalties as follows:

Area		Royalty	Concession Number	Area (ha)
Guayabito	Guayabito	1%	L5671005	178.35
La Manuela	Chapulin	-	H7175005	35.67
	Guaico	-	7175B	2.20
	Guaico	-	1498	20.31
	Chorrera	-	L5419005	42.45
Pacho Luis	Papi	-	ILD-14271	103.71
Troncocito	Guayabito	-	4655005	4.74
Bullet	Santa Gertrudis	-	B7342B005	277.90
	Santo Domingo	-	B7342005	4,964.99
Gramalote	Guayabito Sur	-	6187b	13.94
	Guayabito Sur	-	6195	154.21
Gramalote	Guadualejo	-	6195	5,245.01
Gramalote	Cantayas	-	6195	515.63
Gramalote	La Palma	-	6194	5,588.48
TOTAL				**17,147.59**

SELECTED OPERATING AND FINANCIAL INFORMATION

Selected audited annual information for the three months ended December 31, 2019 and for the three most recently completed years, are as follows:

$CAD 000's except ounce, per ounce (CAD $ / ounce, and per share data (CAD $)	For the three months ended Dec 31, 2019	For the three months ended Dec 31, 2018	For the Year ended 2019	For the Year ended 2018	For the Year ended 2017
Operating data					
Gold produced (ounces)	**2,914**	-	**12,265**	-	-
Gold sold (ounces)	**3,172**	-	**11,332**	-	-
Average realized gold price ($/oz sold) (1)	**1,876**	-	**1,782**	-	-
Total cash costs ($/oz sold) (1)	**2,089**	-	**1,859**	-	-
AISC ($/oz sold) (1)	**2,354**	-	**2,034**	-	-
All-in costs ($/oz sold) (1)	**2,493**	-	**2,189**	-	-
Financial data					
Revenue	**5,967**	-	**20,250**	-	-
Cost of sales	**6,688**	-	**27,241**	-	-
General and administrative expenses	**776**	576	**1,825**	2,210	2,119
EBITDA (1)	**(2,274)**	(915)	**(5,339)**	(3,119)	2,403)

Adjusted EBITDA (1)	**(1,255)**	(879)	**(4,208)**	(3,589)	(2,388)
Loss from mine operations	**(721)**	-	**(6,991)**	-	-
Interest expense and other income	**(2,221)**	99	**(6,458)**	379	91
Net Loss	**(3,779)**	(949)	**(17,288)**	(3,230)	(2,486)
Net Loss per share, basic and fully diluted	**(0.00)**	-	**(0.02)**	-	(0.01)
Balance sheet					
Total Assets			**118,212**	110,798	50,236
Working capital deficit			**(111,488)**	(89,912)	(49,401)

(1) Non-IFRS performance measures. For more information, see the "Non-IFRS Measures" section

SELECTED QUARTELRY INFORMATION

The Company commenced commercial production in March 2019 and began to recognize revenue from that point. Up until commercial production, the Company was in an exploration and development phase.

The summary below highlights selected quarterly information:

$CAD 000's except ounce, per ounce (CAD $ / ounce, and per share data (CAD $)	2019				2018			
	4th Qtr	**3th Qtr**	**2th Qtr**	**1th Qtr**	**4th Qtr**	**3th Qtr**	**2th Qtr**	**1th Qtr**
Operating data								
Gold produced (ounces)	2,914	3,705	3,892	1,754	-	-	-	-
Gold sold (ounces)	3,172	3,661	3,555	945	-	-	-	-
Average realized gold price ($/oz sold) (1)	1,876	1,932	1,601	1,565	-	-	-	-
Total cash costs ($/oz sold) (1)	2,089	1,920	1,789	1,118	-	-	-	-
AISC ($/oz sold) (1)	2,354	2,064	1,915	1,287	-	-	-	-
All-in costs ($/oz sold) (1)	2,493	1,928	2,153	2,869	-	-	-	-
Financial data								
Revenue	5,967	7,088	5,711	1,484	-	-	-	-
Cost of sales	6,688	9,523	8,774	2,256	-	-	-	-
General and administrative expenses	776	459	436	154	576	440	790	403
EBITDA (1)	(2,274)	(5)	(1,890)	1,170)	(915)	(1570)	(265)	(369)
Adjusted EBITDA (1)	(1,255)	170	(1950)	(1,172)	(879)	(1,375)	(950)	(385)
Loss from mine operations	(721)	(2,436)	(3,063)	(771)	-	-	-	-
Interest expense and other income	(2,221)	(1,907)	(1,792)	(539)	99	213	22	45
Net Loss	(3,779)	(4,474)	(6,078)	(2,957)	(949)	(1,578)	(273)	(429)
Net Loss per share, basic and fully diluted	(0.00)	(0.01)	(0.01)	-	-	-	-	-
Balance sheet								
Total Assets	118,212	111,583	120,737	113,616	110,798	100,839	101,498	64,602
Working capital deficit	(111,488)	(109,146)	(101,031)	(96,186)	(89,912)	(66,319)	(50,089)	(60,753)

(1) Non-IFRS performance measures. For more information, see the "Non-IFRS Measures" section

Exploration and Evaluation Activities
Exploration and evaluation expenditures have been incurred and expensed as follows:

$CAD 000	For the Year ended		
	2019	2018	2017
Exploration and evaluation expenditures	1,763	1,861	458

	2019				2018			
$CAD 000	**4th Qtr**	**3th Qtr**	**2th Qtr**	**1th Qtr**	**4th Qtr**	**3th Qtr**	**2th Qtr**	**1th Qtr**
Exploration and evaluation expenditures	(82)	(499)	848	1,495	442	1,161	172	87

Mine construction activities

Since 2015 the Company began construction activities. On March 1, 2019 the Company declared it achieved commercial production. Most of property, plant and equipment purchases are related to mine constructions. Investment has been as follows:

$CAD 000	For the Year ended		
	2019	2018	2017
Property, plant and equipment	18,871	58,164	28,631

	2019				2018			
$CAD 000	**4th Qtr**	**3th Qtr**	**2th Qtr**	**1th Qtr**	**4th Qtr**	**3th Qtr**	**2th Qtr**	**1th Qtr**
Property, plant and equipment	3,856	3,011	2,973	9,031	19,702	18,230	12,759	7,474

SHARE DATA

The authorized capital of the Company consists of an unlimited number of common shares. As at December 31, 2019 and the date hereof there were 949,398,138 issued and outstanding common shares.

As at December 31, 2019 and the date hereof there were Nil warrants outstanding.

As at December 31, 2019 there were 20,075,000 stock options outstanding. As at the date hereof there were 14,475,000 stock options outstanding

LIQUIDITY AND CAPITAL RESOURCES

During 2019, the Company completed several capital investments related to mine construction. As of March 1, 2019, the Company began mineral exports and generation of cash flows from its mining operations. To meet all its obligations during the year ended December 31, 2019, the Company has earned revenue in the amount of $ 20,249,673 and has increased the demand loans for $ 18,897,540.

At December 31, 2019 the Company's current assets total $8,484,690 (December 31, 2018 - $4,616,943), current liabilities total $119,972,765 (December 31, 2018 - $94,528,691) giving rise to a working capital deficit of $110,720,448 (December 31, 2018 - $89,911,748).

The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations, generate enough funds and/or continue to obtain enough capital from investors to meet its current and future obligations. The recoverability of amounts shown for property and equipment is dependent on future profitable operations or proceeds from disposition of mineral interests. As a result of these risks, there is material uncertainty which may cast significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's initiatives will continue to be successful. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The Company has been working on the consolidation of current operations and the implementation of improvement throughout the mining/processing systems and as a result, cash flow projections for 2020 indicate that for the second half of the year the Company will generate positive cash flow to begin covering its obligations, strengthening its financial position.

During the first months of 2020, the Coronavirus COVID-19 emerged, and as of the date of issuance of these financial statements, the effect it will have on global markets and consequently on the results, cash flows and financial situation of the Company is uncertain. However, we consider that the mining industry, and particularly in AGD' Colombia branch, the effect will not be significant since despite decree 457 of 2020 requiring preventive isolation at the national level in -Colombia, it allows the continuation of activities strictly necessary to operate companies belonging to this sector. Until the date of authorization of the Financial Statements, the operation has not decreased, and exports continue their natural course.

Financing Activities

See notes herein under the heading "Transactions with related parties" which provides details of term and demand loans provided to the Company by Infinita and Coripuno.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at December 31, 2019, nor have any such arrangements been entered by the Company as of the date of this MD&A.

TRANSACTIONS WITH RELATED PARTIES

During the years ended December 31, 2019 and 2018, the Company had the following related party transactions:

- Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company and/or their holding companies.
- Compensation recovered in the amount of $238,500 as a result of the reversal of a contingent director's liability that had been provided for in prior years and is now no longer considered a liability.
- Compensation that was paid or payable to key management in the amount of $146,134 (2018 - $365,759) and included Nil (2018 - $180,000) relating to stock options granted.

- Included in accounts payable and accrued liabilities at December 31, 2019 was Nil (2018 - $245,312) owing to key management. These amounts are unsecured, non-interest bearing and due on demand.
- Infinita, a company owning in excess of 89.9% of the outstanding common shares of the Company, provided demand and term loans.
- Coripuno SAC, a Company controlled by the same group that controls Infinita, provided demand loans as well as a customer of gold concentrate.
- Consorcio Minero Horizonte SA (CMH), a Company controlled by the same group that controls Infinita, is a customer of gold concentrate.
- Batero Gold Corp. ("Batero"). Mining company which shares directors with AGD has directors in common and shares office space.

Term and Demand Loan

	For the Years Ended December 31,	
	2019	2018
	$	$
Term loan		
Infinita Prosperidad Minera	21,811,795	22,910,110
Total term loan	21,811,795	22,910,110
Demand loan		
Infinita Prosperidad Minera	82,956,928	66,297,552
Coripuno SAC	5,514,872	-
Total demand loan	88,471,800	66,297,552
Total loans	**110,283,595**	**89,207,662**

Infinita Prosperidad Minera:
- During the year ended December 31, 2019, Infinita provided demand loans to the Company in the amount of $13,442,580 (US$10,350,000); it is unsecured, denominated in US dollars, and bears interest at 7.13%;
- The total term and demand loans and interest thereon at December 31, 2019 amounts to $104,768,723 (US$80,665,786) (December 31, 2018 – $89,207,662). The total loans plus interest are unsecured, denominated in US dollars, bear interest at 7.13%.

Coripuno SAC
- During the year ended December 31, 2019 Coripuno provided demand loans to the Company in the amount of $5,454,960 (US$4,200,000); it is unsecured, denominated in US dollars, and bears interest at 7.13%;
- The total term and demand loans and interest thereon at December 31, 2019 amounts to $5,514,872 (US$4,246,129) (December 31, 2018 – nil). The total loans plus interest are unsecured, denominated in US dollars, bear interest at 7.13% and are due on demand.

Gold and silver sales

- The Company sold gold concentrate in the amount of $4,731,462 (2018 – nil) to Coripuno SAC. The concentrate was sold at prevailing market prices.
- The Company sold gold concentrate in the amount of $1,738,529 (2018 – nil) to CMH. The concentrate was sold at prevailing market prices.

Share office expenses

The Company shares office space with Batero Gold Corp. ("Batero"). Two of the Company's directors are also directors of Batero. During the year ended December 31, 2019 shared office expenses in the amount of $167,230 (2018 – $155,682) were billed by the Company to Batero Gold Corp.

PROPOSED TRANSACTIONS

The Company has no material proposed transactions other than in the normal course of business.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

(a) Exploration and evaluation assets or expenditures:
The Company's policy is to expense exploration and evaluation expenditures as incurred, as a result the Company does not have any expenditures on exploration and evaluation assets during the periods under review, the Company has begun to incur significant revenues and all expenditures are incurred in one property. See note disclosure to de Company's December 31, 2019 consolidated financial statements.

(b) Expensed research and development costs:
The Company does not have any expensed research and development costs during the periods under review.

(c) Intangible assets arising from development:
The Company does not have any intangible assets arising from development during the periods under review.

(d) General and administrative expenses:
See note disclosure to the Company's December 31, 2019 consolidated financial statements.

(e) Any material costs, whether expensed or capitalized as assets, not included in (a) to (d) above:
The Company does not have any material costs not included in (a) to (d) above.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial period are discussed below:

Commercial production

The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgement which impacts when the Company recognizes revenue, operating costs and depreciation and depletion. In making this determination, management considers specific facts and circumstances. These factors include, but are not limited to, whether the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed, completion of a reasonable period of commissioning and consistent operating results being achieved at pre-determined levels of design capacity for a reasonable period of time. The Company determined commercial production was achieved for the Cisneros Mine on March 1, 2019.

Inventory valuation

Finished goods, work-in-process, and stockpile ore are valued at the lower of cost and net realizable value. The assumptions used in the valuation of work-in-process inventories include estimates of gold in stockpile, , the amount of gold in the mill circuits and assumption of the gold price expected to be realized when the gold is recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventories and stockpile, which would reduce earnings and working capital.

Recoverable ounces

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, issued by the Canadian Securities Administrators. This National Instrument lays out the standards of disclosure for mineral projects including rules relating to the determination of mineral reserves and mineral resources. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Differences between management's assumptions, and actual events including economic assumptions such as metal prices and market conditions, could have a material effect in the future on the Company's financial position and results of operation.

Estimation of provision for environmental rehabilitation:

The Company has obligations for environmental rehabilitation related to its property. The future obligations for mine closure activities are estimated by the Company using the mine closure plans. Because the obligations are dependent on the Colombian laws and regulations in which the mines operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies. As the estimate of obligations is based on future expectations, a number of estimates and assumptions are made by management in the determination of environmental rehabilitation provision. The environmental rehabilitation provisions are more uncertain the further into the future the mine closure activities are to be carried out.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company’s control, are feasible, and are within management’s ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Determination of functional currency

Functional currency is determined annually for each entity based on a set of primary and secondary factors that include; the currency that influences sales prices for goods and services; the currency of the country that determines the sales prices of goods and services; the currency that mainly influences the costs of providing goods and services; the currency in which funds from financing activities are generated; the currency in which receipts from operating activities are usually retained. When the factors do not provide clear indicators, management judgement must be applied in the determination of functional currency.

Leases
Critical judgements required in the application of IFRS 16 included, among others, the following:
- Identifying whether a contract (or part of a contract) includes a lease,
- Determining whether it is reasonably certain that an extension or termination option will be exercised,
- Classification of lease agreements (when the entity is a lessor),
- Determination whether variable payments are in-substance fixed,
- Determining the stand-alone selling prices of lease and non-lease components.

Key sources of estimation uncertainty in the application of IFRS 16 include, among others, the following:
- Estimation of the lease term,
- Determination of the appropriate rate to discount the lease payments,
- Assessment of whether a right-of-use asset is impaired.

Other estimates
Other significant estimates which could materially impact the financial statements include:
- The inputs used in accounting for share purchase option expense in the consolidated statements of income / (loss);
- The estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of income / (loss) and comprehensive income / (loss); and

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration, development and mining operations. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental risks, changes in metal prices, and political and economic uncertainties.

It should be noted that with the decision to proceed with construction and mining of the Cisneros project, on the basis of a PEA (as compared to a pre-feasibility or a feasibility study), there is increased uncertainty and higher risk of economic and technical failure associated with the Company's decision. Production and economic variables may vary considerably, due to the absence of a pre-feasibility or a feasibility study prepared in accordance with NI 43-101 standards. In particular, there is additional risk that mineral volumes and grades will be lower than management expected and the risk that construction or ongoing mining operations will be more difficult or more expensive than management expected. Project failure may materially adversely impact the Company's future profitability, its ability to repay existing loans, and its overall ability to continue as a going concern.

The construction investment has been funded via debt financing, mainly from Infinita, which is a related party to the Company. The Corporation may not be able to get additional loans from Infinita or other potential creditors. Re-payment of the term loan payable to Infinita was to have been in 24 equal monthly installments commencing on October 1, 2017. The Company has not made the payments as required, and as a result is in default of the term loan. As a result of being in default if Infinita makes a demand for payment the entire term loan would be immediately due and payable. A demand for payment has not been made, and management believes that Infinita will not demand re-payment of the term loan.

On March 1, 2019, the Company declared the successful start of production at the Cisneros Operation in Antioquia, Colombia. Since then, the Company has received significant cash flow from sales. Although during 2019 cash flow was not enough to cover all of its operating costs, management believes that with planned improvements now being implemented the project will be able to overcome the break-even point during 2020, generating sufficient cash flow to begin repaying the outstanding loans.

The other property interests that the Company has or has an option with which to earn an interest are in the exploration stages only. Currently there are no confirmed deposits of commercial mineralization on those properties. Mineral exploration involves a high degree of risk. There are few properties that are explored and ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial deposits of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company must look for other exploration projects or cease operations.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. Since the Company operates in Colombia, it is subject to political, legal, tax and other risks associated with operating in a foreign jurisdiction.

The Company is in the business of metals exploration and mine development and as such, its prospects are largely dependent on movements in the price of various metals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Company. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Currently, the Company does not enter into price hedging programs.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in Colombian Pesos and United States dollars.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company's consolidated financial statements have been prepared using International Financial Reporting Standard ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations, generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to companies in a comparable stage of operation. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption.

NON-IFRS MEASURES

The Company has included non-IFRS measures in this MD&A, these 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 IFRS. These measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to other issuers.

Non-IFRS measures referred to in this MD&A are defined as follows:

EBITDA and Adjusted EBITDA:
EBITDA Represents earnings before interest (including non-cash accretion of financial obligations and lease obligations), income taxes and depreciation and amortization.
Adjusted EBITDA excludes impairment charges and reversals, gains or losses on asset dispositions, wealth taxes, gains/losses on financial instruments, and foreign exchange gains/losses. Excludes exchange gain/loss on translation of foreign operations.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA to the Financial Statements:

EBITDA and Adjusted EBITDA ($CAD)	**For the three months ended Dec 31,**		**For the Year ended**		
	2019	**2018**	**2019**	**2018**	**2017**
Loss for the period	(3,778,778)	(949,411)	(17,288,027)	(3,229,526)	(2,486,383)
Depreciation	(597,115)	27,568	5,468,714	79,552	48,630
Interest	1,583,669	6,786	5,962,614	30,639	35,041
Taxes	517,956	-	517,956	-	-
EBITDA	(2,274,268)	(915,056)	(5,338,743)	(3,119,336)	(2,402,712)
Impairment charges	(691,281)	-	(691,281)	-	-
Gain (loss) on asset dispositions	(185,272)	(5,225)	(188,247)	7,891	-
Gain (loss) on foreign exchange	(142,292)	(30,821)	(251,297)	462,118	(14,281)
Adjusted EBITDA	**(1,255,423)**	**(879,010)**	**(4,207,918)**	**(3,589,345)**	**(2,388,432)**

Average realized gold price:
Represents the sale price of gold per ounce before deducting production costs, depreciation, and mining royalties.

The following table provides a reconciliation of the Average realized gold price:

Average realized gold price ($ CAD/oz sold)	**For the three months ended Dec 31,**		**For the Year ended**		
	2019	**2018**	**2019**	**2018**	**2017**
Gold revenue	5,951,871	-	20,192,768	-	-
Gold Sold (Oz)	3,172	-	11,332	-	-
Average realized gold price	**1,876**	**-**	**1,782**	**-**	**-**

Cash Costs
Cash costs per ounce sold represents all direct and indirect operating costs related to the physical activities of producing gold, including on-site mining costs, processing, on-site general and administrative costs, community site relations, and royalties. Cash costs incorporate the Company's share of production costs but exclude, among other items, the impact of depreciation, depletion and amortization ("DD&A"), financing costs, capital development and exploration and income taxes.

Cash costs per ounce is a common performance measure in the mining industry, but does not have any standardized meaning. A Company's adoption of the standard is voluntary and other companies may quantify these measures differently as a result of different underlying principles and policies applied.

The following table reconciles total cash costs per ounce sold as disclosed in this MD&A to the Financial Statements:

Cash Cost per Oz Sold ($CAD)	For the three months ended Dec 31,		For the Year ended		
	2019	**2018**	**2019**	**2018**	**2017**
Gold Sold (Ounces)	**3,172**	**-**	**11,332**	**-**	**-**
Production costs	6,437,657	-	20,472,474	-	-
Royalties	203,263	-	654,986	-	-
Silver Revenue	(15,043)	-	(56,905)	-	-
Total Cash Cost (Cad)	6,625,877	-	21,070,555	-	-
Total cash costs per ounce sold	**2,089**	**-**	**1,859**	**-**	**-**

All-in Sustaining Costs (AISC)

AISC include total production cash costs incurred at the Company's mining operations. Additionally, the Company includes sustaining capital expenditures which are expended to maintain existing levels of production (to which costs do not contribute to a material increase in annual gold ounce production over the next 12 months), general and administrative and exploration and evaluation expenses. The measure seeks to reflect the full cost of production from current operations, therefore expansionary capital is excluded. Certain other expenditures, including taxes and financing costs are also excluded. The Company reports AISC on a per ounce sold basis.

This performance measure was adopted as a result of an initiative undertaken within the gold mining industry; however, this performance measure has no standardized meaning and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. A Company's adoption of the standard is voluntary and other companies may quantify these measures differently as a result of different underlying principles and policies applied.

The following table reconciles AISC per ounce sold as disclosed in this MD&A to the Financial Statements:

AISC per Oz Sold ($CAD)	For the three months ended Dec 31,		For the Year ended		
	2019	**2018**	**2019**	**2018**	**2017**
Gold Sold (Ounces)	**3,172**	**-**	**11,332**	**-**	**-**
Total cash cost	6,625,877	-	21,070,555	-	-
G&A excluding depreciation	766,618	-	1,778,103	-	-
Sustaining costs	73,050	-	195,715	-	-
Total AISC	7,465,545	-	23,044,373	-	-
AISC per ounce sold	**2,354**	**-**	**2,034**	**-**	**-**

All-in Costs

Includes AISC (as defined above) and adds non-sustaining capital and E&E costs. Non-sustaining capital is related to new projects that are not associated with gold production from the current operations, and similar to AISC, excludes certain other cash expenditures such as income and other tax payments, financing costs and debt repayments.
The Company reports All in Cost on a per ounce sold basis.

The following table reconciles All-in Costs per ounce sold as disclosed in this MD&A to the Financial Statements:

All-in Cost per Oz Sold ($CAD)	For the three months ended Dec 31,		For the Year ended		
	2019	**2018**	**2019**	**2018**	**2017**
Gold Sold (Ounces)	3,172	-	11,332	-	-
Non-sustaining capital and E&E costs	440,625	-	1,762,500	-	-
Total All in Costs	7,906,170	-	24,806,873	-	-
All-in Cost per ounce sold	**2,493**	**-**	**2,189**	**-**	**-**

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A constitute forward-looking statements. Such forward-looking statements involve a number of 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 actual future results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

<u>Caution regarding forward looking statements:</u>
Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the expectation of gold recoveries; the planned focus of activities at the Company's Cisneros Project (as hereinafter defined); the Company's plans with respect to its Strategic Properties (hereinafter defined); requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- The Company's goal is to create shareholder value by concentrating on the development of properties that have the potential to contain economic gold and other precious metals;
- Management's assessment of future plans for the Company's operations in Colombia;
- Management's economic outlook regarding future trends;
- The Company's ability to meet its working capital needs at the current level in the short term;
- Sensitivity analysis on financial instruments may vary from amounts disclosed; and

- Governmental regulation and environmental liability.

In addition, the Company has also made certain assumptions that the Company believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results than prior exploration and results, future costs and expenses being equivalent to historical costs and expenses, and the ability of the Company to obtain additional financing.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information.