ATICO MINING CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS

For the nine months ended September 30, 2021

Atico Mining Corporation
Corporate Office: Suite 501 - 543 Granville Street, Vancouver BC, Canada V6C 1X8 T +1 (604) 633-9022
Business Development Office: Av. Pardo y Aliaga 640 Piso 17, San Isidro, Lima, Peru T (51-1) 616-6060 ext 2

GENERAL

This management's discussion and analysis ("MD&A") for Atico Mining Corporation (the "Company" or "Atico") is intended to help the reader understand the significant factors that have affected Atico and its subsidiaries performance and such factors that may affect its future performance. This MD&A, which has been prepared as of November 16, 2021, should be read in conjunction with the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2021 and the related notes contained therewith. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included in the following MD&A are in the United States ("US") dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com.

This MD&A refers to certain non-GAAP financial measures such as cash cost per tonne of processed ore and cash cost per pound of payable copper produced, used by the Company to manage and evaluate operating performance. These measures are widely reported in the mining industry but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. The Company believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. Accordingly, non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures as calculated by the Company, we have provided detailed descriptions and reconciliations as required.

INDEX

COMPANY OVERVIEW

The Company was incorporated under the laws of the Yukon Territory on April 15, 2010, continued pursuant to the laws of British Columbia effective October 4, 2011, and its fiscal year end is December 31. The Company is headquartered at Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada and has regional offices in Colombia, Peru, and Ecuador.

The Company is engaged in copper-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects in Latin America. The Company completed its initial public offering ("IPO") in March 2012. In conjunction with the IPO, Atico began trading on the TSX Venture Exchange ("TSX-V") under the symbol "ATY".

On November 22, 2013, the Company completed the exercise of its mineral property purchase option, acquiring 90% of the shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mineral property and took control of the producing El Roble mine and 6,355 hectares of surrounding claims. MINER's principal asset is the operating El Roble underground copper-gold-silver mine and processing plant, located in Choco, Colombia. With a historic nominal capacity of 400 tonnes per day, the mine had processed over twenty-three years, 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 grams per tonne ("g/t"). Since obtaining control of the mine on November 22, 2013, the Company has upgraded the operation from the historic nominal capacity of 400 tonnes per day to the current nominal capacity of 1,000 tonnes per day.

On September 11, 2019, the Company completed its plan of arrangement (the "Arrangement") pursuant to a definitive agreement dated July 8, 2019 (the "Arrangement Agreement") to acquire Toachi Mining Inc. ("Toachi"), whereby each of the issued and outstanding shares of Toachi was exchanged on a basis of 0.24897 common shares of the Company (the "Exchange Ratio"). Toachi owned 60% of Compania Minera La Plata S.A. ("CMLP") and had an option agreement to earn up to a 75% ownership in CMLP which owns the concessions comprising the La Plata project, a gold-rich volcanogenic massive sulphide ("VMS") deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The La Plata project consists of two concessions covering a total area of 2,300 hectares along its 4-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

On August 20, 2021, the Company acquired the remaining 40% of the issued and outstanding shares of CMLP. The acquisition was completed pursuant to a share purchase agreement and as a result of the acquisition, CMLP is now a wholly-owned subsidiary of the Company.

THIRD QUARTER 2021 FINANCIAL AND OPERATING HIGHLIGHTS

- Net income for the three months ended September 30, 2021 ("Q3-2021") amounted to $7.6 million, compared with $1.9 million for the comparative period ("Q3-2020"). The significant increase in net income was due to increase of concentrate shipped and invoiced and a higher realized copper price, as compared to Q3-2020.

- Sales for the period increased 126% to $31.8 million when compared with $14.1 million in Q3-2020. Copper ("Cu") and gold ("Au") accounted for 85% and 15% of the 16,184 (Q3-2020 - 9,291) dry metric tonnes ("DMT") provisionally invoiced during Q3-2021.

- The average realized price per metal on provisional invoicing was $4.26 (Q3-2020 - $2.98) per pound of copper and $1,782 (Q3-2020 - $1,991) per ounce of gold.

- Income from operations was $12.1 million (Q3-2020 - $3.8 million) while cash flow from operations, before changes in working capital, was $14.6 million (Q3-2020 - $3.1 million). Cash used for capital expenditures amounted to $4.5 million (Q3-2020 - $3.1 million).

- Working capital was $22.8 million (December 31, 2020 - $22.5 million), while the Company had $6.2 million (December 31, 2020 - $6.8 million) in long-term loans payable.

- Cash costs were $111.49 per tonne of processed ore and $1.40 per pound of payable copper produced, which were a decrease of 2% and an increase of 24% over Q3-2020, respectively (refer to non-GAAP Financial Measures). The increase in cash costs per pound of payable copper produced is mainly explained by a decrease in copper production due to a lower processed head-grade than in the same quarter of last year.

- Cash margin was $2.86 (Q3-2020 - $1.85) per pound of payable copper produced, which was an increase of 54% over Q3-2020 (refer to non-GAAP Financial Measures) due to higher metal prices.

- All-in sustaining cash cost per payable pound of copper produced was $2.19 (Q3-2020 - $1.54) (refer to non-GAAP Financial Measures).

- The Company produced 10,704 (Q3-2020 - 11,957) DMT of concentrate with a metal content of 4.44 million (Q3-2020 - 5.5 million) pounds ("lbs") of copper and 2,978 (Q3-2020 - 2,607) ounces ("oz") of gold.

- Processed tonnes increased 6% to 77,816 compared to 73,603 in Q3-2020.

RESULTS OF OPERATIONS

El Roble mine review

The El Roble mine is an underground copper, gold and silver mine and processing plant located in the Department of Choco in Colombia. Its commercial product is a copper concentrate with gold and silver by-product credits.

For over twenty-three years, the mine had processed, with an historic nominal capacity of 400 tonnes per day, a total of over 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 g/t. In 2018, the operation completed an expansion to a nominal capacity of 1,000 tonnes per day. Copper and gold mineralization at the El Roble property occurs in volcanogenic massive sulfide lenses.

The Company announced in its press release dated July 22, 2021, that it is currently in the process of renewing the title on its claims hosting the El Roble property, which under the current agreement are set to expire in January 2022. This process is still ongoing. The Company is working diligently with the authorities and believes it has followed and fulfilled all of the renewal requirements. However, at this time, the title has not been renewed and there is no assurance that it will be renewed. If the new title is not granted on or before January 23, 2022, the Company will be forced to halt mining operations. That outcome would be materially adverse for the Company since it will have no cash flow from operations and will be required to change its priorities. The Company will continue to firmly pursue the renewal of the title and will advise the market of any developments as they occur.

The table below shows the main variables used by management to measure operating performance of the mine: throughput, grade, recovery, metal production and cost.

El Roble operating performance

	YTD 2021	**Q3 2021**	**Q2 2021**	**Q1 2021**	YTD 2020	Q3 2020	Q2 2020	Q1 2020
Production (contained metals)(1)								
Copper (000 lbs)	**13,139**	**4,442**	**4,312**	**4,385**	15,443	5,540	4,956	4,947
Gold (oz)	**7,866**	**2,978**	**2,699**	**2,189**	7,983	2,607	2,718	2,658
Silver (oz)	**29,514**	**11,692**	**10,440**	**7,383**	30,275	9,953	10,401	9,921
Mining(1)								
Material (tonnes)	**211,815**	**76,276**	**71,437**	**64,101**	221,595	71,993	76,825	72,777
Milling(1)								
Milled (tonnes)	**214,336**	**77,816**	**68,238**	**68,282**	218,781	73,603	71,804	73,374
Tonnes per day	**922**	**919**	**892**	**954**	880	860	877	878
Copper grade (%)	**3.01**	**2.80**	**3.10**	**3.15**	3.48	3.74	3.38	3.32
Gold grade (g/t)	**1.93**	**2.02**	**2.00**	**1.76**	1.97	1.93	2.02	1.94
Silver grade (g/t)	**8.03**	**8.27**	**9.04**	**6.77**	9.17	9.20	9.10	9.20
Recoveries(1)								
Copper (%)	**92.5**	**92.6**	**92.6**	**92.3**	92.1	91.4	92.9	91.9
Gold (%)	**59.3**	**58.8**	**61.5**	**57.3**	58.0	56.3	58.6	59.0
Silver (%)	**53.7**	**56.6**	**53.2**	**49.8**	47.6	47.0	49.4	46.3
Concentrate(1)								
Cu concentrate produced (DMT)	**31,089**	**10,704**	**10,020**	**10,366**	33,018	11,957	10,828	10,232
Copper (%)	**19.17**	**18.8**	**19.5**	**19.2**	21.2	21.0	20.8	21.9
Gold (g/t)	**7.9**	**8.7**	**8.6**	**6.6**	7.5	6.8	7.8	8.1
Silver (g/t)	**29.5**	**34.0**	**31.6**	**22.3**	28.4	25.8	29.8	30.1
Payable copper produced (000 lbs) (1)	**12,418**	**4,182**	**4,070**	**4,166**	14,671	5,263	4,708	4,700
Cash cost per pound of payable copper produced(2)	**1.48**	**1.40**	**1.33**	**1.71**	1.07	1.13	0.93	1.13

(1) Subject to adjustments due to final settlement and final assays.
(2) Net of by-product credits (refer to non-GAAP Financial Measures).

In Q3-2021, the Company produced 4.44 million lbs of copper, 2,978 oz of gold, and 11,692 oz of silver. When compared to same period in 2020, production decreased by 20% for copper and increased 14% for gold. The decrease for copper is mostly explained by 25% decrease in processed head-grade.

(Expressed in US dollars, unless otherwise indicated)

During the quarter, the mill operated for 85 days, no change over the same period of last year. Average copper head grades decreased by 25%, explained by the current mining plan sequence of the orebody while gold head grade increased 5% relative to same period in 2020, both remained within the Company's mine plan for the period.

Recoveries improved to 92.6% (Q3-2020 - 91.4%) for copper and 58.8% (Q3-2020 - 56.3%) for gold; both were in line with the Company's mine plan for the period.

Cash costs were $111.49 per tonne of processed ore and $1.40 per pound of payable copper produced, which were decrease of 2% and increase of 24% over Q3-2020, respectively (refer to non-GAAP Financial Measures). The increase in cash costs is mainly explained by a decrease in copper production due to lower processed head-grade than in the same quarter of last year.

For Q3-2021, the all-in sustaining cash cost net of by-product credits was $2.19 (Q3-2020 - $1.54) per pound of payable copper produced (refer to non-GAAP Financial Measures), which represents a 42% increase over Q3-2020.

Cash used for capital expenditure activities during Q3-2021 were $2.3 million. Major categories of expenditure included $0.8 million in the second phase of the tailings dam and drystack and $0.9 million in exploration.

The drift-and-fill mining method continues in Zeus with ore being sourced throughout the year from primary and secondary stopes from five sublevels from the 1727 to the 1797 level.

Concentrate inventory

Amounts in dry metric tonnes	**Q3 2021**	Q3 2020	**YTD 2021**	YTD 2020
Opening inventory	**7,084**	6,268	**4,824**	2,810
Production	**10,704**	11,957	**31,071**	33,017
Sales	**(16,184)**	(9,291)	**(34,121)**	(26,893)
Adjustment	**17**	(2)	**(153)**	(2)
Closing inventory	**1,621**	8,932	**1,621**	8,932

Production is trucked routinely from the El Roble mine to the port of Buenaventura, where 10,000 WMT of concentrate can be stored at the Company´s warehouse. Since the cost of shipping and freight is directly related to the size of the lot to be shipped, the Company plans to sell lots closer to 10,000 WMT.

The Company recognizes revenue from provisional invoicing when the risks and rewards of ownership are transferred to the customer, which under the current off-take agreement is when the Company loads the concentrate onto the performing vessel at the port of Buenaventura, Colombia. As final settlement may occur several months after the provisional invoicing, changes in metal prices during the quotation period may have a material impact on the revenue ultimately recognized.

The number of shipments the Company can export in any given quarter depends on several variables some of which the Company does not control, hence there may be an inherent variability in tonnes shipped and revenue recognized from quarter to quarter. Given the Company's revenue recognition policy and shipment schedule, the concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis.

In Q3-2021, the Company carried forward 7,084 DMT from the previous quarter, produced 10,704 DMT and sold 16,184 DMT of concentrate; the difference (after inventory adjustments) of 1,621 DMT is the concentrate inventory carried over to Q4-2021.

Exploration at El Roble

During Q3-2021, a total of 5,876 meters were drilled at El Roble Mine, of which 3,215 meters were drilled underground looking for new massive sulphide ("MS") at depth (plunge) of the Zeus body and 2,661 meters at the regional exploration targets La Calera Baja, Santa Anita, La Batea and Anomalia 28.

The underground drilling at Zeus plunge is defining the extent of the host rock and continues reporting strong hydrothermal breccias at depth with good geochemical vectors. At the regional La Calera target, the results are showing a favorable horizon with strong Py concentration, these vectors along with geophysics are good indicators towards delineating MS targets; two holes returned good geochemical results with anomalous Ag and Zn. The Company will continue drilling with two drilling contractors Logan Drilling and Explomin in order to expedite the 2021 drill program and make up for delays experienced in the first half of the year. The objective is to execute on this year's budget as well as starting to drill other regional target areas.

The Company is planning to drill test at least 18,000 meters with its ongoing exploration program in 2021. In addition, Innevexplo alongside with SRK Canada have been engaged to develop structural interpretation of all El Roble target areas. The results of the analysis of SRK and Innevexplo have confirmed the targets generated by El Roble, defining more details to locate the new drilling.

LA PLATA OVERVIEW

Atico's wholly-owned La Plata project is a gold rich volcanogenic massive sulphide deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The project benefits from a modern drill and exploration database which was completed by Cambior Inc. from 1996-1999, Cornerstone Capital from 2006-2009 and Toachi from 2016-2019.

Toachi Mining completed a PEA estimating an inferred resource of 1.85 million tonnes grading 4.10 grams gold per tonne, 50.0 grams silver per tonne, 3.30% copper, 4.60% zinc and 0.60% lead per tonne.

The La Plata project consists of two concessions covering a total area of 2,300 hectares along its 4-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

La Plata option agreement

The Company announced in its August 20, 2021 press release that it has acquired the remaining 40% interest in the La Plata project, and now owns 100% of the project, as a result, the option agreement has been terminated.

Exploration at La Plata

During Q3-2021, a total of 3,130 meters were drilled at the La Plata project, 2,282 meters in the San Pablo regional target, 762 meters in the Guatuza North regional target, and 86 meters were drilled in the North Block to collect samples for further metallurgical testing. The 2021 La Plata regional exploration drilling program includes 5,000 meters of diamond drilling in El Tigre, San Pablo and Guatuza North targets where scout exploration drilling is currently being conducted. In addition, at the regional San Pablo target, we completed the first ten holes with one intercept of massive sulphide rich in Pb-Zn in hole ATSP-21-009 (results pending); Atico Geologists are doing an analysis and interpretation of this area to prepare for a new drill campaign in the San Pablo regional target next year. At the Guatuza North regional target area, continuity of stockwork mineralization was observed in the three drill holes drilled in this period. These will be priority regional target areas to follow-up on once the regional drilling resumes.

CORPORATE UPDATES

COVID-19 response measures

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company is closely monitoring the developments and has implemented preventative measures at the El Roble mine site, La Plata project, as well as corporate offices to safeguard the health of its employees, while continuing to operate effectively and responsibly in its communities. It is currently not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. However, we will continue to assess the situation and are prepared to swiftly make any necessary adjustments within the regulatory framework issued by the Colombian and Ecuadorian Ministry of Health and Social Protection.

OUTLOOK

The Company is basing its 2021 guidance on the nine months ended September 30, 2021 financial and production results. Please refer to Cautionary Note on Forward Looking Statements at the end of this document. The Company set the following objectives for 2021 at the El Roble mine:

- Process between 280,000 and 300,000 tonnes.
- Maintain copper recovery above 93% and 62% for gold.
- Maintain an average copper head grade between 3.4% and 3.6%.
- Maintain an average gold head grade between 1.8 g/t and 2.0 g/t.
- Maintain production between 41,000 and 43,000 dry tonnes of concentrate.
- Maintain production between 9,100 and 9,500 tonnes of copper.
- Maintain production between 10,500 and 11,500 ounces of gold.
- Increase the mill mechanical availability to 95% and reach 330 days worked.
- Continue increasing the safety and environmental standards.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the eight quarters up to September 30, 2021 and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2020 and 2019.

	Q3-2021	Q2-2021	Q1-2021	Q4-2020
Revenue	$ 31,807,740	$ 13,435,135	$ 19,303,903	$ 25,120,612
Income (loss) from operations	12,116,690	3,681,062	5,311,749	8,558,266
Net income (loss) for the period(1)	6,645,202	430,614	981,566	6,022,003
Earnings (loss) per share - basic and diluted	0.05	0.01	0.01	0.05
Weighted average shares outstanding - basic	121,286,185	121,103,365	119,125,603	119,033,901
Weighted average shares outstanding - diluted	121,958,285	122,030,146	120,131,609	119,991,525

	Q3-2020	Q2-2020	Q1-2020	Q4-2019
Revenue	$ 14,064,743	$ 12,826,237	$ 7,563,092	$ 23,816,546
Income (loss) from operations	3,769,289	3,017,827	(2,560,117)	6,375,203
Net income (loss) for the period(1)	1,606,580	1,049,710	(1,441,838)	4,339,062
Earnings (loss) per share - basic and diluted	0.01	0.01	(0.01)	0.04
Weighted average shares outstanding - basic	119,032,661	119,026,769	119,023,234	119,022,769
Weighted average shares outstanding - diluted	119,925,370	119,026,769	119,023,234	119,022,769

(1) Income (loss) attributable to equity holders of the Company.
(2) There is a variability of the Company's quarterly revenues and incomes from operations due to timing difference between production and shipment schedules (see discussion in "Concentrate inventory").

THIRD QUARTER FINANCIAL RESULTS

Third quarter net income was $7,555,343 compared to $1,875,823 in Q3-2020 and basic and diluted earnings (loss) per share was $0.05 and $0.01, respectively. Income from mining operations was $13,759,010 (Q3-2020 - $4,993,947), and the Company had income from operations of $12,116,690 (Q3-2020 - $3,769,289). The Q3-2021 net income was significantly affected by increase of concentrate shipped and invoiced and a higher realized copper price, as compared to Q3-2020.

Sales for Q3-2021 were $31,807,740 (Q3-2020 - $14,064,743) from the shipping and provisional invoicing of 16,184 (Q3-2020 - 9,291) DMT of concentrate including final weight adjustments on prior shipments. The Company's metal concentrates are provisionally priced at the time of sale based on the prevailing commodity market prices. Final prices are set in a period subsequent to the date of sale based on specified quotational period after delivery. Under the current sales agreement, final pricing for metals concentrates occurs one or three months after the month of sales.

Three months ended	**September 30 2021**	September 30 2020
Sales and realized prices		
Provisional invoices	**$ 32,090,480**	$ 14,388,229
Adjustments(1)	**(282,740)**	(323,486)
Sales per financial statements	**$ 31,807,740**	$ 14,064,743
Copper		
Provisional sales (000's lbs)	**6,804.4**	4,228.9
Realized price ($/lb)(2)	**4.26**	2.98
Net realized price ($/lb)(3)	**4.01**	2.82
Gold		
Provisional sales (oz)	**5,096.8**	2,209.2
Realized price ($/oz)(2)	**1,782.33**	1,990.96
Net realized price ($/oz)(3)	**940.95**	1,104.64
Silver		
Provisional sales (oz)	**18,084.7**	9,314.4
Realized price ($/oz)(2)	**23.30**	26.91
Net realized price ($/oz)(3)	**0.09**	1.03

(1) Include adjustments for mark-to-market price, forward sale arrangements, and foreign exchange rates. The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.
(2) Based on provisional sales before final price and assay adjustments.
(3) Adjusted for payable metals deductions, treatment and refining charges, and transportation charges.

Cost of sales for Q3-2021 was $18,048,730 (Q3-2020 - $9,070,796). The increase in cost of sales over the comparative period was due to increases in concentrate sold and production cost of the concentrate sold.

General and administrative ("G&A") expenses were higher for Q3-2021 compared to Q3-2020 consisting of the following components:

	Three months ended September 30, 2021			Three months ended September 30, 2020		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 19,922**	**$ 3,909**	**$ 23,831**	$ 9,109	$ 1,036	$ 10,145
General and administrative	**360,086**	**226,879**	**586,965**	214,825	179,492	394,317
Professional fees	**31,958**	**144,449**	**176,407**	31,927	86,129	118,056
Salaries and benefits	**273,122**	**325,066**	**598,188**	264,979	243,767	508,746
Transfer agent and filing fees	**-**	**54,602**	**54,602**	-	15,445	15,445
	$ 685,088	**$ 754,905**	**$ 1,439,993**	$ 520,840	$ 525,869	$ 1,046,709

Other income and expenses: In Q3-2021, the Company recognized share-based payments of $202,327 (Q3-2020 - $177,949) for stock options and restricted share units ("RSUs") granted in between February 2018 and July 2021, where each has a vesting term over 36 months.

In Q3-2021, the Company recognized accretion expense of $68,688 (Q3-2020 - $75,704) for its decommissioning and restoration provision and lease liabilities, a net realized loss of $1,024,935 (Q3-2020 - $109,931) on settlements of its derivative instruments, a positive fair value adjustment of $1,429,927 (Q3-2020 - negative $44,914) to its derivative instruments outstanding at the reporting date, and a foreign exchange gain of $210,599 (Q3-2020 - loss of $59,299).

In Q3-2021, the Company recognized a current income tax expense of $2,899,072 (Q3-2020 - $3,212,907) and a deferred income tax expense of $1,754,420 (Q3-2020 - recovery of $1,966,618).

NINE MONTHS FINANCIAL RESULTS

For the nine months ended September 30, 2021, net income was $9,352,431 compared to $1,527,373 during the comparative period in 2020 and basic and diluted earnings per share was $0.07 and $0.01, respectively. Income from mining operations was $25,636,199 (2020 - $7,697,330), and the Company had an income from operations of $21,109,501 (2020 - $4,226,999). Net income for the nine months ended September 30, 2021 benefited from greater quantity of concentrate sold and higher realized copper price, partially offset by higher production costs and negative fair value adjustment and realized loss on its derivative instruments, over the comparative period in 2020.

Sales for the nine months ended September 30, 2021 were $64,546,778 (2020 - $34,454,072) from the shipping and provisional invoicing of 34,121 (2020 - 26,893) DMT of concentrate including final weight adjustments on prior shipments. The Company's metal concentrates are provisionally priced at the time of sale based on the prevailing commodity market prices. Final prices are set in a period subsequent to the date of sale based on specified quotational period after delivery. Under the current sales agreement, final pricing for metals concentrates occurs one or three months after the month of sales.

Nine months ended	**September 30 2021**	September 30 2020
Sales and realized prices		
Provisional invoices	**$ 64,884,043**	$ 37,187,150
Adjustments[(1)]	**(337,265)**	(2,733,078)
Sales per financial statements	**$ 64,546,778**	$ 34,454,072
Copper		
Provisional sales (000's lbs)	**14,419.6**	12,649.0
Realized price ($/lb)[(2)]	**4.23**	2.59
Net realized price ($/lb)[(3)]	**3.98**	2.46
Gold		
Provisional sales (oz)	**8,935.0**	6,689.0
Realized price ($/oz)[(2)]	**1,788.33**	1,767.08
Net realized price ($/oz)[(3)]	**834.01**	912.07
Silver		
Provisional sales (oz)	**33,859.6**	27,230.6
Realized price ($/oz)[(2)]	**24.68**	19.25
Net realized price ($/oz)[(3)]	**0.10**	0.43

(1) Include adjustments for mark-to-market price, forward sale arrangements, and foreign exchange rates. The current and subsequent periods may include final settlement quantity and/or price adjustments from prior shipments.
(2) Based on provisional sales before final price and assay adjustments.
(3) Adjusted for payable metals deductions, treatment and refining charges, and transportation charges.

(Expressed in US dollars, unless otherwise indicated)

Cost of sales for the nine months ended September 30, 2021 was $38,910,579 (2020 - $26,756,742). The increase in cost of sales over the comparative period was due to increases in the quantity of concentrate sold and production cost of the concentrate sold.

General and administrative expenses for the nine months ended September 30, 2021 were higher compared to the comparative period in 2020 consisting of the following components:

	Nine months ended September 30, 2021			Nine months ended September 30, 2020		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 103,423**	**$ 18,216**	**$ 121,639**	$ 25,653	$ 4,551	$ 30,204
General and administrative	**1,054,181**	**613,401**	**1,667,582**	715,962	540,832	1,256,794
Professional fees	**94,295**	**266,759**	**361,054**	80,558	171,413	251,971
Salaries and benefits	**813,520**	**748,621**	**1,562,141**	780,864	689,037	1,469,901
Transfer agent and filing fees	**-**	**107,413**	**107,413**	-	38,969	38,969
	$ 2,065,419	**$ 1,754,410**	**$ 3,819,829**	$ 1,603,037	$ 1,444,802	$ 3,047,839

Other income and expenses: For the nine months ended September 30, 2021, the Company recognized share-based payments of $706,869 (2020 - $422,492) for stock options and RSUs granted in between February 2018 and July 2021, where each has a vesting term over 36 months.

For the nine months ended September 30, 2021, the Company recognized accretion expense of $206,466 (2020 - $221,174) for its decommissioning and restoration provision and lease liabilities, a net realized loss of $2,744,151 (2020 - $632,795) on settlements of its derivative instruments, and a negative fair value adjustment of $844,444 (2020 - positive $679,790) to its derivative instruments outstanding at the reporting date.

For the nine months ended September 30, 2021, the Company recognized a current income tax expense of $4,811,854 (2020 - $3,379,236) and a deferred income tax expense of $1,987,503 (2020 - recovery of $1,538,783).

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash as at September 30, 2021 totaled $14,297,751 (December 31, 2020 - $16,652,711) and its working capital was $22,779,656 (December 31, 2020 - $22,522,582). The Company generated cash flows from operations that have been used to fund capital expenditures for production increases, exploration and development work, meet financial obligations and to increase working capital. Working capital at any specific point in time is subject to many variables, including seasonality, inventory management, the timing of cash receipts and payments, credit facility and loan payment terms, and fluctuations in foreign exchange rates.

In September 2020, the Company entered into a loan arrangement with Export Development Canada ("EDC") for a non-revolving facility of up to $2,500,000 repayable over 30 months from the time of the initial advance. Any amount advanced carries interest rate of LIBOR plus 3.5% per annum. The Company received the initial advance of $2,500,000 in November 2020.

In December 2020, the Company entered into an unsecured convertible debenture arrangement with Dundee Corporation ("Dundee") for principal balance of $6,500,000, which carries an interest rate of 7.0% per annum payable quarterly for five years. The principal balance is convertible into 11,627,907 common shares of the Company at $0.559 per share. Over the term of the debenture, the Company may, at its option, redeem the debenture, in whole or in part, at par plus accrued and unpaid interest. There is an associated redemption fee between 2% to 4% of the principal amount if redeemed within 2 years after the closing date.

Management believes that the Company's current operational requirements and capital projects can be funded from existing cash and cash generated from operations. If future circumstances dictate an increased cash requirement and we elect not to delay, limit, or eliminate some of our plans, we may raise additional funds through debt financing, the issuance of hybrid debt-equity securities, or additional equity securities. To date, the Company has relied on a combination of equity financings and loans for its acquisitions, capital expansions, and operations. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. The Company's growth and success may be dependent on external sources of financing which may not be available on acceptable terms.

Third quarter liquidity and capital resources

During Q3-2021, cash decreased by $2,318,098. The decrease was due to net cash of $12,536,184 used in investing activities, partially offset by cash provided by operating and financing activities of $8,189,224 and $2,034,064, respectively. Exchange rate changes also had a negative impact on cash of $5,202.

Operating activities

During Q3-2021, net cash provided by operating activities amounted to $8,189,224, which included operating cash flow before changes in non-cash operating working capital items of $14,574,929, partially offset by changes in non-cash working capital items of $6,385,705. Non-cash working capital changes included the effects from an increase in receivables of $10,485,481, partially offset by a decrease in inventories of $3,849,018 and prepaids and deposits of $1,121,948.

(Expressed in US dollars, unless otherwise indicated)

Investing activities

Cash used by the Company in investing activities during Q3-2021 totaled $12,536,184, which was primarily comprised of the $7,000,000 closing payment on acquisition of the non-controlling interest of CMLP and capital expenditures on exploration activities and acquisition of new tailings facility at El Roble and works to advance the feasibility study at La Plata.

Financing activities

During Q3-2021, net cash provided by financing activities amounted to $2,034,064. The Company entered into loan arrangements with a maturity of six months totaling $3,000,000 with local Colombian banks. The Company repaid $250,001 of principal on its loan arrangements with EDC. Additionally, the Company paid $162,772 and $459,695 towards interest on loans and dividends to a subsidiary's non-controlling interests, respectively.

Nine months liquidity and capital resources

During the nine months ended September 30, 2021, cash decreased by $2,354,960. The decrease was due to net cash used in investing and financing activities of $24,120,630 and $940,899, respectively, partially offset by cash provided by operating activities of $22,813,046. Exchange rate changes had a negative impact on cash of $106,477.

Operating activities

During the nine months ended September 30, 2021, net cash provided by operating activities amounted to $22,813,046, which included operating cash flow before changes in non-cash operating working capital items of $27,825,159, partially offset by changes in non-cash working capital items of $5,012,113. Non-cash working capital changes included the effects from an increase in receivables of $4,266,905 and prepaids of $334,980 and a decrease in accounts payable and accrued liabilities of $2,776,156, partially offset by an increase in inventories of $2,365,928.

Investing activities

Cash used by the Company in investing activities during the nine months ended September 30, 2021 totaled $24,120,630, which was primarily comprised of the $7,000,000 closing payment on acquisition of non-controlling interest of CMLP and capital expenditures on exploration activities and acquisition of new tailings facility at El Roble and works to advance the feasibility study at La Plata.

Financing activities

During the nine months ended September 30, 2021, net cash used in financing activities amounted to $940,899. The Company made net repayment of $250,003 of principal on its loan arrangements with EDC and local Colombian banks. Additionally, the Company paid $480,970 and $931,921 towards interest on loans and dividends to a subsidiary's non-controlling interests, respectively. Finally, the Company received $624,742 from the exercise of stock options.

TRANSACTIONS WITH RELATED PARTIES

The Company considers key management personnel to include its management, directors, and any entity controlled by them. The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

Nine months ended September 30, 2021		Salary or fees		Share-based payments		**Total**
Management	$	658,748	$	389,472	$	1,048,220
Directors		111,600		265,940		377,540
Seabord Management Corp.		169,951		-		169,951
	$	940,299	$	655,412	$	1,595,711

Nine months ended September 30, 2020		Salary or fees		Share-based payments		**Total**
Management	$	589,998	$	263,125	$	853,123
Directors		114,000		91,731		205,731
Seabord Management Corp.		139,637		-		139,637
	$	843,635	$	354,856	$	1,198,491

As at September 30, 2021, the Company had $253,177 (December 31, 2020 - $1,159,028) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Management Corp. ("Seabord") is a management services company controlled by a director. Seabord provides the Corporate Secretary, accounting staff, administration staff and office space to the Company pursuant to the service agreement. The Corporate Secretary and the accounting and administrative staff are employees of Seabord and is not paid directly by the Company. In addition to the service agreement with Seabord, the Company entered into rental agreements with companies with common directors for office space for $2,200 and $800 per month, respectively.

FINANCIAL INSTRUMENTS

The Company enters into derivative instruments from time to time in the normal course of business in order to manage its exposure to fluctuations in copper price, gold price, and the Colombian peso/US dollar exchange rate. The Company does not enter into or trade derivative instruments for speculative purposes. The Company has not applied hedge accounting to these derivative transactions. Derivative instruments are marked-to-market at the end of each reporting period based on the terms of the arrangements and the expected settlement prices and/or rates. Any resulting mark-to-market adjustment has been recognized in other financial assets or liabilities on the consolidated statement of financial position.

The Company has entered into zero-cost non-deliverable currency forward arrangements with local Colombian banks between the US dollar and Colombian peso. Each arrangement was net settled based on the difference between the market exchange rate and the contracted settlement rate, where the Company receives (or pays) proceeds if the contracted settlement rate is above (or below) the market exchange rate to purchase Colombian peso. As at September 30, 2021, the Company had outstanding collar arrangements to convert $4,299,000 into Colombian pesos at the negotiated exchange rates over the next four months, resulting in a net asset carrying amount of $Nil.

The Company entered into zero-cost commodity derivative arrangements with Auramet International LLC. These arrangements were net settled based on the difference between the market price and the contracted settlement price, where the Company received proceeds if the contracted settlement price was above the market price. As at September 30, 2021, the Company had an outstanding arrangement on 350 tonnes of copper to be settled over the next two months, resulting in a net liability carrying amount of $560,177.

The Company's Level 2 fair valued financial instruments included trade receivable from provisional sales and derivative instruments; and no Level 3 financial instruments are held. Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected copper prices, gold prices, and foreign exchange rates. The trade receivable from sales of metals concentrate and derivative instruments are valued using observable market commodity prices. The Company's exercise price of its share purchase warrants and conversion price on the convertible debentures are denominated in Canadian dollars or at a set exchange rate.

CONTINGENCY

During the year ended December 31, 2015, the Company's operating subsidiary, Minera El Roble S.A. ("MINER"), received notice of claim from the mining authority in Colombia requesting payment of royalties related to past copper production. The mining authority is basing its claim on the current mining law, which is subsequent to the prevailing mining law under which MINER executed the contract regulating its royalty obligations. The current mining law in Colombia explicitly states that it does not affect contracts executed prior to this law entering into force. Therefore, the Company and its legal counsel's position is that MINER has complied rigorously with royalty payments due and called for under the current contractual obligations.

After exhausting all options to find a resolution at the administrative level, in 2017, the National Mining Agency (the "Agency") in Colombia filed a lawsuit for $5,000,000 (up from $2,000,000) plus additional interest and fees. The Company is vigorously defending itself against this action before the Administrative Tribunal of Cundinamarca (the "Tribunal"). The Company has been advised by its Colombian legal counsel that this claim lacks merit, as it is in violation of Colombian law, and that such claims may take up to ten years to reach a resolution.

In 2021, the Company received a revised claim of approximately $9,600,000 from the Agency. The Company has been advised by its Colombian legal counsel that this claim lacks merit, as it is part of the lawsuit filed previously in 2017. As at September 30, 2021, no provisions have been recorded for any potential liability arising from this matter.

While the outcome of this matter is uncertain, based upon the information currently available, the Company does not believe that this matter in aggregate will have a material adverse effect on its consolidated financial position or results of operations. In the event that management's estimate of the future resolution of this matter changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

For full details on the critical accounting estimates and judgments affecting the Company, please refer to the Company's audited annual consolidated financial statements and notes for the year ended December 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, 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

There are no proposed transactions of a material nature being considered by the Company at the current time.

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

As at the date of this MD&A, the Company had 121,286,185 common shares issued and outstanding. There were also 11,958,794 stock options outstanding with expiry dates ranging from April 17, 2022 to July 2, 2026.

NON-GAAP FINANCIAL MEASURES

Cash cost per pound of payable copper produced and cash cost per tonne of processed ore are key performance measures that management uses to monitor performance. In addition, cash costs are an industry standard method of comparing certain costs on a per unit basis; however, these do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. Management believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. These performance measures have no meaning under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies.

The Company believes that "all-in sustaining cash cost" and "all-in cash cost" better meet the needs of analysts, investors, and other stakeholders of the Company in understanding the cost associated with producing copper, the economics of copper mining, the Company's operating performance, and the Company's ability to generate free cash flow from current operations and on an overall company basis.

The Company, in conjunction with an initiative undertaken within the gold mining industry, has adopted an all-in sustaining cost-performance measure; however, this performance measure has no standardized meaning. The Company conformed its all-in sustaining definition to that set out in the guidance note released by the World Gold Council ("WGC", a non-regulatory market development organization for the gold industry whose members comprise global senior gold mining companies) on June 27, 2013, and that came into effect January 1, 2014.

All-in sustaining cash cost and all-in cash cost are intended to provide additional information only and do not have standardized definitions under the IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with the IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under the IFRS. Although the WGC has published a standardized definition, companies may calculate these measures differently.

All-in sustaining cost includes total production cash costs incurred at the Company's mining operations, which form the basis of the Company's by-product cash costs. Additionally, the Company includes general and administrative ("G&A") expenses, share-based payments, accretion of decommissioning and restoration provision ("ARO"), sustaining capital expenditures, and royalties. All-in cash cost includes all of the above plus non-sustaining capital expenditures and brownfield exploration expenditures.

The Company believes that this measure represents the total costs of producing copper from operations and provides the Company and stakeholders of the Company with additional information on the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of copper production from operations, new project capital is not included. Certain other cash expenditures, including tax payments, dividends, and financing costs, are also not included. The Company reports this measure on a payable copper pound produced basis, net of by-product credits.

El Roble mine cash cost

The following table presents a reconciliation of cash cost per tonne of processed ore and cash costs per pound of payable copper produced to cost of sales in the condensed interim consolidated financial statements for the nine months ended September 30, 2021:

Expressed in $000's		Q3 2021		Q3 2020		YTD 2021		YTD 2020
Cash cost per tonne of processed ore								
Cost of sales[1]	**$**	**18,048.7**	$	9,070.8	**$**	**38,910.6**	$	26,756.7
Add / subtract								
Change in concentrate inventory		**(5,287.1)**		2,443.3		**(3,486.1)**		5,101.5
Depletion and amortization in concentrate inventory		**1,586.0**		(163.1)		**2,385.4**		(554.7)
Commercial and government royalties		**(533.3)**		(245.7)		**(1,021.5)**		(611.8)
Depletion and amortization in cost of sales		**(5,138.7)**		(2,721.6)		**(11,493.0)**		(8,099.5)
Aggregate cash cost		**8,675.6**		8,383.6		**25,295.4**		22,592.2
Total processed ore (tonnes)		**77,816**		73,603		**214,336**		218,781
Cash cost per tonne of processed ore ($/t)	**$**	**111.49**	$	113.90	**$**	**118.02**	$	103.26
Mining cost per tonne	**$**	**52.10**	$	58.11	**$**	**57.97**	$	53.28
Milling cost per tonne		**20.40**		16.62		**18.14**		14.70
Indirect cost per tonne		**27.54**		26.18		**30.64**		24.94
Distribution cost per tonne		**11.45**		12.99		**11.27**		10.34
Total production cost per tonne of processed ore ($/t)	**$**	**111.49**	$	113.90	**$**	**118.02**	$	103.26

(1) Includes depletion, amortization, selling expenses, government royalties and mining taxes.

Expressed in $000's		Q3 2021		Q3 2020		YTD 2021		YTD 2020
Cash costs per pound of payable copper produced								
Aggregate cash cost (above)	**$**	**8,675.6**	$	8,383.6	**$**	**25,295.4**	$	22,592.2
Add / subtract								
By-product credits		**(4,873.6)**		(4,234.1)		**(12,752.2)**		(12,452.6)
Refining charges		**974.3**		1,174.1		**2,920.1**		3,876.9
Transportation charges		**1,089.6**		621.6		**2,943.2**		1,635.5
Cash cost applicable to payable copper produced		**5,865.9**		5,945.2		**18,406.5**		15,652.0
Add / subtract								
Commercial and government royalties		**533.3**		245.7		**1,021.5**		611.8
G&A expenses		**1,440.0**		1,046.7		**3,819.8**		3,047.8
Share-based payments		**202.3**		177.9		**706.9**		422.5
Accretion of ARO		**56.5**		51.5		**163.5**		150.0
Sustaining capital expenditures[2]		**1,064.8**		644.8		**6,158.3**		2,047.2
All-in sustaining cash cost		**9,162.7**		8,111.8		**30,276.6**		21,931.4
Add / subtract								
Non-sustaining capital expenditures[2]		**448.6**		4.5		**698.6**		433.3
Brownfields exploration expenditures[2]		**769.4**		865.0		**1,880.3**		1,936.9
All-in cash cost		**10,380.7**		8,981.3		**32,855.5**		24,301.6
Total payable copper produced (000's lbs)		**4,182.0**		5,263.0		**12,418.0**		14,671.0
Per pound of payable copper produced ($/lb)								
Cash cost, net of by-product credits	**$**	**1.40**	$	1.13	**$**	**1.48**	$	1.07
All-in sustaining cash cost	**$**	**2.19**	$	1.54	**$**	**2.44**	$	1.49
All-in cash cost	**$**	**2.48**	$	1.71	**$**	**2.65**	$	1.66
Cash margin[3]	**$**	**2.86**	$	1.85	**$**	**2.75**	$	1.52

(2) Amounts presented on a cash basis.
(3) Cash margin is calculated with (a) the realized price per pound of copper, less (b) the cash cost, net of by-product credits, per pound of payable copper produced.
(4) YTD 2021 disclosure includes effects from final adjustments on prior 2021 quarter's production data (refer to El Roble operating performance).

Given the nature of the Company's metals concentrate management believes providing the cash cost on a co-product basis, presented in the following table, will enhance the reader's understanding of the Company's cash cost structure.

Expressed in $000's		**Q3 2021**		Q3 2020		**YTD 2021**		YTD 2020
Aggregate cash production cost	**$**	**8,675.6**	$	8,383.6	**$**	**25,295.4**	$	22,592.2
Cash cost per pound of payable copper produced								
Cash cost attributable to copper production(4)	**$**	**7,391.6**	$	6,958.4	**$**	**22,704.6**	$	18,981.6
Add / subtract								
By-product credit from silver		**(52.1)**		(0.0)		**(78.5)**		(13.4)
Refining charges		**974.3**		1,174.1		**2,920.1**		3,876.9
Transportation charges		**928.3**		515.9		**2,636.2**		1,373.5
Cash cost applicable to payable copper produced		**9,242.1**		8,648.4		**28,182.4**		24,218.6
Total payable copper produced (000's lbs)		**4,182.0**		5,265.0		**12,418.0**		14,673.0
Cash cost per pound of payable copper produced ($/lb)	**$**	**2.21**	$	1.64	**$**	**2.27**	$	1.65
Cash cost per ounce of payable gold produced								
Cash cost attributable to gold production(5)	**$**	**1,284.0**	$	1,425.2	**$**	**2,590.9**	$	3,610.6
Add / subtract								
Refining charges		**49.9**		32.0		**109.6**		94.0
Transportation charges		**161.3**		105.7		**307.0**		262.0
Cash cost applicable to payable gold produced		**1,495.2**		1,562.9		**3,007.5**		3,966.6
Total payable gold produced (oz)		**2,719.4**		2,198.5		**7,061.4**		7,160.5
Cash cost per ounce of payable gold produced ($/oz)	**$**	**549.82**	$	710.90	**$**	**425.90**	$	553.95

(4) YTD 2021 disclosure includes effects from final adjustments on prior 2021 quarter's production data (refer to El Roble operating performance).

(5) If copper and gold for the El Roble mine was treated as co-products, the allocation of aggregate cash production cost between copper and gold production is based on provisional invoice(s) issued and revenue (net of treatment and refining charges) recognized in the respective reporting periods.

QUALIFIED PERSONS

Mr. Thomas Kelly (SME Registered Member 1696580), advisor to the Company, and Dr. Demetrius Pohl, Ph.D. AIPG Certified Geologist, are qualified persons under National Instrument 43-101 standards and are responsible for ensuring that the technical information contained in this MD&A is an accurate summary of the original reports and data provided to or developed by the Company.

RISK FACTORS

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company derives its revenue from the sale of copper, gold, and silver; credit risk in the normal course of business; currency risk as the Company reports its financial statements in US dollars whereas the Company operates in jurisdictions that conducts its business in other currencies. For further information regarding the Company's operational risks, please refer to the detailed disclosure concerning the material risks and uncertainties associated with the Company's business set out in its annual MD&A, dated April 20, 2021, which is available on SEDAR under the Company's filer profile.

Foreign currency

Based on the Company's net exposure, as at September 30, 2021, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, and Colombian peso would result in an increase/decrease of approximately $648,000 in the Company's pre-tax income or loss.

Interest rate risk

The Company is exposed to interest rate risk on its variable rate debt facilities. Variable interest rates are based on the US dollar LIBOR plus a fixed-margin. The Company does not enter into derivative contracts to manage this risk. As at September 30, 2021, a 10% change in LIBOR rates would result in an increase/decrease of approximately $7,000 in the Company's pre-tax income or loss on an annualized basis based on the loan and credit facilities used.

Metal price risk

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices. For concentrate shipped and provisionally invoiced during the nine months September 30, 2021, a 10% change in copper and gold prices would result in an increase/decrease of approximately $6,247,000 and $1,784,000 respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

(Expressed in US dollars, unless otherwise indicated)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents are held through large Canadian, international and foreign national financial institutions. All of the Company's trade receivables from concentrate sales are held with a large international metals trading company. The Company mitigates this risk by transacting only with reputable financial institutions and requiring provisional payments of 90% of the value of the concentrate shipped to a single well-known buyer. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not declined significantly from the prior year.

Liquidity risk

The Company expects the following maturities of its financial liabilities, lease obligations, and other contractual commitments, excluding payments relating to interest:

	Less than 1 year	1 - 2 years	More than 2 years	**Total**
Accounts payable and accrued liabilities	$ 8,157,721	$ -	$ -	$ 8,157,721
Credit facilities	3,000,000	-	-	3,000,000
Loans payable	1,000,000	666,667	-	1,666,667
Convertible debentures	-	-	6,500,000	6,500,000
Derivative liabilities	560,177	-	-	560,177
Payable for acquisition of NCI of CMLP	1,000,000	1,000,000	1,000,000	3,000,000
Provision for restricted share units	153,094	19,960	22,178	195,232
Lease obligations	286,878	170,776	201,802	659,456
	$ 14,157,870	$ 1,857,403	$ 7,723,980	$ 23,739,253

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A and any documents incorporated by reference into this MD&A constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). Forward-looking statements express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) and are not statements of historical fact. Forward-looking statements relate to, among other things:

- mineral "reserves" and "resources" as they involve the implied assessment, based on estimates and assumptions that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- timing of the completion of construction activities at the Company's properties and their completion on budget;
- timing regarding renewing the title on the Company's claims hosting the El Roble property;
- production rates at the Company's properties;
- cash cost estimates;
- timing to achieve full production capacity at the Company's properties;
- timing for completion of infrastructure upgrades related to the Company's properties;
- timing for delivery of materials and equipment for the Company's properties;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities;
- management's belief that the Company's current operational requirements and capital projects can be funded from existing cash and cash equivalents, cash generated from operations, and the available credit facility;
- management's belief that if the Company needs to access the capital markets for additional financial resources, the Company will be able to do so at prevailing market rates;
- the expected maturities of the Company's financial liabilities, finance leases and other contractual commitments; and
- management's expectation that none of the investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will have a material effect on the results of operations or financial conditions of the Company.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as at the date of such statements, are inherently subject to significant business, economic, social, political and competitive uncertainties and contingencies and other factors that could cause actual results or events to differ materially from those projected in the forward-looking statements. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A which may prove to be incorrect, include, but are not limited to, (1) that all required third party contractual, regulatory and governmental approvals will be obtained for the development, construction and production of its properties, (2) there being no significant disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment, non-renewal of title to the Company's claims or otherwise; (3) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (4) currency exchange rates being approximately consistent with current levels; (5) certain price assumptions for copper, gold and silver; (6) prices for and availability of fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource estimates; (9) labor and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.

In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include, risks associated with mineral exploration and project development; the need for additional financing; operational risks associated with mining and mineral processing; uncertainty relating to concentrate treatment charges and transportation costs; uncertainty relating to capital and operating costs, production schedules, and economic returns; uncertainties relating to general economic conditions; the Company's substantial reliance on the El Roble mine for revenues and uncertainty around renewal of title to the claims; risks related to the integration of businesses and assets acquired by the Company; risks associated with entering into commodity forward and option contracts for base metals production; potential conflicts of interest involving the Company's directors and officers; risks associated with potential legal proceedings; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia or other countries in which the Company does or may carry on business; the world-wide economic and social impact of COVID-19 is managed and the duration and extent of the coronavirus pandemic is minimized or not long-term; disruptions related to the COVID-19 pandemic or other health and safety issues, or the responses of governments, communities, the Company and others to such pandemic or other issues; the possibility of cost overruns or unanticipated expenses; fluctuations in copper, gold and silver prices; title matters; uncertainties and risks related to carrying on business in foreign countries; environmental liability claims and insurance; reliance on key personnel; currency exchange rate fluctuations; competition; and other risks and uncertainties, including those described in the "Risks Factors" section in the MD&A for the financial nine months ended September 30, 2021 filed with the Canadian Securities Administrators and available at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this MD&A. 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 are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

The Company has not based its production decisions and ongoing mine production on mineral reserve estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.