



Management's Discussion and Analysis
Nine months ended September 30, 2019
(Expressed in Canadian Dollars)

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

This Management's Discussion and Analysis ("MD&A") of AbraPlata Resource Corp. should be read in conjunction with the Company's consolidated interim financial statements and related notes for the nine months ended September 30, 2019. All dollar amounts included in this MD&A are expressed in Canadian Dollars unless otherwise noted. The information contained within this MD&A is current to November 28, 2019.

1. BUSINESS DEVELOPMENT

On September 11, 2019, AbraPlata and Aethon entered into a binding arrangement agreement whereby AbraPlata will acquire all of the issued and outstanding shares of Aethon by way of a plan of arrangement pursuant to the CBCA (the "Arrangement Agreement"). The Arrangement Agreement contains customary terms and conditions, including representations and warranties customary in a transaction of this nature. The closing of the Arrangement Agreement is subject to additional conditions precedent including, but not limited to, the receipt of all required approvals from TSXV, shareholder approval by the requisite majority of shareholders of Aethon at a special meeting of Aethon shareholders and agreement on customary non-solicitation covenants, insider lock-up agreements, board support and other standard provisions for transactions of this nature.

On October 15, 2019, AbraPlata and Aethon amended the Arrangement Agreement to extend the mailing and meeting deadlines and to increase the termination fee to \$500,000.

Upon closing of the Arrangement Agreement (the "Transaction"), the combined company will continue under the name of AbraPlata Resource Corp. and will be led by Aethon's current executive management team, with Mr. John Miniotis being appointed as the President and Chief Executive Officer. AbraPlata's current interim CEO, Rob Bruggeman, will be appointed as the Non-Executive Chairman of the new Board of Directors. Upon closing of the Proposed Transaction, the Board of Directors of AbraPlata will be re-constituted to consist of six directors, of which two directors would be nominated by AbraPlata (including Rob Bruggeman as Chair), two directors would be nominated by Aethon, one director would be nominated by AbraPlata's largest shareholder, SSR Mining Inc. and one director would be nominated by Aethon's largest shareholder, Altius Minerals Corp. There are no finder's fees payable in association with the Proposed Transaction.

Highlights of the Transaction

- **Creation of a well-funded, advanced-stage exploration company.** The combined company will have a strengthened balance sheet with no debt, and an attractive mineral property portfolio including the advanced-stage Diablillos silver-gold project located in the mining-friendly province of Salta in Argentina and a large prospective land exploration package in Chile.
- **Significant Exploration Potential.** Aethon and AbraPlata believe exploration potential exists to increase resources significantly on the Diablillos property, especially gold resources. Hydrothermal breccias at Oculito extend into the basement and have strong potential for high grade gold mineralization and to date have been largely untested. The property also has additional mineral exploration potential, both for hydrothermal and porphyry styles of mineralization.
- **Enhanced market presence.** The combined company is expected to appeal to a broader shareholder base, thereby increasing and improving share trading liquidity.
- **Streamlined cost structure.** The combined company would benefit from a streamlined cost structure due to the assets of both companies being consolidated into a single entity managed by a single management and technical team.

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

1. BUSINESS DEVELOPMENT (continued)

- **Compelling value proposition.** The combined company is expected to have industry leading leverage among silver and gold exploration companies based on AbraPlata's large mineral resource at Diablillos, which contains 81Moz of silver and over 732koz of gold (Indicated - Table 1).
- **Key Strategic Investors.** The combined company is expected to have strong support from its largest shareholders which would include SSR Mining Inc. and Altius Minerals Corp.

The Diablillos project has a large silver-gold resource and offers exciting exploration upside potential. However, the scale of the project requires additional resources in order to effectively test high priority exploration drill targets that AbraPlata's surface mapping and geological reinterpretation have identified. The Proposed Transaction with Aethon will provide the Company with cash to conduct additional exploration drilling, following up on the higher-grade intercepts that indicate potential for an underground mine plan. In addition, Aethon has an excellent technical team, supported by technical staff at Altius Minerals Corp., and a sizable exploration land package in Chile that would be difficult for any junior mining company to accumulate.

This proposed transaction will help create a stronger, better positioned company which is capable of becoming an industry leading, advanced-stage mineral exploration company. The exploration upside potential, solid financial position, enhanced capital markets presence and key strategic investor base will help establish a compelling value proposition for all shareholders.

Table 1: AbraPlata - Diablillos Mineral Resource Estimates (April 2018)

Category	Deposit	Tonnage (000t)	Ag (g/t)	Au (g/t)	Contained Ag (000 oz Ag)	Contained Au (000 oz Au)
Indicated	Oculto	26,850	93.0	0.85	80,300	732
Indicated	Fantasma	200	98.3	-	650	-
Total Indicated		27,100	93.1	0.84	80,940	732
Inferred	Oculto	1,000	46.8	0.89	1,510	29
Inferred	Fantasma	80	75.3	-	190	-
Total Inferred		1,100	48.8	0.83	1,690	29

Notes:

1. Full details of the mineral resource estimates can be found in a report by RPA Inc. titled "Technical Report on the Diablillos Project, Salta Province, Argentina" dated April 16, 2018. This report can be found under AbraPlata's profile on www.SEDAR.com.
2. CIM definitions were followed for Mineral Resources.
3. Mineral Resources are estimated at a cut off grade of 40 g/t AgEq for Oculto and 40 g/t Ag for Fantasma.
4. Mineral Resources are estimated using long-term metal prices of US\$1,500/oz Au and US\$23/oz Ag.
5. Average bulk density is 2.22 t/m³ for the Indicated category and 2.29 t/m³ for Inferred for Oculto and 2.00 t/m³ for both Indicated and Inferred categories for Fantasma.
6. The estimate was constrained by pit shells for both Oculto and Fantasma.

1. BUSINESS DEVELOPMENT (continued)

Transaction Details

The Proposed Transaction value is approximately \$10.9 million on a fully diluted in-the-money basis, and Aethon and AbraPlata shareholders will own approximately 46% and 54% of the combined entity, respectively, prior to the issuance of additional shares to SSR Mining Inc. ("SSRM") (NASDAQ: SSRM) (TSX: SSRM) in exchange for certain key concessions outlined further below.

The Transaction is subject to a number of conditions, including, but not limited to, customary terms and conditions, including representations and warranties customary in a transaction of this nature, the receipt of all required approvals from TSXV, shareholder approval of the Transaction by the requisite majority of shareholders of Aethon at a special meeting of Aethon shareholders scheduled to be held on December 12, 2019, and agreement on customary non-solicitation covenants, and other standard provisions for transactions of this nature.

There can be no assurances that any transaction relating to the Transaction or otherwise will result, or as to the final definitive terms thereof. Both parties have agreed for the payment of a termination fee of \$500,000, in the event that either party terminates the Arrangement Agreement under certain prescribed circumstances, including termination in connection with pursuing an alternative transaction.

Benefits to AbraPlata Shareholders

- Securing funding to facilitate the advancement of the Diablillos project by conducting a comprehensive drilling program, and if warranted, the preparation of an underground preliminary economic assessment due to Aethon's cash position;
- Gaining exposure from Aethon's large and prospective land position (+100,000 ha) in Chile, which has potential to attract major strategic corporate partners;
- Expertise provided by Aethon's executive management team, and adding Altius Minerals as a strategic cornerstone shareholder;
- Favourable renegotiation of the property payment terms with SSRM; and
- Continued exposure to combined properties exploration upside potential, with significant improvement in trading liquidity and capital markets exposure.

1. BUSINESS DEVELOPMENT (continued)

Benefits to Aethon Shareholders

- Receiving a significant premium to the Aethon share price prior to the Transaction announcement and increased liquidity;
- Exposure to an advanced-stage, silver-gold exploration project containing an existing Indicated mineral resource of 81Moz of silver and 732koz of gold, as a result of more than USD\$35M worth of historical exploration expenditures;
- Immediate exploration upside with potential for a gold rich zone extending into the basement of the existing Oculito deposit on the Diablillos property;

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

- Board of directors with extensive knowledge of Argentina and the Diablillos project, and adding SSRM as a strategic cornerstone shareholder; and
- Continued exposure to combined properties exploration upside potential, with anticipated improvement in trading liquidity and capital markets exposure.

2. OVERVIEW OF THE COMPANY

AbraPlata Resource Corp. was incorporated on August 31, 1993 under the Alberta Business Corporations Act. On September 30, 2015, the Company's incorporation jurisdiction was moved to British Columbia. The Company's registered office is located at Suite 303, 750 West Pender Street, Vancouver, BC, V6C 2T7. The Company changed its name to Angel Bioventures Inc. on August 28, 2013. On March 23, 2017, the Company changed its name to AbraPlata Resource Corp.

On September 16, 2016, the Company signed a binding Letter of Intent ("LOI") with Huayra Minerals Corporation ("Huayra"). The LOI sets out the key terms of the proposed acquisition by the Company of 100% of the issued and outstanding securities of Huayra.

Huayra is a mineral exploration and development company engaged in the acquisition, exploration and development of mineral resource properties in Argentina. Huayra has an agreement (the "SSRM Agreement") with SSRM to acquire an indirect 100% interest in the Diablillos and Aguas Perdidas (previously known as "M-18") properties in Salta and Chubut Provinces, Argentina. Huayra also has rights in the Cerro Amarillo project in the Province of Mendoza, Argentina.

On November 15, 2016, the Company and its wholly-owned subsidiary, 1096494 BC Ltd., entered into a definitive merger agreement (the "Merger Agreement") with Huayra. As per the terms of the Merger Agreement, Huayra and 1096494 BC Ltd. amalgamated (the "Amalgamation") and the amalgamated company became a wholly-owned subsidiary of the Company. Pursuant to the Amalgamation, the Company acquired all of the issued and outstanding Class A common shares of Huayra in exchange for a like number of common shares of the Company. The Amalgamation was an arm's length transaction and constituted a "reverse takeover" pursuant to the policies of the TSX Venture Exchange (the "Exchange"). Pursuant to the terms of the Merger Agreement, the Company undertook a concurrent financing of \$2,863,099 to meet the initial listing requirements of the Exchange (the "Concurrent Financing").

2. OVERVIEW OF THE COMPANY (continued)

The Amalgamation became effective on April 24, 2017. In this regard, the Company entered into an agreement with SSRM providing for the Company's assumption of all of Huayra's obligations under the SSRM Agreement. Such obligations include, but are not limited to, SSRM's right under the SSRM Agreement to: (i) a free carried equity interest in the Company until the completion of a public offering of US\$5,000,000 or more (the "Anti-Dilution Right"); (ii) participate in future equity financings to maintain its ownership level in the Company for as long as SSRM continues to hold more than ten percent of the then issued and outstanding shares of the Company on a non-diluted basis; (iii) receive cash payments of approximately US\$1,150,000 over the first two years and US\$12,500,000 over the

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

following four to six years; and (iv) a 1% net smelter returns royalty on production from each of the properties.

3. EXPLORATION AND EVALUATION

Diablillos Project

The Diablillos project covers an area of 79km² in the Salta Province of northwestern Argentina and hosts epithermal precious metal mineralization in a number of mineral occurrences. The main deposit is known as Oculito, and this Ag-Au deposit is surrounded by various satellite occurrences including the Fantasma Ag-rich zone. To the north of Oculito lies the Cerro Viejo – Cerro Blanco Cu-Au mineralized zone and its related Northern Arc of Au-rich occurrences.

The Diablillos project was acquired by the Company from SSRM in 2016. Until February 2018 SSRM retained 19.9% of the equity in the Company. Pursuant to the Anti-Dilution Right, previously whenever the Company issued common shares to third parties, it was obliged to issue additional common shares to SSRM, without payment, sufficient for SSRM to maintain a 19.9% equity interest in the capital of the Company. SSRM retains an equity participation right under the SSR Agreement which entitles SSRM to participate in future transactions in which the Company issues equity securities for cash or non-cash consideration.

The Diablillos project lies within the border zone between the Province of Salta and the Province of Catamarca. For many years, the definitive border line between Salta and Catamarca has been in dispute and the Diablillos project falls within territory claimed by both provinces. In 1984, the government of Salta granted mineral rights to the Diablillos project to one of the Company's predecessors-in-title. In the early 2000s, the government of Catamarca granted overlapping mineral rights in the same area, to a third party, thereby creating the potential for conflicting titles pending the resolution of the border dispute, a matter falling within the jurisdiction of the federal government under the Constitution of Argentina. Additional details respecting the provincial border dispute and the potentially conflicting titles to the Diablillos project can be found in the Company's Filing Statement dated March 1, 2017, a copy of which is filed under the Company's profile on SEDAR (www.sedar.com).

The Company has reached an agreement with the shareholders of Minera Cerro Bayo SA ("Cerro Bayo"), the owner of the conflicting mineral rights granted by the government of Catamarca, to acquire a 100% equity interest in Cerro Bayo, thereby indirectly acquiring ownership and control of the conflicting mineral interests. As consideration, the Company will pay US\$ 3,325,000 in cash and issue 500,000 common shares of the Company to the shareholders of Cerro Bayo in instalments over a eight-year period.

3. EXPLORATION AND EVALUATION (continued)

Diablillos – Oculito Main Mineralized Zone

The Oculito deposit, contains the majority of the Indicated Resources known from the project which, as recently estimated by Roscoe Postle Associates Inc ("RPA"), amount to 27.1 million tonnes at a grade of 93.1 g/t Ag and 0.84 g/t Au and containing 80.9 million oz Ag and 732k oz Au (i.e., 136 million oz AgEq or 1.8 million oz AuEq). AbraPlata completed a Preliminary Economic Assessment ("PEA") in March 2018.

Diablillos - Oculito Gold-Rich Zone

A recent review of the geology and drill core by AbraPlata's consultant geologist has resulted in a new interpretation of the extent and grade of the gold-dominant mineralization in the basement rocks of the Oculito deposit. The higher grades and large width of this zone highlights the considerable potential for delineating additional gold-rich mineral resources in Oculito and the Company plans to drill additional holes into this zone (the "High Grade Gold Zone") in the near future.

The High Grade Gold Zone is centered on drill hole DDH-97-007A which intersected 2.7g/t Au and 15.6g/t Ag over 108m (from 197.2 meters down the hole), including 16.7g/t Au & 39.2g/t Ag over 10.6m (from 210 meters to 220.6 meters) in which a single sample returned 90.7g/t Au over 1.1 meters. The gold-rich zone measures approximately 600 meters by 50 meters and lies both within the "regolith" breccia and below it in the basement, which has not been extensively drill tested. Furthermore, the zone is coincident with the recently identified structure that controls both the geometry and overall NE-SW trend of the Oculito deposit as a whole.

Metal zonation within the mineralized zones at Oculito ranges from gold (or gold-copper) in the feeder veins in the basement rocks to gold-silver and then silver-gold in the bulk of the disseminated body hosted by the overlying volcanics to Ag-only higher up in the sequence. It is also clear from mapping outcrop and road cut and/or drill pad exposures that there is a strong structural control on mineralization and associated alteration, and that most of these control structures trend NE-SW and have near vertical dips. Both gold and silver mineralization appear to expand spatially where the steeply dipping structures intersect the basement/volcanic contact. In some cases, this expansion is also coextensive with a "regolith" conglomerate on the basement contact. However, this regolith blanket appears to be dramatically thickened in a NE-SW trending trough and is coincident with the dominant controlling structure and where this intersects the basement contact. It is possible that the regolith conglomerate is actually a misinterpretation of a hydrothermal breccia at the contact of the basement and steeply dipping control structures. In any case, this zone has a strong influence on the enhancement of mineralization both spatially and with respect to better gold grades.

Diablillos - Preliminary Economic Assessment

A Preliminary Economic Assessment was completed and the conclusions published in a news release dated March 2, 2018. This was followed by a Technical Report which was filed on SEDAR on April 16, 2018. The Report is entitled "Technical Report on the Diablillos Project, Salta Province" and was authored by independent Qualified Persons at Roscoe Postle Associates Inc. and prepared in accordance with National Instrument 43-101.

3. EXPLORATION AND EVALUATION (continued)

Given the positive economic results presented in the report, RPA recommends that the project be advanced to the next stage of engineering study and permitting. The Report proposes that open pit mining be carried out by contractor as a conventional truck and shovel operation on two pits at Diablillos, the larger Oculito pit and the smaller Fantasma open cut. A conventional silver processing plant, incorporating crushing, grinding, agitated tank leaching, and precipitation of the precious metals by Merrill-Crowe, has a design throughput of 6000 tonne per day.

The Project achieves an undiscounted pre-tax cash flow of US\$639 million (after-tax cash flow of US\$391 million) over mine life, and an after-tax Net Present Value ("NPV") at a 7.5% discount rate of US\$212 million assuming US\$20 per ounce silver and US\$1,300 per ounce of gold. The after-tax Internal Rate of Return ("IRR") is 30.2%, and the project achieves a simple payback after 3.1 years of production.

The project is expected to have a mine life of eight years after a preproduction period of 18 months and is estimated to produce 9.8 million silver-equivalent¹ ounces per year at an average All-in Sustaining Cost of US\$7.52 per silver-equivalent ounce. Initial Capital has been estimated at US\$293 million.

While the Diablillos project already has a substantial mineral resource due to 87,711 meters of historical drilling, the Report acknowledges that additional exploration potential exists in many localities at Diablillos. AbraPlata is currently evaluating drilling campaigns at the following locations:

- In-pit drilling of resources within the Oculito pit, as some areas are categorized as waste due to insufficient drill density;
- Definition drilling of near-surface silver and gold mineralization at the Fantasma, Laderos, and Alpaca satellite deposits to the main Oculito deposits;
- Drilling of the high-grade gold zone beneath the current pit shell at Oculito; and
- Further definition of the high-grade silver zone ("Enriched Silver Zone") by increasing the resolution of existing wire frame models through relogging of existing holes and augmenting the drilling where necessary.

The High-Grade Gold Zone and the Enriched Silver Zone are of particular interest as they have the possibility of significantly impacting the growth potential of the resources that will be considered for the PFS. In particular, the Enriched Silver Zone lies approximately 100 meters below the surface and has an altitude that mimics the surface topography. Given that ground water levels in most drill holes are generally encountered at depths of about 100 meters, the Enriched Silver Zone, which is defined by a >300g/t Ag grade shell, is being interpreted as a potential supergene zone with obvious implication for ongoing exploration. Furthermore, the Enriched Silver Zone significantly impacts the production profile in the PEA because this zone is mined in Years 2 and 4. With respect to the High-Grade Gold Zone, it is located in the lower part of the Oculito deposit, largely in the basement, and centered on drill hole DDH-97-007A as described above.

The High-Grade Gold Zone comprises at least two, sub parallel, gold-rich zones measuring over 600 meters in length and, in places, over 50 meters in width, and is coincident with the recently identified structures that controls both the geometry and overall NE-SW trend of the Oculito deposit as a whole. Because mineralization at Diablillos is of a high sulphidation epithermal nature, the high-grade gold rich zone can be expected to persist to considerable depths.

3. EXPLORATION AND EVALUATION (continued)

Diablillos - Fantasma Zone

The Fantasma Zone is one of a number of mineral occurrences on the project and lies approximately 800 meters west of the Oculito Deposit. Silver-rich mineralization at Fantasma outcrops at surface beneath a thin veneer of alluvium and was identified by SSRM in 2012 from sampling done in five trenches over the Fantasma area. SSRM followed up with three diamond drill holes angled at 60° and intersected mineralization in all three holes.

Between June and September 2017, AbraPlata drilled 3,048 meters in 27 drill holes at Fantasma.

The mineralization at Fantasma appears to be confined to two gently dipping, stacked layers some 20 meters and 10 meters in thickness respectively as indicated by hole DDH-12-126 which intersected 24.1 meters @ 117.6g/t Ag in the upper zone and 11.7 meters @ 185.6g/t Ag in the lower zone. AbraPlata's hole DDH-17-128, which was drilled vertically and intersected mineralization grading 98.3g/t Ag over 52.0 meters, indicates that the two stacked layers may be merging to the west.

Diablillos - Growth Potential in the Northern Arc

Several mineral occurrences located in an arc from Cerro Viejo through to Corderos have been identified to likely contain satellite gold resources that maybe mined in advance of or in conjunction with the Oculito Deposit. All of these prospects - Cerro Viejo, Cerro del Medio, Morro Eco, Pedernales and Corderos - are part of a structural array dominated by ENE and NW structures that dip 70-80 degrees north. The ENE structures are invariably thicker with better breccia development.

Cerro Viejo has good potential for a large-scale low-grade gold orebody in porphyry style stockwork and hydrothermal breccia styles, and the large breccia pipe immediately SE of Cerro del Medio Oeste is an attractive target that has not been drill tested. The Cerro del Medio Oeste prospect is a WNW trending zone of crackle breccia hosted entirely within megacrystic granite. Alteration is generally silica dominant near the core of the structure fading out to alunite dominant near the margins of the crackle breccia. The main WNW structure has a number of NE trending splays that appear to be tension veins. This suggests sinistral strain at the time of mineralisation. As a result, W or WSW deviations or splays in structures of this orientation are likely to be dilatational and best mineralised.

In the Pedernales Sur prospect the mineralization in the wider area follows a NW trending structure and individual prospects are generally ENE to ESE splays off the main NW trend. The prospect itself occurs where the NW trending structure crosses the Pedernales Fault and hence into Andesitic volcanic host rocks. The Trucha prospect appears to be a small zone of strong alunite-silica alteration in a vaguely bedded lithic tuff. More systematic sampling is justified at this prospect as it is for Suri and Pedernales Norte prospects that appear to have similar styles of stratigraphically controlled mineralization.

The Corderos prospect is a linear, structurally controlled hydrothermal breccia with a near vertical dip. This structure has been poorly tested by previous drilling, however a small number of intercepts have returned high gold grades. Better targeted drilling could outline a significant high-grade resource in this structure. There is a NNE trending zone immediately north of the main target that probably warrants a few exploratory holes as well.

3. EXPLORATION AND EVALUATION (continued)

The Vicuña prospect is a good example of how structures behave in all three significant rock groups: basement; andesitic volcanic and volcanoclastic sediments. In the basement, the Vicuña structure is a well-defined hydrothermal breccia with a narrow halo of strong silica-alunite alteration. In the andesitic volcanics, the central structure is similar, except that it is enclosed by an extensive volume of grey argillic alteration. In the volcanoclastic host, the Vicuña structure feathers out into a series of fracture zones and crackle breccias with minor jarosite/alunite infill, intense silica-alunite alteration spreads out into the permeable volcanoclastic sediments for +100 meters either side of the structure. A number of high-grade gold intercepts from previous drilling (2012) suggest that a significant resource could be defined in the central structure with additional drilling.

The extensive area of silica-alunite alteration in the volcanoclastic rocks adjacent to the structure suggests the possibility of a large volume of ore with an attractive strip ratio. Additional rockchip sampling is required to assess the grade of this style of mineralization.

Diablillos -Newly Identified Breccia Zones

The most recent geological mapping undertaken by the Company's consulting geologist has identified new hydrothermal breccia zones and extended those that already known. The presence of these hydrothermal breccia zones opens up the potential for additional high-grade gold mineralization in the basement lithologies both below, as well as lateral to, the currently defined Oculito silver-gold deposit in the overlying volcanics. It also begs the question of whether Diablillos will ultimately prove to be a primary silver deposit with gold roots or a gold deposit with a silver cap. In order to answer this question, the Company will need to conduct additional drilling.

The newly identified group of breccias lies immediately east of the main Oculito deposit and includes the Nebulosa, Concepcion, and Enigmatica breccia zones. These breccias have identical style and alteration to the breccias that host high grade gold mineralization in the basement beneath the Oculito deposit as well as to a surface analogue occurrence directly to the south of Oculito. The breccias have surface expressions and internal textures that indicate that they are structurally controlled, planar to lenticular bodies up to 40 meters wide and 500 meters long.

Diablillos – Applicability of Underground Mining Methods

The Company has conducted a review of historical drill data to determine if higher grade silver and gold zones could potentially be exploited using underground mining methods. An underground mining approach could entail significantly less initial capital than the large open pit approach contemplated in the Company's 2018 PEA on the Diablillos project. The review follows the identification by the Company's consulting geologist that high grade mineralized cores are strongly correlated with steeply dipping, tabular hydrothermal breccia bodies in the main Oculito deposit. More specifically, mineralization appears to be controlled by NW- and NE-trending structures along which tabular zones of hydrothermal breccia have been developed that, in turn, host the high-grade mineralization.

3. EXPLORATION AND EVALUATION (continued)

To date, six specific breccia zones have been identified at Oculito: Main Breccia Zone; Cross Breccia Zone; East Breccia Zone; West Breccia Zone; NW Breccia Zone; and North Breccia Zone. The Main Breccia Zone and the Cross Breccia Zone have an estimated strike extent of at least 800 meters. The East and West Zones have strikes of 650 meters and 450 meters, respectively. The Main and Cross Breccia Zones form a continuous zone of mineralization which extends for more than 1000 meters, and a significant vertically dipping pipe-like body over 80 meters in diameter and extending some 150 meters in depth lies at the intersection of the Main and Cross Zones. This mineralized plug is open at depth. Likewise, the general lack of drilling below the current PEA pit shell together with the results of few deep holes that have been continued below the current pit depth indicate the considerable potential for the definition of additional resources at depth in the basement rocks.

Given the fact that mineralization at Oculito is of an epithermal, high sulphidation nature, mineralization may extend for hundreds of meters below the current pit shell. This creates the potential of increasing resources from Oculito significantly, especially gold resources. High grade Au-rich zones are associated with hydrothermal breccias at the interface of the basement rocks with the overlying volcanics and volcanoclastics and confined to tight structures within the basement. Oculito has multiple characteristics of a gold deposit with a silver cap.

Elevated levels of gold and silver mineralization occur in a zone that is 5 to 30 meters in thickness and situated approximately 90 to 120 meters below current topography and just below the current water table, which lies about 80 meters below the surface. This enriched mineralized zone has been interpreted as a supergene enrichment zone developed just below the water table during emplacement. Numerous high-grade gold and silver drill intercepts have been encountered in this zone with grades reporting over 300g/t AgEq.

An Au-rich zone lies at an angle to the Ag zone, and is generally better developed at depth. Much of the gold in this zone is hosted by breccia bodies both within the NE-trending structures and also in breccias developed at the intersection of the basement rocks and overlying volcanics and volcanoclastics. At depth, gold generally occurs in the vicinity of the oxide-sulphide interface and is interpreted to represent hypogene mineralization.

The implications from the improved geological understanding of the Oculito deposit are that the near-vertical breccia bodies are largely untested at depth and Oculito has the potential to host high grade gold mineralization below the current mineral resource. An underground option may indicate a processing plant of reduced capacity and increased recoveries due to a higher-grade feed, and would require less capital. In addition, significant pre-stripping of waste material would no longer be necessary, resulting in savings and the high-grade zones at depth can then be tested from underground. Furthermore, in the event that Oculito as an underground operation, then the potential high-grade gold mineralization at depth becomes more compelling than in an open pit approach. While the open pit approach to Diablillos remains a viable option, the Company plans to conduct additional work to assess if an underground mining approach that is less capital intensive may be a viable alternative and if a PEA on such a scenario is warranted.

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

4. SELECTED ANNUAL AND QUARTERLY INFORMATION

For the year ended December 31, 2018, fifteen months ended December 31, 2017 and year ended September 30, 2016:

	Year ended December 31, 2018	Fifteen months ended December 31, 2017	Year ended September 30, 2016
Net (loss) income for the period	\$ (3,320,576)	\$ (7,733,181)	\$ 2,296,288
Basic and diluted earnings (loss) per share	\$ (0.06)	\$ (0.17)	\$ 0.32
Total assets	\$ 4,005,824	\$ 4,966,152	\$ 342,582
Total liabilities	\$ 951,026	\$ 1,264,839	\$ 170,901

The Company has no revenue to report for the year ended December 31, 2018, fifteen months ended December 31, 2017 and year ended September 30, 2016.

Below is a summary of information for the eight most recent quarters:

Quarter Ended	Net income (loss) for the period (restated)	Earnings (loss) per share - basic & diluted	Total assets
September 30, 2019	\$ (160,317)	\$ (0.02)	\$ 6,226,107
June 30, 2019 (restated)	\$ (241,675)	\$ (0.00)	\$ 4,601,776
March 31, 2019 (restated)	\$ (179,013)	\$ (0.00)	\$ 4,507,724
December 31, 2018	\$ (710,546)	\$ (0.01)	\$ 4,005,824
September 30, 2018	\$ (525,874)	\$ (0.01)	\$ 5,690,697
June 30, 2018	\$ (1,086,674)	\$ (0.01)	\$ 5,659,816
March 31, 2018	\$ (997,482)	\$ (0.01)	\$ 6,005,735
December 31, 2017	\$ (1,284,347)	\$ (0.02)	\$ 4,966,152
September 30, 2017	\$ (1,803,674)	\$ (0.03)	\$ 7,854,167

5. RESULTS OF OPERATIONS

The operating results of junior mining companies can fluctuate significantly from period to period. The Company is in the exploration stage and has no revenue from operations.

Three months ended September 30, 2019 compared to the three months ended September 30, 2018

During the three months ended September 30, 2019 net loss decreased by \$365,557 to \$160,317 compared to the net loss recorded during the three months ended September 30, 2018 due to the following:

- Evaluation and exploration expenses were \$50,228 for the three months ended September 30, 2019 compared to \$167,257 for the three months ended September 30, 2018, a decrease of \$117,029;

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

5. RESULTS OF OPERATIONS (continued)

- Investor relations expense decreased by \$46,993 during the three months ended September 30, 2019 compared to the same period of the previous year due to the Company being in the final stages of completing the Aethon arrangement;
- Management compensation was reduced to nil during the three months ended September 30, 2019. This resulted in the decrease in Management fees expense by \$75,000 compared to the three months ended September 30, 2018;
- Office and administration expense decreased by \$16,452 during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due to the Company preserving available resources for payments for mineral properties;
- Professional fees increased by \$25,600 from \$23,337 incurred during the three months ended September 30, 2018 as the Company is finalizing the Aethon transaction and incurring additional legal costs;
- Stock based compensation decreased by \$143,092 during the three months ended September 30, 2019 compared to the three months ended September 30, 2018 due to the lesser number of stock options granted during the current period.

All other expenses decreased as well due to the Company finalising the Aethon Transaction.

Nine months ended September 30, 2019 compared to the nine months ended September 30, 2018

During the nine months ended September 30, 2019 net loss decreased by \$2,029,025 to \$581,005 compared to the net loss recorded during the nine months ended September 30, 2018 due to the following:

- Evaluation and exploration expenses were \$150,530 for the nine months ended September 30, 2019 compared to \$702,778 for the nine months ended September 30, 2018, a decrease of \$552,248;
- Management compensation was reduced to nil during the nine months ended September 30, 2019. This resulted in the decrease in Management fees expense by \$300,000 compared to the nine months ended September 30, 2018;
- Investor relation expense decreased by \$139,611 from \$234,708 incurred during the nine months ended September 30, 2018;
- Office and administration expense decreased by \$102,522 during the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018;
- Professional fees decreased by \$47,828 from \$171,480 incurred during the nine months ended September 30, 2018;
- Stock based compensation decreased by \$437,216 during the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 due to the lesser number of stock options granted during the current period.

All other expenses decreased as well due to the Company finalising the Aethon Transaction.

6. MINERAL INTERESTS

Through the Company's wholly-owned subsidiaries, the Company controls exploration projects in Argentina classified by the Company into the Diablillos Project and Cerro Amarillo Project. All acquisition costs and option payments related to these exploration projects are capitalized as mineral interests and are incurred in US dollars and translated to Canadian dollars, the presentation currency for the Company.

6. MINERAL INTERESTS (continued)

Diablillos project

On November 1, 2016, the Company closed a Share Purchase Agreement dated August 23, 2016, as amended and restated on March 31, 2017, and further amended on September 11, 2019, with SSRM and Fitzcarraldo Ventures Inc. (the "Share Purchase Agreement") pursuant to which Huayra acquired from SSRM all of the issued and outstanding shares of Pacific Rim Mining Corporation Argentina S.A., ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) (together, the "SSRM subsidiaries"). Through the acquisition of the SSRM subsidiaries, the Company acquired certain exploration projects in Salta and Chubut Provinces, Argentina (the "Diablillos Project" and the "M-18 Project").

Cash consideration payable to SSRM during the first year consists of the following:

- US\$300,000 on closing, US\$200,000 for the Diablillos and US\$100,000 for Aguas Perdidas (paid);
- US\$300,000 to be paid on or before February 15, 2017 (as amended) (paid);
- US\$500,000 to be paid on 180th day after closing (paid);
- US\$50,000 to be paid on or before January 12, 2018 (as amended) (paid);
- US\$5,000,000 to be paid on the earlier of:
 - o the date on which a Diablillos Feasibility Study in respect of all or any part of the Diablillos Concessions has been obtained;
 - o July 31, 2023; and
 - o 90 days after demand by SSRM for payment if (y) AbraPlata's market capitalization exceeds \$100,000,000 for 20 consecutive trading days (on the primary stock exchange on which such entity's shares are traded) or (z) after November 1, 2020, the spot price of silver (based on the London Bullion Market Association (LBMA) Silver Price as published by the LBMA on its website (or should that quotation cease, another similar quotation acceptable to the parties acting reasonably) (the "Benchmark") exceeds \$25 per ounce for 20 consecutive trading days on the Benchmark;
- US \$7,000,000 to be paid on the earlier of:
 - o the date on which Commercial Production occurs in respect of all or any part of the Diablillos Concessions; and
 - o July 31, 2025.

Equity consideration consisted of Class B common shares of the Company (issued) which were automatically converted into a number of Huayra Class A Shares that, upon the completion of the reverse takeover transaction, resulted in SSRM holding common shares of the Resulting Issuer representing 19.9% of the Company's then outstanding common shares. The agreement provides SSRM an anti-dilution right to maintain 19.9% equity interest in the capital of the Company until the Company completes a qualified financing of a minimum of US\$5,000,000. During the year ended December 31, 2018 the Company completed a qualified financing and is no longer obligated to maintain SSRM's free carried equity interest.

The royalty consideration payable to SSRM consists of a 1% net smelter returns royalty. SSRM is entitled to receive advance royalty payments totaling of US\$250,000 on November 1, 2017 (paid).

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

6. MINERAL INTERESTS (continued)

These advance royalty payments will be deducted and set off against the first US\$250,000 of net smelter returns royalty payments otherwise payable in respect of the Diablillos Project. As security for the above obligations the Company has pledged to SSRM all the shares the Company acquired in the two entities which hold interest to the Diablillos Project and the M-18 Project.

On September 11, 2019, AbraPlata and Aethon entered into a binding arrangement agreement whereby AbraPlata will acquire all of the issued and outstanding shares of Aethon by way of a plan of arrangement pursuant to the CBCA (the "Arrangement Agreement"). The Arrangement Agreement contains customary terms and conditions, including representations and warranties customary in a transaction of this nature. The closing of the Arrangement Agreement is subject to additional conditions precedent including, but not limited to, the receipt of all required approvals from TSXV, shareholder approval by the requisite majority of shareholders of Aethon at a special meeting of Aethon shareholders and agreement on customary non-solicitation covenants, insider lock-up agreements, board support and other standard provisions for transactions of this nature.

On October 15, 2019, AbraPlata and Aethon amended the Arrangement Agreement to extend the mailing and meeting deadlines and to increase cancellation fee to \$500,000.

On August 30, 2017 the Company signed an agreement, which was amended September 6, 2019, to acquire all of the issued and outstanding shares of Minera Cerro Bayo S.A. ("Cerro Bayo"), a privately held Argentine company. Cerro Bayo owns certain mineral rights that, as a result of a long-standing border dispute between two neighboring provinces in northwestern Argentina, overlap and potentially conflict with the Company's mineral rights to its Diablillos Ag-Au project. The acquisition of the potentially conflicting mineral rights through the acquisition of Cerro Bayo means that the Company will retain its title to the Diablillos Ag-Au project regardless of the ultimate outcome of the provincial border dispute.

Cash and equity consideration payable under the agreement is as follows:

- (i) US\$225,000 upon closing (paid);
- (ii) US\$175,000 on or before February 28, 2018 (paid);
- (iii) US\$15,000 upon signing of the September 6, 2019, amendment (paid);
- (iv) US\$350,000 and 300,000 common shares on or before November 30, 2019 (paid subsequent to period end);
- (v) US\$65,000 on or before April 30, 2020;
- (vi) US\$65,000 and 200,000 common shares on or before October 31, 2020;
- (vii) US\$65,000 on or before April 30, 2021;
- (viii) US\$65,000 on or before October 31, 2021;
- (ix) US\$65,000 on or before April 30, 2022;
- (x) US\$65,000 on or before October 31, 2022;
- (xi) US\$1,000,000 on or before July 31, 2023; and
- (xii) US\$1,170,000 on or before July 31, 2025.

The Company wrote off the acquisition and exploration costs incurred in relation to Cerro Bayo agreement in the year ended December 31, 2018.

6. MINERAL INTERESTS (continued)

Samenta project

During the year ended December 31, 2018 the Company terminated the exploration-with-option-to-purchase agreements related to Samenta mineral property. As a result, all acquisition and exploration costs incurred in relation to Samenta property were written off. During the year ended December 31, 2015 the Company's wholly owned Argentine subsidiary acquired the option to purchase the Samenta Cu-Mo porphyry prospect located in the province of Salta in northwestern Argentina. The Company signed exploration-with-option-to-purchase agreements on two separate but contiguous claim groups, Cerro Samenta Norte and Cerro Samenta Sur, comprising the Samenta Project.

The Company made a US\$30,000 payment upon completion of the due diligence. The Company paid US\$50,000 in February 2017 (as amended by agreement dated December 30, 2016), and US\$70,000 in August 2017.

The underlying owners were also entitled to a 1.5% NSR royalty of which 0.5% could have been purchased by the Company for US\$1,000,000.

Cerro Amarillo project

For the Cerro Amarillo Project, the Company is awaiting the ratification of the appropriate permits to undertake, subject to financing, a stage one drilling campaign. On December 1, 2014, the Company announced that during the congressional deliberations that took place in November 2014, it was determined that any decision regarding the ratification of the drill permit should be delayed pending the completion of an inventory of glaciers in or near the project to be conducted by *Instituto Argentino de Nivología Glaciología y Ciencias Ambientales* ("IANIGLA"), the federal body charged with conducting the inventory under the Protection of Glaciers Law 26.639. IANIGLA has completed the inventory, and is expected to submit this to Congress in 2018.

On July 14, 2016, AbraPlata Argentina S.A. (former Meryllion Argentina S.A.), a wholly owned subsidiary of the Company, signed an agreement for the right to purchase the Cerro Amarillo project located in the province of Mendoza in Argentina. This agreement is a replacement agreement to the one that was entered into in 2010.

The Company made the following payments:

- US\$25,000 in October 2016, deferred to May 2017 (paid); and
- and will pay US\$25,000 annually every November, starting in November 2017, until the earlier of the ratification of appropriate permits or the receipt of exploration permits given in accordance with the legislature of the province of Mendoza (the "Notification Date"). The November 2018 payment was deferred and paid in January 2019. The Company will then make a series of installments in total of US\$875,000 over 48-month period from the Notification Date.

Due to uncertainty of the timing for the completion of the glaciers inventory and the ratification of the permits, the Company wrote down the Cerro Amarillo project to \$1 during the fifteen months ended December 31, 2017.

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

7. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive loss and those measured at amortized cost. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Company's financial instruments as at September 30, 2019 and December 31, 2018 are as follows:

	September 30, 2019		December 31, 2018	
Financial assets				
Cash	\$	58,123	\$	11,662
Receivable		16,517		38,944
Total financial assets	\$	74,640	\$	50,606
Financial liabilities				
Accounts payable and accrued liabilities	\$	815,243	\$	951,026
Total financial liabilities	\$	815,243	\$	951,026

Additional financial instruments disclosure, including an analysis of risks associated with financial instruments, is contained in Note 4 of the Company's consolidated interim financial statements for the nine months ended September 30, 2019.

8. LIQUIDITY AND CAPITAL RESOURCES

(a) Liquidity

The Company's working capital deficiency as at September 30, 2019 was \$731,744 as compared to working capital deficiency of \$894,978 at December 31, 2018. Included in working capital was cash of \$58,123 (December 31, 2018 - \$11,662).

Except as disclosed, the Company does not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in liquidity are substantially determined by the success or failure of the Company's exploration programs and the Company's ability to raise additional capital as required.

The Company is not now and does not expect in the future, to be engaged in currency hedging to offset any risk of currency fluctuations.

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

8. LIQUIDITY AND CAPITAL RESOURCES (continued)

(b) Capital Resources

The Company's focus for the recently completed fiscal period and going forward is the advancement and development of its exploration projects. The major expenses that will be incurred by the Company in the next twelve months will be costs associated with its exploration activities and general and administrative activities. The Company does not believe its current working capital is sufficient to maintain its core operations for the next twelve months, and additional funding will be required by the Company to complete its strategic objectives and continue as a going concern.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. The Company will be relying on further equity financing, debt financing, strategic partnerships or joint-venture partnerships as the most likely source of funds for the advancement of the Company's exploration assets to a resource delineation or feasibility stage. In the future the Company may also receive additional funds through the exercise of stock options. If adequate funds are not available when required, the Company may, based on the Company's cash position, delay, scale back or eliminate various programs.

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that future additional financing will be available to the Company at acceptable terms. The inability to obtain additional financing may cast substantial doubt on the Company's ability to continue as a going concern.

(c) Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those disclosed under Mineral Interests.

(d) Commitments

Effective June 1, 2017, the Company has agreed to pay a monthly fee of \$10,000 for provision of management and administrative services. The agreement was amended starting from September 1, 2018 the monthly fee was reduced to \$5,000. The agreement may be terminated by the Company with 60- days written notice.

The Company also has minimum rental and operating expense payments for the Company's office space in Buenos Aires, Argentina where the lease expires on August 31, 2019.

	2019	2020	2021	After 2022
Mineral interest commitments				
Cerro Amarillo	\$ 34,105	\$ 34,105	\$ 34,105	\$ 3,410,500
Diablillos	204,630	815,520	2,489,665	16,370,400
Total mineral interest commitments	238,735	852,625	2,523,770	19,780,900
Minimum office rental payments in Argentina	4,911	-	-	-
Total commitments	\$ 243,646	\$ 852,625	\$ 2,523,770	\$19,780,900

ABRAPLATA RESOURCE CORP.
Management's Discussion and Analysis
Nine months ended September 30, 2019
(In Canadian Dollars unless otherwise stated)

9. RELATED PARTY TRANSACTIONS

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. Amounts paid and accrued to directors, former director, officers and companies in which directors and officers are shareholders or partners are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Management fees	\$ -	\$ 75,000	\$ -	\$ 300,000
Administration	15,000	25,000	45,000	85,000
Consulting fees	22,500	22,500	67,500	86,611
Professional fees	22,688	-	44,066	40,900
Share-based payments	8,749	136,146	47,902	359,486
	<u>\$ 68,937</u>	<u>\$ 258,646</u>	<u>\$ 204,468</u>	<u>\$ 871,997</u>

As at September 30, 2019 \$372,981 (2018 - \$523,939) was payable to directors, officers and companies in which directors and officers are shareholders or partners of the Company. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

10. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. As at November 28, 2019, the Company has 121,673,478 common shares issued and outstanding.

As at November 28, 2019 the Company has the following warrants outstanding and exercisable:

Number of warrants	Exercise Price	Expiry Date
10,630,909	\$ 0.30	January 11, 2020
3,124,711	\$ 0.30	May 4, 2021
495,062	\$ 0.30	July 31, 2021
15,000,000	\$ 0.10	April 8, 2024
25,000,000	\$ 0.10	October 31, 2021

As at November 28, 2019 the Company has 6,375,000 share purchase options outstanding with the weighted average exercise price of \$0.30, 5,425,000 of which are exercisable with the weighted average exercise price of \$0.33.

11. RISKS AND UNCERTAINTIES

The Company's exploration activities and related results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding: receiving required permits in Argentina, exploration results, additional financing, project delay, titles to properties, price fluctuations and share price volatility, operating hazards, insurable risks and limitations of insurance, management, foreign country and regulatory requirements, currency fluctuations and environmental regulations risks. Exploration for mineral resources involves a high degree of risk.

The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company seeks to counter this risk as far as possible by selecting exploration areas on the basis of their recognized geological potential to host economic deposits.

A summary of the Company's financial instruments risk exposure is provided in Note 3 of the Company's consolidated interim financial statement for the year ended December 31, 2018. The following are additional risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

Metal price volatility may affect the future production, profitability, and financial condition of the Company. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, global supply and demand, and political economic conditions of major metal consuming countries throughout the world.

The price of silver, gold, copper, and other metals has fluctuated widely in recent years, and future material price declines could cause development of, and commercial production from, the Projects to be impracticable or uneconomic.

The metals market also tends to move in cycles. Periods of high demand, increasing profits and high capacity utilization lead to additional capacity through expansion of existing mines and investment in new mines which results in increased production. This growth increases supply until the market is saturated, leading to declining prices and declining capacity utilization until the cycle repeats. This cyclicity in prices can result in supply/demand imbalances and pressures on mineral prices and profit margins which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Depending on the price of silver, gold, copper, and other metals, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue development and may lose its interest in, or may be forced to sell, one or more of the mineral properties. Future production from the Company's mineral properties will be dependent on metal prices that are adequate to make these properties economically viable. Furthermore, future mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mineral properties.

11. RISKS AND UNCERTAINTIES (continued)

In addition to adversely affecting any future Mineral Reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. If such a reassessment determines that any of the Company's projects are not economically viable, then operations may cease and such projects may never be developed. Even if the projects are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

AbraPlata will need substantial additional financing in the future and cannot assure that such financing will be available

To meet its operating costs and to finance its respective future acquisition, exploration, development and operating activities, the Company will require financing from external sources, including from the sale of equity and debt securities, the sale of an interest in one or more of its mineral projects, entering into joint ventures or seeking other means to meet its financing requirements. There can be no assurance that additional funding will be available to the Company or, if available, that such funding will be offered on terms acceptable to the Company. If additional financing is raised through the issuance of equity or convertible debt securities, control of the Company may change and the interests of shareholders in the net assets of the respective company may be diluted.

If unable to secure financing on acceptable terms, the Company may have to cancel or postpone certain of its planned exploration and development activities and may not be able to take advantage of acquisition opportunities.

If the Company is unable to complete minimum work obligations on its exploration projects, the projects could be relinquished under applicable exploration project agreements. The failure of the Company to obtain additional financing would have a material adverse effect on its business, financial condition, results of operations or prospects.

The volatility of the capital markets may affect the Company's access to and cost of capital

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility, and the market price of securities of many companies, particularly those in the resource sector, can experience wide fluctuations which are not necessarily related to the operating performance, underlying asset values or prospects of such companies. Increased levels of volatility and resulting market turmoil may adversely impact the Company and its share price.

If the Company is required to access credit markets to carry out their respective development objectives, the state of domestic and international credit markets and other financial systems could affect their respective access to, and cost of, capital. If these credit markets were significantly disrupted, as they were in 2007 and 2008, such disruptions could make it more difficult for the Company to obtain, or increase its cost of obtaining capital and financing for its operations. Such capital may not be available on terms acceptable to the Company or at all, which may have a material adverse impact on its business, financial condition, results of operations or prospects.

11. RISKS AND UNCERTAINTIES (continued)

Exploration Risk

The Company may engage in the potential acquisition and exploration of other resource properties, an inherently risky business, and there is no assurance that economic mineral deposits will ever be discovered, or if discovered, subsequently put into production. Most exploration activities do not result in the discovery of commercially mineable deposits.

Early Stage of Development

There is limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

The Company's prospects depend on its ability to attract and retain qualified personnel

Recruiting and retaining qualified personnel will be critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will have the necessary personnel to meet its corporate objectives but, as its business activities grow, it will require additional key financial, administrative, mining and public relations personnel as well as additional staff on the operations side. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Future mining operations and exploration activities are subject to laws and regulations relating to the protection and remediation of the environment

The Company's future mining operations and exploration activities are and will be subject to laws and regulations relating to the protection and remediation of the environment. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. These laws, regulations and the governmental policies for implementation of such laws and regulations are constantly changing and are generally becoming more restrictive. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations and changes to existing laws and regulations (including the imposition of higher taxes and mining royalties) could cause additional expense or capital expenditure, or result in restrictions or delays in the Company's development plans.

The Company cannot give any assurance that, notwithstanding its precautions and careful operating practices, breaches of environmental laws, whether inadvertent or not, or some type of environmental problem will not occur. In the event of any such breach, it is possible that the respective regulatory authority can suspend the rights of the Company, as applicable, to develop its mineral interests.

11. RISKS AND UNCERTAINTIES (continued)

A breach of environmental laws and regulations may allow governmental authorities and third parties, who have an interest in any future mining operations or the consequences of mining operations, to bring lawsuits based upon damages to project and injury to persons resulting from the environmental impact of the Company's potential future operations which could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions and could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

If the Company's environmental compliance obligations were to vary as a result of changes to legislation, or if certain assumptions the Company makes to estimate liabilities are incorrect, or if unanticipated conditions were to arise in the Company's future mining operations, the Company's expenses and other obligations could increase, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

As a participant in the resource extraction industry, the Company may face opposition from local and international groups

There is an increasing level of public concern relating to the effects of mining production on its surroundings, communities, and environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs"), who oppose globalization and resource development and who may not be bound to codes of ethical reporting, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company will seek to operate in a socially responsible manner, NGOs or local community organizations could direct adverse publicity and/or disrupt its operations in respect of one or more properties, regardless of the Company's successful compliance with social and environmental best practices, due to political factors and/or activities of unrelated third parties on lands in which the Company has an interest or operates.

Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company, as applicable, or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The costs of complying with applicable laws and governmental regulations may have an adverse impact on the Company's business

The Company's operations and exploration activities will be subject to laws and regulations governing various matters. These include without limitation laws and regulations relating to repatriation of capital and exchange controls, taxation, labour standards and occupational health and safety and historic and cultural preservation.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or the more stringent enforcement thereof, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects by increasing exploration expenses, future capital expenditures or future production costs or by reducing the future level of production, or cause the abandonment of or delays in the development of the Projects.

11. RISKS AND UNCERTAINTIES (continued)

Competition in the mining industry may adversely affect the Company

The mining industry is intensely competitive. The Company will compete with other mining companies, many of which have greater resources and experience. Competition in the mining industry is primarily for: (i) properties which can be developed and can produce economically; (ii) the technical expertise to find, develop, and operate such properties; (iii) labour to operate the properties; and (iv) capital to fund such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund their respective operations and develop their respective properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Company's insurance coverage may not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable

The Company's business will be subject to a number of risks and hazards (as further described herein). Although the Company will maintain insurance to protect against certain risks in such amounts as it considers being reasonable, such insurance will likely not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable or any terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Mining and mineral exploration is inherently dangerous and subject to factors or events beyond the Company's control

The Company's business, and any future development or mining operations, will involve various types of risks and hazards typical of companies engaged in the mining industry. These risks will affect the exploration, development and refurbishment activities of the Company, and will affect its business to an even larger extent once commercial mining operations, if any, commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, including the stability of the underground hanging walls and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems, water, surface or underground conditions; (xiii) labour disputes or slowdowns; (xiv) work force health issues as a result of working conditions; and (xv) force majeure events, or other unfavorable operating conditions.

11. RISKS AND UNCERTAINTIES (continued)

These risks, conditions and events could result in: (i) damage to, or destruction of, the value of, the Projects or their facilities; (ii) personal injury or death; (iii) environmental damage to the Projects or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect the Company's business, financial condition, results of operation or prospects.

Directors and officers may be subject to conflicts of interest

Certain directors and officers of the Company are or may become associated with other mining and/or mineral exploration and development companies which may give rise to conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the company with which they serve are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve such a contract. In addition, directors and officers are required to act honestly and in good faith with a view to the best interests of their respective company. Some of the directors and officers have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers. Further, any failure of the directors or officers of the Company to address these conflicts in an appropriate manner, or to allocate opportunities that they become aware of to the Company, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Political instability and hyperinflationary economy

Political or economic instability, including high inflation rate, or unexpected regulatory change in the countries where the Company's mineral properties are located could adversely affect the business.

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company's management is required to make judgments in the process of applying the Company's accounting policies in the preparation of its financial statements. In addition, the preparation of the financial statements in accordance with IFRS requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances.

While management believes the estimates are reasonable, actual results could differ from these estimates and could impact future results of operations and cash flows. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical Estimates in Applying Accounting Policies

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the determination of environmental obligations, if any; the recoverability of mineral interests; and the inputs used in the Black-Scholes option pricing model to account for shares issued with trading restrictions.

12. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(b) Critical Judgments in Applying Accounting Policies

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments, which are discussed below.

Acquisitions

The Company's acquisition of all the outstanding shares of Pacific Rim Mining Corporation Argentina S.A., ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) (together, the "SSRM subsidiaries", see note 9(a)) has been determined to be an asset acquisition as the SSRM subsidiaries do not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of the SSRM subsidiaries has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying value based on relative fair value.

The Company's acquisition of all the outstanding shares of Minera Cerro Bayo S.A. ("MCB SA", see note 9(a)) has been determined to be an asset acquisition as MCB SA does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of MCB SA has been accounted for as an asset acquisition, whereby all of the assets acquired and liabilities assumed are assigned a carrying value based on relative fair value.

Functional currency

In accordance with IAS 21 "*The Effects of Changes in Foreign Exchange Rates*", management determined that the functional currency of AbraPlata Argentina S.A. (former Meryllion Argentina S.A.), Pacific Rim Mining Corporation Argentina S.A., and Minera Cerro Bayo S.A. is Argentine Peso. The functional currency of ABP Global Inc. (BVI) and ABP Diablillos Inc. (BVI) is the US dollar. The functional currency of AbraPlata Resource corp. and Huayra Minerals Corp. is Canadian dollar.

Impairment of mineral interests

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going concern risk assessment

The assessment of the Company's ability to continue as a going concern involves significant judgment. Refer to our discussion in Note 1 of the consolidated interim financial statements for the nine months ended September 30, 2019.

13. FORWARD LOOKING STATEMENTS

Certain of the statements made and information contained herein are considered "forward-looking information" within the meaning of the British Columbia Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company on its properties and work plans to be conducted by the Company. With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

- the impact of currency fluctuations in Argentina;
- the impact of increasing competition in gold, silver and copper business;
- unpredictable changes to the market prices for gold, silver and copper;
- exploration and development costs for its properties;
- availability of additional financing or joint-venture partners;
- anticipated results of exploration activities; and
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above and elsewhere in this MD&A including, uncertainties relating to receiving mining and exploration permits in Argentina; volatility in the market price for minerals; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; liabilities and risks, including environmental liabilities and risks, inherent in mineral exploration; fluctuations in currencies and interest rates; incorrect assessments of the value of acquisitions; unanticipated results of exploration activities; competition for, amongst other things, capital, undeveloped lands and skilled personnel; lack of availability of additional financing and/or joint venture partners and unpredictable weather conditions.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.