



INV METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2019

INTRODUCTION

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of INV Metals Inc. ("INV Metals" or the "Company"), together with its wholly owned subsidiaries, has been prepared to enable the reader to assess material changes in the financial condition and results of operations of INV Metals as at and for the three and six-month periods ended June 30, 2019, in comparison to the corresponding three and six-month periods in the prior year. This MD&A is prepared as at August 13, 2019 and is intended to supplement and complement the interim condensed consolidated financial statements of INV Metals for the three and six-month periods ended June 30, 2019 and 2018 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including *IAS 34 – Interim Financial Reporting*.

This MD&A should be read in conjunction with the Financial Statements and the Annual Information Form ("AIF") in respect of the 2018 fiscal year filed with the Canadian provincial securities regulatory authorities and available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. This MD&A contains certain forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Note Regarding Forward Looking Information Statements included with this MD&A. All references to dollars herein are in Canadian dollars ("C\$") unless otherwise specified.

COMPANY DESCRIPTION AND HIGHLIGHTS

INV Metals is an international mineral resource company focused on the acquisition, exploration and development of precious and base metal projects, primarily in Ecuador. The Company is focused on the development and exploration of its 100% owned Loma Larga (formerly Quimsacocha) gold property, ("Loma Larga," "Project" or "Property"), as well as on the exploration of its 100% owned exploration properties at Las Peñas, Tierras Coloradas, La Rebuscada and Carolina ("Exploration Properties"), all located in Ecuador.

On July 30, 2019, the Company announced that an application to hold a proposed referendum related to mining activities within the Province of Azuay was submitted for consideration to the Constitutional Court of Ecuador (the "Constitutional Court"). In opposition to the Provincial referendum, on August 6, 2019, the mayor of the canton of Camilo Ponce Enriquez, in the Province of Azuay, also presented an application to the Constitutional Court to hold a proposed referendum to approve the development of responsible mining activities in the canton. The Company anticipates that the Constitutional Court will consider the validity and the constitutionality of these applications in the upcoming weeks. The Company's Loma Larga Mineral Resources and Reserves are located within the Province of Azuay.

The Government of Ecuador has recently reiterated its strong support for the mining industry, recognizing that the development of mining resources using responsible environmental and social practices will provide substantial economic benefits for both the country and local communities, as evidenced from the New Public Mining Policy of Ecuador 2019-2030 ("New Mining Policy") that was announced in June and as discussed below. Several diplomatic delegations and multilateral organizations have also provided support for the future development of a responsible mining sector within Ecuador. INV Metals will continue to work with the mining industry, our communities, and the Government to preserve our interests. In addition, the Company, along with other international and Ecuadorian mining and exploration companies, holds legally granted concessions within the Province of Azuay, and will work together with both the Government and the mining industry to continue to promote the significant benefits of responsible and sustainable mining development and to defend its legally granted mineral rights.

On June 4, 2019, the Vice President of Ecuador and the Minister of Energy and Non-renewable Resources presented the country's New Mining Policy with focus on supporting large-scale operations and investments, and eradicating illegal mining. The Mining Policy lays out seven strategic objectives and seven public policies with the goal to strengthen investment and increase production in the mining sector while

imposing requirements for environmental and social sustainability in mining and building a robust legal framework and national administrative processes for the sector.

On April 24, 2019, an official decree was signed and published by the President of Ecuador (the "Decree"), which made the following key declarations in accordance with the Constitution of Ecuador: 1) the energy resources, minerals, hydrocarbons, water, biodiversity and forest resources, are under the exclusive control and jurisdiction of the central state; 2) the central state reserves the right to administer, regulate, control and manage the strategic sectors such as energy and non-renewable natural resources, in accordance with the principles of environmental sustainability, protection, prevention and efficiency; and 3) in accordance with the mining law of Ecuador, the President has the duty to develop and define the mining policy of the central state. The Decree further grants the authority to the Minister of Energy and Non-renewable Resources to develop the mining policy within 30 days of the effective date of the Decree.

OUTLOOK

The Company's primary objective in 2019 is focused on the preparation of the environmental permit application and the development of financing strategy for Loma Larga. In addition, the Company will continue to advance with stakeholder engagement activities including the ongoing social and community programs undertaken at the various communities within the area of our operations.

The Company continues to believe that the Loma Larga property holds considerable exploration potential. The deposit remains open in many areas with good potential to expand the deposit to the west, east, and south. The Company completed a thorough targeting exercise in mid-2018 that identified nine ranked prospective targets within the Loma Larga concessions. The goal in 2019 is to continue to study and refine the drill targets within the Loma Larga concessions.

The primary goal of the Company's 2019 regional exploration program in Ecuador is to continue to identify and further define drill targets at Tierras Coloradas, Las Peñas, and the other regional exploration properties and to obtain the relevant permits to commence drilling. Mapping and further sampling is ongoing. Preparation for drilling at Tierras Coloradas continues to advance. The Environmental Management Plan has been approved by the government and water permits are at an advanced stage. Further field work is expected to be conducted on other potential greenfield projects and will include additional detailed mapping, and soil and rock chip sampling. After the receipt of relevant permits, the Company will evaluate the use of geophysics with the aim of drill target identification.

MINERAL PROPERTIES

1) Loma Larga, Ecuador

The Project is located 30 kilometres southwest of the city of Cuenca and consists of approximately 7,960 hectares held in three contiguous concessions. The Loma Larga deposit is located within the Rio Falso concession. The Project is situated relatively close to existing infrastructure.

Feasibility Study Results

a) Summary

The Feasibility Study (the "FS" or the "Study") was completed in late 2018 and was prepared by a consortium of independent consultants, led by DRA Americas Inc. ("DRA"), an international engineering firm with extensive experience both in the construction and operation of mining projects. DRA led the mine planning, Mineral Reserve estimation, metallurgy, processing and economic estimation. The FS was supported by additional leading consultants with expertise in various fields, including: RPA Inc. ("RPA") for Mineral Resource estimation, Mine Design Engineering Inc. for geotechnical design, Itasca Denver, Inc. for hydrogeology and water quality, Environmental Resources Management for social and environmental,

NewFields for tailings design, Paterson & Cooke Canada Inc. for paste backfill, and SGS Canada Inc. for metallurgical test work.

The results of the FS strongly support the development of Loma Larga and confirm the Project's viability by demonstrating robust profitability and economics. During the projected 12-year mine life, 2.36 million gold equivalent ounces are forecasted to be produced, with an average production of 206,000 gold equivalent ounces per year and an average of 267,000 gold equivalent ounces produced during the first four full years. Loma Larga will be a low-cost operation with expected Life of Mine ("LOM") cash costs¹ of US\$550/oz, all-in sustaining costs¹ ("AISC") of US\$619/oz, and all-in costs¹ ("AIC") of US\$778/oz.

The economics of the FS suggest a high return gold project with low capital and operating costs. Based on an estimated initial capital cost of US\$279 million and sustaining and reclamation capital of US\$84 million, a pre-tax IRR of 35.1%, an after-tax IRR of 24.7% and, using a 5% discount rate, a net present value of US\$621 million pre-tax and US\$356 million after-tax are anticipated at a gold price of US\$1,250/ounce. The undiscounted pre-tax cash flow is estimated at US\$948 million over the mine life, and simple payback occurs after 2.2 years. On an after-tax basis, the undiscounted cash flow is estimated at US\$577 million over the mine life with simple payback occurring after 2.6 years.

The FS estimates proven and probable Mineral Reserves of 2.6 million gold equivalent ounces, comprised of 2.20 million ounces of gold, 13.3 million ounces of silver and 88.0 million pounds of copper resulting from the production of 13.9 million tonnes grading at 4.91g/t gold, 29.6 g/t silver and 0.29% copper. The FS also estimates the Mineral Resources to include 3.20 million of gold equivalent ounces comprised of 2.71 million ounces of gold grading at 4.25 g/t of measured and indicated Mineral Resources, as well as 0.33 million ounces of gold grading at 2.22 g/t of inferred Mineral Resources.

The Company's recent successful drilling programs and the significant optimization to the mine plan in the FS resulted in an increase of the estimated Mineral Reserves by 18.1% or 338,000 gold ounces from the previous Mineral Reserve estimates in the Pre-Feasibility Study issued in 2016. The mine plan focuses on developing and mining high grade areas of the mine at a rate of 3,000 tpd in the early years, and reaching 3,400 tpd in year five, and peaking at a production record in year three at 308,000 gold equivalent ounces.

The Company's discovery of ore-grade mineralization up to 300 metres to the west of the current Mineral Resources, the findings of a detailed re-evaluation and study of the deposit, as well as the potential of the entire Loma Larga property, demonstrate that the deposit remains open in most directions with potential to increase Mineral Resources along strike and at depth, both of which remain largely untested, and to find additional deposits on the property.

Estimated LOM production of 2.36 million of gold equivalent ounces, comprised of 2.00 million ounces of gold, 12.6 million ounces of silver and 84.5 million pounds of copper occurs over the estimated initial mine life of 12 years using an average gold recovery of 90%, average silver recovery of 95% and average copper recovery of 96%.

¹ "Cash Cost", "AISC" and "AIC" are non-IFRS Performance Measures (see "Non-IFRS Measures").

Feasibility Study Highlights (5% discount rate, \$1,250/oz gold, \$18/oz silver, \$3/lb copper)

| | |
|---|-----------------------|
| • Pre-tax Net Present Value (“NPV”) | \$621 million |
| • After-tax NPV | \$356 million |
| • Pre-tax Internal Rate of Return (“IRR”) | 35.1% |
| • After-tax IRR | 24.7% |
| • Pre-tax Payback | 2.2 years |
| • After-tax Payback | 2.6 years |
| • Mine Life | 12 years |
| • Initial Mining Rate | 3,000 tpd |
| • Proven and Probable Mineral Reserves | |
| 13.9 million tonnes (4.91 g/t gold, 29.6 g/t silver, and 0.29% copper), containing | |
| ▪ 2.6 million equivalent gold ounces which include, | |
| ▪ 2.2 million ounces of gold | |
| ▪ 13.3 million ounces of silver | |
| ▪ 88.0 million pounds of copper | |
| • Measured and Indicated Mineral Resources | |
| 19.8 million tonnes (4.25 g/t gold, 27.8 g/t silver, and 0.25% copper), containing | |
| ▪ 3.2 million equivalent gold ounces which include, | |
| ▪ 2.7 million ounces of gold | |
| ▪ 17.7 million ounces of silver | |
| ▪ 109.5 million pounds of copper | |
| • Inferred Resources | |
| 4.7 million tonnes (2.2 g/t gold, 29.7 g/t silver, and 0.14% copper), containing | |
| ▪ 0.4 million equivalent gold ounces | |
| • Average annual LOM gold equivalent recovered production² | |
| ▪ 206,000 gold equivalent ounces | |
| • Average annual first four full years of recovered production | |
| ▪ 267,000 gold equivalent ounces which include, | |
| ▪ 223,000 ounces gold | |
| ▪ 19,000 gold equivalent ounces silver | |
| ▪ 25,000 gold equivalent pounds copper | |
| • LOM Cash costs | |
| ▪ Total cash costs | \$550/oz |
| ▪ All-in sustaining costs | \$619/oz |
| ▪ All-in costs | \$778/oz |
| • Capital Expenditures (excluding taxes) | |
| ▪ Initial pre-production capex | \$279 million |
| ▪ Sustaining capital | \$62 million |
| ▪ Closure costs | \$22 million |
| • Employment | |
| ▪ During construction | ~875 jobs |
| ▪ After mine is in production | ~450 employees |

² Annual LOM averages are calculated based on full production years from Year 2 to 11.

The FS demonstrates that the development of Loma Larga will provide substantial economic benefits to the future employees of INV Metals, our communities, and the local, provincial and federal governments of Ecuador. The development and operation of the Loma Larga mine will also provide numerous employment and business opportunities for the local communities and within the region. Various benefits will include:

- the continuation of the Company's numerous social programs in the communities of Chumblin, San Gerardo, Giron, and Victoria del Portete;
- during the construction period of 18-24 months, an estimated direct employment of 875 people;
- when the mine is in operation, an estimated 450 permanent direct jobs;
- the creation of indirect jobs with local procurement initiatives and training opportunities;
- wages, social security and pension benefits are estimated at US\$15 million annually, for a total of US\$186 million over the mine life;
- employee profit sharing taxes (3%) are estimated at US\$27 million;
- taxes to the Government of Ecuador are estimated at:
 - Corporate Income tax (25%) - US\$177 million
 - State profit sharing tax (12%) - US\$107 million
 - Employment taxes (35%) - US\$52 million
 - VAT (12%) and import duties (0% - 5%) - US\$110 million
 - Royalties (5%) - US\$108 million

b) Mineral Resources

The Loma Larga gold-silver-copper deposit is classified as a high sulphidation epithermal system and alteration is characterized by multiphase injections of hydrothermal fluids strongly controlled by both structure and stratigraphy. The deposit is a flat lying to gently western dipping (less than ten degrees), north-south striking, cigar shaped body, which has a strike length of approximately 1,600 metres north-south by 120 metres to 400 metres east-west and up to 60 metres thick, beginning approximately 120 metres below surface.

RPA estimated Mineral Resources for Loma Larga using all drill hole data available as of September 1, 2018. The current Mineral Resource estimate is based on an underground mining scenario and is reported inclusive of Mineral Reserves. Using a US\$60/t Net Smelter Return (NSR) cut-off value, Mineral Resources effective as of October 31, 2018 are summarized in the following table.

Loma Larga Mineral Resource Estimate, Effective as of October 31, 2018

| Resource Classification | Tonne (M) | Au Grade (g/t) | Contained Au (M oz) | Ag Grade (g/t) | Contained Ag (M oz) | Cu Grade (%) | Contained Cu (M lb) | AuEq Grade (g/t) | Contained AuEq (M oz) |
|--------------------------------|------------------|-----------------------|----------------------------|-----------------------|----------------------------|---------------------|----------------------------|-------------------------|------------------------------|
| Measured | 2.90 | 7.31 | 0.67 | 34.90 | 3.20 | 0.44 | 28.20 | 8.45 | 0.78 |
| Indicated | 17.00 | 3.74 | 2.04 | 26.50 | 14.50 | 0.22 | 81.40 | 4.43 | 2.42 |
| Measured and Indicated | 19.80 | 4.25 | 2.71 | 27.80 | 17.70 | 0.25 | 109.50 | 5.01 | 3.20 |
| Inferred | 4.70 | 2.22 | 0.33 | 29.70 | 4.50 | 0.14 | 14.50 | 2.84 | 0.43 |

1. CIM 2014 Definition Standards were followed for Mineral Resources.
2. Mineral Resources are reported at an NSR cut-off value of US\$60/t.
3. Mineral Resources are estimated using a long-term gold price of US\$1,450 per ounce, silver price of US\$22.00 per ounce, and copper price of US\$3.50 per pound.
4. The formula used to calculate gold equivalence (AuEq) is: $(Au\ g/t \times 31.31 + Ag\ g/t \times 0.44 + Cu\% \times 46.19) \div 31.31$. The formula used to calculate AuEq ounces is: $AuEq\ Oz = (Tonnage \times AuEq\ g/t) \div 31.1035$.
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
6. Mineral Resources are inclusive of Mineral Reserves.
7. Average bulk density is 2.7 t/m³.
8. Numbers may not add due to rounding.

c) Mineral Reserves and Mine Plan

The estimated Mineral Reserves are shown in the following table.

Loma Larga Proven and Probable Mineral Reserve Estimate, Effective as of October 31, 2018

| Ore Category | Tonne (M) | Au Grade (g/t) | Contained Au (M oz) | Ag Grade (g/t) | Contained Ag (M oz) | Cu Grade (%) | Contained Cu (M lb) | AuEq Grade (g/t) | Contained AuEq (M oz) |
|----------------------------|--------------|----------------|---------------------|----------------|---------------------|--------------|---------------------|------------------|-----------------------|
| Proven | 2.90 | 7.30 | 0.69 | 34.80 | 3.27 | 0.44 | 28.50 | 8.53 | 0.80 |
| Probable | 11.00 | 4.28 | 1.51 | 28.30 | 10.00 | 0.25 | 59.50 | 5.09 | 1.80 |
| Proven and Probable | 13.90 | 4.91 | 2.20 | 29.60 | 13.27 | 0.29 | 88.00 | 5.81 | 2.60 |

1. CIM 2014 Definition Standards were followed for Mineral Reserves.
2. Mineral Reserves include long hole and drift-and-fill stopes as well as development in ore.
3. Mineral Reserves are reported at an NSR cut-off value of US\$60/t.
4. Mineral Reserves are estimated using a long-term gold price of US\$1,250 per ounce, silver price of US\$18.00 per ounce, and copper price of US\$3.00 per pound.
5. Average bulk density is 2.7 t/m³.
6. Numbers may not add due to rounding.

The underground mine will be accessed by a 1.2 kilometres long (5 metres high by 5 metres wide) ramp into the deposit. The ramp will serve as the access to the mine for personnel and materials, the haulage of waste and ore, and for ventilation. Due to the high-grade nature of the ore body and the positive geotechnical conditions, the deposit will primarily be mined by the long-hole stoping method, with 20 metres wide, 25 metres high and 20 metres long stope sizes. Certain zones will utilize the drift and fill method where appropriate.

Initial daily ore production of 3,000 tpd is planned from primary and secondary stopes for the first four years, generating approximately 1,095,000 tonnes of ore annually. From year 5, daily average ore production of 3,400 tpd is planned to be achieved through plant optimization, generating 1,241,000 tonnes of ore annually. Ore will be trucked approximately 3.5 kilometres from the portal to the process facilities. The production averages in the tables below do not include partial production years.

Full details of the FS can be found in the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) Feasibility Study Technical Report, entitled “Technical Report on the Loma Larga Project, Azuay Province, Ecuador” (the “Technical Report”), which is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.invmetals.com.

Expenditures at Loma Larga in the six-month periods ended June 30, 2019 and 2018

The following table sets forth a breakdown of material components of expenditures incurred at Loma Larga in the six-month periods ended June 30, 2019 and 2018.

| | 2019 | 2018 |
|---|---------------|---------------|
| Opening balance - January 1 | \$ 71,713,959 | \$ 55,936,133 |
| Geological interpretation | 41,823 | 434,174 |
| Feasibility study | 592,423 | 3,158,903 |
| Camp, environment and community relations | 827,070 | 789,247 |
| General and administration | 684,242 | 466,495 |
| Concession and related costs | 378,218 | 335,310 |
| Total expenditures - June 30 | 2,523,776 | 5,184,129 |
| Exchange differences | (2,466,518) | 2,402,522 |
| Closing balance - June 30 | \$ 71,771,217 | \$ 63,522,784 |

In the six-month period ended June 30, 2019, total expenditures at Loma Larga decreased to \$2,523,776 compared to \$5,184,129 in 2018. The Q2 2018 expenditures were substantially higher than in Q2 2019 due to project expenditures incurred during 2018 to support the advancement of the FS at Loma Larga, which was completed in November 2018.

Exploration

The Company continues to believe that the Loma Larga property holds considerable exploration potential. Geological mapping was completed along the edges of the Loma Larga concessions in 2018 to provide 100% mapping coverage of all concessions. The deposit remains open in many areas with good potential to expand the deposit to the west, east, and south. Also, 12 of the 14 holes that were drilled to the west of the orebody in 2017 encountered potentially economic intercepts and the area to the west represents upside potential for the deposit. High grade areas along 225 metres on the eastern edge of the orebody were not closed off and good potential exists to extend these further to the east. Both gold and high-grade silver values continue to the south of the deposit with potential to expand the deposit to the south. The southern end of the deposit contains high-grade silver intercepts that exist at least 300 metres to the south of the edge of the High-Grade Main Zone of the Mineral Resource. A resource expansion drill program has been designed to test these areas.

INV Metals engaged Western Mining Services LLC to complete a thorough targeting exercise in mid-2018 that identified nine ranked prospective targets within the Loma Larga concessions. The number one ranked area encloses the northern two thirds of the Loma Larga deposit and will be addressed by an expansion drill program in the future. The second ranked area is immediately to the west of the orebody where the 2017 drilling encountered potentially economic mineralization over an area of 300 x 400 metres. Silicification, which is the dominant alteration within Loma Larga, was encountered in all of these holes and up to 600 metres to the west of the orebody. Lithology, alteration, structure, geochemistry, and geophysics are being analyzed within this large area to identify drill targets. There is good potential to encounter additional mineralized feeder zones and Loma Larga style mineralization within the area to the west of the orebody.

There is also clear potential for a mineralized porphyry at depth. A large diatreme breccia to the northwest of the deposit contains mineralized porphyry clasts. Several drill holes to the north and northwest of the deposit contain evidence of a nearby porphyry system. Hole IQD-109, around 30 metres to the north of the orebody, contains quartz veinlets with centerlines and margins of chalcocite. Hole LLD-384 was a deep hole drilled in 2017 to test for the presence of a porphyry at depth and is located approximately 60 metres to the north of the orebody. This hole encountered anomalous gold mineralized diorite and quartz diorite intrusions hosting quartz, pyrite, magnetite, and chalcopyrite veinlets plus disseminated pyrite and magnetite within intense intermediate argillic alteration (illite-kaolinite-muscovite-pyrite). Hole LLD-364, located around 100 metres to the northwest of the orebody, contains chalcopyrite and chalcocite. Further work is required to define the porphyry target.

2) Exploration Properties, Ecuador

The Company holds a 100% interest in exploration concessions granted in 2017 throughout Ecuador, including the Las Peñas, Tierras Coloradas, La Rebuscada and the Carolina exploration projects.

The preliminary results of the Company's initial field programs on all four Exploration Properties, which have been limited to prospecting, mapping, and rock chip sampling, have identified quartz epithermal and porphyry style targets on the properties, with anomalous to high-grade gold values present in surface grab samples at all properties. See the press release dated February 26, 2018 for additional details of exploration programs.

In 2018, the Ecuadorian Minister of Energy and Non-Renewable Resources approved a ministerial agreement which allows for the performance of non-systematic drilling, up to a maximum of thirty drill platforms, during the Initial Exploration Phase. Previously, drilling was only permitted in the Advanced

Exploration Phase. The Company continues to perform various activities including detailed mapping and rock chip sampling, on its regional properties to define drill targets.

Management continues to believe in the prospectivity of the Company's Exploration Properties and plans to work towards obtaining relevant authorizations which will allow the identification and testing of drill targets on all of its regional properties.

Tierras Coloradas

The results from surface mapping and a chip sampling program at Tierras Coloradas are considered by management to be exceptional with high grade gold and silver values detected on the three main gold and silver-bearing quartz veins discovered to date, as well as on numerous other high potential veins located throughout the property. Due to the property's topography, the Company was able to identify and sample the veins in three dimensions, resulting in high grade gold and silver values in surface chip samples over significant vertical and horizontal distances and along significant strike lengths. Mapping and sampling of the three main veins (Quemada, Aparecida, and San Vicente) is now complete. A twelve hole drill program to test both the Quemada and Aparecida veins has been designed and will be considered when permits are obtained. Follow-up mapping and sampling in 2019 has identified the presence of additional gold and silver-bearing quartz veins.

The Company acquired the Tierras Coloradas property in January 2017 and announced significant results from its initial exploration program in September 2017 and provided an exploration update in February and again in August 2018 (see press release dated February 26, 2018 and August 13, 2018 respectively).

Quality Assurance

All INV Metals sample assay results have been independently monitored through a quality assurance/quality control ("QA/QC") program including the insertion of blind standards, blanks and pulp, and reject duplicate samples. The rock sampling was completed by a geological contractor under the direct supervision of INV Metals. The samples are securely transported to the Bureau Veritas sample preparation facility in Quito, Ecuador. Sample pulps are sent to the same lab in Callao, Peru, which is independent of INV Metals, for analysis. Gold content is determined by fire assay of a 50-gram sample with an AAS finish and silver content is determined by aqua regia digestion with an ICP-AES finish. Gold values of >10 g/t are re-analyzed by the gravimetric method using a 50-gram sample.

Qualified Person

The scientific and technical information contained in this section of the MD&A has been reviewed and approved by Mr. Darren King, Vice President Exploration, a non-Independent Qualified Person, as defined by NI 43-101. He is a Registered Member of the Society for Mining, Metallurgy & Exploration (SME) of the United States. Mr. King has a M.Sc. in Geology from South Dakota School of Mines and Technology and has over 30 years of exploration experience throughout the Americas. Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on the exploration projects and it is uncertain if further exploration will result in such targets being delineated as a mineral resource.

Expenditures at Exploration Properties in the six-month periods ended June 30, 2019 and 2018

The following table sets forth a breakdown of material components of expenditures incurred at the Exploration Properties in the six-month periods ended June 30, 2019 and 2018.

INV METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2019

| | 2019 | | | | |
|-------------------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| | Tierras | | La | | Total |
| | Las Peñas | Coloradas | Rebuscada | Carolina | |
| Opening balance - January 1 | \$1,499,263 | \$1,589,975 | \$ 246,737 | \$ 214,030 | \$3,550,005 |
| Geological interpretation | 182,775 | 114,062 | 58,032 | 60,743 | 415,612 |
| Environment permitting | 16,164 | 29,393 | 1,796 | 1,796 | 49,149 |
| Concession and related costs | 398,536 | 124,784 | 42,186 | 40,014 | 605,520 |
| Camp and field expenses | - | 32,794 | - | | 32,794 |
| Total expenditures - June 30 | 597,475 | 301,033 | 102,014 | 102,553 | 1,103,075 |
| Exchange differences | (72,363) | (67,482) | (11,963) | (9,962) | (161,770) |
| Closing balance - June 30 | \$2,024,375 | \$1,823,526 | \$ 336,788 | \$ 306,621 | \$4,491,310 |

| | 2018 | | | | |
|-------------------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| | Tierras | | La | | Total |
| | Las Peñas | Coloradas | Rebuscada | Carolina | |
| Opening balance - January 1 | \$ 807,499 | \$ 469,383 | \$ 110,113 | \$ 84,407 | \$1,471,402 |
| Geological interpretation | 136,009 | 423,784 | 65,739 | 63,302 | 688,834 |
| Environment permitting | 25,042 | 19,388 | 236 | 6,949 | 51,615 |
| Concession and related costs | 381,480 | 141,398 | 39,965 | 38,141 | 600,984 |
| Total expenditures - June 30 | 542,531 | 584,570 | 105,940 | 108,392 | 1,341,433 |
| Exchange differences | 50,143 | 31,363 | 7,699 | 5,697 | 94,902 |
| Closing balance - June 30 | \$1,400,173 | \$1,085,316 | \$ 223,752 | \$ 198,496 | \$2,907,737 |

Expenditures for the six-month period ended June 30, 2019 totalled \$1,103,075 compared to \$1,341,433 in the same period in 2018 and consist of the Company's field programs, including prospecting, mapping and rock chip sampling while permits are awaited.

INV METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2019

RESULTS OF OPERATIONS

The following table presents the changes between INV Metals' consolidated statements of loss and comprehensive (income)/loss for the six-month periods ended June 30, 2019 and 2018.

| <i>For the three and six-month periods ended</i> | Three Months Ended | | | Six Months Ended | | |
|---|---------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|
| | June 30, 2019 | June 30, 2018 | Change | June 30, 2019 | June 30, 2018 | Change |
| General and administration | | | | | | |
| Shareholder and regulatory | \$ 21,006 | \$ 38,763 | \$ (17,757) | \$ 92,646 | \$ 134,831 | \$ (42,185) |
| Travel expense | 27,110 | 33,309 | (6,199) | 32,335 | 50,498 | (18,163) |
| Office | 62,558 | 68,426 | (5,868) | 126,626 | 111,702 | 14,924 |
| Total general and administration | 110,674 | 140,498 | (29,824) | 251,607 | 297,031 | (45,424) |
| Compensation | | | | | | |
| Compensation | 414,744 | 918,201 | (503,457) | 804,699 | 1,345,318 | (540,619) |
| Stock-based compensation | 49,288 | 317,029 | (267,741) | 116,801 | 489,761 | (372,960) |
| Total compensation | 464,032 | 1,235,230 | (771,198) | 921,500 | 1,835,079 | (913,579) |
| Professional fees | 133,570 | 53,442 | 80,128 | 185,614 | 94,329 | 91,285 |
| Fair value (gain)/loss on investments | (18,176) | 33,701 | (51,877) | (16,151) | 37,076 | (53,227) |
| Foreign exchange (gain)/loss | 3,035 | 37,834 | (34,799) | 3,716 | (2,249) | 5,965 |
| Operating loss | 693,135 | 1,500,705 | (807,570) | 1,346,286 | 2,261,266 | (914,980) |
| Finance income | (2,602) | (41,826) | 39,224 | (5,162) | (95,072) | 89,910 |
| Total loss for the period | \$ 690,533 | \$ 1,458,879 | \$ (768,346) | \$ 1,341,124 | \$ 2,166,194 | \$ (825,070) |
| Other comprehensive (income)/loss | | | | | | |
| Cumulative translation adjustment | 1,287,536 | (1,069,408) | 2,356,944 | 2,607,690 | (2,548,378) | 5,156,068 |
| Total comprehensive (income)/loss for the period | \$ 1,978,069 | \$ 389,471 | \$ 1,588,598 | \$ 3,948,814 | \$ (382,184) | \$ 4,330,998 |

During the three-month period ended June 30, 2019 the Company recorded a total loss from continuing operations of \$690,533 or \$0.01 per share, compared to \$1,458,879 or \$0.01 per share in the same period in 2018, a decrease of \$768,346 or 53% from prior year. Total loss decreased in Q2 2019 compared to the same period in 2018 mainly due to lower compensation and general and administration costs, as well as a gain recognized on fair value investments and a decrease in foreign exchange loss recognized in the current period.

For the six-month period ended June 30, 2019, the Company recorded a total loss of \$1,341,124 or \$0.01 per share, which was \$825,070 lower than the corresponding period in the prior year's total loss of \$2,166,194 or \$0.02 per share. Total loss decreased in H1/2019 compared to H1/2018 mainly due lower compensation and general and administration costs, as well as a gain recognized on fair value investments recognized in the current period.

Shareholder and regulatory expenses totaled \$21,006 in Q2 2019, a decrease of \$17,757 from \$38,763 in Q2 2018. For the six-month period ended June 30, 2019, shareholder and regulatory expenses totaled \$92,646, a decrease of \$42,185 from \$134,831 in the same period in 2018. The decreases in both the three and six-month periods ended June 30, 2019 compared to the same periods in 2018 are mainly due to a decrease in marketing expenses related to the participation of industry conferences.

In Q2 2019, office expenses of \$62,558 were slightly lower by \$5,868 compared to \$68,426 in Q2 2018. For the six-month period ended June 30, 2019, office expenses totaled \$126,626, an increase of \$14,924 from \$111,702 in the same period in 2018. The changes in both the three and six-month periods ended

June 30, 2019 compared to the same periods in 2018 are mainly due to the depreciation related to right-of-use assets in property plant and equipment, offset by the decrease in the office rent expense as a result of the adoption of IFRS 16 "Leases" ("IFRS 16"). For additional information on IFRS 16, refer to discussion below on Changes in Significant Accounting Policies and Future Accounting Pronouncements.

Compensation expenses totalled \$414,744 in Q2 2019 compared to \$918,201 in Q2 2018, a decrease of \$503,457 or 55%. For the six-month period ended June 30, 2019, compensation expenses totalled \$804,699, a decrease of \$540,619 or 40% from \$1,345,318 in the same period in 2018. The decreases in both the three and six-month periods ended June 30, 2019 compared to the same periods in 2018 are mainly due to lower bonus as well as a decrease in the complement of staff.

For the three-month period ended June 30, 2019, stock-based compensation expenses totalled \$49,288, a decrease of \$267,741 from \$317,029 in the same period in 2018. Similarly, for the six-month period ended June 30, 2019, stock-based compensation expenses decreased by \$372,960 from \$489,761 in 2018 to \$116,801 in the current period. The decreases in both the three and six-month periods ended June 30, 2019 compared to the same periods in 2018 are due to higher value options issued in the prior periods that were fully amortized in the first quarter of 2018 as well as stock options issued in Q2 2018.

Professional fees totalled \$133,570 in Q2 2019 compared to \$53,442 in the same period in 2018, an increase of \$80,128 or 150%. For the six-month period ended June 30, 2019, professional fees totalled \$185,614, an increase of \$91,285 or 97%, from \$94,329 in the same period in 2018. The increases in both the three and six-month periods ended June 30, 2019 compared to the same periods in 2018 are mainly due to an increase in legal fees incurred in Q2 2019 to address the recent political developments in Ecuador related to the application of referendums on mining activities in various parts of the country.

The fair value gain on investments totalled \$18,176 in Q2 2019, an increase of \$51,877 from a loss of \$33,701 in Q2 2018. For the six-month period ended June 30, 2019, the fair value gain on investments increased \$53,227 to \$16,151, compared to a loss of \$37,076 in the same period in 2018. The increases in the fair value gains in both the three and six-month periods are due gains on the mark-to-market investments held in 2019.

For the three and six-month periods ended June 30, 2019, finance income of \$2,602 and \$5,162 is comprised of an interest expense representing the finance cost of the leases of \$9,227 and \$18,628, as a result of the adoption of IFRS 16, offset by interest income on cash balances totaling \$11,829 and \$23,790, respectively. For the three and six-month periods ended June 30, 2019, interest income of \$11,829 and \$23,790 decreased by \$29,997 and \$71,282 from \$41,826 and \$95,072, respectively, in the same periods of 2018 due to lower cash balances held as a result of expenditures related to the FS at Loma Larga completed in November 2018, as well as ongoing expenditures incurred on the exploration programs at both Loma Larga and the Exploration Properties.

The cumulative translation adjustment increased by \$2,356,944 to a loss of \$1,287,536 in Q2 2019 compared to an income of \$1,069,408 in Q2 2018. For the six-month period ended June 30, 2019, cumulative translation increased by \$5,156,068 compared to the same period in 2018 from an income of \$2,548,378 to a loss of \$2,607,690. The movements in the three and six-month periods are as a result of changes in the US dollar value relative to the Canadian dollar on translation of the assets and liabilities of the Ecuadorian subsidiary.

FOREIGN EXCHANGE

INV Metals reports its financial results in Canadian dollars. The Company's expenses include costs incurred in Canadian and US dollars.

The Canadian dollar decreased relative to the US dollar during the three-month period ended June 30, 2019 as the average rate was \$1.3377/US\$1.00 compared to an average rate of \$1.2906/US\$1.00 in Q2 2018. The Canadian dollar also weakened relative to the US dollar for the first six months of the year in

2019, as the average rate was \$1.3336/US\$1.00, compared to \$1.2781/US\$1.00 during the same period in 2018.

The Canadian and US dollar exchange was \$1.32/US\$1.00 as at August 13, 2019.

FINANCIAL CONDITION AND LIQUIDITY

Operating activities

The Company is not in commercial production on any of its properties and accordingly, does not generate cash from operations. The Company finances its activities by raising capital through equity issuances. During the six-month periods ended June 30, 2019 and 2018, the Company had negative cash flow from operating activities and anticipates negative cash flow from operating activities in future periods until such time that commercial production may be achieved from the development of Loma Larga.

Cash flows used in operating activities in the six-month period ended June 30, 2019 totalled \$1,393,378 compared to \$1,567,834 in the corresponding period in 2018. Changes in interest income on cash deposits, unrealized gain or loss on foreign exchange, share-based compensation and working capital, comprise the principal amounts that reconcile the statement of loss to the statement of cash flows from operating activities. In addition, on adoption of IFRS 16, operating leases are accounted for as cash sources used in financing activities.

See "Liquidity and Capital Resources" below for further discussion of the Company's ability to fund commitments in connection with its business plan.

Financing activities

On March 19, 2019, the Company closed a non-brokered private placement (the "Private Placement") of 4,615,385 common shares ("Shares") at a price of \$0.65 per Share for gross proceeds of \$3,000,000 less transaction costs of \$44,631 for net proceeds of \$2,955,369. The proceeds from the Private Placement are used for general working capital and corporate purposes. IAMGOLD Corporation, which has a right to maintain its 35.6% pro rata shareholding in the Company, also participated in the Private Placement.

In addition, cash flows from financing activities for the six-month period ended June 30, 2019 includes an outflow of \$154,045 in the principal elements of lease payments on adoption of IFRS 16.

Investing activities

Cash flows used in investing activities for the six-month period ended June 30, 2019 totalled \$3,226,255 compared to \$6,455,880 for the corresponding period in 2018. Investing activities during the first half of 2019 were lower than in the same period in 2018 primarily due to the completion of the FS at Loma Larga in late 2018.

Liquidity and Capital Resources

The Financial Statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due for the foreseeable future. The Company has no operating cash flow from a producing mine and therefore must utilize its current cash reserves, income from short term investments and deposits, and other financing transactions to maintain its capacity to meet working capital requirements and planned corporate expenditures, as well as to fund the development of Loma Larga and other exploration activities. It is not possible to predict whether adequate financing will be available in the future on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern and to realize its assets and discharge its liabilities in the normal course of business and accordingly, the appropriateness of the use of accounting principles applicable to a going

INV METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2019

concern. The adjustments as a result of these material uncertainties could be material. Although the Company has been successful in the past to obtain financing, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods or that such financing will be on terms advantageous to the Company.

As at June 30, 2019, the Company had cash of \$1,936,241 (December 31, 2018 - \$3,747,042) and working capital³ of \$799,784 (December 31, 2018 - \$2,465,753). The following table sets forth a breakdown of the components to calculate working capital as at June 30, 2019 and December 31, 2018.

| <i>As at</i> | June 30, 2019 | December 31, 2018 |
|----------------------------|--------------------------|----------------------|
| Current assets | | |
| Cash | \$ 1,936,241 | \$ 3,747,042 |
| Other receivables | 216,780 | 368,666 |
| | 2,153,021 | 4,115,708 |
| Current liabilities | | |
| Lease liabilities | \$ 217,838 | - |
| Other payables | 1,135,399 | 1,649,955 |
| | 1,353,237 | 1,649,955 |
| Working capital | \$ 799,784 | \$ 2,465,753 |

Cash has decreased by \$1,810,801 during the six-month period ended June 30, 2019 primarily due to expenditures incurred on the ongoing activities at both Loma Larga and the Exploration Properties, as well as general corporate expenditures, offset by the net proceeds of \$2,955,369 from the Private Placement which closed on March 19, 2019. Working capital decreased by \$1,665,969 during the six-month period ended June 30, 2019 mainly due to the decrease in cash and the recognition of lease liabilities on adoption of IFRS 16, offset by a decrease in accounts payable.

The majority of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The value of the Canadian dollar relative to the US dollar significantly impacts the Company's operating budget as Loma Larga expenditures and regional exploration spend in Ecuador are US dollar denominated. The average Canadian dollar remained fairly consistent during the six-month period ended June 30, 2019 relative to the to the US dollar, thus operating expenses have not been materially affected.

The Company has, in the past, financed its activities by raising capital through equity issuances. Many factors influence the ability to raise funds, including the current economic climate for and overall sentiment towards mineral exploration investment, particularly in Ecuador, the Company's track record, foreign exchange fluctuations at the Ecuadorian subsidiary, as well as the experience and caliber of its management. Although the Company has been able to access external financing to-date, there can be no assurance that funding will be available in the future or available on acceptable terms.

A continuous review of capital expenditure programs ensures the Company's capital resources are utilized in a responsible and sustainable manner to ensure the Company continues as a going concern. The Company's future is dependent upon its ability to obtain sufficient cash from external financing and related parties in order to fund its ongoing operations, permitting, further exploration activities, and ultimately the development and construction of Loma Larga. The Company will consider over the near term the requirements to advance Loma Larga to the next phase of evaluation and finance further exploration.

³ "Working capital" is a non-IFRS Performance Measure (see "Non-IFRS Measures").

The Company will continue to be dependent on raising equity capital or debt, in addition to adjusting expenditures and/or disposing of assets as required unless it reaches the production stage and generates positive cash flow from operations. See "Risks and Uncertainties" for further details.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

Changes in significant accounting policies and future accounting pronouncements are disclosed in note 3 of the Financial Statements. Apart from the Company's adoption of IFRS 16 effective January 1, 2019 there have been no significant changes from the accounting policies applied in the Company's audited consolidated financial statements for the year ended December 31, 2018.

USE OF PROCEEDS

The net proceeds from the Private Placement of \$2,955,369 are intended to be used for general working capital and corporate purposes.

RELATED PARTY TRANSACTIONS

The Company's related parties and subsidiaries are the same as those presented by the Company in its Financial Statements.

The following summarizes transactions with related parties during the six-month periods ended June 30, 2019 and 2018 as follows:

1) Transaction with related parties

- i) During six-month period ended June 30, 2019, legal fees of \$134,981 (2018 - \$40,002) were charged from a law firm in which an officer of the Company is a partner.
- ii) On March 19, 2019, the Company closed the Private Placement of 4,615,385 Shares at a price of \$0.65 per Share for gross proceeds of \$3,000,000 less transaction costs of \$44,631 for net proceeds of \$2,955,369. IAMGOLD exercised its pre-emptive right to maintain its pro rata ownership and was issued 1,642,355 Shares. In addition, certain directors and officers of the Company purchased 1,434,568 Shares, representing approximately 31% of the Private Placement.
- iii) On March 2, 2017 the Company closed a bought deal financing (the "Offering") pursuant to which the Company issued 27,600,000 common shares of the Company for aggregate gross proceeds of \$27.6 million net of transaction costs. IAMGOLD exercised its pre-emptive right to maintain its pro rata ownership and was issued 9,822,546 common shares. In addition, certain directors and officers of the Company purchased 5,577,911 shares, representing approximately 20% of the Offering.

2) Remuneration of directors and officers

The following summarizes remuneration of directors and officers during the six-month periods ended June 30, 2019 and 2018.

| | June 30, 2019 | June 30, 2018 |
|----------------------------|--------------------------|---------------------|
| Salaries of key management | \$ 472,000 | \$ 911,040 |
| Director fees | 139,834 | 110,782 |
| Stock-based compensation | 117,104 | 460,048 |
| | \$ 728,938 | \$ 1,481,870 |

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The Company has committed to payments as outlined below. The expenditures for amounts which may be required to maintain the Company's mineral properties in good standing are not outlined in the table below.

| | Less than One | | Between | | More than | | | |
|-------------------------------|----------------------|---------|--------------------|---------|------------------|--------|----|---|
| | Total | | 1 - 5 Years | | 5 Years | | | |
| Other financial commitments | \$ | 97,501 | \$ | 33,416 | \$ | 64,085 | \$ | - |
| Environmental management plan | \$ | 276,268 | \$ | 276,268 | \$ | - | \$ | - |

Other financial commitments relate to land leases to explore for minerals which have been determined to be out of scope of IFRS 16.

INV Minerales holds a term deposit relating to its environmental management plan for ongoing expenditures related to environmental matters.

The Loma Larga Project is subject to a 5% Net Profit Interest, payable to Compagnie Générale des Matières Nucléaires (now "ORANO"), the original owner of the property. In addition, the Company must pay ORANO, \$2.00 per ounce of gold, payable in three equal annual installments, contained in proven and probable mineral reserves and indicated and measured mineral resources, as defined by the completion of a bankable feasibility study from the date in which the Board makes a formal production decision. Any contingent payments are subject to significant uncertainty based on many factors, including, but not limited to positive market conditions, the availability of project financing, positive operating conditions in Ecuador, and the acquisition of all relevant permits.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been derived from the Company's Financial Statements. The total comprehensive income/loss in each quarter below includes cumulative translation adjustments of the Company's Ecuadorian subsidiary, which fluctuate due to movements of the Canadian dollar relative to the US dollar.

| <i>For the period ended</i> | June 30, | March 31, | December 31, | September 30, |
|--|-----------------|------------------|---------------------|----------------------|
| | 2019 | 2019 | 2018 | 2018 |
| Interest income | \$ 2,602 | \$ 2,560 | \$ 22,953 | \$ 35,135 |
| Total loss | (690,533) | (650,591) | (1,836,398) | (377,584) |
| Total comprehensive income/(loss) | (1,978,069) | (1,970,745) | 1,555,995 | (1,428,957) |
| Loss per share from continuing operations - basic and diluted* | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |

| <i>For the period ended</i> | June 30, | March 31, | December 31, | September 30, |
|--|-----------------|------------------|---------------------|----------------------|
| | 2018 | 2018 | 2017 | 2017 |
| Interest income | \$ 41,826 | \$ 53,246 | \$ 65,117 | \$ 57,881 |
| Total loss | (1,458,879) | (707,317) | (1,210,969) | (661,838) |
| Total comprehensive income/(loss) | (389,471) | 771,653 | (1,012,124) | (2,809,139) |
| Loss per share from continuing operations - basic and diluted* | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |

*Basic and diluted loss per share is calculated based on the weighted-average number of shares outstanding. The conversion of stock options and restricted share units is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.

Total loss increased slightly in Q2 2019 compared to Q1 2019 primarily due to higher professional fees. Total loss decreased in Q1 2019 compared to Q4 2018 primarily due to lower compensation expenses in Q1 2019 compared to Q4 2018, offset by lower interest income. Further, there was a larger fair value loss on marked to market investments in Q4 2018 compared to Q1 2019. Total loss increased in Q4 2018 compared to Q3 2018 primarily due to higher compensation expenses in Q4 related to severance and directors' fees, and the fair value loss on marked to market investments in Q4, compared to a fair value gain in Q3. Total loss decreased in Q3 2018 compared to Q2 2018 primarily due to the fair value gain in Q3 on marked to market investments compared to a small loss in Q2. Total loss increased in Q2 2018 compared to Q1 2018 primarily due to higher compensation and stock-based compensation expenses in the quarter. Total loss decreased in Q1 2018 compared to Q4 2017 primarily due to timing differences in compensation and stock-based compensation expenses. Total loss increased in Q4 2017 compared to Q3 2017 primarily due to a write-down of the Kaoko property in Namibia, offset by gains on marketable securities. Total loss decreased in Q3 2017 compared to Q2 2017 primarily due to fair value gain on marked to market investments and lower foreign currency translation losses.

OUTSTANDING SHARE DATA

As at August 13, 2019 the Company had 97,297,960 Common Shares outstanding, as well as stock options to purchase 8,039,700 Common Shares at a weighted average price of \$0.73 and restricted share units of 999,232 at a weighted average price of \$0.50.

OFF-BALANCE SHEET TRANSACTIONS

During the six-month period ended June 30, 2019 the Company was not involved in any off-balance-sheet transactions.

QUALIFIED PERSON

The scientific and technical information contained in this MD&A has been reviewed and approved by William (Bill) Shaver, P. Eng., Chief Operating Officer, INV Metals Inc. and Mr. Darren King, Vice President Exploration, INV Metals Inc., both non-Independent Qualified Persons under NI 43-101.

For readers to fully understand the technical information in this MD&A, they should review the Technical Report filed on January 14, 2019 under the Company's profile on SEDAR at www.sedar.com in its entirety, including all of the qualifications, assumptions and exclusions that relate to the information set out in the Technical Report, which qualify the technical information contained in the Technical Report. The Technical Report is intended to be read as a whole, and sections should not be reviewed or relied upon out of context. The Technical Report also describes the mineral resource and mineral reserve estimation methodologies and the assumptions used, and to which those estimates are subject. The AIF filed under the Company's profile on SEDAR at www.sedar.com includes details of certain risk factors that could materially affect the potential development of the mineral resources and mineral reserves and should be considered carefully.

NON-IFRS PERFORMANCE MEASURES

Cash Cost, AISC, and Working Capital are non-IFRS performance measures included in this MD&A. The Company reports Cash Cost per ounce sold and AISC in accordance with the guidance first published by the World Gold Council in June 2013 and updated in November 2018. In November 2018, the World Gold Council published updates to its guidelines for reporting AISC and All-in Cost to provide guidance on treatment for costs associated with leases, after the adoption of IFRS 16. The major changes involved specifying sustaining leases cash flows should be included in the determination of AISC and non-sustaining leases cash flows in the determination of AIC. These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess how the Project ranks against its peer projects and to assess the overall effectiveness and efficiency of the contemplated mining operations.

The Company calculates Working Capital as its total current assets less its total current liabilities. Management uses working capital as an internal measure to better assess performance trends. It is understood that a number of investors and others that follow the Company's business assess performance in this way.

The above performance measures do not have a meaning within IFRS, and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

RISKS AND UNCERTAINTIES

An investment in the Company entails certain risk factors, which should be considered carefully, including but not limited to, those set out below. A discussion of these and other factors that may affect the Company's actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in the Company's AIF filed under the Company's profile on SEDAR at www.sedar.com.

1) Technical Report Results and Further Advancement of Loma Larga

The Company's material property is Loma Larga, located in Ecuador. There is a risk that the Loma Larga Project may not yield the anticipated results set out in the 2019 Technical Report to warrant advancement or the Board and/or management of the Company may decide not to proceed with the further exploration and development of the Loma Larga Project. Such a decision may create a material adverse effect on the Company and may materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as the Loma Larga Project is currently the Company's flagship asset.

In late March 2019, the General State Controller's Office in Ecuador issued a report on the examination of the activities performed by the Government Entities with respect to the Loma Larga project in the Examination Period. The main purpose of the examination was to ascertain that the Government Entities followed a process duly compliant with the respective laws and regulations in the granting of the relevant permits and licenses to Loma Larga as well as in the ongoing monitoring and review of the reporting requirements under the requisites of the permits and licenses by the Company during the Examination Period. The examination report noted a number of deficiencies in the administrative process undertaken by the Government Entities in the granting and ongoing monitoring of the various permits and licenses. There is a risk that the relevant permits and licenses currently granted to Loma Larga will be annulled or that the Company may not be able to obtain or renew the required permits and licenses or that additional requirements may be established by the Government Entities in response to the observations made by the examination report.

Further, there is a risk that the Company may not be able to execute its Exploitation Contract with the Government of Ecuador to operate the Loma Larga Property as a large-scale mining project as contemplated in the 2019 Technical Report.

If the Company does not execute its Exploitation Contract with the Government of Ecuador or is unable to obtain or renew the required permits and licenses to operate as a large-scale miner such that the Board decides not to proceed with development, the Company may be required to write-down part or all of the value currently attributed to the Loma Larga Project as management may look to change the focus of its future activities on other assets. The current value attributed to Loma Larga is approximately \$72 million. A write-down of some or all of the value of the Project could materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as Loma Larga is currently the Company's flagship asset.

The FS on Loma Larga estimates initial capital costs for development of approximately US\$309.5 million. There is a risk that the Company may not be able to fund the development of the Project if it cannot raise significant equity or debt financing in the future. The Financial Statements are prepared on a going concern

basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the six-month period ended June 30, 2019, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at the Project. The Company's failure to achieve positive operating cash flows will result in the requirement for additional financing, which may or may not be available upon terms acceptable to the Company, or at all, and could have a material adverse effect on the Company's financial condition and results of operations. See "Financial Condition and Liquidity – Liquidity and Capital Resources" for a discussion of liquidity and capital risks.

2) Political Stability and Government Regulation

The Company is subject to political, regulatory and taxation risks associated with conducting mineral exploration and development in foreign countries, mainly Ecuador. Exploration and development of mineral deposits may be affected by risks associated to changes in government regulations with regard to, but not limited to, restrictions on future exploitation and production including adequate infrastructure, price and export controls, income taxes, immigration policies, potential delays in obtaining or the inability to obtain necessary permits, opposition to mining from non-governmental organizations ("NGOs"), limitations on foreign ownership, expropriation of property, environmental legislation, labour relations, limitations on repatriation of income and return of capital investment, high rates of inflation and site safety.

The Company faces the risk that future governments may adopt substantially different policies, which might extend to restrictions on mining, the expropriation of assets, increased taxes, royalties or other government participation in the mining sector or renegotiation of existing mineral rights, any of which could adversely affect the Company's business. In addition, internal political volatility could generate a situation in which delays occur for contract negotiations or permit approvals, resulting in changes to the overall Project schedule, or the Government of Ecuador may in the future adopt substantially more onerous laws or policies, which might extend to, as an example, expropriation of assets or the implementation of new taxes or royalties that render the Project uneconomic.

3) Local Opposition to Mining in Ecuador

Loma Larga and the recently awarded Exploration Properties concessions are located near rural communities. Some of these communities contain groups that have been opposed to mining activities from time to time in the past. Opposition to mining activities in the region may affect the Company's ability to explore and develop Loma Larga and the Exploration Properties in the short and long term.

Furthermore, local communities may be influenced by external entities, groups or organizations opposed to mining activities. Certain NGOs, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. These organizations may create or inflame public unrest and anti-mining sentiment among the inhabitants in areas of influence surrounding the Company's mineral properties.

The Constitution and laws of Ecuador establish that the control, management and decisions for the development of the strategic sectors and the mining industry in particular are under the control, management and decision of the national authorities. However, in January 2017, the Municipality of Cuenca (the "Municipality"), a local authority where the Company's Loma Larga and Las Peñas projects are located, approved a declaration relating to the preservation of water sources and mining activities in the region (the "Declaration"). Although the Declaration could impose certain conditions on mining activities within urban areas, municipalities do not have the authority to prevent the development of mining activities within an area such as the Municipality (i.e. a canton) because the central Government of Ecuador is the sole authority for the control and regulation of mining activities within the country.

Amongst other matters, the Declaration seeks to declare the Municipality as a canton free of mining activities and to request that the Government of Ecuador suspend the exploration and operational activities

of the mining companies in its jurisdiction. The Declaration is not binding on any party because the Government of Ecuador is the sole authority for the control and regulation of mining activities within the country. However, if the Government of Ecuador puts such a prohibition in place, then it would have a material adverse effect on the Company, would likely result in a write-down of part or all of the value currently attributed to Loma Larga and Las Peñas and may result in a change in the focus of the Company's future activities.

On January 30, 2019, the Ecuadorian National Electoral Council called a referendum, to be held on March 24, 2019, regarding mining activities in the Girón canton, based upon submissions by the Community Water Systems Union, an affiliate of the "FOA-ECUARUNARI-CONAIE". The entire Loma Larga gold-copper-silver mineral deposit and all related Mineral Resources and Mineral Reserves are exclusively located within the Rio Falso concession and are not situated within the Girón canton. However, the processing and tailings facilities were proposed to be constructed within the Cristal concession, which is partially located within the Girón canton.

On March 18, 2019, the Constitutional Court ruled that the principle of tacit approval be invoked, allowing for the referendum to proceed without the Constitutional Court opining on the merits of the questions being asked because a certain period of time had elapsed without a specific decision.

On March 24, 2019, a referendum was held in the Girón canton and the result of the referendum was not in favour of mining activities in the canton. Girón canton is an adjacent jurisdiction which neither contains the Loma Larga Mineral Resources and Reserves nor intersects with the Quimsacocha Hydrological System as defined in the Environmental Management Plan of the Quimsacocha Recreational Area approved by the Ministry of Environment. Further, the Loma Larga Mineral Resources and Reserves are also not within the area of the Quimsacocha Hydrological System. The Company reported that it will relocate the proposed processing and tailings facilities outside of Girón canton and will continue the engineering work required to locate the facilities in the same canton as the Loma Larga Mineral Resources and Reserves, and reaffirmed that Loma Larga will continue to advance towards development. Concurrently, local elections were also held in Ecuador on March 24, 2019 to elect the country's local officials including provincial prefects, mayors and councilors. As a result of the local elections, Yaku Perez emerged as the prefect-elect for the province of Azuay, where Loma Larga is located. Yaku Perez's political campaign has been based on the anti-mining platform, where he has previously expressed his intention to call on future referendums to disallow mining activities in the province of Azuay and in other parts of the country.

On July 30, 2019, the Company announced that an application to hold a proposed referendum related to mining activities within the Province of Azuay was submitted for consideration to the Constitutional Court. In opposition to the Provincial referendum, on August 6, 2019, the mayor of the canton of Camilo Ponce Enriquez, in the Province of Azuay, also presented an application to the Constitutional Court to hold a proposed referendum to approve the development of responsible mining activities in the canton. The Company anticipates that the Constitutional Court will consider the validity and the constitutionality of these applications in the upcoming weeks. The Company's Loma Larga Mineral Resources and Reserves are located within the Province of Azuay.

Opposition to mining activities in the region may affect the Company's ability to explore Loma Larga and the Exploration Properties in the short and long term, as well as its ability to obtain the required permits to advance the development of Loma Larga. The current value attributed to Loma Larga is approximately \$72 million. A write-down of some or all of the value of the Project could materially adversely affect the Company's financial condition and its ability to raise funds through financing transactions as Loma Larga is currently the Company's flagship asset.

4) Tax Regime in Ecuador

A mining concessionaire in Ecuador will be subject to 25% corporate income tax on its gross income less certain deductible costs and must make a total profit sharing payment equal to 15% of its pre-tax income,

less certain deductible costs. Of this profit sharing amount, 3% is distributed to the concessionaire's employees and 12% is paid to the Government of Ecuador to be used for social investment projects. The Government of Ecuador also imposes a 12% VAT on goods and services purchased within Ecuador or imported from abroad, subject to certain exclusions, and other taxes, including customs duties, capital outflow tax, municipal fees and property tax. Starting January 1, 2018, VAT may be recoverable in proportion to the value of mineral exports.

On August 21, 2018, the National Assembly revoked the extraordinary revenue tax (also known as a windfall tax) which contemplated a rate of 70% of the amount by which market prices exceed a stipulated base price for precious and base metals. In addition, there is a constitutional provision that establishes that the Government of Ecuador's share of cumulative benefits derived (considering the income tax, royalties, VAT, and 12% of the profit sharing payment) from the mining concessions will not be less than 50% (the sovereign adjustment). To the extent that the Government of Ecuador's cumulative benefit falls below 50%, an annual sovereign adjustment will be required.

The tax regime in Ecuador may be subject to differing interpretations, is subject to change without notice and the Company's interpretations may not coincide with that of the Ecuadorian tax authorities. In order for there to be restrictions on the repatriation of earnings, the Government of Ecuador would need to reform through the National Assembly the Organic Code of Production, Commerce and Investment that grant rights to freely repatriate earnings. As a result, the taxation applicable to transactions and operations may be challenged or revised by the Ecuadorian tax authorities, which could result in significant additional taxes, penalties and/or interest. Given the complexity of the tax calculations and sovereign adjustment, there is a risk that the currently expected taxation regime will not be applied or that different tax authorities will not agree with the calculations which may negatively impact the Company and the economic feasibility of the Loma Larga Project. This can be diminished by the execution of an investment protection agreement setting out the legal framework, tax and legal stability, contractual rights, tax incentives and guarantees between the concessionaire and the Government of Ecuador.

5) Reliability of Resource and Reserve Estimates

The mineral resource estimates contained in this AIF and the 2019 Technical Report are estimated quantities of measured, indicated and inferred mineral resources. The mineral reserve estimates contained in this AIF and the 2019 Technical Report are estimated quantities of proven and probable mineral reserves that can be mined legally and economically and processed by extracting their mineral content under current conditions and conditions anticipated in the future. The Company determines the amount of its mineral resources and mineral reserves according to the applicable regulatory requirements and established mining standards.

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data, the assumptions made and judgments used in engineering and geological interpretation. Mineral resource and mineral reserve estimates are also uncertain because they are based on limited sampling and not the entire ore body. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. There is no assurance that the estimated amount of mineral reserves will be recovered or that such minerals will be recovered at costs that the Company assumed in determining such mineral reserves.

As the Company gains more knowledge and understanding of an ore body through on-going exploration and mining activity, the mineral resource and mineral reserve estimates may change significantly, either positively or negatively. In particular, results of drilling, metallurgical testing, production, the evaluation of mine plans and fluctuations in gold prices subsequent to the date of any estimate may require revisions of such estimate. Any material reductions in mineral resource or mineral reserve estimates or of the Company's ability to extract the mineral reserves could have a material adverse effect on the Company's results of operations and financial condition.

Additional principal risks affecting the Company include those summarized below, which remain substantially consistent with the disclosure contained and expanded upon in the Company's AIF, and are not readily quantifiable:

- Risks and uncertainties related to the interpretation of drill results, the geology, grade, continuity of mineral deposits and conclusions of economic evaluations and other assumptions and parameters;
- Risks related to the reliability of commercial laboratory analytical results, possible variations in reserves, grade, and changes in project parameters as plans continue to be refined;
- Exploration and potential future development risks, including risks related to the grant of access rights to the properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions to exploration and development;
- Risks related to the Company's lack of mineral production history and dependence on a single material project;
- Risks related to the Ecuadorian mining law, including the regulatory regime requirements in order for the Company to commence exploitation of the Project;
- Risk that future referendums relating to mining activities may be held within the jurisdictions in which the Company's Exploration Properties are located, and in the jurisdictions where the Loma Larga Mineral Resources and Mineral Reserves and other concessions comprising the Loma Larga Project are located. There can be no guarantee that the results of potential future referendums will not negatively impact the Company or its investment in the Loma Larga Project or the Exploration Properties. There may also be additional future legal actions that may adversely impact the Loma Larga Project, the Company's Exploration Properties or the Company. There is a risk that the judicial system within Ecuador does not operate on an impartial basis, is not free of political influence and does not operate within the rule of law;
- Risks and uncertainties related to the unexpected costs and/or liabilities related to Loma Larga;
- Risks related to potential delays in exploration or potential future development activities;
- Risks related to market sentiment and commodity price fluctuations;
- Risks related to the economic viability of Loma Larga based on changing commodity prices;
- Risks related to the global economy, including disruptions in the international credit markets and other financial systems and the deterioration of the global economic conditions, could impact the Company's access to capital;
- Risks of failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities;
- Risks related to environmental regulation and liabilities arising from changes to enacted laws and regulations;
- Risks of potential losses, liabilities and damages arising from the lack of insurance coverage related to risks of the business that are uninsured or uninsurable;
- Risks related to the loss of the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel;

- Risk that the interests of IAMGOLD Corporation differ from those of other shareholders due to its ability to significantly influence on decisions to be made by the Company following the Loma Larga acquisition in 2012;
- Risks from disruption, damage or failure from various causes, including, but are not limited to, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into the Company's operations; and
- Other risks and uncertainties related to the Company's prospects, properties and business strategy.

CORPORATE GOVERNANCE

Management and the Board of INV Metals recognize the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance. INV Metals' directors have expertise in exploration, metallurgy, mining, accounting, banking, financing and the securities industry. The Board meets at least four times per year, and committees meet per their respective mandates or as required.

The mandate of the Board has been adopted by the Board outlining its responsibilities and defining its duties. The Board has four standing committees (the Audit committee, the Compensation committee, the Social, Health, Safety and Environment committee and the Corporate Governance and Nominating committee).

Each committee of the Board, including the Audit committee, the Compensation committee, the Social, Health, Safety and Environment committee and the Corporate Governance and Nominating committee, has an approved committee charter, which outlines the committees' mandate, specifies procedures for calling a meeting and authorizes access to outside resources.

The Board has also approved a Code of Business Conduct and Ethics, which governs the ethical behavior of all employees, management and directors. Separate insider trading and disclosure policies are also in place. For more details on INV Metals' corporate governance practices, please refer to INV Metals' website at www.invmetals.com.

While the Company is subject to Canadian regulatory provisions, the Board and management incorporate strong corporate governance practices in the belief that such practices provide protection for its investors and add value to the Company. The Board formally reviews the risks impacting the Company on an annual basis when it reviews and approves the AIF. In addition, the Board reviews the risks impacting the Company on an as needed basis, such as in connection with the Company's expenditures and strategy given the status of the Company's flagship asset, Loma Larga and Ecuador's relatively new mining laws.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

1) Disclosure Controls

Disclosure controls and procedures ("Disclosure Controls") are procedures designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Company's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, does not expect that the Company's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they

can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), issued by the Canadian Securities Administrators ("CSA") requires the CEO and the CFO to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

INV Metals' CEO and CFO have evaluated the effectiveness of the Company's Disclosure Controls as at June 30, 2019 and concluded that, subject to the inherent limitations noted above, those disclosure controls were effective for the period then ended.

2) Internal Controls over Financial Reporting

NI 52-109 also requires the CEO and the CFO to certify that they are responsible for conducting an evaluation of the effectiveness of internal controls over financial reporting ("ICFR"), as defined by the CSA, for the Company, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the Company has disclosed any changes in its ICFR during its most recent period that has materially affected, or is reasonably likely to materially affect, its' financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well designed, ICFR has inherent limitations, can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

Management conducted an assessment of the effectiveness of ICFR in place as of June 30, 2019 and concluded that such procedures are adequate and effective. The Board assesses the integrity of the public financial disclosures through the oversight of the Audit Committee. No material changes in ICFR have been made as of June 30, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company (as defined below), certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the financial results and expectations for 2019, the Property categorization as a "large-scale" project under Ecuador's mining laws and tax regimes, future anticipated results of exploration programs, including, but not limited to, interpretation of drill results, uncertainty surrounding metallurgical test results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations and the assumptions on which such economic evaluations are based, the industry-wide and Loma Larga specific risks that are identified in the Technical Report, the possibility that future exploration, development or mining results will not be consistent with the Company's expectations, the future price of precious and base metals, demand for metals, currency exchange rates, political and operational risks inherent in mining or development activities, legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals, environmental protection, expenditures on property, plant and equipment, increases and decreases in mineral reserves and/or mineral resources, anticipated grades and recovery rates that are or may be based on assumptions and/or estimates related to future economic, market and other conditions, requirements for additional capital and other statements relating to the financial and business prospects of the Company.

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

The Financial Statements have been prepared using IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due for the foreseeable future. The Company has no operating cash flow from a producing mine and therefore must utilize its current cash reserves, income from short term investments and deposits, and other financing transactions to maintain its capacity to meet working capital requirements and planned corporate expenditures, as well as to fund the development of Loma Larga and other exploration activities. It is not possible to predict whether adequate financing will be available in the future on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern and to realize its assets and discharge its liabilities in the normal course of business and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The adjustments as a result of these material uncertainties could be material. Although the Company has been successful in the past to obtain financing, there can be no assurances that the steps management is taking, and will continue to take, will be successful in future reporting periods or that such financing will be on terms advantageous to the Company.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: uncertainties regarding the price of precious and base metals and the availability of equity financing; uncertainties regarding the exploration and development of mineral deposits; the high degree of risk involved in mining operations; lack of mineral production history; dependence on a single project; negative cash flow from operations; compliance with anti-corruption laws; uncertain political stability and government regulation of mining operations, including the expropriation of assets and the presence of illegal miners; the possibility that future exploration results will not be consistent with the Company's expectations; taxation; uncertain political and economic environments; NGO intervention and the creation of adverse sentiment among the inhabitants of areas of mineral development; the result of the referendum regarding mining activities in the Girón Canton and the results of any future referendums that impact Loma Larga or the Company's Exploration Properties; the cancellation of or the inability to renew the required permits and licenses to continue develop Loma Larga; the liability of the Company or INV Minerale under the Ecuadorian Internal Tax Regime Law conducting operations in a foreign country and compliance with foreign laws; failure to fulfill the requirements of any phase of the mining laws of Ecuador; uncertainties of project cost, construction and operating cost overruns or unanticipated costs and expenses; presence of a significant shareholder; presence of endangered species; the reliability of mineral resource and mineral reserve estimates as well as other assumptions and parameters underlying the anticipated recoverability of precious and base metals; compliance with statutory and regulatory standards; environmental hazards; reliance on adequate infrastructure for mining activities; the assurance of titles or boundaries; surface rights and access rights; costs of land reclamation; permits; uninsurable risks related to exploration, development and production; uncertainties inherent in competition with other exploration companies; hedging; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of precious and base metals; currency exchange rates; the market price of Common Shares; future sales of Common Shares; dependence on key management employees and the ability to recruit and retain employees with special skill and knowledge; conflicts of interest of directors and officers of the Company; use of proceeds; dilution; the regulatory regime in Ecuador; the tax regime in Ecuador; community relations; and enforcement of legal rights. See "Risks and Uncertainties" in this MD&A. This list is not exhaustive of the factors that may affect the forward-looking statements. These and other

factors should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

All disclosure contained herein concerning future plans for the Loma Larga is subject to the assumptions and qualifications set forth in the Technical Report, which is available under the Company's profile on SEDAR at www.sedar.com.

DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

This MD&A was prepared in accordance with Canadian standards for reporting of mineral resource estimates, which differ in some respects from standards in the United States. In particular, and without limiting the generality of the foregoing, the terms "inferred mineral resources," "indicated mineral resources," "measured mineral resources" and "mineral resources" used or referenced in this MD&A are Canadian mineral disclosure terms as defined in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves (the "CIM Standards"). Until recently, the CIM Standards differed significantly from standards in the United States. The U.S. Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the *U.S. Securities Exchange Act of 1934*, as amended (the "Exchange Act"). These amendments became effective February 25, 2019 (the "SEC Modernization Rules") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources," "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Standards, as required under NI 43-101. Accordingly, during this period leading up to the compliance date of the SEC Modernization Rules, information regarding mineral resources or mineral reserves contained or referenced in this MD&A may not be comparable to similar information made public by United States companies. Readers are cautioned that "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies, except in limited circumstances. The term "resource" does not equate to the term "reserves". Readers should not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. Readers are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.