

**GOLDPLAY EXPLORATION LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

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**REPORT DATE:**  
**November 19, 2019**

This Management Discussion and Analysis (the “MDA”) provides relevant information on the operations and financial condition of Goldplay Exploration Ltd. (the “Company”) for the nine-month period ended September 30, 2019.

This MDA is being used to correct the following items in the previously filed MDA:

The Company is in the business of mineral exploration. Activities include the evaluation, acquisition and exploration of mineral exploration properties in search of economic mineral deposits. Properties gold potential in Mexico is the current focus of the Company. The realization of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and future profitable production or proceeds from the disposition of these assets. The carrying values of exploration and evaluation assets do not necessarily reflect their present or future values.

All monetary amounts in this MDA and in the consolidated financial statements are expressed in Canadian dollars, unless otherwise stated. Financial results are being reported in accordance with International Financial Reporting Standards (“IFRS”).

The Company’s certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the consolidated financial statements together with other financial information included in these filings. The Board of Directors’ approves the consolidated financial statements and MDA and ensures that management has discharged its financial responsibilities.

The MDA should be read in conjunction with the Company’s consolidated financial statements and notes thereto for the year ended December 31, 2018.

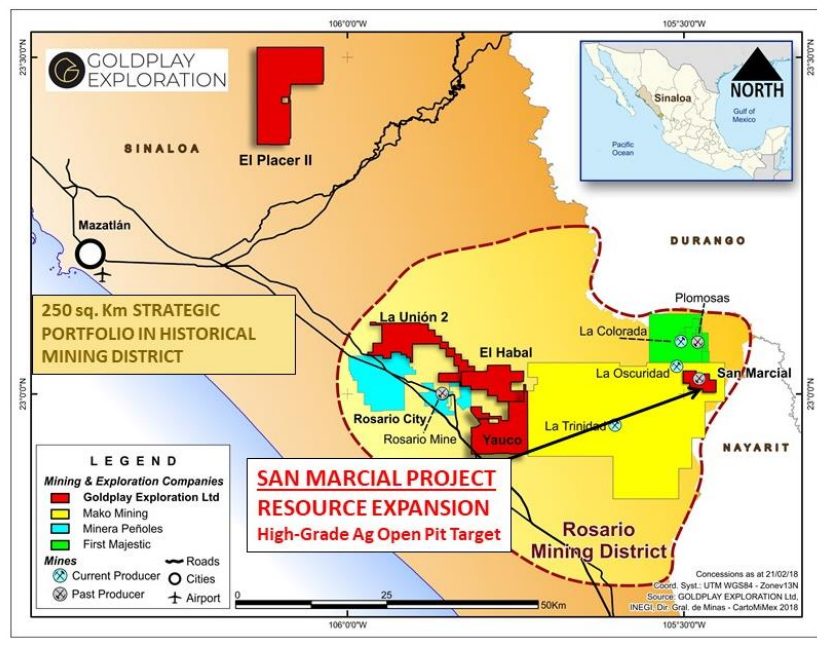
The Company is registered in the province of British Columbia. The Company’s head office address is Suite 900 – 999 West Hastings Street, Vancouver B.C. V6C 2W2. The Company’s registered and records office is Suite 1100 – 736 Granville Street, Vancouver, B.C. V6Z 1G3.

**OVERALL PERFORMANCE**

Goldplay is a mineral exploration and development company active in exploration in the Rosario Mining District, Sinaloa, Mexico and it is utilizing its mineral exploration knowledge, strategy and experience related to the Rosario Gold District pursuing new discoveries and resource developments. The Company continues to evaluate new opportunities, whether by staking, property acquisition or by corporate transactions.

**EXPLORATION & RESOURCE DEVELOPMENT STAGE PROJECTS**

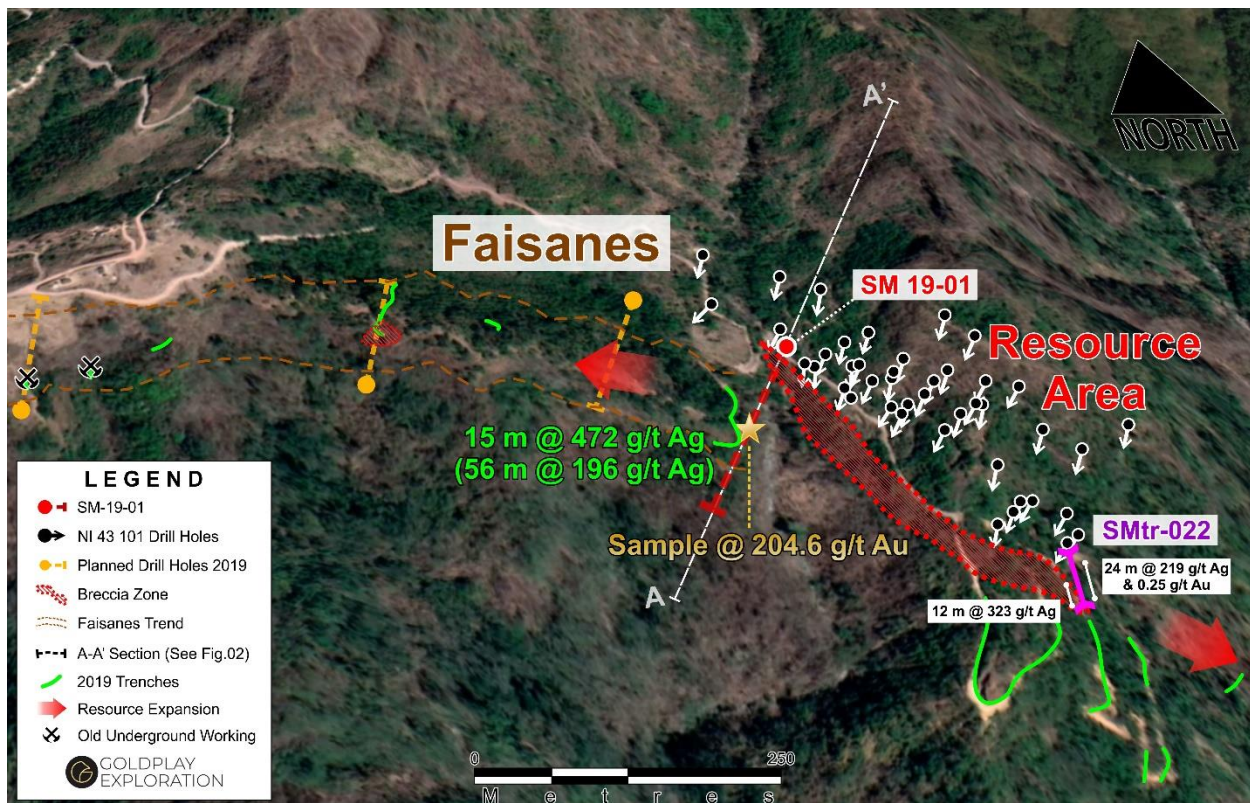
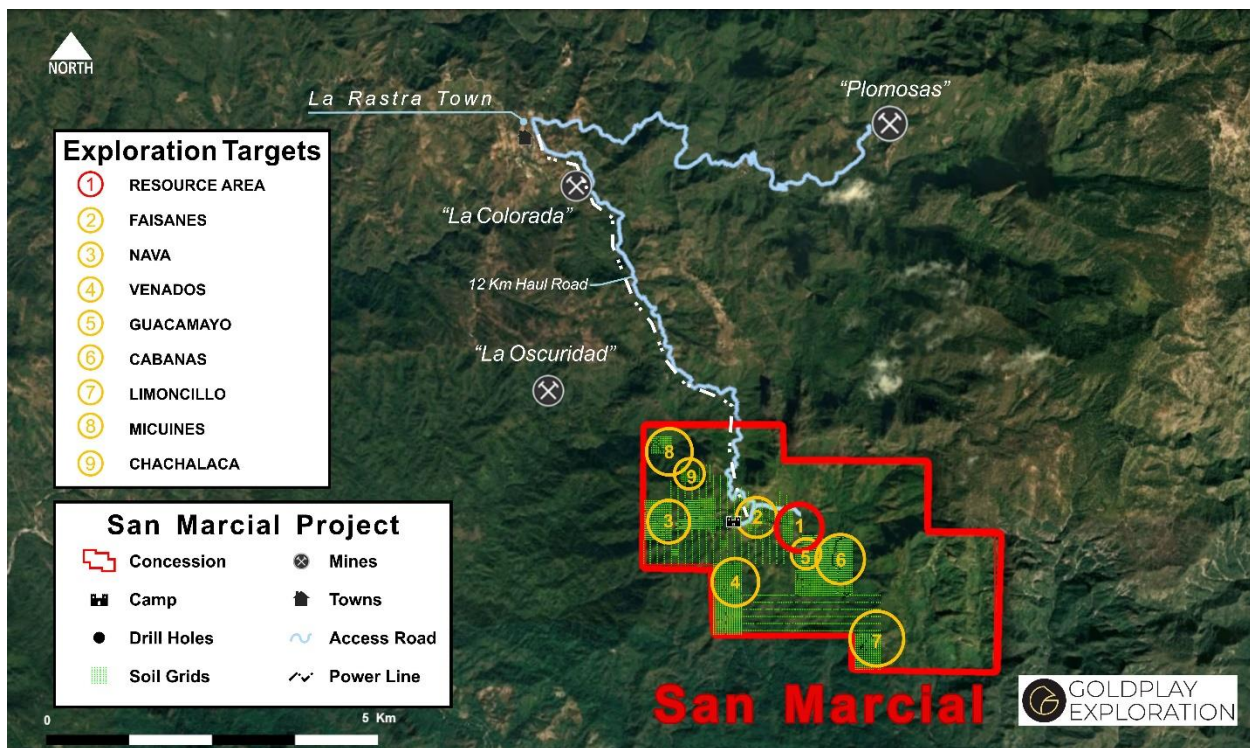
The Company is a resource exploration and development company. Its principal properties are San Marcial (resource expansion and development stage) and the exploration concessions close to the El Rosario historical multi-million-ounce gold-silver mine, named El Habal, Union II, El Habal Sur, Yauco and Placer II. The Company controls >250 sq. km of exploration concessions in the Rosario Mining District, Sinaloa, Mexico.



### **San Marcial Property, Sinaloa, Mexico**

On May 7, 2018 the Company received TSX Venture Exchange (“TSX.V”) approval for the 3-year option agreement to acquire a 100% interest in the San Marcial Property from SSR Mining Inc. San Marcial consists of 1,250 ha of concessions located 5 km south of the La Rastra and Plomosas historical mines (Plomosas Silver Project – First Majestic Inc.).

It has an attractive near-surface high-grade silver, lead, zinc and gold mineralized zone with a current National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) (1) resource estimate with an immediate opportunity for resource expansion, not only down dip, but also along an additional 6 km of the San Marcial Mineral Trend. As a result of the Company’s first year surface exploration program on this project, eight new exploration targets have been delineated.





| Class           |           | Type              | Cutoff<br>AgEq g/t | Tonnage<br>(000s) | Ag<br>(g/t) | AgEq<br>(g/t) | Zn<br>(%) | Pb<br>(%) | Ag<br>(Moz.) | AgEq<br>(Moz.) | Zn<br>('000 lbs) | Pb<br>('000 lbs) |
|-----------------|-----------|-------------------|--------------------|-------------------|-------------|---------------|-----------|-----------|--------------|----------------|------------------|------------------|
| Indicated       | Breccia   | Breccia (OP)      | 30                 | 2,909             | 202         | 241           | 0.66      | 0.44      | 18.9         | 23             | 42,227           | 28,504           |
|                 |           | Breccia (UG)      | 80                 | 55                | 90          | 124           | 0.64      | 0.25      | 0.2          | 0.2            | 770              | 307              |
|                 |           | Breccia (Total)   |                    | 2,963             | 200         | 239           | 0.66      | 0.44      | 19.0         | 22.8           | 42,997           | 28,811           |
|                 | Stockwork | Stockwork (OP)    | 30                 | 4,551             | 64          | 88            | 0.42      | 0.23      | 9.3          | 13             | 42,256           | 23,470           |
|                 |           | Stockwork (UG)    | 80                 | 95                | 72          | 103           | 0.49      | 0.26      | 0.2          | 0.3            | 1,018            | 548              |
|                 |           | Stockwork (Total) |                    | 4,646             | 64          | 89            | 0.4       | 0.23      | 9.5          | 13.2           | 43,274           | 24,018           |
|                 |           |                   | 30                 | 7,460             | 118         | 148           | 0.51      | 0.32      | 28.2         | 35             | 84,483           | 51,975           |
|                 |           | 80                | 149                | 79                | 111         | 0.54          | 0.26      | 0.4       | 0.5          | 1,788          | 855              |                  |
| Indicated Total |           |                   | Total              | 7,609             | 117         | 147           | 0.51      | 0.31      | 28.6         | 36.02          | 86,271           | 52,830           |
| Inferred        | Breccia   | Breccia (OP)      | 30                 | 792               | 131         | 153           | 0.48      | 0.15      | 3.3          | 3.9            | 8,352            | 2,568            |
|                 |           | Breccia (UG)      | 80                 | 638               | 135         | 165           | 0.80      | 0.06      | 2.8          | 3.4            | 11,216           | 787              |
|                 |           | Breccia (Total)   |                    | 1,430             | 133         | 158           | 0.62      | 0.11      | 6.1          | 7.3            | 19,568           | 3,355            |
|                 | Stockwork | Stockwork (OP)    | 30                 | 1,727             | 52          | 62            | 0.17      | 0.09      | 2.9          | 3.4            | 6,615            | 3,540            |
|                 |           | Stockwork (UG)    | 80                 | 233               | 121         | 158           | 0.03      | 0.17      | 0.9          | 1.2            | 141              | 891              |
|                 |           | Stockwork (Total) |                    | 1,960             | 60          | 73            | 0.16      | 0.10      | 3.8          | 4.6            | 6,756            | 4,431            |
|                 |           |                   | 30                 | 2,519             | 77          | 90            | 0.27      | 0.11      | 6.2          | 7.3            | 14,967           | 6,107            |
|                 |           | 80                | 871                | 131               | 163         | 0.59          | 0.09      | 3.7       | 4.6          | 11,357         | 1,678            |                  |
| Inferred Total  |           |                   | Total              | 3,390             | 91          | 109           | 0.35      | 0.10      | 9.9          | 11.9           | 26,324           | 7,786            |

In February 2019, the Company released an updated NI 43-101 resource estimation (see Table above) which continues to exhibit significant exploration upside. This latest resource update is an increase on the previous 2008 resource estimate that only consisted of 30 drill holes completed up to November 2008. An additional 22 drill holes were drilled in 2010. The Company completed a sampling program of the additional 22 drill holes in 2018, encountering additional mineralization that allowed it to define a much broader mineralized zone and hence an expanded resource estimate. The total of 52 drill holes were integrated into the updated NI 43-101 resource estimate, released in February.

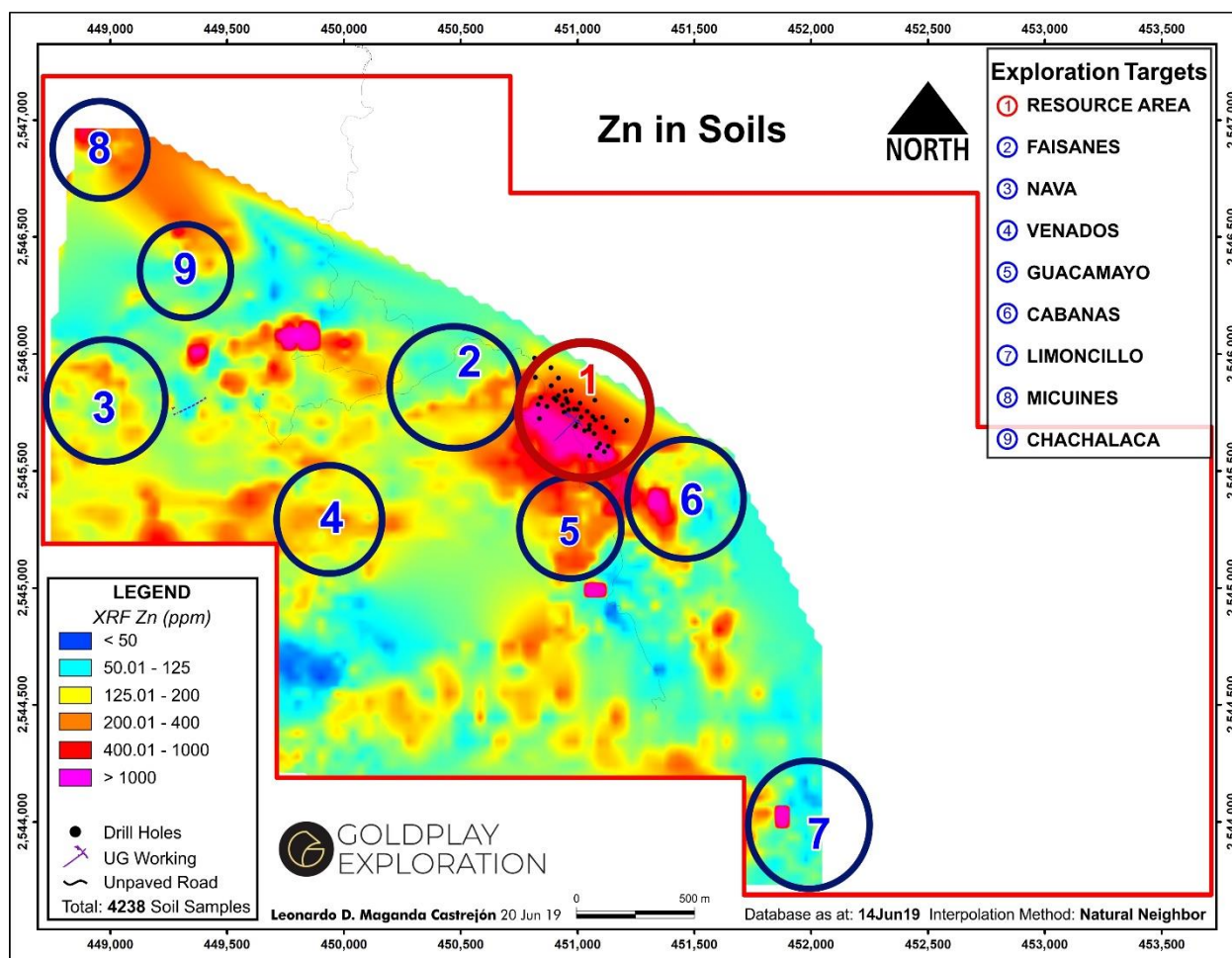
The current NI 43-101 resource estimate covers 500 m of a mineralized trend which is open along strike for an additional 6 km, supported by positive surface exploration results, in the recently discovered eight targets. The mineralization is also open down dip as most of the drilling was focused on the first 250 m below the surface in the resource estimation area. Preliminary metallurgical results from oxide and sulfide samples from San Marcial have indicated column leach test silver recoveries in the range from 82% to 94% over a 96-hour leach period. Recent surface exploration results in the vicinity of the current resource have delineated immediate drilling targets for resource expansion, as supported by a trenching result of 56 m @ 196 g/t Ag (SMtr-001).

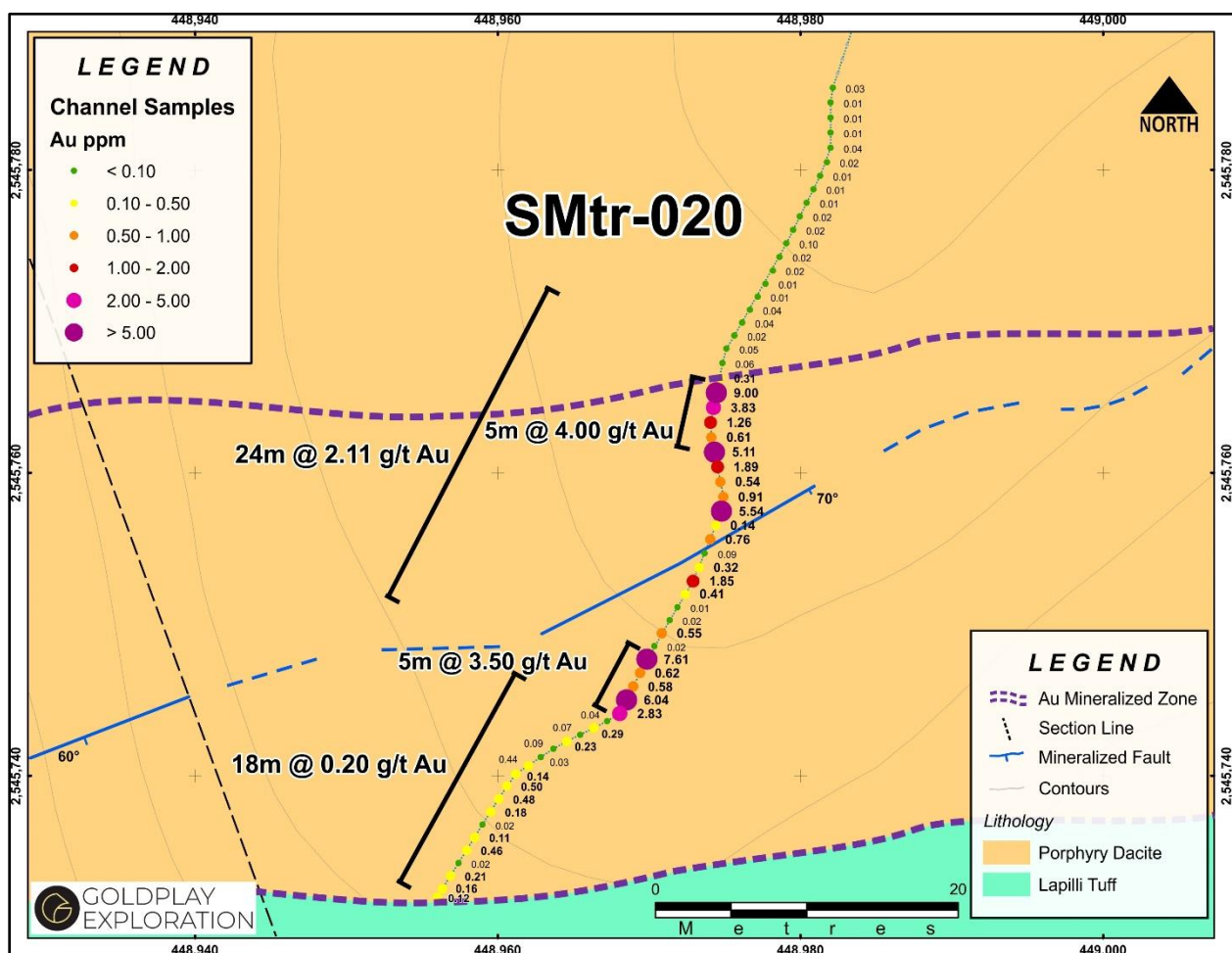
The Ag-Zn-Pb and Au mineralization at San Marcial is typical of epithermal systems, hosted in a hydrothermal breccia and stockwork zone near the contact of the Tertiary, Upper and Lower Volcanic units in the Sierra Madre Occidental Geologic Province.

Along the 6 km mineralized trend, there are highly altered hydrothermal breccias, conglomerates, and relatively fresh dacite porphyry intrusive. Faulting is an important structural feature related to the silver, gold, zinc and lead mineralization, and the intersections of east-west with northwest-trending structures are considered the most prospective areas for exploration at San Marcial.

There are two main mineralized zones: a high-grade zone hosted in the hydrothermal breccia and a lower grade zone hosted by a pervasive stockwork system within the lower volcanic sequence. Both mineralized zones and associated host rocks exhibit fracture filling and typical hydrothermal textures of epithermal deposits. There is local brecciation hosting mineralized zones.

San Marcial exhibits significant silver and gold exploration upside supported by recent exploration programs completed by Goldplay. There are eight new targets along a recently discovered 6 km long mineralized trend outside of the resources area. There is evidence of historical and artisanal mining activity in some of these exploration targets. The historical mining activity consisted of old shallow pits, caved shafts and historical underground workings in areas with extensive hydrothermal alteration hosted by major regional structures, supporting the existence of attractive targets for future drilling and resource delineation. At the Nava Target, trench SMtr-020, the company has identified a 500 m long mineralized trend with surface trench results revealing attractive drilling targets with the objective of defining open pit amenable mineralized zones.





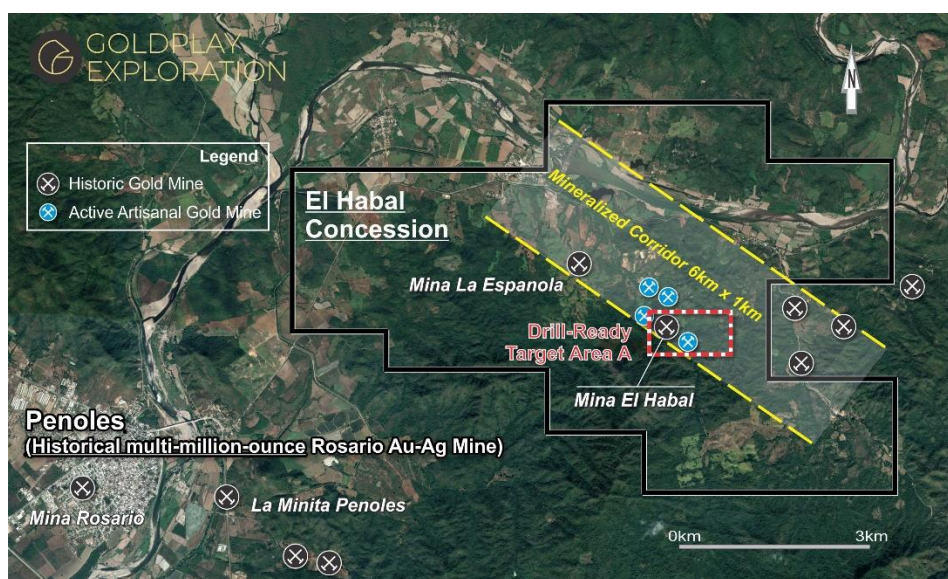
### El Habal Property, Sinaloa, Mexico

The El Habal Gold Property comprises 3,765 ha in five exploration concessions located in the Rosario Gold District, Sinaloa, Mexico. The Rosario Gold District is a historical gold and silver district that includes the multi-million-ounce historic high-grade Au-Ag Rosario Mine, which operated for 250 years. The exploration concessions are detailed as follows:

| Concession # | Ownership          | Township | Due Date       | Record Date    | Area (ha) | Name              |
|--------------|--------------------|----------|----------------|----------------|-----------|-------------------|
| 229261       | Goldplay de México | Rosario  | March 27, 2057 | March 28, 2007 | 1,738.9   | El Habal *        |
| 226963       | Goldplay de México | Rosario  | March 30, 2056 | March 31, 2006 | 220.00    | San Pablo 2       |
| 236078       | Goldplay de México | Rosario  | May 3, 2060    | May 4, 2010    | 80.00     | San Pablo         |
| 226962       | Goldplay de México | Rosario  | March 30, 2056 | March 31, 2006 | 50.00     | Baluart 2         |
| 232406       | Goldplay de México | Rosario  | August 4, 2058 | August 5, 2008 | 278.1625  | Las Chiquitas Dos |

- Reduction of concession approved on May 30<sup>th</sup>, 2018.

The El Habal Gold Property is 10 km east of the historical mining town of Rosario, Sinaloa, Mexico.



Mineralization on the El Habal Gold Property consists of low sulphidation epithermal, stockwork systems, gold rich stockwork/veining and breccia exhibiting lateral zonation with higher concentrations close to intersections of major structures. The mineralization occurs mainly within a north-northwest striking tectonic corridor hosted not only by the Upper Volcanic Group but also the Lower Volcanic Group. There is evidence of multi-phased mineralizing events with common overprints of many stockwork systems over brecciated host rocks. The multi-phased event has produced several phases of silica with a predominance of gold mineralization over most of the El Habal Gold Property. Sulphide occurrence is limited (<2%) in some zones with no evidence of Cu, Zn and Pb mineralization.

The mineralization has an intimate relationship with the evolution of the extensional setting, where district normal faults are likely conduits or regional feeders as the major hosts. Most of the mineralized zones present are steeply dipping with deflection of dip through different competence rocks. There are strike slip structures such as fault jogs generating mineralized zones as off shoots to the major structures. Oxidation of host rocks and mineralized zones extends at least 80 m from surface as supported by geological mapping and sampling of well exposed mineralized zones in historical underground workings.

As of the date of this report, the Company is actively exploring on the ground at the El Habal Gold Property. Successive surface exploration programs and surveys have been completed on the property over the past three and a half years, starting in December 2015. Most of the work consisted of channel sampling for analysis of precious and base metals, topographic and old working surveys.

#### **Work Program – Quarter ended September 30, 2019**

The Company has completed the following work from June 1, 2019 - September 30, 2019 on the San Marcial Property.

| <b>Work Completed</b>   | <b>San Marcial</b> |
|---|--------------------|
| Upgrade access road (km)  | 4.29               |
| Geological mapping (km <sup>2</sup> )                           | 1.30               |
| Trench openings (number)  | 10                 |
| Linear metres trenched (m)                                      | 308                |
| Soil samples  | -                  |
| Litho-geochemistry samples                                      | 1,879              |
| Area covered by soil sampling (km <sup>2</sup> )                | -                  |
| Area covered by litho- geochemistry sampling (km <sup>2</sup> ) | 1.10               |



**Other Properties:**

Goldplay de Mexico SA de CV (“Goldplay Mexico”), 100% owned Mexican subsidiary, entered into an assignment of rights with Grupo Promotor de Mexico SA de CV (“GPM”) on April 20, 2017, by virtue of which GPM transferred 100% interest and title to the following adjacent concessions, in the Rosario Gold District, to Goldplay Mexico.

| Concession # | Ownership          | Township  | Due Date         | Record Date      | Area (ha) | Name                     |
|--------------|--------------------|-----------|------------------|------------------|-----------|--------------------------|
| 228755       | Goldplay de México | Huajicori | January 18, 2057 | January 19, 2007 | 2.70      | Tigra Negra Fraction II  |
| 228756       | Goldplay de México | Huajicori | January 18, 2057 | January 19, 2007 | 1.35      | Tigra Negra Fraction III |
| 228757       | Goldplay de México | Huajicori | January 18, 2057 | January 19, 2007 | 1.35      | Tigra Negra Fraction IV  |
| 228758       | Goldplay de México | Huajicori | January 18, 2057 | January 19, 2007 | 1.35      | Tigra Negra Fraction V   |

| Application #<br>File Number | Ownership          | Township   | Area (ha) | Name             |
|------------------------------|--------------------|------------|-----------|------------------|
| 59/7706                      | Goldplay de México | Huajicori, | 32.77     | Indio Fracc. I   |
| 59/7706                      | Goldplay de México | Huajicori, | 0.38      | Indio Fracc. II  |
| 59/7706                      | Goldplay de México | Huajicori, | 3.89      | Indio Fracc. III |
| 95/13335                     | Goldplay de México | Rosario    | 5,555.78  | La Union 2       |
| 95/13354                     | Goldplay de México | Rosario    | 4,558.22  | Yauco            |
| 95/13507                     | Goldplay de México | Concordia  | 11,107.24 | El Placer II     |

***Qualified Person and Quality Control/Quality Assurance***

Marcio Fonseca, M.Sc., D.I.C, PGeo., the Company’s President and Chief Executive Officer and a director and a qualified person as defined by NI 43-101, has supervised the preparation of the scientific and technical information that forms the basis for the mineral property disclosure in this MDA and has approved the disclosure herein. Mr. Fonseca is not independent of the Company, as he is an officer and director of the Company.

**SUMMARY OF QUARTERLY RESULTS**

The following selected financial data have been prepared in accordance with IFRS and should be read in conjunction with the Company’s consolidated financial statements. The following is a summary of selected financial data for the Company for its eight completed financial quarters ended September 30, 2019.

| Quarter Ended<br>Amounts in<br>000’s                | Sept. 30,<br>2019 | June 30,<br>2019 | Mar. 31,<br>2019 | Dec. 31,<br>2018 | Sept. 30,<br>2018 | June 30,<br>2018 | Mar. 31,<br>2018 | Dec. 31,<br>2017 |
|---|-------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| Net income (loss)                                   | (1,193)           | (672)            | (919)            | (1,316)          | (987)             | (1,238)          | (2,199)          | (504)            |
| Earnings (loss)<br>per share – basic<br>and diluted | (0.02)            | (0.02)           | (0.02)           | (0.03)           | (0.03)            | (0.04)           | (0.08)           | (0.04)           |
| Total assets  | 1,711             | 2,383            | 1,865            | 2,631            | 2,252             | 3,288            | 3,889            | 808              |
| Working capital                                     | (152)             | 773              | 60               | 1,023            | 1,112             | 2,088            | 3,253            | (117)            |



During the quarter ended September 30, 2019 the Company incurred expenses of \$1,192,625 which included \$666,898 in exploration expenditures and share based compensation of \$169,596.

During the quarter ended June 30, 2019 the Company completed a private placement and received net proceeds of \$1,339,244. The Company incurred expenses of \$673,797 which included \$272,946 in exploration expenditures, \$122,604 in investor relations, \$76,518 in professional fees and \$76,055 in consulting.

During the quarter ended March 31, 2019 the Company incurred expenses of \$918,594 which included \$474,687 in exploration expenditures, \$193,315 in investor relations and \$22,533 in professional fees.

During the quarter ended December 31, 2018 the Company completed a private placement and received net proceeds of \$1,444,234. The Company incurred expenses of \$1,316,401 which included \$464,430 in exploration expenditures, \$273,400 in investor relations, \$21,594 in professional fees and \$181,032 in share-based compensation.

During the quarter ended September 30, 2018 the Company incurred expenses of \$986,732 which included exploration expenditures of \$576,670, investor relations of \$108,045, professional fees of \$65,038 and property investigation of \$51,249.

During the quarter ended June 30, 2018 the Company incurred expenses of \$1,237,170 which included exploration expenditures of \$508,679, share-based compensation of \$122,230 and investor relations of \$182,470.

During the quarter ended March 31, 2018 the Company completed the Amalgamation Agreement with Soleil, completed private placements for gross proceeds of \$3,150,372, incurred expenses of \$2,199,111 which included exploration expenditures of \$279,772, share-based compensation of \$393,389 and incurred a listing expense of \$1,289,202.

During the quarter ended December 31, 2017 the Company had exploration expenditures in the amount of \$202,035 and consulting fees of \$61,500 and professional fees of \$77,162.

#### ***Nine Months ended September 30, 2019 compared to nine months ended September 30, 2018***

The Company's expenses were \$2,785,732 (2018 - \$3,211,756) including general and administrative of \$1,371,201 (2018 - \$1,846,635) and exploration expenditures of \$1,414,531 (2018 - \$1,365,121), and reviews of the major items are as follows:

- Exploration expenditures of \$1,414,531 (2018 - \$1,365,121) of which \$76,701 (2018 - \$974,710) was spent on the El Habal property, \$8,241 (2018 - \$11,938) on the Nevada property's and \$1,329,589 (2018 - \$378,428) on the San Marcial property. The expenditures increased as the Company received funding and the Company became more active;
- Consulting of \$297,579 (2018 - \$217,250) consisting of fees paid or accrued to the CEO of \$63,000 (2018 - \$63,000), the CFO of \$40,500 (2018 - \$40,500), business development of \$38,775 (2018 - \$40,500) and other of \$155,304 (2018 - \$40,528);
- Professional fees of \$130,026 (2018 - \$282,601) consists of legal of \$75,400 (2018 - \$140,318), audit and accounting of \$54,626 (2018 - \$40,583), transaction costs of \$Nil (2018 - \$85,025) and other of \$Nil (2018 - \$16,675);
- Share-based compensation of \$188,924 (2018 - \$524,754) for options issued;
- Regulatory and transfer agent of \$39,398 (2018-\$63,441) consists of transfer agent of \$16,575 (2018 - \$14,124), regulatory of \$11,087 (2018 - \$17,768) and OTCQB listing of \$11,736 (2018 - \$31,549); and
- Investor relations of \$441,620 (2018 - \$309,492) consisting of investor relations contract of \$174,015 (2018 - \$112,500), trade shows and conferences of \$52,898 (2018 - \$70,787), promotion and advertising of \$163,283 (2018 - \$57,381) and other of \$51,424 (2018 - \$68,824).

Other items showed a loss of \$Nil (2018 - \$1,212,144). Due to their nature, these transactions relate to events that do

not necessarily generate comparable effects on the Company's operating results. Significant areas of change include:

- Expenses related to the reverse acquisition of \$Nil (2018 - \$1,289,202). The acquisition of the Company by Goldplay was accounted for as a share-based payment. The fair value of the shares issued was determined to be \$1,860,000 based on the estimated fair value of the shares. The Company also incurred an additional \$180,359 of transaction costs that were attributable to the reverse acquisition. The excess of the purchase price and related costs over the fair value for the net assets acquired was recognized in the statement of comprehensive loss. The determination and allocation of the purchase price is summarized below:

|  |           |
|--|-----------|
| <b>Net assets of Soleil acquired:</b>  | <b>\$</b> |
| Cash   | 809,621   |
| Trade payable and accrued liabilities  | (58,465)  |
| Net assets acquired  | 751,157   |
| <b>Consideration provided in reserve acquisition of Soleil:</b>                                    | <b>\$</b> |
| Fair value of 6,200,000 common shares at \$0.30 per share  | 1,860,000 |
| Transaction costs – non-cash   | 180,359   |
| Total consideration paid   | 2,040,359 |
| Net assets acquired  | (751,157) |
| Listing expense (Note 3 – condensed interim consolidated financial statement dated March 31, 2018) | 1,289,202 |

- Received \$Nil (2018 - \$100,000), of which \$65,000 was recognised in loss and comprehensive loss and \$35,000 was recognized as a reduction in exploration and evaluation assets, as the Company was paid for an option to purchase a 1% NSR on the El Habal property and for a 1% royalty on four concessions adjacent to the El Habal property

### *Three Months ended September 30, 2019 compared to three months ended September 30, 2018*

The Company's expenses were \$1,192,625 (2018 - \$995,973) including general and administrative of \$525,727 (2018 - \$419,303) and exploration expenditures of \$666,898 (2018 - \$576,670), and reviews of the major items are as follows:

- Exploration expenditures of \$666,898 (2018 - \$567,715) of which \$7,321 (2018 - \$241,738) was spent on the El Habal property, \$3,216 (2018 - \$8,955) on the Nevada property's and \$656,361 (2018 - \$325,977) on the San Marcial property;
- Consulting of \$95,043 (2018 - \$67,222) consisting of fees paid or accrued to the CEO of \$21,000 (2018 - \$21,000), the CFO of \$13,500 (2018 - \$13,500), business development of \$35,372 (2018 - \$18,000), and other of \$25,171 (2018 - \$14,722);
- Professional fees of \$30,975 (2018 - \$65,038) consists of legal of \$16,016 (2018 - \$41,107), audit and accounting of \$14,959 (2018 - \$17,198) and other costs of \$Nil (2018 - \$6,733);
- Investor relations of \$125,701 (2018 - \$108,045) consisting of investor relations contract of \$60,364 (2018 - \$22,500), trade shows and conferences of \$13,107 (2017 - \$Nil), promotion and advertising of \$42,717 (2018 - \$44,805) and other of \$9,513 (2018 - \$24,711).
- Share-based compensation of \$169,596 (2018 - \$9,135) for options issued; and
- Regulatory and transfer agent of \$10,535 (2018-\$3,063) increased and consists of transfer agent of \$10,535 (2018 - \$143), regulatory of \$Nil (2018 - \$2,920).

## LIQUIDITY AND CAPITAL RESOURCES

Because of economic conditions, globally, there is uncertainty in capital markets and the Company anticipates that it and others in the mineral resource sector will have limited access to capital. Although the business and assets of the Company have not changed, investors have increased their risk premium and their overall equity investment has diminished. The Company continually monitors its financing alternatives and expects to finance its fiscal 2018 operating overhead and acquisition and exploration expenditures through private placements.

The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. There can be no assurance that such funds will be available on favorable terms, or at all.

As at September 30, 2019, the Company reported cash of \$240,890 compared to \$1,284,128 as at December 31, 2018. The decrease in cash on hand and working capital was the result of cash used in operating activities of \$2,320,685 which included expenditures of \$1,414,531 on exploration.

During the period ended September 30, 2019 the Company;

The Company completed a private placement of 11,010,000 common shares at a price of \$0.125 per common share for gross proceeds of \$1,376,250. The Company paid cash finders fees of \$28,500 and issued 228,000 agent warrants valued at \$21,262. Each agent warrant is exercisable for a period of three years at an exercise price of \$0.15 per agent warrant. Additional share issue costs of \$9,331 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

The Company issued 600,000 common shares valued at \$75,000 as debt settlement including \$60,000 to related parties.

The Company issued 824,376 common shares valued at \$164,875 to a contractor engaged under a share for service drilling contract.

The Company completed a brokered private placement of 15,000,000 common shares at a price of \$0.20 per common share for gross proceeds of \$3,000,000. The Company paid cash finders fees of \$171,600 and issued 891,000 agent warrants. Each agent warrant is exercisable for a period of three years at an exercise price of \$0.25 per agent warrant.

During the year ended December 31, 2018 the Company;

The Company completed a subscription receipt financing of 7,501,239 subscription receipts at \$0.30 per subscription receipts, for gross proceeds of \$2,250,372 of which \$50,000 were subscriptions received in advance. The Company also paid a cash finder's fee of \$30,446 and issued 41,066 compensation warrants, valued at \$6,516. Additionally, professional fees of \$145,317 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs. Concurrent with the closing of the Transaction the subscription receipts were converted to the Company shares.

The Company completed a private placement of 3,000,000 common shares at \$0.30 per common share for gross proceeds of \$900,000.

The Company had 403,000 stock options exercised and received proceeds of \$80,600.

The Company completed a private placement of 6,818,000 units at a price of \$0.22 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half (1/2) of one common share purchase warrant ("warrant") and each whole warrant is exercisable into one common share, of the Company, for a period of two years at an exercise price of \$0.25 per warrant. The Company paid cash finders fees of \$55,766 and issued 225,608 agent warrants valued at \$21,504. Each agent warrant is exercisable for a period of two years at an exercise price of \$0.25 per agent warrant. Additionally, professional fees of \$13,995 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

The Company has no long-term debt obligations.

## SHARE CAPITAL

- (a) As of the date of the MDA the Company has 68,439,948 issued and outstanding common shares. The authorized share capital is unlimited no par value common shares.
- (b) As at the date of the MDA the Company has 4,807,178 incentive stock options outstanding.
- (c) As at the date of the MDA the Company has 5,906,179 share purchase warrants.

## RELATED PARTY TRANSACTIONS

Key management personnel compensation for the period ended September 30, were:

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| <b>Short-term benefits paid or accrued:</b>   |                   |                   |
| Professional fees paid to Laura Diaz (former Director)  | \$ -              | \$ 84,868         |
| Consulting fees paid to Marcio Fonseca (CEO)  | 63,000            | 63,000            |
| Consulting fees paid to Michael Thomson (Director)  | 6,000             | -                 |
| Consulting fees paid to Gino DeMichele (Director)   | -                 | 13,500            |
| Consulting fees and exploration expenditures paid to Trevor Woolfe (VP Corporate Development and Exploration) | 103,312           | -                 |
| Consulting fees paid to Yaron Conforti (former VP Business Development)                                       | -                 | 40,500            |
| Consulting fees paid to Blaine Bailey (CFO)   | 40,500            | 40,500            |
| Stock based compensation to Directors and Officers  | 42,500            | 510,094           |
| <b>Total remuneration</b>   | <b>\$ 255,312</b> | <b>\$ 752,462</b> |

Accounts payable and accrued liabilities as at September 30, 2019 included \$113,983 (December 31, 2018 - \$100,023) owed to a director and companies controlled by a director or officer.

During fiscal 2018 the CEO loaned the Company \$50,000. The loan was unsecured and bears a 10% per annum interest rate. The loan plus interest of \$562 was repaid during fiscal 2018.

During the period ended September 30, 2019, the Company issued 480,000 common shares valued at \$60,000 as debt settlement with officers and a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## INVESTOR RELATIONS

On March 14<sup>th</sup>, 2018, the Company entered an investor relations contract with Brisco Capital Partners Corp. ("Brisco") to provide investor relations services to the Company. The agreement was for an initial term of one year and was extended by mutual consent to June 15, 2019 and then to June 15, 2020. Under the agreement, Brisco was to be paid the sum of \$7,500 per month and receive 150,000 stock options exercisable at \$.30 per share for a period of 5 years. Brisco will be paid the sum \$4,000 per month from March 15, 2019 to June 15, 2019 and a per diem rate from June 15, 2019 – June 15, 2020.

On January 1, 2019, the Company entered an investor relations contract with Relations Publiques Paradox Inc ("Paradox") to provide investor relations services to the Company. The contract will be for an initial term of one year and either party can terminate the contract by giving thirty days written notice after the first six months of the contract. Under the contract, Paradox was to be paid the sum of \$7,500 per month and receive 250,000 stock options exercisable at \$.20 per share for a period of 5 years.



## PROPOSED TRANSACTIONS

Currently the Company is not a party to any material proceedings. The Company continually evaluates new opportunities, including new properties by staking, acquisition or joint venture, and corporate consolidation or merger opportunities.

### AMALGAMATION AGREEMENT (Reverse Acquisition)

On March 1, 2018 the Company entered into an Amalgamation Agreement (Reverse Acquisition) (“Transaction”) with Soleil in which Soleil will acquire all the outstanding shares of the Company, resulting in Goldplay shareholders receiving 15,833,333 Soleil common shares. The Company completed a concurrent subscription receipt financing of 7,501,239 subscription receipts at \$0.30 per subscription receipts, for gross proceeds of \$2,250,372. The Company also paid a cash finder’s fee of \$15,271, issued 41,066 compensation warrants which entitles the holder thereof to purchase one additional share of the resulting issuer at a purchase price of \$.30/share for a period of two years from date of issue, March 1, 2018 and paid expenses of \$34,116. Concurrent with the closing of the transaction the subscription receipts were converted to the Company shares. Because of the Transaction, shareholders of the Company will acquire control of Soleil. The Transaction is considered a purchase of Soleil’s net assets by the shareholders of the Company and will be accounted for as a reverse acquisition.

On March 1, 2018 each common share in the capital of Soleil that was outstanding immediately prior to the transaction was consolidated on a 2 (old) for 1 (new) basis and converted into 1 common share in the capital of the Resulting Issuer (the “**Resulting Issuer Shares**”) each outstanding common share in the capital of Goldplay (the “**Goldplay Shares**”) was consolidated on an approximately 0.677747234 (old) to 1 (new) basis and immediately thereafter the Subscription Receipts automatically converted to Goldplay Shares on a 1:1 post-consolidation basis and immediately thereafter, all then issued Goldplay Shares converted on a 1:1 basis into Resulting Issuer Shares. All outstanding incentive stock options and share purchase warrants of Soleil and Goldplay that were outstanding prior to the amalgamation, were consolidated on the same basis as each company's common shares and thereafter were converted to incentive stock options and warrants of the resulting issuer.

An aggregate of 29,534,572 Resulting Issuer Shares are outstanding upon completion of the Amalgamation with former holders of Soleil Shares holding an aggregate of 6,200,000 Resulting Issuer Shares, former holders of Goldplay Shares holding an aggregate of 15,833,333 Resulting Issuer Shares and Subscription Receipts holding an aggregate of 7,501,239 Resulting Issuer Shares. An aggregate of 620,000 incentive stock options were outstanding prior to the amalgamation and were held by former holders of Soleil incentive stock options and an aggregate of 1,611,505 warrants were outstanding prior to the amalgamation and were held by former holders of Soleil warrants holding an aggregate of 500,000 and former holders of Goldplay warrants holding an aggregate of 1,111,505 warrants.

Because of the Transaction, the shareholders of Goldplay obtained control of the combined entity by obtaining control of the voting power of the combined entity and the resulting power to govern the financial and operating policies of the combined entities. The Transaction constitutes a reverse acquisition of Soleil by Goldplay and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, *Share-based Payments* and IFRS 3, *Business Combinations*. As Soleil did not qualify as a business according to the definition in IFRS 3, this reverse acquisition does not constitute a business combination; rather it is treated as an issuance of shares by Goldplay for the net assets of Soleil and Soleil’s listing status, and Goldplay as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the transaction as it does not constitute a business.

For accounting purposes, Goldplay was treated as the accounting parent company (legal subsidiary) and the Company has been treated as the accounting subsidiary (legal parent) in these condensed consolidated interim financial statements. As Goldplay was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. Soleil’s results of operations have been included from March 1, 2018.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting year. Areas requiring the use of estimates in the preparation of the Company's consolidated financial statements the carrying value and the recoverability of the exploration and evaluation assets included in the Consolidated Statement of Financial Position, the assumptions used to determine the fair value of share-based payments in the Consolidated Statement of Comprehensive Loss, and the estimated amounts of reclamation and environmental obligations. Management believes the estimates used are reasonable; however, actual results could differ materially from those estimates and, if so, would impact future results of operations and cash flows.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There were no changes in the Company's significant accounting policies during the period ended September 30, 2019 that had a material effect on its condensed consolidated interim financial statements. The Company's significant accounting policies are disclosed in Note 2 to its consolidated financial statements for the year ended December 31, 2018.

### **New standards and interpretations**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. The following have been adopted by the Company:

- **IFRS 16 *Leases*:** New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this new standards did not have a significant impact on the Company's condensed consolidated interim financial statements

## RISKS AND UNCERTAINTIES

The Company's business is mineral exploration. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, mineral prices, political, and economical.

The Company will take steps to verify the title to any properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant sources of operating cash flow and no revenue from operations. Additional capital will be required to fund the Company's exploration program. The sources of funds available to the Company are the sale of equity capital or the offering of an interest in its project to another party. There is no assurance that it will be able to obtain adequate financing in the future or that such financing will be advantageous to the Company.

The property interests to be owned by the Company or in which it may acquire an option to earn an interest are in the exploration stages only, are without known bodies of commercial minerals and have no ongoing operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into production. If the Company's efforts do not result in any discovery of commercial minerals, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties in which it previously had no interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liabilities to the Company.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### **Financial risk factors**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

### **Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to receivables is remote as they are due from the Government of Canada. The Company's cash is deposited in accounts held at a large financial institution in Canada and in Mexico. As such, the Company believes the credit risk with cash is remote. Receivables comprise input tax receivables due from the Government of Canada. The Company considers the credit risk of receivables to be low.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of September 30, 2019, the Company had a cash balance of \$240,890 (December 31, 2018 - \$1,284,128) to settle current liabilities of \$447,021 (December 31, 2018 - \$371,208). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company intends to raise additional equity financing in the coming fiscal year to meet its obligations.

#### *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is not subject to significant exposure to interest rate risk.

#### *Foreign currency risk*

The Company's exploration work is conducted in Mexico. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Mexico and are denominated in either United States dollars or Mexican Pesos. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary.

### *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

### CAPITAL MANAGEMENT

The Company defines capital that it manages as shareholders' deficiency, consisting of issued common shares, stock options and warrants included in reserves, and subscriptions receivable.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.

### FORWARD-LOOKING STATEMENTS

This MDA contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Information concerning mineral resource/reserve estimates and the economic analysis thereof contained in preliminary economic analyses or prefeasibility studies also may be deemed to be forward-looking statements in that they reflect a prediction of the mineralization that would be encountered, and the results of mining that mineralization, if a mineral deposit were developed and mined. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the timing of decisions regarding the timing and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company's exploration programs;
- the Company's estimates of the quality and quantity of the resources and reserves at its mineral properties;
- the timing and cost of planned exploration programs of the Company and the timing of the receipt of result thereof;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and



- the Company's expectation that it will be able to add additional mineral projects of merit to its existing property portfolio.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to raise the necessary capital to be able to continue in business and to implement its business strategies, to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, and other risks identified herein under "Risks and Uncertainties".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MDA. Such statements are based on several assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the level and volatility of the price of commodities;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff;
- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs; and
- the ongoing relations of the Company with its regulators.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Historical results of operations and trends that may be inferred from the following discussion and analysis may not necessarily indicate future results from operations. The current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

#### DISCLOSURE OF MANAGEMENT COMPENSATION

In accordance with the requirements of Section 19.5 of TSXV Policy 3.1, the Company provides the following disclosure with respect to the compensation of its directors and officers during the period:

1. During the period ended September 30, 2019, the Company did not enter any standard compensation arrangements made directly or indirectly with any directors or officers of the Company, for their services as directors or officers, or in any other capacity, with the Company or any of its subsidiaries except as disclosed under "Related Party Transactions".
2. During the period ended September 30, 2019, officers of the Company were paid for their services as officers by the Company as noted above under "Related Party Transactions".
3. During the period ended September 30, 2019, the Company did not enter any arrangement relating to

severance payments to be paid to directors and officers of the Company and its subsidiaries.

#### APPROVAL

The Board of Directors of the Company has approved the disclosures in this MDA.