CHILEAN METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

THREE MONTHS ENDED MARCH 31, 2020

Management's Discussion and Analysis - Quarterly Highlights

The following Management's Discussion and Analysis ("MD&A") of Chilean Metals Inc. (the "Company") for the three months ended March 31, 2020 is dated as of July 16, 2020 and has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2019. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

The MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2020 in addition to the audited annual consolidated financial statements for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of July 16, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, Management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and Santiago Stock Exchange, Venture Market. Further information about the Company and its operations can be obtained from the offices of the Company or from www.sedar.com and the Company's website www.chileanmetals.com.

Caution Regarding Forward-looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of any precious and base metals discovered	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of precious and base metals; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits
The Company has no source of revenue and it will require additional cash resources to meet its administrative overhead and maintain its mineral investments for the next twelve months, starting from March 31, 2020 The Company expects to incur further losses in the development of its business and will need to raise additional financing to meet its financial requirements	The operating and exploration activities of the Company for the next twelve months and beyond, starting from March 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Company's ability to carry out anticipated exploration and maintenance on its property interests and its anticipated use of cash	The exploration and maintenance activities of the Company for the years ended December 31, 2020, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits

Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Company's properties	Price volatility of any mineral discovered, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition
Management's outlook regarding future trends, including the future price of any precious and base metals discovered and availability of future financing	Financing will be available for the Company's exploration and operating activities; the price of applicable minerals will be favourable to the Company	Price volatility of any precious and base metals discovered; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing
Sensitivity analysis of financial instruments	Foreign exchange rates will not be subject to change in excess of plus or minus 1%	Changes in exchange rate fluctuations
Prices and price volatility for precious and base metals	The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable	Changes in debt and equity markets and the spot price of precious and base metals, if available; interest rate and exchange rate fluctuations; changes in economic and political conditions

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the audited consolidated financial statements and notes thereto. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's Management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the financial statements and the MD&A. Responsibility for the review and approval of the Company's financial statements and MD&A is delegated by the Directors to the Audit Committee, which is composed of three directors. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Description of Business

Chilean Metals Inc. is a resource exploration company involved in exploring for gold, silver, copper, cobalt and nickel on its various properties located in Chile. Exploring in Chile is done through its wholly owned subsidiaries in Chile, being Minera IPBX Limitada ("IPBX"), Minera Tierra de Oro Limitada, Minera Palo Negro Limitada and Minera Sierra Pintada Limitada ("Chilean Subsidiaries"). Subsequent to March 31, 2020 the Company has signed a non-binding letter of intent to invest in a land package in Mauritania held by Aura Energy Limited.

Overall Performance

As at March 31, 2020, the Company had assets of $61,245 and a net deficiency position of $2,898,014. This compares with assets of $93,752 and a net deficiency position of $2,670,030 at December 31, 2019. At March 31, 2020, the Company had $2,959,259 of liabilities (December 31, 2019 – $2,763,782 of liabilities).

At March 31, 2020, the Company had a working capital deficit of $2,832,714, compared to working capital deficit of $2,605,080 at December 31, 2019, an increase in deficit of $227,634. The Company had bank indebtedness of $7,014 at March 31, 2020 compared to cash of $7,438 at December 31, 2019, a decrease of 14,452. The Company needs to secure additional financing to carry on business activities for the twelve months ending March 31, 2021 (see below).

Exploration

Zulema, Chile

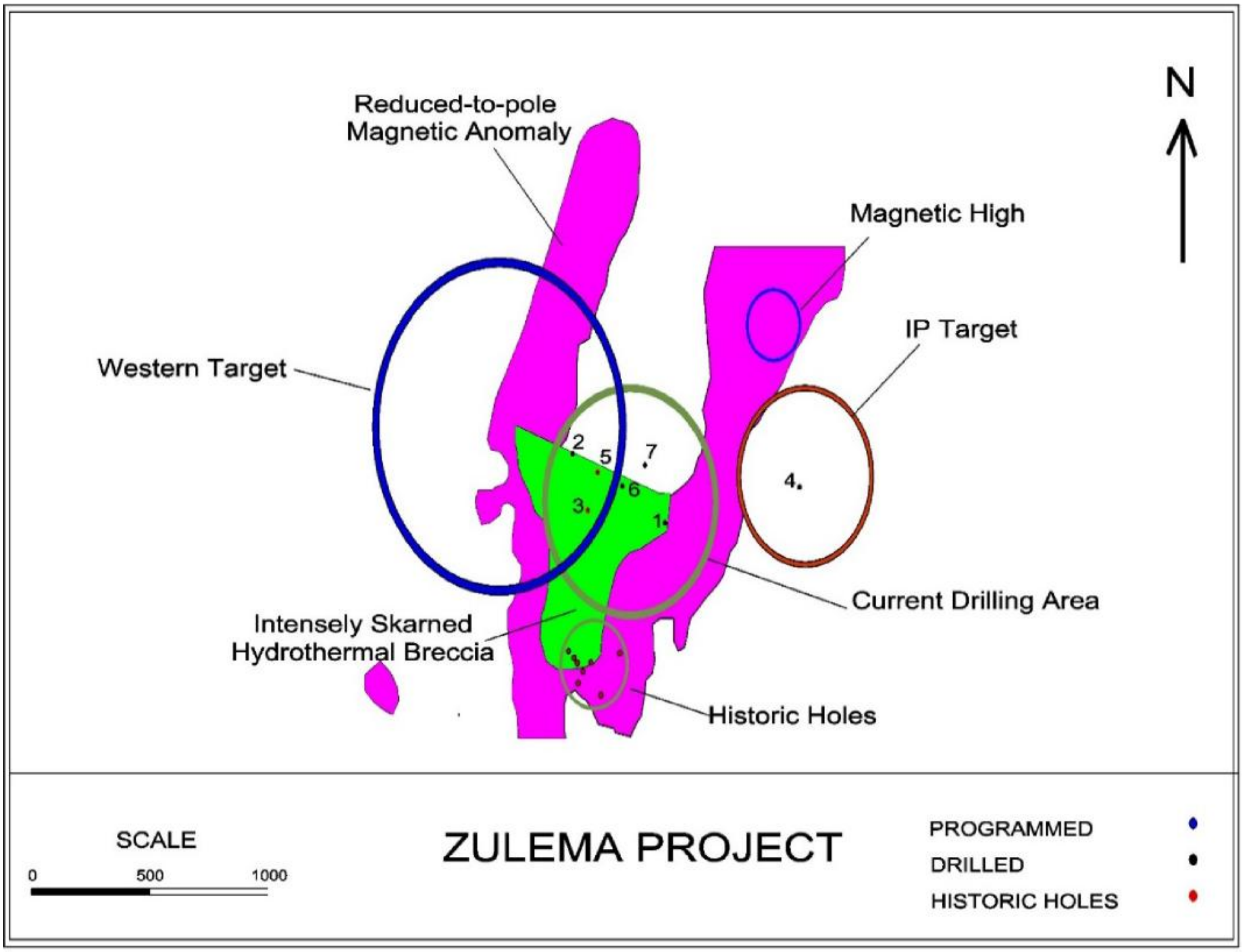
In 2013, the Company acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema mining concessions in Chile's Third Region. In 2014, the Company acquired nine additional mining concessions totaling 724 hectares from a third party. In March 2015, the Company completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema property now consists of 4,300 hectares (10,626 acres). All concessions are held 100% by IPBX, with no underlying third party royalty or net profits interest. The project is located 30 kilometres from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

During the year ended December 31, 2017, the Company commenced drilling its Zulema project. With the Candelaria mine as a model, the exploratory drill program is testing two geologically distinct targets: a 1+ square km. area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank. (IP Target). The initial results released on February 27, 2017 suggested to Chilean that it had found in our assessment, IOCG style mineralization.

Drill holes 1, 6 and 7 assisted in defining the boundaries of the eastern skarn and related sulphide mineralization. Drill hole 4, targeting the IP target, was terminated before reaching bedrock. The target remains open. Hole 3 had a six meter section from 285.32 – 291.32 meters which contained 0.66% Cu, 23.6% Fe and .52 grams of gold/tonne. It also contained an additional intercept from 325.20 to 335.20 that assayed .34% Cu, 10 % Fe and .16 grams of gold/tonne. Hole 5 located 272 meters north and east of 3 also had some interesting highlights. In particular, we see several lenses of two and four meters in length with individual 2 meters sections assaying up to .43% Cu, 4,9 % Fe and .29 grams of gold/tonne.

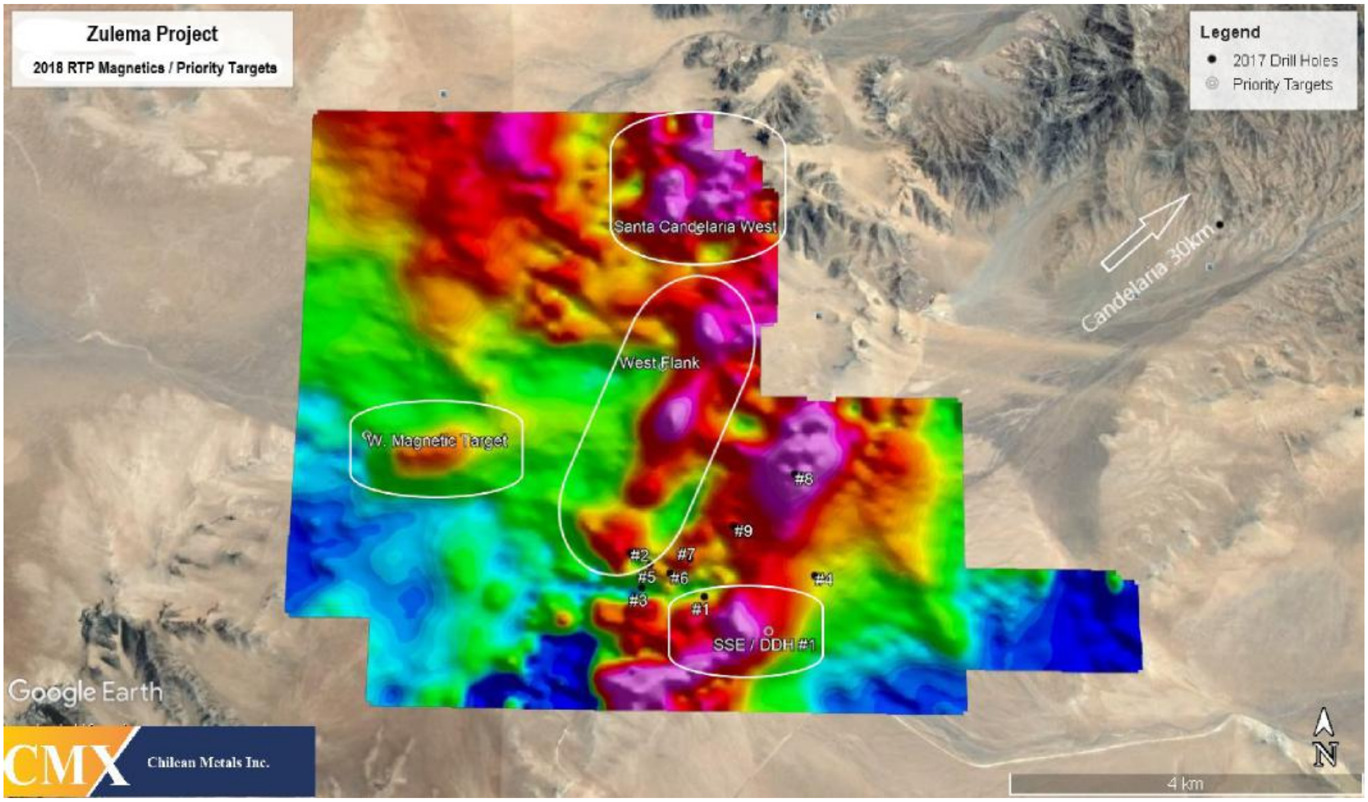
Initial drill results confirm that host rocks and alteration fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite in drill hole 5, biotite magnetite alteration, potassic (K-spar), magnetite and hematite veining and local mineralized breccias suggests proximity to the main mineralized target.

A review of the drill core has been completed with the results suggesting the focus of ongoing exploration should be towards the west near drill holes 2, 3 and 5 where the skarn appears a more receptive host for mineralization. In drill hole 2, quartz stock-working and siliceous breccia suggest proximity to a high temperature heat source / intrusion. Directly east of drill hole 2 at drill-hole 5, widespread low grade copper mineralization is accompanied by a more robust style of chalcopyrite occurring as large 1 cm. clots within the skarn. Due south of 5, drill hole 3 contained large sections of skarn including several lenses of iron rich, IOCG style copper mineralization. Holes 2, 3, 5 assays are reported in detail in the April 3, 2017 press release.



The Company engaged Southern Rock Geophysics, a consulting firm with over 20 years experience in the Andean Region. Familiar with both the Porphyry and IOCG depositional models, Southern Rock brings the expertise required to search for a blind target in the challenging desert of Chile.

242-line kilometers of data was collected along 55 north – south survey line segments in order to assist in target selection prior to the Company's planned Phase II drill program. The results of the survey were positive, delineating 4 key target areas for detailed follow-up in 2019.



The magnetic survey delineated a 2km. wide corridor trending northeast from the southern margin of the survey area north to the Santa Candelaria workings as shown in Figure 1. A preliminary review of the data indicates there are 4 target areas that require detailed follow-up. From north to south, the targets are Santa Candelaria West, the West Flank, SW Magnetic High and SSE / DDH#1.

The Santa Candelaria target lies due west of the Santa Candelaria mine workings where Cu mineralization is characterized by chalcopyrite disseminations and veins within a magnetite / hematite calcsilicate skarn. Exposure is relatively abundant west of the workings and will be investigated prior to the commencement of a gravity survey.

The West Flank of the magnetic corridor is a priority target due to the style of mineralization encountered in drill hole #5 where coarse-grained chalcopyrite was noted at depth. Elevated magnetics northwest of Drill hole #5 in addition to a large peak along the western edge of the corridor are priority targets.

In the western portion of the project, the SW Magnetic Target is easily identifiable and located due east of a copper showing and along a NW trending lineament. The target is covered by alluvial material and will require additional ground geophysics and processing to resolve its potential.

To the southeast of drill hole #1, a magnetic high has been identified along the eastern edge of the magnetic corridor. This target is along the eastern edge of a copper bearing hydrothermal breccia that was drilled in 2017. Its location along a very sharp magnetic boundary at an interpreted intersection of the same NW trending lineament crosscutting the SW Magnetic Target makes it a priority.

The Company intends to conduct additional IP Ground work on specific Zulema targets prior to developing drilling plans which it expects to conduct in 2021.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The property lies about 50 kilometres south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chanchero gold camp and numerous areas of historic oxide copper workings.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chanchero gold camp was re-discovered and added to the property. In 1998 the Company bought out Princeton's interest. The property was dormant between 1999 and 2002 but reactivated in late 2003. To date the Company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, the Company commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the property justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ('IP") survey, the Company announced the discovery of an IP anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open to extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011 the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential iron oxide copper gold ("IOCG") targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chanchero zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Dr. Chris Hodgson. As a result, the Company has identified two potential bulk copper-gold targets that the Company believes warrant a targeted exploratory drill program.

During the year ended December 31, 2019, the Company engaged the services of Windfall Geotek (formerly Albert Mining); a leading Artificial Intelligence firm in the mining sector. Windfal used its proprietary CARDS (Computer Aided Resource Detection System) to analyze the many years of geological, geophysical and geochemical data accumulated by CMX. The data identified five areas of interest. One is the primary drilling target previously identified as Chanchero. The other four are gold copper targets.

The Company is finalizing its review of the data with a plan to drill Chanchero and the other four targets in Q3 and Q4 of 2020.

Nova Scotia

The Company conducted a strategic review of its Nova Scotia assets in the fourth quarter of 2019. Subsequent to this review it has decided to abandon its exploration efforts in Nova Scotia.

Other Chile Properties

The Company owns additional mining concessions in Chile related to the Hornitos, Palo Negro and Tabaco properties.

Costs incurred on the Company's exploration and evaluation assets for the three months ended March 31, 2020 and March 31, 2019:

	Tierra de Oro	Zulema	Nova Scotia	Total
Exploration				
Field costs	$ -	$ 16,324	$ -	$ 16,324
Exploration and acquisition costs 2019	$ -	$ 16,324	$ -	$ 16,324
Exploration				
Field costs	$ -	$ 16,099	$ -	$ 16,099
Exploration and acquisition costs 2020	$ -	$ 16,099	$ -	$ 16,099

The Qualified Person for Chilean Metals Inc., as defined by National Instrument 43-101, is Mick Sharry, M.Sc. Mr. Sharry has read and approved the technical and scientific information contained in this MD&A.

RESULTS OF OPERATIONS

Three months ended March 31, 2020, compared with three months ended March 31, 2019

The Company's loss for the three months ended March 31, 2020 was $227,984 ($0.02 per share), compared to $217,703 ($0.02 per share) for the three months ended March 31, 2019. Total operating expenses for the 2020 fiscal period were $227,984 compared to $217,703 for 2019. Significant variations are described below.

Exploration and acquisition costs amounted to $16,099 (2019 - $16,324), a decrease of $225 from the comparative period. See "Exploration" above for description of work done.

Professional fees consist of legal, audit and accounting fees. Professional fees amounted to $34,336 (2019 - $30,044), an increase of $4,292 from the comparative period due to incurring minimal legal costs during the current period.

Administration fees were $87,053 (2019 - $78,075), an increase of $8,978. This was due to normal fluctuations in operational activities.

Investor relations amounted to $28,125 (2019 - $55,769), an decrease of $27,644 from the comparative period due to consultants being engaged in the prior period as well as the decreased activity of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company finances its operations through the sale of its equity securities, bridge loans and other financing activities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing, loans and convertible debt instruments. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in its properties.

The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes it will be able to raise funds as required in the long term, but recognizes the risks attached thereto.

As at March 31, 2020, the Company had bank indebtedness $7,014 (December 31, 2019 - $7,438) and liabilities of $2,959,259 (December 31, 2019 – $2,763,782).

As of March 31, 2020, the Company has a working capital deficit of $2,832,714 (December 31, 2019 - working capital of $2,605,080). The Company intends to continue to raise additional debt or equity funds to meet its short-term commitments and its ongoing exploration activities (see "Overall Performance").

During the three months ended March 31, 2020, the Company had cash of $59,452 used in operating activities (three months ended March 31, 2019 – $236,013 used in operating activities). Cash operating activities and used in operations consist of cash used to fund the loss for the period less the impact of non cash items, and the cash provided by or used for working capital purposes.

During the three months ended March 31, 2020, the Company received net cash of $52,014 (three months ended March 31, 2019 - $300,000) from financing activities. The Company received proceeds of private placement, net of issuance costs of $nil (three months ended March 31, 2019 - $nil), proceeds from shares to be issued of $nil (three months ended March 31, 2019 - $nil), had a repayment of debentures of $7,014 (three months ended March 31, 2019 - $nil) and debenture issuances, net of issue costs, of $nil (three months ended March 31, 2019 - $nil).

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at March 31, 2020, the directors and/or officers of the Company collectively control 1,126,842 common shares of the Company or approximately 8% of the total common shares outstanding and an insider of the Company controls 1,533,211 common shares of the Company or approximately 11% of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the outstanding common shares are held by diverse shareholders. These holdings can change at any time at the discretion of the owner.

(a) The Company entered into the following transactions with related parties:

		Three months ended March 31,	
	Notes	**2020**	**2019**
Administration expense	(i)	**$ 50,000**	$ 50,000
Accounting expense	(ii)	**$ 13,723**	$ 11,499
Geological consulting expense		**$ -**	$ -
Geological consulting expense	(iii)	**$ 16,000**	$ 16,000
Consulting expense	(iv)	**$ 31,250**	$ 31,250
Debt settlement expense	(v)	**$ -**	$ -

(i) For the three months ended March 31, 2020, the Company incurred consulting fees from companies controlled by an officer and a director of $50,000 (three months ended March 31, 2020 - $50,000) recorded in administration fees.

(ii) For the three months ended March 31, 2020, the Company incurred accounting expenses from companies related to an officer of $13,723 (three months ended March 31, 2020 - $11,499) recorded in professional fees.

(iii) For the three months ended March 31, 2020, the Company incurred geological consulting expenses from a company controlled by a former officer of $16,000 (three months ended March 31, 2020 - $16,000) recorded in exploration expenditures and consulting fees.

(iv) For the three months ended March 31, 2020, the Company incurred consulting expenses from directors and company's controlled by directors of $31,250 (three months ended March 31, 2020 - $31,250) recorded in consulting fees.

(v) During the three months ended March 31, 2020, certain shareholders advanced $45,000 to the Company. These amounts are due on demand and bear interest at 14% annually. Directors and officers represent $241,000 of the advances made.

(vi) As at March 31, 2020, included in accounts payable and accrued liabilities is $500,585 (December 31, 2019 - $405,612) due to directors and key management.

OUTSTANDING SHARE DATA

The Company's authorized capital is unlimited common shares without par value. At the date of this MD&A, the Company had 14,161,976 common shares issued and outstanding.

The Company has as at the date of this MD&A 5,067,300 warrants outstanding with exercise price of $0.45 and expiry on June 8, 2023.

ACCOUNTING POLICIES

New standards adopted

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no material impact as a result of the adoption by the Company of this standard.

New standards not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

RISK FACTORS

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.sedar.com).

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Please refer to the section entitled "Risks Factors" in the Company's MD&A for the fiscal year ended December 31, 2019, available on SEDAR (www.sedar.com).