



# **LATIN METALS INC.**

(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**FOR THE SIX MONTHS ENDED APRIL 30, 2022**

**Dated: June 27, 2022**

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## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the six months ended April 30, 2022 and up to June 27, 2022**

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### **INTRODUCTION**

This Management's Discussion and Analysis ("MD&A") for Latin Metals Inc. ("Latin Metals" or the "Company") for the six months ended April 30, 2022 has been prepared by management in accordance with the requirements of National Instrument 51-102. This MD&A provides a detailed analysis of the business of Latin Metals and should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and six months ended April 30, 2022, audited consolidated financial statements and the accompanying notes for the years ended October 31, 2021 and 2020 and the related MD&A. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted.

All financial information, unless otherwise indicated, has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise noted.

The effective date of this MD&A is June 27, 2022.

### **NATURE OF BUSINESS**

Latin Metals Inc. is a mineral resources exploration company, and its principal business activity is the acquisition, exploration and evaluation of mineral resource properties located in South America. At the date of this document, the Company has projects in Argentina and Peru. The Company operates with a Prospect Generator model focusing on the acquisition of prospective exploration properties at a low cost, completing initial evaluation through cost-effective exploration to establish drill targets, and ultimately securing joint venture partners to fund drilling and advanced exploration. Shareholders are exposed to the upside of a significant discovery without the dilution associated with funding the highest-risk drill-based exploration. In cases where a partner cannot be secured, the Company will consider continued exploration, where results of initial exploration justify such expenditure.

Latin Metals' common shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol "LMS" as well as on the OTCQB Venture Market under the symbol "LMSQF".

The head office and principal address of the Company is Suite 890 – 999 West Hastings Street, Vancouver, BC, V6C 2W2, Canada. The registered and records offices of the Company are located at Suite 1170 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1, Canada.

**HIGHLIGHTS FOR THE SIX MONTHS ENDED APRIL 30, 2022 AND THE PERIOD UP TO JUNE 27, 2022***Corporate highlights*

- **Cerro Bayo, Cerro Bayo Sur and Flora Este Properties.** On February 7, 2022, the Company announced that it has entered into an earn-in agreement with a wholly-owned subsidiary of Barrick Gold Corporation (“Barrick”). Under the terms of the agreement, Barrick has the right to acquire up to an 85% interest in the Company’s Cerro Bayo, Cerro Bayo Sur and Flora Este properties, located in Santa Cruz Province, Argentina, by making cash payments of aggregate US\$ 1,175,000 to Latin Metals, meeting payment obligations of aggregate US\$ 2,321,793 to the underlying optionor, by incurring exploration expenditures of US\$ 5,000,000, and by delivering various NI 43-101 technical reports, including a Prefeasibility Study. Subsequently, Latin Metals announced that following completion of an agreement with the underlying owner of the Properties the effective date of the Barrick earn-in agreement is February 25, 2022. Barrick is obligated to incur at least US\$1,000,000 in exploration expenditures on the Properties within 2 years of the effective date and Latin Metals has received the US\$ 150,000 cash payment from Barrick.
- **Organullo, Ana Maria and Trigal Properties.** On June 6, 2022, the Company announced that it has entered into a binding option agreement with AngloGold Argentina Exploraciones S.A. (“AngloGold”), a wholly owned subsidiary of AngloGold Ashanti Ltd. Under the terms of the Option Agreement, Latin Metals granted to AngloGold the option to earn up to an 80% interest in the Company’s Organullo, Ana Maria, and Trigal Gold projects (the “Salta Projects”) located in Salta Province, northwestern Argentina. Under the terms of the Option Agreement, AngloGold has been granted the option to earn an initial 75% interest in the Salta Projects (the “Option”) by making cash payments to Latin Metals in the aggregate amount of US\$ 2,575,000 and spending an aggregate amount of US\$ 10,000,000 on exploration expenditures related to the Salta Projects within five years. Upon the delivery of a notice of exercise of the Option, AngloGold and Latin Metals will be deemed to have formed a joint venture (AngloGold 75% and Latin Metals 25%). Upon the exercise of the Option, AngloGold may give notice to Latin Metals of its intention to top-up to 80%. The top-up right may be exercised by preparing and delivering to Latin Metals an independent NI 43-101 Measured and Indicated Mineral Resource estimate and by paying to Latin Metals an amount of US\$ 4.65 per gold equivalent ounce contained within the estimate.

*Exploration highlights*

- **Peru Property Acquisitions.** On November 2, 2021 and December 7, 2021 the Company announced the acquisition, through staking, of Yanba copper project (4,000 hectares) and Loli, Tillo and Para group of copper projects (5,000 hectares), all located in the Coastal Copper Belt, Peru.
- **Lacsha Rock Chip Sampling.** On January 31, 2022, the Company announced receipt of continuous rock chip channel sampling results showing consistent values in copper and molybdenum, including 52m grading 0.38% copper and 237ppm molybdenum, with copper values ranging from 460 ppm copper to 45,200 ppm (4.52%) copper.
- **Lacsha Geophysical Results.** On June 6, 2022, the Company announced the results of a geophysical induced polarization (IP) survey defining extensive areas of high chargeability (>20 mv/v), which is a signature often associated with sulphide mineralization. The cores of these anomalies reach 25 mv/v at depths of approximately 100m from surface and potentially reflect copper sulphide mineralization. Areas of high resistivity (>2,000 ohm\*m) are consistent with silicification (overlying a vertically zoned porphyry system).

- **Auquis Geochemical Results.** On April 20, 2022, the Company announced positive exploration results from its 100%-owned Auquis copper project, located in the Coastal Copper Belt, where soil sampling results define high-grade anomalous copper over a 3km x 2km area. A total of 253 soil samples were collected on a 400m x 200m grid. Results are positive, defining a coincident copper and molybdenum anomaly over an area of 3km x 2km. Within this area, copper-in-soil values are greater than 500 ppm (0.05%) and up to 2,300 ppm (0.23%) copper.

## **FORWARD-LOOKING STATEMENTS**

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and U.S. 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;
- the Company’s ability to meet its financial obligations as they come due, to be able to raise the necessary funds to continue operations, and general economic conditions.

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 under “*Risk Factors*” as disclosed in the Company’s MD&A for the year ended October 31, 2021.

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 MD&A. 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;
- 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;



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## MANAGEMENT'S DISCUSSION & ANALYSIS

**For the six months ended April 30, 2022 and up to June 27, 2022**

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- the Company's ability to attract and retain key staff;
- the accuracy of the Company's resource/reserve estimates (including with respect to size and grade) and the geological, operational and price assumptions on which these are based.

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. In particular, 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. See "Risk Factors – Insufficient Financial Resources/Share Price Volatility", as disclosed in the Company's MD&A for the year ended October 31, 2021.

All the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via [www.sedar.com](http://www.sedar.com) and the Company's website at [www.latin-metals.com](http://www.latin-metals.com) and readers are urged to review these materials.

**EXPLORATION AND EVALUATION ASSETS**

The Company has exploration properties in Argentina and Peru, which are described in more detail below.

***Mina Angela Property NSR Royalty, Argentina***

The Mina Angela property is in Chubut province in southern Argentina. The property was explored by several companies between 1951 and 1978 and production commenced in 1978. The underground mine was operated by Cerro Castillo SA until 1992 producing more than 150,000 ounces of gold. The mineralized system remains open at depth. Government records from 1983 until the mine closed in 1992 show mining production was 1.04 million tonnes for this period with average grades of: 4.0 g/t gold; 48.4 g/t silver; 2.0% lead; 0.4% copper; 4.6% zinc. In April 2004, the Company entered into an acquisition agreement, pursuant to which and in consideration of aggregate cash payments to the vendor of US\$ 400,000, the Company acquired a 100% interest in 44 mineral concessions, known as Mina Angela, in Chubut Province, Argentina, subject to a 1% net smelter return royalty ("NSR Royalty") to the vendor.

***Option agreement with Patagonia Gold Corp.***

On August 2, 2019, the Company signed an offer letter with Patagonia Gold Corp. ("Patagonia") to option out the Mina Angela Property. On September 12, 2020, the Company signed a definitive option agreement with Patagonia under the terms of which Patagonia was granted an irrevocable option to acquire a 100% interest in the Mina Angela property.

On March 12, 2021, the Company received an option exercise notice from Patagonia and on April 7, 2021, the Company received US\$ 250,000 from Patagonia on closing of the Mina Angela property transfer to Patagonia. As of the date of this MD&A, the Company received in aggregate US\$ 590,000 from Patagonia, pursuant to the option agreement for Mina Angela. A final payment of US\$ 500,000 is due to be paid within thirty days of verification that the legal restrictions preventing development of mining activity in the Chubut Province and at the Mina Angela property have been lifted.

Latin Metals is entitled to receive a 1.25% NSR Royalty on any future production from the property, half of which royalty can be repurchased by Patagonia from Latin Metals at any time for cash consideration of US\$ 1,000,000.

***Esperanza Property, Argentina***

The Esperanza copper-gold porphyry is in San Juan Province in northwestern Argentina. It is approximately 135 km north of the city of San Juan and consists of 32 Minas and 10 demacias totaling 516 hectares. Elevations at the project range from 2,800 m to 3,250 m above sea level. The property is accessible by road and exploration can generally be conducted year-round.

The Esperanza copper-gold mineralization is associated with a porphyry-epithermal system with extensive multiphase quartz-stockwork development. Porphyry style alteration is within probable late Miocene intermediate to felsic stocks and dykes of the Esperanza intrusive complex. Alteration consists of a central potassium silicate alteration zone characterized by pervasive groundmass replacement with local secondary biotite. Additionally, the pervasive secondary biotite is extensively developed within the alteration halo.

Historical exploration work on the property identified that porphyry style copper mineralization is best developed around two intrusive stocks: The Canyon stock and the Oro Rico stock. Both stocks have mineralization at surface consisting of chalcopyrite, accompanied by disseminated magnetite, minor pyrite, and local sparse bornite and molybdenum. Additionally, a large 1,400 m by 850 m elongate >3% pyrite halo overlies the prospect suggesting significant porphyry mineralization may remain untested under cover.

A total of 23 drill holes have been completed on the project between 2007 and 2018 for a total of 7,600 m. The first drill campaign was completed by the Company in 2007 and consisted of 11 drill holes (two abandoned) for 2,552 m. This program focused exclusively on defining and exploring the copper-gold-porphyry system at Esperanza. The second drill campaign was conducted by Kestrel Gold in 2011 and consisted of 9 drill holes for 4,088 m and was focused exclusively on exploration within the peripheral epithermal gold system.

Finally, the Company completed 965 m of drilling in 2018, again focusing on the copper-gold-porphyry system. Drill hole 18-ESP-025 collared in mineralization and continued to drill mineralized rock to end of hole (387m; hole abandoned due to drilling difficulties). Laboratory results for the drill hole grade 0.57% copper and 0.27g/t gold; 0.75% copper equivalent<sup>(1),(2)</sup>. This includes 232 m from surface grading 0.74% copper and 0.33g/t gold; 0.96% copper equivalent<sup>(1),(2)</sup>. Mineralization remains open at depth.

Drill hole 18-ESP-027 collared in mineralization and continued to drill mineralized rock to end of hole. Highlights include 450m grading 0.29% copper equivalent<sup>1</sup>, including 100 m (10 m to 110 m) grading 0.40% copper equivalent<sup>(1)</sup>. Mineralization remains open at depth.

The 2018 Esperanza drill program returned two drill holes with continuous mineralization from surface to end of hole; 387 m in 18-ESP-025 and 451.5 m in 18-ESP-027, with both holes open at depth. Notably, 18-ESP-025 was ranked third best copper drill intersection globally when compared to all other results from Q1 2018.

Drillhole	Azimuth	Dip	From (m)	To (m)	Interval (m) <sup>(1)</sup>	Copper (%)	Gold (g/t)
18-ESP-025	280	-67	0	387	387	0.57	0.27
	including		0	368	<b>368</b>	0.59	0.28
	including		0	232	<b>232</b>	0.74	0.33

Drillhole	Azimuth	Dip	From (m)	To (m)	Interval (m) <sup>(1)</sup>	Copper (%)	Gold (g/t)
18-ESP-027	285	-65	0	451.5	451.5	0.21	0.12
	including		10	110	<b>100</b>	0.29	0.16
	including		86	110	<b>24</b>	0.43	0.12

Notes<sup>(1)</sup> True width is not known.

All drill holes targeting porphyry-style mineralization intersected copper-gold mineralization and many of the holes were terminated in mineralization. Furthermore, several drill holes demonstrate increasing grade with depth. Porphyry style mineralization is open in all directions, in particular to the west and north where porphyry style alteration is mapped at surface and untested by drilling. With mineralized drill holes open laterally and at depth, there is considerable work to be done to complete drill testing of existing priority drill targets.

#### Option agreement with underlying vendors

On March 1, 2017, the Company received TSX-V approval on the Esperanza option agreement to acquire a 100% interest in the Esperanza copper-gold porphyry deposit. On July 9, 2018 and amended in June 2019, the Company entered into a Definitive property option agreement in respect to Esperanza.

Under the option the Company has the right to earn a 100 % interest in the project through the payment of US \$2,306,000 (US\$ 623,000 has been paid to date) and the issuance of common shares of the Company valued at US\$ 500,000 (at the time of issuance) to the vendor.

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**MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the six months ended April 30, 2022 and up to June 27, 2022**

On May 13, 2021, the Company executed an amended option agreement with the underlying vendors, which amended the amount and schedule of remaining cash payments and share issuances. In particular, all cash and share payments after June 2021 will be conditional on the granting of a drill permit by the authorities of the Government of the Province of San Juan. The revised payment terms are outlined below:

Date	Payments in cash (US \$)	Payments in shares (US \$)
Payments made as of April 30, 2022	623,000	
30 days after the date of the grant of the Drilling Permit <sup>(1)</sup> (the "Permit grant date")	200,000	-
6 months after the Permit grant date	250,000	-
12 months after the Permit grant date	350,000	-
18 months after the Permit grant date	433,000	250,000
24 months after the Permit grant date	450,000	250,000
<b>Total</b>	<b>US \$2,306,000</b>	<b>US \$500,000</b>

<sup>(1)</sup> "Drilling Permit" means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the Esperanza property

Upon completion of the option payments and share issuances the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the project, subject to a 2% NSR Royalty to be granted to the vendor. The Company will have a right to buy back 0.5 % of the NSR Royalty for US\$ 1,000,000, at which time the NSR Royalty payable to the vendor shall be 1.5%.

A finder's fee in the amount of US\$ 172,800, payable in shares, is payable by the Company in respect to the acquisition of the project. As at the date of this MD&A 893,091 common shares have been issued for finders' fees due of US\$ 101,980. The final payment in shares of the finder's fee increment of US\$ 70,820 is due on December 15, 2022.

*Earn-in agreement with Libero Copper and Gold*

On January 20, 2021, the Company signed a letter agreement with Libero Copper and Gold ("Libero"), pursuant to which Libero has been granted an option to acquire a 70% interest in the Esperanza copper-gold project. In order to exercise the option, Libero is required to make cash payments in the aggregate of US\$ 2,403,000 and incur exploration expenditures on Esperanza project of US\$ 2,000,000.

In connection with the agreement, the Company issued 555,000 common shares at \$0.13 as finder's fees, upon receiving TSX-V approval.

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**For the six months ended April 30, 2022 and up to June 27, 2022**

On May 26, 2021, the Company signed an amending letter agreement with Libero, amending the schedule of assumed payments in line with the amended option agreement entered into with the underlying owners and amending the timing of exploration expenditure commitments accordingly. The amended agreement terms are outlined below:

Date	Assumed payments due under underlying option agreement <sup>(1)</sup> (US \$)	Cash payments to Latin Metals (US \$)	Exploration expenditures (US \$)
June 14, 2021	220,000 <sup>(2)</sup> (received)	-	-
December 15, 2021	-	250,000(received)	-
30 days after the date of the grant of the Drilling Permit <sup>(3)</sup> (the " <b>Permit Grant Date</b> ")	200,000	-	-
6 months after the Permit Grant Date	250,000	-	-
12 months after the Permit Grant Date	350,000	250,000	1,000,000
18 months after the Permit Grant Date	433,000	-	-
24 months after the Permit Grant Date	450,000	-	1,000,000
<b>Total</b>	<b>US \$ 1,903,000</b>	<b>US \$ 500,000</b>	<b>US \$ 2,000,000</b>

<sup>(1)</sup> The assumed payments due under the underlying option agreement shall be made by Libero to Latin Metals at least 10 business days prior to the date for the payment of same set out above, which payments shall then be forwarded by Latin Metals to the underlying vendors.

<sup>(2)</sup> Under the terms of the underlying option agreement, this payment was made by Latin Metals in Argentinean Pesos, in which case the amount of the payment payable by Libero in US \$ was adjusted accordingly.

<sup>(3)</sup> The "Drilling Permit" means, collectively, the authorizations from the authorities of the government of the Province of San Juan necessary to allow the start of drilling on the concessions.

Upon the exercise of the option, Libero and the Company will be deemed to have formed a joint venture for the continued exploration and development of the Project, in respect of which the initial participating interests of the parties shall be Libero as to 70%, and Latin Metals as to 30%.

During the term of the agreement before the exercise of the Option, if either Libero or Latin Metals acquires an interest in a property located within or partially within the Esperanza property or a 10 km area of interest extending from the outermost exterior boundaries of the project, the non-acquiring party may elect that such additional property be included in the project, in which case the non-acquiring party would be required to reimburse the acquiring party for 70% (Libero) or 30% (the Company) of the acquisition costs of such additional property, as applicable.

On February 1, 2022, the Company received from Libero a Notice of the exploration with an option agreement between Libero and a third party in respect of Huachi property located in the Province of San Juan, Argentina and contiguous with Esperanza property. Pursuant to the option agreement for the Huachi property, Libero has been granted the irrevocable right and option to acquire a 75% in the project by incurring work expenditures in an aggregate amount of US \$1,000,000 staggered over four years as follows:

- (1) US \$100,000 within one year of the date of the approval of the environmental permit and is in force to allow all reasonable exploration activities on the property, including drilling ("Commencement date")
- (2) US \$150,000 within two years of the Commencement date
- (3) US \$250,000 within three years of the Commencement date
- (4) US \$500,000 within four years of the Commencement date

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**For the six months ended April 30, 2022 and up to June 27, 2022**

On February 13, 2022, the Company provided Libero with a Notice of Election whereby the Huachi property and any right and interest acquired by Libero in respect to the Huachi property be included and form part of the Esperanza project for all purposes and be subject to the terms and conditions of the option agreement between the Company and Libero. Latin Metals will reimburse Libero for 30% of its total cost of the acquisition of the Huachi property, when same has been incurred by Libero.

***Tres Cerros Properties, Argentina***

Tres Cerros properties are located within the highly prospective Deseado Massif in Santa Cruz Province, Argentina.

***Option agreement with underlying property owners***

On February 7, 2019, the Company entered into three definitive option agreements, as amended, pursuant to which the Company was granted options to acquire a 100 % interest, subject to certain royalty conditions, in eight properties as follows:

- 1) Property group 1: the Cerro Bayo, Cerro Bayo Sur and Flora Este properties;
- 2) Property group 2: the Aylen, Aylen Oeste and Pedro properties; and
- 3) Property group 3: the Fiorentina & Fiorentina Norte properties.

The Company can earn an initial 80% interest (the “First Option”), followed by the remaining 20% interest (the “Second Option”), by making staged cash and common shares payments.

On March 23, 2022, the Company terminated its options regarding Property group 2 and Property group 3. In connection with the termination of these two property groups option agreements, the Company recorded an impairment loss of \$315,804. These subsequent changes in the carrying value of the Company’s exploration and evaluation assets are not reflected in the condensed consolidated interim financial statements as of January 31, 2022.

Details on the consideration the Company is required to pay and issue shares in respect to the Cerro Bayo, Cerro Bayo Sur and Flora Este properties (Property group 1) is as follows:

***Cerro Bayo, Cerro Bayo Sur & Flora Este Properties***

<b>Date</b>	<b>Payments in cash (US \$)</b>	<b>Shares</b>	<b>Payments in shares or cash (US \$)</b>	<b>Cumulative earned interest</b>
5 days from conditional TSX-V acceptance	12,500 (paid)	-		-
May 1, 2020	7,500 (paid)	175,000 (issued)		
November 1, 2020	8,750 (paid)	175,000 (issued)		
April 30, 2021	8,750 (paid)	-		-
May 1, 2021	50,000 (paid)	450,000 (issued)		-
May 1, 2022 <sup>(1)</sup>	75,000 (paid)		77,334 (paid)	35%
May 1, 2023	100,000		133,577	51%
May 1, 2024	200,000		182,789	71%
May 1, 2025	500,000		253,093	80%
<b>Total</b>	<b>US \$962,500</b>	<b>800,000</b>	<b>US \$646,793</b>	<b>80%</b>

<sup>(1)</sup> Total of US\$ 152,334 was paid directly to the underlying owner of the properties by Barrick Gold Corporation pursuant to an earn-in agreement with the Company (see disclosure below - section “Barrick Earn-in agreement”).

As part of the earn-in commitment, Latin Metals is required to deliver a technical report in accordance with NI 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), with the subject property being the more advanced of the properties.

For a period of 120 days after the exercise of the First Option for each property group, the Company will have the Second Option to acquire the remaining 20% (aggregate 100%) interest, by making a payment of US \$400,000 cash and a payment of US \$400,000 payable in common shares of the Company, or in cash (at the Company's option) to the underlying owners.

Acquisition of 100% is subject to a 0.75% NSR royalty, of which two-thirds of the royalty (0.5%) can be purchased at any time for US\$ 1,000,000.

If the Company elects not to exercise the Latin Metals Second Option, the parties will be deemed to have entered a joint venture, with the initial participating interests of Latin Metals being 80% and the vendors being 20%. If either party's participating interest falls below 10% then that party's interest will be converted to a 1% NSR Royalty, one half of which (0.5%) can be purchased by the other party for US \$1,000,000.

#### Barrick Earn-in agreement

On February 5, 2022, Latin Metals and Barrick entered into an earn-in agreement whereby Barrick has the right to acquire up to an 85% interest in the Cerro Bayo, Cerro Bayo Sur and Flora Este properties. Barrick's earn-in right consists of an initial option (the "Barrick First Option") to acquire a 70% interest in the properties and a second option (the "Barrick Second Option") to acquire an additional 15% (aggregate 85%) interest.

The properties are currently subject to an underlying option agreement dated February 7, 2019 (as amended) (the "Underlying Option Agreement"), pursuant to which Latin Metals has the right to acquire an ultimate 100% interest in the properties.

On February 25, 2022, the parties entered into an agreement with the underlying property owner to, amongst other things, acknowledge Barrick's rights under the earn-in agreement and authorize Barrick to conduct operation on the properties.

To exercise the Barrick First Option and earn a 70% interest, Barrick is required to:

- (1) Make cash payments totaling US\$ 2,321,793 to the underlying owner of the Properties pursuant to the Underlying Option Agreement;
- (2) Make cash payments to Latin Metals totaling US\$ 750,000;
- (3) Incur exploration expenditures with respect to the Properties totaling US\$ 5,000,000, of which US\$ 1,000,000 is a binding commitment; and
- (4) Prepare and deliver to Latin Metals a Preliminary Economic Assessment prepared in accordance with NI 43-101.

To exercise the Barrick Second Option and earn an additional 15% interest, Barrick is required to:

- (1) Make additional cash payments to Latin Metals totaling US\$ 425,000 (aggregate US\$ 1,175,000); and
- (2) Sole fund all costs and deliver to Latin Metals a Prefeasibility Study prepared in accordance with NI 43-101.

Barrick may at any time during the term of the earn-in agreement accelerate the timing for payment of any or all cash payments to Latin Metals and the underlying owner of the Properties, delivery of technical studies, and incurring exploration expenditures.

(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the six months ended April 30, 2022 and up to June 27, 2022**

Details on cash payments to Latin Metals and work commitments requirements are as follows:

Option	Date <sup>(1)</sup>	Cash Payments to Latin Metals (US \$)	Expenditure Commitments (US \$)	Technical Report Requirement
<b>Barrick First Option</b>	Effective Date; February 25, 2022	150,000 (paid)	-	-
	February 25, 2023	50,000	-	-
	February 25, 2024	50,000	1,000,000 <sup>(2)</sup>	-
	February 25, 2025	50,000	-	-
	February 25, 2026	75,000	-	-
	February 25, 2027	100,000	2,000,000	-
	February 25, 2028	125,000	-	-
	February 25, 2029	150,000	2,000,000	Preliminary Economic Assessment
		750,000	5,000,000	
<b>Barrick Second Option</b>	February 25, 2030	175,000	-	-
	February 25, 2031	250,000	-	Prefeasibility Study
	<b>Total</b>	<b>US \$1,175,000</b>	<b>US \$5,000,000</b>	

<sup>(1)</sup> Subject to Barrick's right to accelerate and customary force majeure provisions.

<sup>(2)</sup> US \$1,000,000 is binding commitment (work or cash in lieu).

**Payments to Underlying Owners**

Date <sup>(1)</sup>	Payment (US \$) <sup>(2)</sup>
By April 20, 2022 <sup>(3)</sup>	152,334
By April 20, 2023	233,577
By April 20, 2024	382,789
By April 20, 2025 <sup>(4)</sup>	753,093
Upon the exercise of Latin Metals' option under the Underlying Option Agreement <sup>(5)</sup>	800,000
	<b>Total US \$2,321,793</b>

<sup>(1)</sup> Subject to Barrick's right to accelerate and customary force majeure provisions.

<sup>(2)</sup> Under the terms of the Underlying Option Agreement, payments may be made in cash and/or shares of Latin Metals, at the discretion of Latin Metals. If Latin Metals elects to satisfy a portion of these payments by the issuance of shares to the underlying owner, then the cash value of such issued shares will be paid by Barrick to Latin Metals and the amount to be paid to the underlying owner will be reduced by a corresponding amount.

<sup>(3)</sup> US\$ 152,334 was paid directly to the underlying owner of the properties by Barrick

<sup>(4)</sup> The payment on this date, together with the delivery of an NI 43-101 technical report on the Properties addressed to the underlying owners, will complete the exercise of the First option under the Underlying Option Agreement, wherein Latin Metals will have earned an 80% interest in the properties.

<sup>(5)</sup> The payment on this date will complete the exercise of the Second option under the Underlying Option Agreement, wherein Latin Metals will have earned a 100% interest in the properties.

Upon the exercise of the Barrick First Option, the Company and Barrick will form a joint venture for the continued exploration, development and, if warranted, mining. The initial participating interests of the parties in the joint venture will be Barrick – 70% and the Company - 30%. If Barrick exercises the Barrick Second Option,



the interests of the participants will be Barrick – 85% and the Company - 15%. The party with the majority participating interest will be the operator. Funding of the joint venture's operations will be based on each party's proportionate participating interest, from time to time. Dilution of a party's participating interest will apply in the case of funding shortfalls by either party. If a party's participating interest in the joint venture falls to below 5%, it will be converted into a 1.5% NSR Royalty. The transfer of the NSR Royalty shall be subject to a right of first refusal in favour of the non-diluting party.

***Organullo, Ana Maria, and Trigal Properties, Argentina***

Pursuant to an agreement dated October 1, 2004 between the Company and an Argentinean individual, the Company purchased a 100% interest in eight minas in Salta Province, Argentina, know as Orangullo property, in consideration of the issuance of 70,000 common shares. The Organullo property is in good standing. The Ana Maria property was acquired through staking and comprises three separate exploration claims, totaling almost 10,000 hectares and located near and partly contiguous with the Company's Organullo gold project. The Trigal property is a grassroots gold and silver exploration project, which is contiguous with the El Quevar property- an advanced PEA-stage silver exploration project owned by Golden Minerals Company and currently held under option by Barrick Gold Corporation.

Orangullo property has an exploration history of almost a century. It was initially explored and mined on a small scale at the Julio Verne Mine in the 1930's, producing copper, bismuth and gold. Mining activity involved excavation of more than 450 m of workings on 3 levels. Few details of production are available, but concentrates were reported to average 12.5% bismuth and 8.2% copper with gold ranging between 10-20 g/t and sampling on several subsequent exploration programs confirmed the high gold grades found underground. Previous explorers include Fabricaciones Militares (in Partnership with the United Nations), Triton Mining Corporation, Northern Orion Exploration, Newmont Overseas Exploration (Chile), Newmont Peru, Cardero Resources Corp., Latin Metals and most recently Yamana Gold Inc. (2018 to 2020).

Organullo is a large property with widespread and intense alteration indicative of a productive high sulphidation epithermal gold deposit. This property lies along a regional northerly-trending fault linear that controls the localization of mineralization and volcanoes in the region. The Julio Verne Mine is characterized by structure-controlled copper-bismuth mineralization. Associated argillic to advanced argillic alteration extends from the mine eastwards to the Organullo Ridge. Mineralization on the ridge is associated with faulting, quartz veins and silicified rock. The geological relationships suggest that this is near the top of the system with large volumes of underlying rock yet to be explored.

The system appears to be large with more than 7 kilometers exposed in a north-south direction. Width is unknown and while some previous workers assumed a long, narrow system, it could extend to the east and west where recent cover hides all the potential. Historical drilling results support the interpretation of a potential bulk-mineable epithermal gold deposit.

Despite a long history of exploration, the extent of gold-mineralization at Organullo is not known. Generally insufficient drill testing, low drill recoveries and poorly defined alteration geometries leave significant questions as to the nature, distribution and volume of gold bearing rocks on the property. Much of the property outside the central zone near Julio Verne Mine is underexplored. Further work on outlining property-scale alteration and background geochemistry will assist in determining whether the currently outlined mineralization is the main potential resource on the property or may be peripheral to a larger porphyry style system.

To the best of the Company's knowledge, the Ana Maria project has not been subject to prior exploration, at least not in recent times. The area is prospective for epithermal gold deposits and associated mineralization. The Company possesses considerable amounts of regional exploration data that will aid initial exploration and targeting. No exploration has been initiated to date.

The Trigal was first identified as having potential following a BLEG sampling program undertaken in 2017 by the Company in an alliance with Newmont Corporation. The BLEG survey was completed over prospective portions of Salta Province and produced some of the most anomalous samples within the survey area.

*Binding Option Agreement with AngloGold*

On May 27, 2022, the Company entered into a binding option agreement (the "Option Agreement") with AngloGold Argentina Exploraciones S.A. ("AngloGold"), a wholly owned subsidiary of AngloGold Ashanti Ltd. (NYSE: AU, JSE: ANG, ASX: AGG). Subsequently, AngloGold provided notice that all conditions precedent have been satisfied, and as a result the Option Agreement's commencement date (the "Commencement Date") has been established as June 2, 2022. Under the terms of the Option Agreement, Latin Metals granted to AngloGold the option to earn up to an 80% interest in the Company's Organullo, Ana Maria, and Trigal Gold projects (the "Salta Projects") located in Salta Province, northwestern Argentina.

Under the terms of the Option Agreement, AngloGold has been granted the option to earn an initial 75% interest in the Salta Projects (the "Option") by making cash payments to Latin Metals in the aggregate amount of USD \$2,575,000 and spending an aggregate amount of USD \$10,000,000 on exploration expenditures related to the Projects within five years of the Commencement Date (the "Option Period").

Date	Payments in cash (US\$)	Expenditures commitments (US\$)
On or before June 17, 2022	275,000 (received)	-
On or before June 2, 2023	100,000	-
On or before June 2, 2024	150,000	2,000,000
On or before June 2, 2025	200,000	-
On or before June 2, 2026	850,000	4,000,000
On or before June 2, 2027	1,000,000	4,000,000
<b>Total</b>	<b>US\$ 2,575,000</b>	<b>US\$ 10,000,000</b>

Upon the fulfilment of the payment obligations and exploration expenditures set forth above, and the delivery by AngloGold to Latin Metals of a notice of exercise of the Option (the "Option Exercise Date") and subject to the exercise of Top-Up Right (as defined below), AngloGold and Latin Metals will be deemed to have formed a joint venture (the "Joint Venture") for the continued exploration, development and, if warranted, commercialization of the Projects, in respect of which the initial participating interests of the parties will be, AngloGold as to 75% and Latin Metals as to 25%.

Upon the exercise of the Option, AngloGold may give notice to Latin Metals of its intention to increase its interest in the Salta Projects to 80% (the "Top-Up Right"). The Top-Up Right may be exercised within 150 days of the Option Exercise Date by AngloGold:

- preparing and delivering to Latin Metals an independent Measured and Indicated Mineral Resource estimate prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") on one or more deposits contained within the Projects; and
- paying to Latin Metals an amount of USD \$4.65 per gold equivalent ounce contained within the Measured and Indicated Mineral Resource estimate.

Upon the exercise of the Top-Up Right, the parties' interests in the Joint Venture will be adjusted such that the participating interests of the parties will be AngloGold as to 80% and Latin Metals as to 20%.

If and when the parties form the Joint Venture, the provisions of the agreement governing the Joint Venture will be negotiated and settled by the parties and will provide, among other things, that if the participating interest of either party falls below 10%, the interest of such party shall be converted to a 2% net smelter returns royalty, half of which (being 1%) can be purchased by the other party for USD \$5,000,000 at any time until the date that is three (3) months after a production decision concerning one or more of the Salta Projects has been made.

### ***El Quemado Property, Argentina***

The project area is in Salta Province, approximately 80 km west of the city of Salta and consists of 7,959 hectares in 19 claims. The El Quemado pegmatite is part of the El Quemado pegmatite field, at the northern end of the Pampean pegmatite province. Several known pegmatite occurrences are located within the property, some of which have seen historical exploitation for niobium, tantalum, and bismuth. The project includes the historic El Quemado small-scale mine, a former Tantalum-producing operation where Minera Anzotana Co. produced Niobium-Tantalum concentrates and Bismuth concentrates.

Results of work completed by Latin Metals has been positive, solidifying the Santa Elena target as the top priority going forward. Santa Elena returned multiple anomalous channel samples demonstrating that the lithium mineralization is extensive in the outcropping pegmatite dikes. In addition, the orientation soil sampling results are interpreted by the Company as demonstrating that lithium bearing pegmatites likely continue under soil cover to the north and the south of Santa Elena.

The Company entered into an option agreement with an arm's length individual in June 2016 to acquire 100% interest in El Quemado property. In September 2018, the Company exercised the option following the issuance of 357,500 shares. The Company has now earned a 100% interest, subject to a 2% NSR Royalty. Latin Metals will have a right to buy one half of the NSR for US \$750,000. If Latin Metals abandons the property, the property shall revert to the vendor, subject to a 1% NSR Royalty to be granted to Latin Metals.

The Company is actively seeking to either joint venture or monetize the El Quemado Project.

### ***Lacsha Property, Peru***

The Company acquired the Lacsha copper property, located in the Peruvian Coastal Copper Belt. Recent discoveries in the Cretaceous age Coastal Copper Belt include copper porphyry, VMS, IOCG and intrusion-related gold deposits. The Project is located approximately 110 km by road from Lima, 40 km from the coast, and is accessible year-round by paved road. The 4,000-hectare Lacsha project was selected for staking based on the results of historical multi-element geochemistry and anomalies that extend over an area measuring 5.0 km x 2.5 km. The claims lie immediately south and contiguous with a large block hosting Newmont Corporation's Sumacwayra copper-molybdenum discovery.

Throughout the year, the Company completed surface geochemical sampling through stream sediment sampling, talus fine sampling, continuous rock chip sampling and a ground magnetic survey of the property. Of particular note, continuous rock chip sampling has identified large areas of continuous copper mineralization in multiple target area:

Target Area	Composite Grade Highlights (0.20% copper or greater)	Grade Range (%)
Lacsha North	72 m @ 0.20% copper, 62 ppm moly; Incl. 46 m @ 0.25% copper, 81 ppm moly	0.07%-0.68%
Lacsha South	30 m @ 0.22% copper, 76 ppm moly; Incl. 26 m @ 0.20% copper, 119 ppm moly	0.04% - 4.10%
Lacsha South-West	136 m @ 0.24% copper, 179 ppm moly; Incl. 52 m @ 0.38% copper, 237 ppm moly	0.05%-4.52%

In early 2022, an extensive induced polarization (“IP”) survey was completed. In general, results from exploration have been positive, highlighting several priority drill target areas:

Surface lithology, structure and geochemistry together with new geophysical data at Lacsha are consistent with porphyry-related sulphide mineralization and strengthen a series of compelling drill targets. The ground magnetic survey identified several zones with highly magnetic response, which are interpreted to be associated with magnetite mineralization within a central porphyry potassic alteration. The IP survey defined extensive areas of high chargeability (>20 mv/v), which is a signature often associated with sulphide mineralization. The cores of these anomalies reach 25 mv/v at depths of approximately 100m from surface and potentially reflect copper sulphide mineralization. Areas of high resistivity (>2,000 ohm\*m) are consistent with silicification (overlying a vertically zoned porphyry system).

Integration of surface geochemistry with geophysics further supports drill targets. Copper (>300ppm, up to 1590ppm) and molybdenum (>10ppm, up to 85ppm) anomalies (talus samples) are centered over the interpreted porphyry system where a copper rich core may be present. Zinc and lead depleted above the target (proximally), with anomalous values distally which is considered a typical geochemical zonation for upright, intact porphyry copper systems. The geochemistry dovetails with the surface geophysics where copper and molybdenum geochemical anomalies are coincident with magnetic (high) and IP chargeability (high) features increasing confidence in the drill targets.

Three-year community agreements were signed in late 2021, paving the way for drill permitting to be started. Field work associated with applications for drill permits is ongoing.

### ***Auquis Property, Peru***

The Company acquired the Auquis copper property, located in the Peruvian Coastal Copper Belt, by staking and recently expanded the project to 3,600 hectares. The Project is located approximately 377 km south by road from Lima, 95 km from the coast, and is accessible year-round by paved road.

The Auquis project is a copper-molybdenum porphyry exploration project that has multiple untested geochemical stream sediment anomalies, including a single target area measuring 3.5 km by 2.0 km where all stream sediment samples grade >300 ppm copper. A total of 42 historical stream sediment samples contain multi-element anomalies across multiple drainages, with copper assay results ranging from 48.7 ppm to 607 ppm. A clearly defined metal zonation is evident in the stream sediment data across the survey area, with a central core of copper-molybdenum anomalies and distal silver and zinc-lead anomalies to the northeast.

Follow-up soil sampling results define high-grade anomalous copper over a 3km x 2km area. A total of 253 soil samples were collected on a 400m x 200m grid. Results were positive, defining a coincident copper and



molybdenum anomaly over an area of 3km x 2km. Within this area, copper-in-soil values are greater than 500 ppm (0.05%) and up to 2,300 ppm (0.23%) copper.

Community agreements were signed in late 2021, allowing surface exploration to be initiated in early 2022.

### ***Jacha Property, Peru***

The Company acquired the Jacha copper property by staking. The 100% owned property consists of 2,200 hectares and is located in the Southern Peru Copper Belt, 150 km from Cuzco, and is accessible year-round by paved and unpaved road.

The Southern Peru Copper Belt is an Eocene-Oligocene-aged belt hosting numerous productive copper-gold porphyry and skarn systems, including Las Bambas, Tintaya, Constancia, Haquira and Antapaccay. The Jacha exploration property is located centrally within the belt.

The Jacha project has potential for porphyry and skarn copper mineralization. Historical geochemistry consists of more than 1,000 soil samples, which define copper anomalies over two areas of approximately 3.0 km by 1.5 km and 2 km by 0.5 km. Soil values within the anomalous area range from 2 ppm to 446 ppm copper and up to 46 ppm molybdenum. The geochemical anomaly is open to the north and south.

Subject to completion of an agreement with local communities, exploration plans include additional soil sampling, lithological and structural geological mapping, and rock chip sampling. In line with best practice, the Company has held meetings with local communities to discuss planned exploration activities.

### ***Yanba Property, Peru***

The Company acquired the Yanba copper property by staking. The 100% owned property consists of 4,000 hectares and is located 91 km from North of Lima and 20 km north-west from Lacsha property.

### ***Lolli, Tilo, Para Property group, Peru***

The Company acquired the three copper exploration projects by staking. The 100% owned projects cover 5,000 hectares and are located in the Coastal Copper Belt, Peru. The projects are located approximately 130 km southwest of the Company's Lacsha copper project.

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

Keith Henderson, PGeo., is the Company's qualified person as defined by NI 43-101, has reviewed the scientific and technical information that forms the basis for the mineral property disclosure in this MD&A and has approved the disclosure herein. Mr. Henderson is not independent of the Company, as he is an employee and a shareholder.

*Exploration and evaluation assets continuity*

	ARGENTINA	PERU	TOTAL
<b>Balance, October 31, 2020</b>	<b>\$ 3,823,493</b>	<b>\$ 85,667</b>	<b>\$ 3,909,160</b>
<i>Acquisition costs</i>			
Shares issued, fair value	174,000	-	174,000
Shares issued for finder's fees, fair value	93,893	-	93,893
Option payments	516,400	35,889	552,289
Option proceeds	(511,302)	-	(511,302)
Claim maintenance and legal fees	141,945	43,456	185,401
Total acquisition costs (recoveries) for the year	414,936	79,345	494,281
<i>Exploration costs</i>			
Community relations	-	1,122	1,122
Field expenses	-	71,438	71,438
Geological consulting	22,673	147,663	170,336
Geochemical	4,345	22,731	27,076
Share-based compensation	-	35,254	35,254
Total exploration costs for the year	27,018	278,208	305,226
Recovery	271,086	-	271,086
<b>Balance, October 31, 2021</b>	<b>\$ 4,536,533</b>	<b>\$ 443,220</b>	<b>\$ 4,979,753</b>
<i>Acquisition costs</i>			
Shares issued for finder's fees, fair value	52,738	-	52,738
Option payments	195,414	-	195,414
Option proceeds	(704,469)	-	(704,469)
Claim maintenance and legal fees	168,089	3,001	171,090
Total acquisition costs (recoveries) for the period	(288,228)	3,001	(285,227)
<i>Exploration costs</i>			
Community relations	-	5,115	5,115
Field expenses	-	84,167	84,167
Geological consulting	9,177	124,775	133,952
Geochemical	5,551	31,039	36,590
Geophysical	-	49,005	49,005
Total exploration costs for the period	14,728	294,101	308,829
Impairment	(315,804)	-	(315,804)
<b>Balance, April 30, 2022</b>	<b>\$ 3,947,229</b>	<b>\$ 740,322</b>	<b>\$ 4,687,551</b>

(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION & ANALYSIS**
**For the six months ended April 30, 2022 and up to June 27, 2022**

ARGENTINIAN EXPLORATION PROPERTIES	Organullo	Mina Angela	El Quemado	Esperanza	Tres Cerros	TOTAL Argentina
<b>Balance, October 31, 2020</b>	<b>\$ 16,188</b>	<b>\$ -</b>	<b>\$ 597,275</b>	<b>\$ 3,044,824</b>	<b>\$ 165,206</b>	<b>\$ 3,823,493</b>
<i>Acquisition costs</i>						
Shares issued, fair value	-	-	-	-	174,000	174,000
Shares issued for finder's fees, fair value	-	-	-	93,893	-	93,893
Option payments	-	-	-	294,697	221,703	516,400
Option proceeds	-	(315,425)	-	(195,877)	-	(511,302)
Claim maintenance and legal fees	17,086	44,339	3,648	52,878	23,994	141,945
	17,086	(271,086)	3,648	245,591	419,697	414,936
<i>Exploration costs</i>						
Geological consulting	-	-	-	4,580	18,093	22,673
Geochemical	3,035	-	-	1,310	-	4,345
	3,035	-	-	5,890	18,093	27,018
Recovery	-	271,086	-	-	-	271,086
<b>Balance, October 31, 2021</b>	<b>\$ 36,309</b>	<b>\$ -</b>	<b>\$ 600,923</b>	<b>\$ 3,296,305</b>	<b>\$ 602,996</b>	<b>\$ 4,536,533</b>
<i>Acquisition costs</i>						
Shares issued for finder's fees, fair value	-	-	-	52,738	-	52,738
Option payments	-	-	-	-	195,414	195,414
Option proceeds	-	-	-	(317,850)	(386,619)	(704,469)
Claim maintenance and legal fees	36,601	-	1,631	5,271	124,586	168,089
	36,601	-	1,631	(259,841)	(66,619)	(288,228)
<i>Exploration costs</i>						
Geological consulting	-	-	-	-	9,177	9,177
Geochemical	1,589	-	-	10	3,952	5,551
	1,589	-	-	10	13,129	14,728
Impairment	-	-	-	-	(315,804)	(315,804)
<b>Balance, April 30, 2022</b>	<b>\$ 74,499</b>	<b>\$ -</b>	<b>\$ 602,554</b>	<b>\$ 3,036,474</b>	<b>\$ 233,702</b>	<b>\$ 3,947,229</b>

PERUVIAN EXPLORATION PROPERTIES	Lacsha	Auquis	Jacha	Yanba	Lolli, Tilo, Para	Total Peru
<b>Balance, October 31, 2020</b>	<b>\$ 40,769</b>	<b>\$ 30,679</b>	<b>\$ 14,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,667</b>
<i>Acquisition costs</i>						
Cash payments	-	-	-	15,996	19,893	35,889
Claim maintenance and legal fees	17,514	15,182	10,760	-	-	43,456
	17,514	15,182	10,760	15,996	19,893	79,345
<i>Exploration costs</i>						
Community relations	1,122	-	-	-	-	1,122
Field expenses	47,298	7,884	16,256	-	-	71,438
Geological consulting	121,823	21,439	4,401	-	-	147,663
Geochemical	22,340	-	391	-	-	22,731
Share-based compensation	35,254	-	-	-	-	35,254
	227,837	29,323	21,048	-	-	278,208
<b>Balance, October 31, 2021</b>	<b>\$ 286,120</b>	<b>\$ 75,184</b>	<b>\$ 46,027</b>	<b>\$ 15,996</b>	<b>\$ 19,893</b>	<b>\$ 443,220</b>
<i>Acquisition costs</i>						
Claim maintenance and legal fees	2,260	741	-	-	-	3,001
	2,260	741	-	-	-	3,001
<i>Exploration costs</i>						
Community relations	5,115	-	-	-	-	5,115
Field expenses	64,200	17,247	2,088	598	34	84,167
Geological consulting	92,690	26,688	5,177	55	165	124,775
Geochemical	21,652	9,387	-	-	-	31,039
Geophysical	49,005	-	-	-	-	49,005
	232,662	53,322	7,265	653	199	294,101
<b>Balance, April 30, 2022</b>	<b>\$ 521,042</b>	<b>\$ 129,247</b>	<b>\$ 53,292</b>	<b>\$ 16,649</b>	<b>\$ 20,092</b>	<b>\$ 740,322</b>

**SELECTED ANNUAL INFORMATION**

The following table sets forth selected annual financial information for the fiscal years ended October 31, 2021, 2020 and 2019. The following selected financial information has been derived from the audited financial statements and accompanying notes, prepared in accordance with IFRS, unless otherwise noted, and should be read in conjunction with the Company's audited financial statements.

<b>Financial Year Ended</b>	<b>October 31, 2021</b>	<b>October 31, 2020</b>	<b>October 31, 2019</b>
Loss and comprehensive loss for the year	\$ (462,684)	\$ (640,540)	\$ (807,923)
Loss per share, basic and fully diluted	(0.01)	(0.01)	(0.03)
Recovery of exploration and evaluation assets	271,086	397,764	153,996
Exploration and evaluation assets	4,979,753	3,909,160	3,578,793
Total assets	5,918,539	4,988,805	5,112,001
Total non-current financial liabilities	-	-	162,506
Working capital (deficiency)	780,698	737,323	1,374,447
Net loss per share	(0.01)	(0.01)	(0.03)

Loss and comprehensive loss fluctuations over the three years were driven mainly by fluctuations in stock-based compensation of \$53,707 in 2021 (2020 - \$379,350, 2019 - \$Nil), foreign exchange gains of \$149,709 in 2021 (2020 - \$3,064, 2019 - \$54,460), and recovery of exploration and evaluation assets.

**SUMMARY OF QUARTERLY RESULTS**

The table below sets out the quarterly results for the past eight quarters:

<b>Quarter ended</b> <i>Amounts in</i> <i>000's</i>	<b>Apr 30, 2022</b>	<b>Jan 31, 2022</b>	<b>Oct 31, 2021</b>	<b>Jul 31, 2021</b>	<b>Apr 30, 2021</b>	<b>Jan 31, 2021</b>	<b>Oct 31, 2020</b>	<b>Jul 31, 2020</b>
Income (loss) and comprehensive income (loss)	\$(514)	\$(179)	\$(328)	\$(43)	\$103	\$(195)	\$72	\$(165)
Earnings (loss) per share – basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)	0.00	(0.00)	0.00	(0.01)
Exploration and evaluation assets	4,688	4,993	4,980	4,720	4,203	3,994	3,909	3,797
Total assets	5,266	5,936	5,918	4,942	4,851	4,638	4,989	4,791
Working capital	433	641	781	0	549	483	737	861

During the quarter ended October 31, 2020, the Company recorded a recovery of exploration and evaluation assets of \$257,124 (Mina Angela property).

During the quarter ended April 30, 2021, the Company recorded a recovery of exploration and evaluation assets of \$315,425 (Mina Angela property).

During the quarter ended July 31, 2021, the Company recorded a foreign exchange gain of \$149,429, which was predominantly attributable to the Company's operations in Argentina.

During the quarter ended October 31, 2021, the Company recorded a share-based compensation expense of \$38,740. In addition, property investigation costs, investor relations and promotion, and consulting fees were higher compared to the previous quarters, due to increased Company's activities in these aspects of the operations. In addition, property investigation costs, investor relations and promotion, and consulting fees were

higher compared to the previous quarters, due to increased Company's activities in these aspects of the operations.

During the quarter ended April 30, 2022, the Company recorded an impairment charge of \$315,804 upon termination of the option agreements for two groups of properties, as disclosed under the section *Tres Cerros Properties, Argentina* above.

The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy. There are no general trends regarding the Company's quarterly results, and the Company's business of mineral exploration is not seasonal, except to the extent that exploration works on certain properties may be restricted to certain portions of the year if prevailing weather conditions make such work prohibitively expensive or practically impossible to complete at other times. Quarterly results can vary significantly depending on whether the Company has granted any stock options, paid any employee bonuses and these are factors that account for material variations in the Company's quarterly net losses, none of which are predictable. General operating costs other than the specific items noted above tend to be quite similar from period to period. The variation in income is related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions and is therefore difficult to predict.

## **FINANCIAL RESULTS FROM OPERATIONS**

As with most junior mineral exploration companies, financial results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the mineral properties in which the Company has, or may earn, an interest, its working capital and how many shares it has outstanding. Quarterly results can vary significantly depending on whether the Company has abandoned any properties, received option payments for a property in excess of the costs incurred, or granted any stock options.

### ***Three months ended April 30, 2022 ("Q2 2022") compared to the three months ended April 30, 2021 ("Q2 2021")***

During Q2 2022 the Company incurred a net loss of \$513,824 or loss per share of \$0.01 compared to a net profit of \$103,510 or profit per share of \$0.00 for Q2 2021. The increase in net loss in Q1 2022 of \$617,334 was driven mainly by 1) an impairment loss of \$315,804 in Q2 2022 recorded in connection with the termination of the option agreements for two groups within Tres Cerro properties group and 2) recoveries of exploration and evaluation assets of \$315,425 was recorded in Q2 2021 vs \$nil in Q2 2022.

The following discussion explains the significant variations in components of the Company's results for Q2 2022 and Q2 2021:

- Consulting fees increased to \$60,388 in Q2 2022 compared to \$50,282 in Q1 2021, driven by an increase in the need of consulting services for the Company's operations in Argentina.
- Investor relations and promotions increased to \$54,718 in Q2 2022 from \$14,513 in Q2 2021, an increase of \$40,205, due to the Company increasing its outreach marketing program.
- Professional fees were \$19,693 in Q2 2022 compared to \$38,561 in Q2 2021, a decrease of \$18,868, due to a decreased need of corporate matters legal services in Q2 2022.
- Property investigation costs were \$1,209 in Q2 2022 compared to \$11,766 in Q2 2021, a decrease of \$10,557, due to the Company focusing its exploration efforts on projects within its current portfolio.

***Six months ended April 30, 2022 ("YTD 2022") compared to the six months ended April 30, 2021 ("YTD 2021")***

During YTD 2022 the Company incurred a net loss of \$692,943 or loss per share of \$0.01 compared to a net loss of \$91,420 or loss per share of \$0.00 for YTD 2021. The increase in net loss YTD 2022 of \$601,523 was driven by the same reasons discussed in the three-month period comparison.

Significant variances in the components of the Company's results for YTD 2022 and YTD 2021 are driven by the same reasons as discussed in the three-month period, with the following additions:

- Salaries, which also include directors' fees, and benefits increased to \$97,717 in YTD 2022 compared to \$91,082 in YTD 2021, an increase of \$6,635. Salaries and directors' fees were brought back in Q2 2021 to their levels before the voluntarily reduction at the beginning in 2020 that was implemented to conserve cash due to the uncertainties presented by the COVID – 19 pandemic.
- Office and general expenses increased to \$55,163 in YTD 2022 compared to \$44,583 in YTD 2021, an increase of \$10,580, mainly driven by an increase in insurance and office rent.
- Share-based compensation was \$nil in YTD 2022 compared to \$14,967 in YTD 2021, due to 150,000 stock options fair-valued at \$0.10 were granted and vested during YTD 2021 compared to \$nil stock options granted and vested during YTD 2022.
- Finance costs decreased to \$nil in YTD 2022 compared to \$20,943 in YTD 2021, as there were no related parties' loans outstanding at April 30, 2022.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed by the sale of its equity securities by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements as well as loans and convertible debentures. However, the exercise of warrants and options is dependent primarily on the market price and overall market liquidity of the Company's securities, over which the Company has no control, at or near the expiry date of such warrants and options and therefore there can be no guarantee that any existing warrants and options will be exercised.

When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest to conserve its cash.

The Company expects that it will operate at a loss for the foreseeable future, and that it will require additional financings to maintain its existing level of operations and / or acquire and explore mineral resource properties in its portfolio during and beyond 2022.

As of April 30, 2022, the Company's cash on hand was \$475,612 compared to \$858,197 as of October 31, 2021. The Company had a working capital of \$432,771 as of April 30, 2022 compared to working capital of \$780,698 as of October 31, 2021.



(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the six months ended April 30, 2022 and up to June 27, 2022**

Net cash flows for the six months ended April 30, 2022 (YTD 2022) and 2021 (YTD 2021) were as follows:

Net cash flow	Six months ended April 30,	
	2022	2021
Operating activities	\$ (412,526)	\$ (438,382)
Investing activities	29,941	197,046
Financing activities	-	(200,000)
Change in cash for the period	(382,585)	(441,336)
Cash, beginning of the period	858,197	1,019,753
Cash, end of the period	\$ 475,612	\$ 578,414

Net cash flow from investing activities YTD 2022 includes cash spent on exploration and evaluation assets of \$479,114 (six months ended April 30, 2021 - \$115,122), and cash proceeds of \$509,055 (six months ended April 30, 2021 - \$315,452) in respect to earn-in agreements with Libero and Barrick.

The Company did not have any cash flows from financing activities YTD 2022, compared to net cash used in financing activities of \$200,000 YTD 2021, related to repayment of the principal amount of related parties' loans. Accrued interest on the loans of \$25,286 was recorded within accounts payable and accrued liabilities and paid with the repayment of the principal amount of the loans during the six-month period ended April 30, 2021.

The Company currently has no further funding commitments or arrangements for additional financing now (other than the potential exercise of options and warrants) and there is no assurance that the Company will be able to obtain additional financing on acceptable terms, if at all. There is significant uncertainty that the Company will be able to secure any additional financing in the current equity markets. The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes.

**OFF-BALANCE SHEET ARRANGEMENTS**

There are no off-balance sheet arrangements to which the Company is committed.

**RELATED PARTY TRANSACTIONS**

***Key management personnel compensation***

The Company's key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company's key management personnel comprises officers and directors of the Company. Key management personnel compensation is as follows:

	Three months ended			Six months ended	
	April 30,		April 30,		
	2022	2021	2022	2021	
Directors' fees, salaries and benefits	\$ 41,500	\$ 35,200	\$ 83,000	\$ 68,000	
Consulting fees <sup>1</sup>	16,800	12,600	33,600	25,200	
Share-based compensation	-	-	-	14,967	
	<b>\$ 58,300</b>	<b>\$ 47,800</b>	<b>\$ 116,600</b>	<b>\$ 108,167</b>	

<sup>1</sup> Fees paid to a corporation for personnel that is acting as key management of the Company.

As at April 30, 2022 the Company had amounts payable to key management personnel of \$4,862 included in accounts payable (October 31, 2021 - \$nil).

No post-employment benefits, termination benefits, or other long-term benefits were paid to or recorded for key management personnel during the three and six months ended April 30, 2022 and 2021.

### *Loans from related parties*

During the year ended October 31, 2018, the Company secured loans in the amount of \$100,000 from each of the CEO and a director of the Company totaling \$200,000 (the "Loans"). The Loans had a three-year term and bear interest at the rate of 5% per annum compounded annually, payable on the maturity date. In connection with the Loans, the Company issued 178,571 common share purchase warrants to each of the lenders. Each warrant entitles the holder to purchase one common share of the Company for a period of three years at an exercise price of \$0.56 per share.

The continuity of the Loans is as follows:

		April 30, 2022	October 31, 2021
Opening balance	\$	-	\$ 180,222
Accretion to face value of the Loans – finance costs		-	19,778
Repayment		-	(200,000)
Ending balance	\$	-	\$ -

During the six months ended April 30, 2021, the Company repaid in full the principal amount of \$200,000 of Loans from related parties plus accrued interest of \$25,286, for an aggregate amount of \$225,286. The accrued interest expense was presented as part of finance costs and included in accounts payable and accrued liabilities.

During the six months ended April 30, 2021, the Company accrued interest expense in connection with the Loans in the amount of \$1,166, which was presented as part of finance costs. There were no Loans outstanding as at April 30, 2022 and October 31, 2021.

### **PROPOSED TRANSACTIONS**

As at the date of this MD&A there are no proposed transactions.

### **CONTINGENCY**

Due to the nature of its business, the Company and/or its subsidiaries and affiliates may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcome of these actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company's financial condition or future results of operations.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of recoveries and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, determining whether an acquisition is a business combination or an assets acquisition, fair value measurements for financial instruments and share-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

## **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### ***Fair value***

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at April 30, 2022, the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. The fair values of amounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short term to maturity. The Company's cash, which is classified under level 1 of the fair value hierarchy, is measured at fair value using quoted market price at period end.

### ***Financial risk management***

The Company is exposed in varying degrees to a variety of financial instrument related risks, including, credit risk, currency risks, liquidity risk, interest rate risk and capital risk. Details of the primary risks that the Company is exposed to are laid out in the notes to the Company's condensed consolidated interim financial statements.

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures.

## **MATERIAL PROCEEDINGS**

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.

## **OUTSTANDING SHARE DATA**

	<b>June 27 and April 30, 2022</b>
Common shares issued and outstanding	57,686,297
Options outstanding	5,470,000
Warrants outstanding	4,605,680
<b>Fully diluted</b>	<b>67,761,977</b>

## **DISCLOSURE CONTROLS AND PROCEDURES**

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure. Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The condensed consolidated interim financial statements as at and for the three and six months ended April 30, 2022 have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the annual audited consolidated financial statements for the years ended October 31, 2021 and 2020. Management of the Company have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). In addition, there are inherent limitations on the ability of management to design and implement on a cost effective basis DC&P and ICFR for the Company, which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

## **RISK AND UNCERTAINTIES**

Detailed information on risk and uncertainties relevant to the Company is disclosed in the annual MD&A for the year ended October 31, 2021, which can be found on the Company's website at [www.latin-metals.com](http://www.latin-metals.com) and on [www.sedar.com](http://www.sedar.com).

## **DISCLOSURE OF MANAGEMENT COMPENSATION**

In accordance with the requirements of Section 19.5 of TSX-Venture 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 three and six months ended April 30, 2022, 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 Parties Transactions".
- (2) During the three and six months ended April 30, 2022, officers and directors of the Company were paid (or accrued) for their services as officers and directors of the Company as noted above under "Related Parties Transactions".
- (3) During the three and six months ended April 30, 2022, the Company did not enter any arrangement relating to severance payments to be paid to directors and officers of the Company and its subsidiaries.



**LATIN METALS INC.**

(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the six months ended April 30, 2022 and up to June 27, 2022**

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## **APPROVAL**

The Board of Directors of the Company has approved the disclosures in this MD&A on June 27, 2022.

Additional information on the Company available at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.latin-metals.com](http://www.latin-metals.com).