



MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Mineworx Technologies Ltd.
Management Discussion and Analysis
Year ended December 31, 2019

Introduction

This Management Discussion and Analysis Report has been prepared to provide material updates and analysis of the business operations, financial condition, financial performance, cash flows, liquidity, and capital resources of Mineworx Technologies Ltd. (formally Iberian Minerals Ltd.) and its subsidiaries (“Mineworx” or the “Company”).

The information provided herein should be read in conjunction with the Company’s unaudited condensed audited consolidated financial statements and the notes thereto for the year ended December 31, 2019, and the Annual MD&A for the year ending December 31, 2018.

The statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Mineworx is listed on the TSX Venture Exchange under the symbol “MWX”, on the OTCQB Exchange under the symbol “MWXRF” and on the Frankfurt Stock Exchange under the symbol “YRS”. The Company is engaged in the development and deployment of innovative material processing technologies and the exploration, acquisition and development of mineral properties.

Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. The effective date of this report is May 14, 2019.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See “Forward-Looking Information and Statements” herein.

Additional information is available on the Company website www.mineworx.net or for view on SEDAR at www.sedar.com.

Corporate Overview

In June 2017, the Company officially changed its name to Mineworx Technologies Ltd. to better reflect the changed business focus. In late 2015, the Company implemented a strategy to pursue and investigate a new paradigm being created in the mining sector to complement its Spanish mineral assets and current business model.

In December 2015, the Company acquired Mineworx Technologies Inc., who developed the HM X-tract, a unique, patent-pending, portable, heavy mineral extraction process and an innovative new business model for the gold and precious metals mining sector. As of June 30, 2018, Mineworx Technologies Inc. and Iberian Minerals Ltd. were amalgamated into one company the Mineworx Technologies Ltd. name.

The Mineworx business model is to seek out advanced-stage mineral deposits on which to employ its portable processing technologies, and to partner with the existing owners and operators to advance these deposits to profitable production in a timely and cost-efficient manner. The model offers operators accelerated production timelines, lower cut off grades, reduced infrastructure, shorter permitting periods, improved market valuations, and lower the operating costs, environmental impact and the economic risks.

The unique, integrated water clarification and filtration technologies allows operators to recycle most of the process water used at a typical mine site. This conserves water, minimizes environmental discharge and significantly reduces or eliminates the necessity for tailings ponds.

As part of the strategic review the Company decided to spin out the HM X-leach technology to the newly formed public entity Enviroleach Technologies Inc. in the first quarter of 2017. This transaction allowed for the shareholders of Mineworx to continue to share in the promising upside of the technology while the Company focused on the development of the Mineworx business model.

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On March 21, 2017, the Company finalized an arrangement involving Mineworx, shareholders of Mineworx and Enviroleach. The plan of arrangement involved the spin-out of the Mineworx 'Technology Rights' to Enviroleach and the distribution to the Company's shareholders of 25,999,813 common shares of Enviroleach.

Under the terms of the Arrangement Agreement, through a statutory plan of arrangement under the Business Corporations Act (Alberta) (the "Arrangement"), the Company transferred the Technology to Enviroleach in exchange for total compensation of \$8,600,000 comprised of:

- i) 28 million common shares of Enviroleach valued at \$0.25 per share,
- ii) promissory notes in the amount of \$1,600,000 made by Enviroleach in favour of the Company carrying a 5% interest rate. At the end of the fiscal 2018 year, \$250,000 remains unpaid (2018 – 1,000,000).
- iii) The Company will retain a license agreement in perpetuity for the Enviroleach, patent-pending, non-cyanide gold leaching solution for its' mining applications.

After working in conjunction with Enviroleach it was realized that utilizing the Mineworx technologies and expertise enhanced recoveries of precious metals in E-Waste material during the Enviroleach process. With this knowledge Enviroleach and Mineworx agreed to create a Joint Venture to pursue opportunities in the E-Waste sector. The Mineworx equity share of the joint venture is 20%.

Participation in the joint venture caused the focus of Mineworx to change from the mining industry to the E-waste sector. The management of Mineworx believes that this new sector offers an accelerated route to profitability. After the successful implementation of the E-waste strategy the company will resume pursuing opportunities in the mining industry.

Overall Performance

The primary focus of Mineworx centered around the fabrication and commissioning of E-waste processing facilities for the joint venture. Time and resources have been spent on optimizing and refining the process to be able to accept the large variability of source materials in the plants. Mineworx personnel have been working in conjunction with the staff of Enviroleach on the fabrication of the components of the Vancouver facility.

The Vancouver facility was substantially completed in 2019 with a designed capacity to process 7,200 tonnes of printed circuit boards and other E-waste per year. In 2019 the facility produced and sold 75.1 tonnes of mineral rich concentrates.

The Company responded to some queries from the Spanish Government regarding the proposed drilling program for the Cehegin project.

Management of the company has spent time discussing the revised Mineworx business model to various institutional investing groups to increase the demand in the marketplace for the company shares.

Exploration and Evaluation Assets

Management has worked diligently to identify mineral resource properties that indicated potential for commercial ore bodies. Exploration programs and technical studies aimed at determining the existence, grade, and economic feasibility of mineral deposits are being carried out. Mining activities are generally required to comply with varying levels of regulatory and environmental requirements that vary by jurisdiction.

All necessary documentation to increase the size of the Cehegin iron ore concession has been submitted. The work necessary to submit for a work/drill program permitting was completed. This work will commence when Spanish government approvals are received.

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The Cehegín Iron Ore Concessions, Spain

Mineworx wholly-owned subsidiary, Solid Mines Espana, S.A.U. (“SME”), through the wholly owned subsidiary Magnetitas del Cehegín, S.L., (“MDC”), holds all of the rights and interests associated with the Cehegin 62 iron ore concessions in south-eastern Spain. In total the Cehegin iron ore property represents 62 exploitation concessions representing a surface area of 1,030 hectares. The Company has applied for an expansion of the local area creating a continuous area of 6,900 hectares.

In September 2015, Mineworx regained a 100% interest in Cehegin Iron Ore Holdings, S.L. (“CIOH”) the Spanish holding company formed under the terms of the Joint Venture Agreement (“the JVA”) with Glencore International AG (“Glencore”). By mutual agreement, Mineworx through SME has acquired Glencore’s 20% interest in CIOH for nominal consideration and now maintains 100% ownership in the Cehegin Iron Ore Project located in the Province of Murcia, south-eastern Spain. In connection with the acquisition of Glencore’s 20% interest in CIOH, each of the parties has agreed to terminate all agreements related to the JVA, with the exception of Glencore’s exclusive off-take agreement, which will remain in effect. In 2018 CIOH was amalgamated into MDC.

SME will be required to pay an additional amount of up to €2,700,000 once a mining permit is submitted and granted for all 62 concessions, an improvement over the previously announced cost of €3,000,000. If SME proceeds with the new magnetite mining project, this additional payment would be made within four months from the decision notice date on which the permits or licenses are issued. This additional amount will be reduced to €1,800,000 if SME proceeds with the project, but does not obtain all mining permits for the total 62 concessions in its initial submission. No net royalties will be due on any proceeds from commercialization of the project.

The magnetite concessions are located in the province of Murcia, region of Cehegín, in the triangle formed by the towns of Calasparra, Cehegín and Mula in south eastern Spain. The concessions were formally owned by the Spanish ironworks company, Altos Hornos de Vizcaya, which was the largest industrial company in Spain for much of the twentieth century. In 1975, all 62 concessions were grouped together in one single subsidiary of Altos Hornos de Vizcaya called Agrupacion Minera, SA who exploited one of the open pit mines – Mina Maria, for its own needs until 1985.

The 62 separate concessions, which were mined for iron ore during the 20th century, offer excellent infrastructure, including hydro, water and a railway, approximately 12 km away, connecting at the rail station in the municipality of Calasparra, to the deep-sea port of Cartagena, 100 km away.

Production can commence on the existing permitted concessions upon the Company updating the viability and environmental studies to the satisfaction of the local mining and environmental authorities and upon suitable financing being available.

The Company’s Spanish Geological team has analyzed the 38,000 meters of historical drilling on the Cehegin Iron Ore concessions. 100% of the drill holes on three of the 62 concessions have been digitized allowing for the completion of 3D modelling. The Company’s analysis confirms a vast expansion of the ore bodies which are open in all directions including depth.

The Cehegín iron ore concession has a good infrastructure and access by rail to the deep-sea Port of Cartagena, 104 Km away from the property. The concession is located in the south-eastern area of the mineral rich Iberian Peninsula; this region has a long history of iron ore production that was once the dominant supplier to all of Europe. The Company was able to obtain all of the detailed historical mining and exploration data, compiled by the previous operational owner, Altos Hornos de Vizcaya. This valuable data will result in significant savings in exploration costs and advance the timeline to production.

The Company completed a high-resolution aeromagnetic survey during the spring of 2015. The main objectives of the airborne survey were to confirm and define the extent of several additional targets that have been identified through the data compilation program. The survey provided excellent resolution of near-surface magnetic sources, representing a major improvement over prior regional aeromagnetic data. In particular, many of the stronger, better defined, discrete magnetic anomalies correspond to known iron ore (Fe) mines and prospects, such as the important Soledad and Colossus prospects. Most magnetic sources are judged to be quite shallow, or at least have a very shallow, sub-cropping portion. Some of these anomalies are inferred to have a significant gently dipping down-dip or down-plunge extension. A number of anomalies are inferred to lie at a moderate depth (25-100m).

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The Company has received a technical report (NI 43-101) for the Cehegín property, prepared by Stanley C. Bartlett M.Sc., PGeo of Micon International Co Limited, in the United Kingdom, dated April 28, 2014, which has been filed on SEDAR at www.sedar.com on May 20, 2014.

The Aroche Wollastonite Project, Spain

Under the terms of the three-year option agreement, ending November 6, 2019, Iberian Minerals will be responsible to pay all exploration, G&A plus capital expenditures and governmental fees on Aroche.

The Company will make a onetime cash payment of €100,000 to the Optionor once the exploitation permit for Aroche has been obtained. Iberian Minerals has the right to terminate the agreement at its discretion at any time with no penalties. The Optionor will maintain a 10% interest in Aroche. The option agreement allows for an extension of the three-year term in the event of unintentional causes of delay relating to Iberian completing its due diligence, investigation of mineral extensions, confirmation of historical estimates and exploitation permitting of the wollastonite.

Aroche was previously investigated by the National Mining Investigations Company Adaro, S.A. (“ENADIMSA”) between 1983 – 1988, which included mechanical drillings, trenching, blasting and mineralogical studies determining the existence of an important marble quarry and wollastonite. At the time wollastonite was not a target mineral.

An Exploitation Permit for the marble resource was granted for Aroche on January 23, 1991 for a period of thirty (30) years that can be extended ninety (90) years until 2081. Marble was exploited on the property by the Optionor from 1991 to 2003. Recognizing the importance of the wollastonite deposit during this period, the Optionor designed and planned a conceptual concentration system and mineralogical plant for the processing of the wollastonite which included crushing, grinding, flotation, dense media and High Intensity Magnetic Separation (“HIMS”).

The current Aroche Marble Exploitation Permit could be authorized to include wollastonite, as a result of the previous extensive investigation on the property which has an estimated cost of over €3 Million in relative value today. The Company’s Spanish technical team is currently evaluating the historical data on Aroche and will release additional information on the potential of the project in the near future.

During the due diligence process required to complete this transaction, some issues arose that the vendor was required to address and resolve, which, as at December 31, 2019 had not been done. During the 2019 year, the vendor filed a lawsuit to compel the Company to complete the transaction. The Company believes this lawsuit has no merit and has not provided a provision of €394,850, which is the amount stated in the lawsuit.

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Selected Annual Financial Information

	December 31, 2019	December 31, 2018	December 31, 2017
Revenues from continuing operations	\$ -	\$ -	\$ -
Income (comprehensive loss)	(2,394,108)	(4,709,504)	6,413,541
Gain (loss) per share - basic	(0.01)	(0.02)	0.02
Exploration and evaluation assets	934,769	883,986	860,940
Total assets	7,090,823	9,209,951	9,073,739
Total liabilities	909,648	963,233	270,829
Working capital (deficiency)	1,557,520	3,110,427	3,329,960

Summary of Quarterly Results

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

	Dec 31, 2019	Sept 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sept 30, 2018	Jun 30, 2018	Mar 31, 2018
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) for the period \$,000	(772)	(494)	(396)	(732)	(2,024)	(1,162)	(1,088)	(435)
Income (loss) per share (basic & diluted)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Fluctuations in the Company's expenditures reflect the variations in the timing of exploration and development activities, general corporate operations, the timing of share-based payments, and write-down or sale of certain exploration, evaluation, or other assets.

Financial results

The Company had no operating revenue for the year ended December 31, 2019 and 2018. For the year ended December 31, 2019, the Company incurred a net loss of \$2,394,108 (2018 – loss of \$4,709,504)

Total expenses of \$1,633,355 related general administration and sales in the year ending December 31, 2019 (2018 - \$1,978,954).

Consulting fees were \$126,381 (2018 - \$118,634), the increase was due to increased spending in Spain to support the submission of a drilling program to the Spanish government.

Investor relations were \$155,533 (2018 - \$248,045), the decrease relates to less spending related to informing the market of the change in focus for the company than in 2018.

Interest costs were \$94,591 (2018 - \$24,435), the increase relates to modifications to facilities sub-leases that increased the value of the lease.

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Management and employee costs were \$554,880 (2018 - \$543,645), the small increase is a result of modest salary increases to staff when compared to 2018.

Office and general costs were \$193,274 (2018 - \$169,544), the increase was due to increased spending in Spain to support the submission of a drilling program to the Spanish government.

Professional fees were \$81,862 (2018 - \$57,566), the increase was related to work to secure additional patents on the Company's technology.

Project costs were \$9,326 (2018 - \$9,505), are related to the cost of activities in Spain related to the project development that were not capitalized.

Travel costs were \$68,803 (2018 - \$114,884), the decrease is a result of less activities related to investor relations than in 2018.

Share based costs were \$328,565 (2018 - \$628,812) that relate to 3,600,000 options granted at a weight average price of \$0.11 compared to 3,750,000 options granted at a weighted average price of \$0.18 in 2018.

The gain of \$299,938 (2018 - loss of \$278,743) on securities held for sale resulted from the Enviroleach Technologies shares the company received gaining in value. At the end of 2019, the company held 931,482 valued at \$1.30 each (2018 - 961,182 shares valued at \$0.99 per share).

The Company interest income of \$48,932 (2018 - \$78,128) primarily related to interest on the notes due from Enviroleach, the note balance reduced during 2019 decreasing the interest income when compared to 2018.

The Company other income of \$144,917 (2018 - \$60,540) is primarily related to sub-lease payments. The value of the sub-leases increased due to lease modifications creating increased income.

The Company recognized a loss of \$214 (2018 - gain of \$11,746) on foreign currency related primarily to the Euro.

During the year ended December 31, 2019, the Company derecognized accounts payable of \$55,551 related to prior year's transactions as the legal obligations relating to these liabilities had expired. In 2018 the Company incurred losses of \$1,178,3358 associated with the write-down and disposal of assets.

\$533,597 was expensed as amortization in 2019 (2018 - \$758,996), \$285,521 (2018 - \$284,501) related to the amortization of the intangible assets and \$284,076 (2018 - \$474,495) was for equipment depreciation. The reduction of depreciation expense resulted from the write-down of the HMX-200 asset in 2018.

In 2019 the Company recognized a loss of \$776,280 (2018 - \$664,864) related to its 20% minority interest in the E-Waste joint venture. The joint venture had total losses of \$3,881,400 (2018 - \$3,324,320)

Quarterly Information

In the quarter ending December 31, 2019, the Company incurred a loss of \$771,859 (2018 - \$2,024,276). There was no revenue from operations in the quarter.

Total expenses of \$375,111 related general administration and sales in the three months ending December 31, 2019 (2018 - \$408,442).

Reduced spending on general administration is a primary result of reduced spending on travel and investors relations due to less spending on activities related to marketing the company to the investment community. These savings were offset by increased interest costs due to the modifications of the facility sub-leases.

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During the quarter ending December 31, 2019, the Company derecognized accounts payable of \$55,551 related to prior year's transactions as the legal obligations relating to these liabilities had expired. The results in quarter ending December 31, 2018 included an asset write-down of \$1,145,101.

Amortization of \$132,981 (2018 - \$226,783) was reduced due to the lower asset base in 2019 after the write-down that occurred in 2018.

In quarter the Company recognized a loss of \$258,909 (2018 - \$276,883) related to its 20% minority interest in the E-Waste joint venture. The joint venture had total losses of \$1,294,545 (2018 - \$1,384,415)

Exploration and Evaluation Assets

For the year ended December 31, 2019, the Cehegin total expenditures were \$50,783 (2018 - \$23,046), comprised of geological fees and expenses of \$13,937 (2018 - \$9,365), mining rights and taxes of \$13,204 (2018 - \$3,279), and field costs of \$23,641 (2018 - \$10,402). Cehegin was the only property development advanced in 2019. Increased spending in 2019 resulted from fees and costs associated with preparing the drilling program submission and responding to government inquiries.

Equipment

For the year ended December 31, 2019, the expenditures on equipment was \$74,353 (2018 - \$450,913). The 2018 expenditures included \$nil (2018 - \$428,185) for equipment and facilities acquired through Right-to-Use leases, \$21,561 (2018 - \$nil) for a shop truck, \$41,664 for tooling used in the fabrication shop (2018 - \$11,879), \$10,128 related to office and computers (2018 - \$10,849).

Intangible Assets

The 2019 balance is \$1,473,643 (2018 - \$1,759,457) the reduction is due to the amortization of \$285,521 (2018 - \$284,501) charged against the account.

The technology intangible asset acquired as part of the Mineworx transaction was reviewed for potential impairment. The review determined that based on the projected cash flows the carrying value should not be adjusted.

Liquidity and Capital Resources

At December 31, 2019, the Company's cash position was \$154,763 (December 31, 2018 - \$2,026,671) and the working capital was \$1,985,154 as compared to working capital of \$3,110,427 at December 31, 2018.

Net cash used in operating activities for the year ended December 31, 2019 was \$1,168,260 (2018 - \$955,324), which relates primarily to general and administrative expenses and the increase of receivables from the related party.

Net cash used in investing activities for the year ended December 31, 2019 was \$1,381,565 (2018 - \$1,364,445). The company contributed \$1,256,429 to fund the operation on the E-Waste joint venture.

Net cash provided by financing activities for the year ended December 31, 2019 was \$677,917 (2018 - \$3,763,043). In 2019 no funds were raised through the issuing of securities compared to \$3,524,500 from the exercise of options and warrants in 2018. The Company received repayment of Notes Payable of \$750,000 (2018- \$300,000), and \$40,583 (2108 - \$nil) from the sale of securities. Proceeds from sub-leases of \$268,028 (2018 - \$47,826) was offset by equipment lease payments of \$380,694 (2018 - \$109,283).

The Company is in an exploration and development phase and is not generating revenue as of yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near-term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

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Capital Commitments

The Company had no commitments for property and equipment expenditures for fiscal 2019. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Transactions with Related Parties

The Company entered into the following transactions with related parties:

Related party balances

The amounts due to officers of the Company are as follows:

	December 31, 2019	December 31, 2018
Included in accounts payables, accrued liabilities, and loans ⁽ⁱ⁾	\$ 94,292	\$ 44,706
	\$ 94,292	\$ 44,706

⁽ⁱ⁾ These amounts are for advances expenses and consulting fees. They are unsecured, non-interest bearing and have no fixed terms of repayment.

The company was due \$333,357 (2018- \$244,257) from Enviroleach Technologies Inc. for expenses paid for the E-waste JV on its behalf. Enviroleach was a related party as they shared a common management member.

Changes in Accounting Policies Including Initial Adoption

Future Accounting Pronouncements

A number of new standards, amendments to standards and interpretations, described in the notes to the condensed interim consolidated financial statements, are not yet effective as of the date of this report, and were not applied in preparing the condensed interim consolidated financial statements. The Company is currently assessing the impact that these standards will have on the condensed interim consolidated financial statements.

Financial Risk Management

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

At December 31, 2019, the carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing accounts at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At December 31, 2019, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

As at December 31, 2019, the Company had a cash balance of \$154,763 (2016 - \$2,026,671) to settle current liabilities of \$619,704 (2018 - \$444,463).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2019, the Company was not exposed to significant interest rate risk.

The Company has significant operating expenditures which are denominated in Euro ("EUR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the acquisition, exploration and development of mineral properties in Spain.

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Financial assets

The Canadian dollar equivalent of the amounts denominated in foreign currencies as at December 31, 2019 and December 31, 2018 are as follows:

December 31, 2019	USD		EUR
Cash	\$	-	\$ 18,677
Receivables / prepaid expenses	\$	-	\$ 39,788
Total		-	58,465

December 31, 2018	USD		EUR
Cash	\$	31	\$ 46,893
Receivables / prepaid expenses	\$	47,747	\$ 42,307
Total		47,778	89,200

Financial liabilities

The exposure of the Company's financial liabilities to currency risk are as follows:

December 31, 2019	USD		EUR
Accounts payable and accrued liabilities	\$	8,656	\$ 7,278
Total		8,656	7,278

December 31, 2018	USD		EUR
Accounts payable and accrued liabilities	\$	12,353	\$ 12,665
Total		12,353	12,665

Sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in Euro. As at December 31, 2019, net financial assets totaling \$51,187 were held in Euro. This excludes \$286,438 held as security and listed as restricted cash in the financial statements.

Based on the above net exposure as at December 31, 2019 and assuming all other variables remain constant, a 2% depreciation or appreciation of the Euro against the Canadian dollar would result in an increase or decrease of approximately \$40,664 in the Company's loss and comprehensive loss.

b) Price risk

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

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Proposed Transactions

There are no disclosable transactions that the board of directors or senior management are aware of.

Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At December 31, 2019, there were 311,025,080 issued and fully paid common shares.

At May 14, 2020, there were 311,025,080 issued and fully paid common shares.

Stock options

At December 31, 2019, there were 24,495,000 stock options outstanding and exercisable at weighted average price of \$0.11.

At May 14, 2020 there was 24,145,000 stock options outstanding and exercisable at weighted average price of \$0.11.

Warrants

At December 31, 2019, there were nil warrants outstanding.

At May 14, 2020, there were nil warrants outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Forward-Looking Information and Statements

This information contains certain forward-looking statements and forward-looking information (collectively referred to herein as “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as “could”, “should”, “can”, “anticipate”, “expect”, “believe”, “will”, “may”, “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate”, “well positioned” or similar words suggesting future outcomes. In particular, this information contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward-looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

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Management Discussion and Analysis
Year ended December 31, 2019

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included are made as of the date of this information and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Risk and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating metal prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply: the risks associated with our dependence on the Cehegín Iron Ore Concessions in Spain; geological exploration and development; changes in law, unrest and political instability; environmental permits for development of the Company's properties cannot be obtained or renewed on terms satisfactory to the Company and other land title permitting and licensing risks; continued negative operating cash flow and the availability of additional funding as and when required; infrastructure; inflation; governmental regulation; environmental; hazards, insurance; uninsured risks; competition; currency fluctuations; labour and employment; joint ventures; contract repudiation; dependence on key management personnel and executives; and litigation risks.

Additional Information

The Company's publicly filed documents are available on SEDAR at www.sedar.com and more information is also available on Company's website at www.mineworx.net.