

**ALTAN RIO MINERALS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

INTRODUCTION

The management's discussion and analysis of financial condition and results of operations ("MD&A") focuses upon the activities, results of operations, liquidity and capital resources of Altan Rio Minerals Limited (the "Company") for the three months ended March 31, 2020. In order to better understand the MD&A it should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2020. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with appropriate regulatory authorities in Canada. This MD&A is current to July 14, 2020 and in US dollars unless otherwise stated.

Forward-Looking Statements

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com).

CORPORATE OVERVIEW

The Company is a mineral exploration and development company listed on the NEX under the symbol "AMO.H" and is engaged in the acquisition, exploration, and development of exploration and evaluation assets in Mongolia.

In accordance with TSX Venture Exchange Policy 2.5, the Company has not maintained the requirements for a TSX Venture Exchange Tier 2 company. Therefore, effective February 28, 2019, the Company's listing was transferred to the NEX, the Company's tier classification was changed from Tier 2 to the NEX, and the filing and service office was changed from Vancouver to the NEX.

The Company explores for large-scale gold and copper projects in one of the world's most prospective mineral regions: Mongolia. The Company is currently exploring holdings totaling more than 255,148 acres. The Company performs its own grass-roots exploration with its highly experienced Mongolia-based technical team. In addition, the Company also committed to earn an interest on a gold project located in Western Australia.

Our experienced technical team is supported by: John Jones AM, Chairman & Director, who has over thirty years of experience in the international mining sector; Paul Stephen, CEO, Corporate Secretary & Director, who has several years of extensive operational experience in mine site servicing and contracting and has strong knowledge of global

capital markets with a track record of having access to funding for all levels of resource projects and mining services operations; Bob Williams, CFO, with several years of experience in corporate finance, accounting and investment banking; Evan Jones, Director, with twelve years of experience in corporate advisory and commercial management in mining; Kerry Griffin, Technical Director, with 18 years professional experience in mining geology, resource development and exploration in Australia, Southern Africa, South America and Mongolia; and James Harris, Director, with several years of experience in the management of construction and engineering projects in Australia and overseas and has extensive experience as a director of various business.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or its ability to raise funds at this time.

SHARE CAPITAL

On May 5, 2020, the Company completed a consolidation of its common shares on the basis of one post-consolidated share for every six pre-consolidated shares. All current and comparative share capital amounts have been restated to account for the 6:1 share consolidation.

As at March 31, 2020, the Company had \$15,916,005 in share capital and 23,243,100 common shares outstanding.

As at July 14, 2020, the Company had \$17,033,909 in share capital and 42,539,680 common shares outstanding.

Options

During the year ended December 31, 2019, 160,834 stock options expired unexercised.

There was no share purchase warrant activity during the period ended March 31, 2020.

Warrants

There was no share purchase warrant activity during the period ended March 31, 2020.

OPERATIONS

Overview

The Company currently holds Chandman project in Mongolia covering 1,273 acres, includes a significant new discovery of gold and copper mineralization in western Mongolia.

Chandman-Yol

The Chandman-Yol property is located in mountainous basin and range country in eastern Khovd Aimag, western Mongolia, about 1,050 km west of the capital Ulaanbaatar. It consists of nine tenements covering 203,878 acres, all of which are 100% owned by the Company, with the five Chandman tenements subject to a 2.5% Net Smelter Returns ("NSR") royalty. The Company entered into an option agreement for the five Chandman licenses with a private company on November 13, 2008 and was issued the four Yol licenses in April of 2009.

In February 2011, a site visit was conducted by qualified person John Stockley (C.P. Geo) for the purpose of reviewing and updating the 43-101 technical report. On February 11, 2011, the NI 43-101 Technical Report named "Chandman-Yol Copper-Gold Exploration Project Khovd Aimag, Mongolia" was completed with an effective date of February 10, 2011.

From May to October 2011, the Company completed magnetic surveys, geological mapping, soil sampling and IP survey over the Chandman and Yol tenements and completed 7,814 m of diamond drilling on the Chandman tenements. Results further defined 2012 drill targets and identified at least three new target zones of gold and copper mineralization. At least seven large untested drill target zones have been delineated and will be the focus of 2012 and 2013 exploration campaigns.

On November 22, 2011, the final payment of \$500,000 was paid to a private company, giving the Company 100% interest of the five Chandman tenements, subject to a 2.5% NSR royalty.

During the year ended December 31, 2011, the Company earned its 100% interest in Chandman property by converting the remaining 20% interest into a 2.5% NSR royalty.

On March 2, 2012, the Company announced drill results from the KY porphyry intrusion on the Chandman licenses, which consisted of 13 holes for 7,814 m. Highlights from the drill results are outlined as follows.

- Drilling shows that the KY porphyry intrusion is a zoned metal system, with strong molybdenum anomalies (100 ppm) in the northwestern sector, gold in the northeastern sector, and silver, lead and zinc in the southeastern sector. Copper occurs throughout.
- All holes drilled into the KY porphyry intrusion intersected metal values, with frequent 0.5% copper and 0.5 g/t gold from 1m to 3m core samples, in quartz-sericite-sulfide alteration of variable intensity. Drill-indicated mineralization spans an area of 2.8 x 2 km.
- The highest-grade gold intersection in drill hole CH-27 returned 1 m at 28.02 g/t gold at a depth of 206 m in the KY porphyry intrusive complex.
- The longest intersection of copper mineralization was achieved in CH-18 which returned 105.6 m (from 42.9 to 148.5 m) at 0.12% copper.
- Five of the drill holes were aimed at deep large and high-amplitude IP features in the KY porphyry intrusion however only one of the holes reached target depth.
- Hole CH-28 in the southeastern endoskarn area returned the following silver intersections:
 - 13.2 m (97.0 to 110.2 m) @ 43.12 g/t including 1 m @ 106.31 g/t and 1 m @ 118.86 g/t
 - 39.6 m (185.0 to 224.6 m) @ 24.57 g/t including 2.5 m @ 128.3 g/t and 2.2 m @ 114.26 g/t

On July 10, 2012, the Company announced the drill plans for the 2012 season at Chandman-Yol consisting of six to eight holes for 3,000 m of drilling. Two high-priority, never-before-drilled targets were identified through field work completed in 2011. Drilling commenced in mid-August and is expected to continue through the end of the year.

On January 18, 2013, the Company announced results from the 2012 drill program at the Takhilt and Ovoot targets at Chandman-Yol, which consisted of 7 holes for 3,030 m. The best results were returned from Takhilt, 17 km NNW of the major KY copper-gold porphyry system, where five moderately wide spaced holes were completed and several new zones of gold and copper mineralization were intersected, including a shallow intercept beginning at 16.30 m from surface of 8.05 m at 1.77 g/t gold, including 2.5 m @ 5.38 g/t gold. These zones are open down dip and along strike and warrant follow-up drilling along the entire 1.5 km extent of the Takhilt structure. A second phase of drilling would target potentially shallow resources along the southern edge of the IP domain, in contact with the copper-gold bearing granite system, a compelling target that is more than 1 km long.

In the Ovoot zone 11 km south of Takhilt two holes were drilled, 1.8 km apart, to test two concealed but coincident IP and magnetic anomalies. Both holes encountered only low-level gold and copper anomalies. Further drilling is warranted at Ovoot, though of lesser priority than Takhilt, to test areas of coincident geochemical and IP-Magnetic anomalies. The Ovoot structure is large – 2+ km long, 2+ km wide – and cannot be considered adequately tested with only two wide-spaced reconnaissance holes.

In May 2013, the Company reduced the land holdings (and associated annual fees) on the Chandman-Yol property to 203,878 acres from 347,000 acres. The reduced land package has no negative impact in terms of prospectivity of the project, as all known anomalous zones and permissive geology have been maintained. The Company retains a large license holding at Chandman-Yol with extensive copper and gold anomalies.

During the year ended December 31, 2013, the Company allowed certain licenses on the Chandman project to expire and accordingly, the Company wrote-off costs totaling \$670,489.

During the year ended December 31, 2014, the Company commenced planning for its field work for the season.

During the year ended December 31, 2015, the Company allowed certain licenses on the Chandman project to expire and accordingly wrote-off costs totaling \$4,034,569.

During the year ended December 31, 2016, the Company wrote-off Yol property totaling to \$1,170,559, as it had no immediate plans to continue exploration.

Southern Cross Project, Australia

On September 25, 2019, the Company signed a binding terms sheet (the “Agreement”) with Surveyor Resources Pty Ltd. (“Surveyor”, together with Altan Rio, the “Companies”), a private Australian company, to acquire an 80% interest in Surveyor’s wholly owned Southern Cross North Project (the “Project”) located in the Southern Cross Greenstone Belt in the Yilgarn Province of Western Australia (the “Transaction”).

On May 11, 2020, the Company provided an update for the Project. As noted in the Company's recently released NI 43-101 Technical Report (April 29, 2020) (the “Technical Report”), the previous owner of Southern Cross and the Company’s current joint venture partner, Surveyor Resources Pty. Ltd (“Surveyor”), completed eleven (11) RC drill holes for 879m in 2019. Altan Rio has completed analysis of this drilling with encouraging results received from the Corinthia North tenement package (see Table 1).

The eleven holes completed by Surveyor were designed to evaluate the veracity and integrity of the more than 20-year-old legacy exploration data inherited with Southern Cross by Surveyor. Best intercepts from the recent analysis work include:

- 19SSRC004 2 metres @ 7.59 g/t Au from 69 metres
- 5 metres @ 4.20 g/t Au from 77 metres
- 19SSRC006 10 metres @ 0.45 g/t Au from 38 metres
- Including 2 metres @ 1.08 g/t Au from 43 metres
- 19SSRC008 13 metres @ 0.35 g/t Au from 11 metres

In the Technical Report, CSA Global Pty Ltd commented on the significance of the FCSZ within the approximate 28km strike length of Southern Cross and noted the paucity of data below 50 metres vertical depth.

Altan Rio, in its work completed to date, has re-affirmed its interpretation of significant historical drilling being shallow (<50m vertical depth) in nature which has not evaluated the depth potential of the FCSZ, with significant zones of gold anomalism identified by this dominantly shallow drilling remaining to be evaluated.

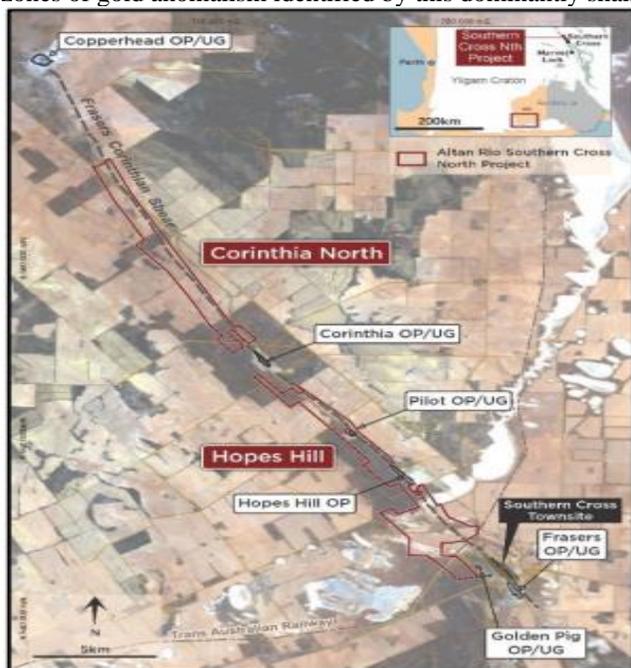


Figure 1: Southern Cross North Location Plan



Figure 2: Corinthia North Drill Hole Location Plan



Figure 3: Hopes Hill Drill Hole Location Plan

Drill hole	Northing	Easting	Azimuth	Dip	Depth	From	To	Interval	Grade (g/t)
19SSRC001	6,555,425	711,310	040	-60	80	No Anomalous Results			
19SSRC002	6,555,583	710,598	040	-60	103	No Anomalous Results			
19SSRC003	6,556,596	710,069	040	-60	97	83	84	1	0.35
19SSRC004	6,556,346	710,504	040	-60	115	25	28	3	0.18
					including	69	71	2	7.58
					including	69	70	1	13.56
						71	73	2	0.57
						77	82	5	4.20
						80	81	1	20.09
19SSRC005	6,550,930	714,873	050	-60	55	No Anomalous Results			
19SSRC006	6,549,842	715,688	050	-60	67	38	48	10	0.45
					including	43	45	2	1.08
						58	63	5	0.32
19SSRC007	6,549,073	716,417	050	-60	70	44	51	7	0.13
19SSRC008	6,548,985	716,646	050	-60	103	11	24	13	0.35
19SSRC009	6,546,187	718,340	060	-60	55	No Anomalous Results			
19SSRC010	6,545,203	718,641	090	-60	73	67	68	1	0.51
19SSRC011	6,545,209	718,589	090	-60	61	38	40	2	0.66

Table 1: Table of RC Drilling Detailing Significant Intersections

Verification of the drilling data by the Qualified Person has been undertaken. This verification work included:

- A site visit conducted on October 15, 2019 during which the sites of the RC drill holes were inspected, and their locations verified.
- Drill logs and records compiled by the Surveyor Resources geologist were reviewed.
- Review of the analytical work commissioned by Altan Rio at Intertek Genalysis laboratory in Perth.
- Confirmed the secure storage of all of the 4 metre composite sample and most of the 1m samples at Intertek Genalysis laboratory in Perth between delivery from the drill site in 2019 and their analysis in 2020.

The Company notes, however, that a subset of the 1 metre samples analysed in 2020 were retrieved from the drill site in 2020 and thus the chain of security for these samples is compromised. The Qualified Person has reviewed the gold assays of these samples against their matching 4 metre composite sample gold assays and determined that results are within expected ranges and can be relied upon.

In the Corinthia North tenement package, drill hole 19SSRC004 successfully confirmed the strong gold anomalism recorded in historical drilling returning 2m @ 7.59 g/t from 69m and 5m @ 4.20 g/t from 77m in highly sheared and altered ultramafics. Historical intersections were 12m @ 0.56 g/t Au in hole 89BSR129, and 1m @ 2.9 g/t Au in hole 88BSR130. This mineralisation is open along strike and at depth (see Figure 4).

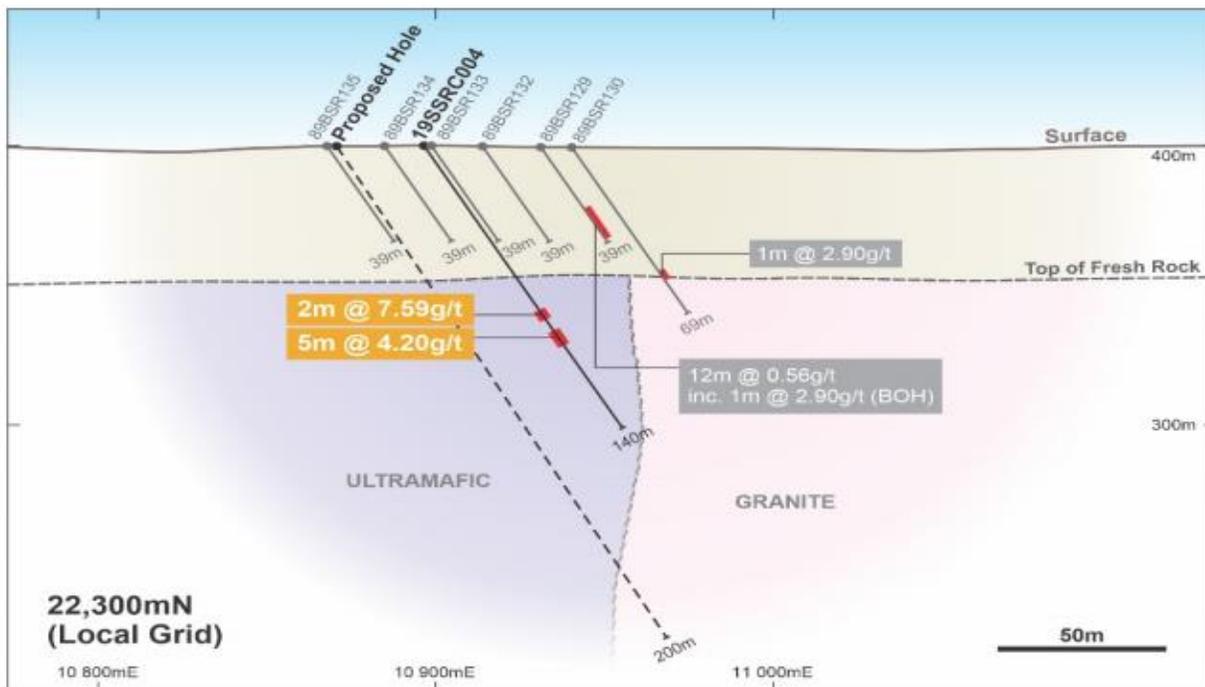


Figure 4: Cross Section through drill hole 19SSRC004

In the Hopes Hill tenement package, drill hole 19SSRC006 drilled below a zone of gold anomalism within logged felsic lithologies, recorded in historical drilling (10m @ 0.21 g/t Au from 19m in hole P028). The drill hole intersected a parallel lode in mafic lithologies returning 10m @ 0.45 g/t from 38m including 2m @ 1.08 g/t from 43m and 5m @ 0.32 g/t from 58m. These two intercepts combined with the historical intercept suggests a zone of potential mineralisation of ~40 metre width which is open with depth (see Figure 5).

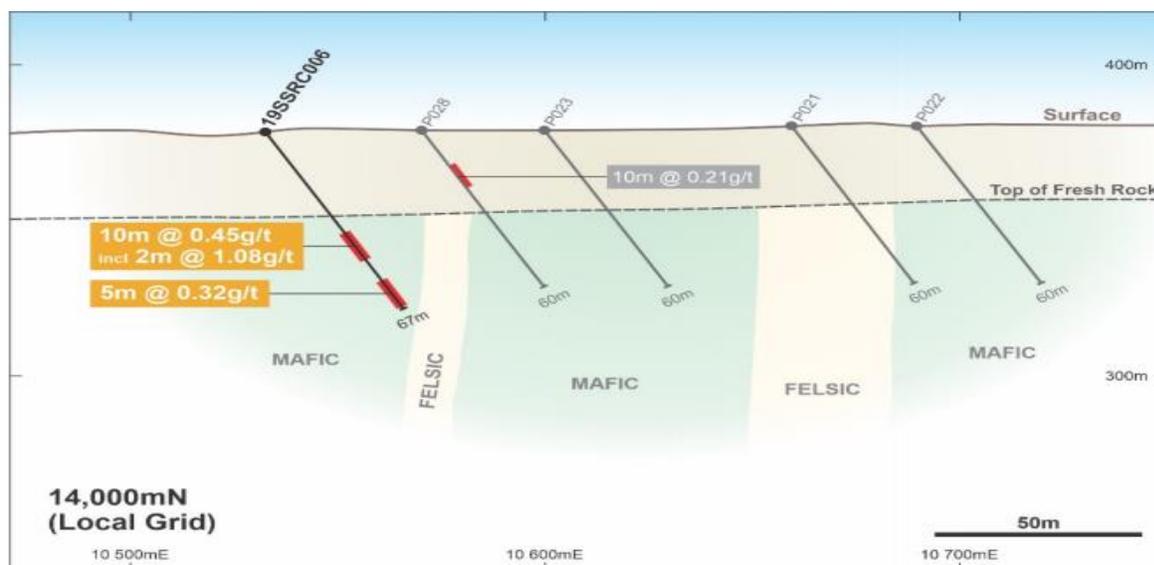


Figure 5: Cross Section through drill hole 19SSRC006

Next Steps - Drilling

All planning and approvals have been finalised for Altan Rio's maiden drill program at Southern Cross.

Drill program designed for the following purposes:

- To evaluate the intercept recorded in 19SSRC004.
- Evaluate strike potential of mineralisation immediately south of Hopes Hill.
- A total of 10 holes designed with an additional two holes contingent on approvals (P77/4330 and P77/4337).

Altan Rio is following guidelines recommended by the Western Australian Government to ensure the health and well-being of its contractors in response to COVID-19. The Company does not expect these measures to impact on its first drill program at Southern Cross and it looks forward to reporting of results in due course.

During the year ended December 31, 2019, the Company made a cash payment of \$154,342 (A\$222,000) to Surveyor.

During the period ended March 31, 2020, the Company made a cash payment of \$65,748.73 (A\$100,000) to Surveyor.

Property Risks

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Mongolia and Western Australia.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

CORPORATE

Directors and Officers

Paul Stephen, CEO, Corporate Secretary & Director – Mr. Stephen has served as Chief Executive Officer, Corporate Secretary and Director for Altan Rio Minerals since May 2019. He has held directorships across both ASX and London publicly listed companies and has a strong knowledge of operations and compliance across multiple jurisdictions. Mr. Stephen, Co-founder and Executive Director of Crusader Resources Ltd, oversaw the discovery, development and operations of the Posse Iron Ore mine in Brazil. In addition, Mr. Stephen managed the discovery and delineation of over 2.6 million ounces of gold whilst operating in Brazil resulting in the company being valued at over \$160M. Mr. Stephen has extensive operational experience in mine site servicing and contracting as a founder and Managing Director of Integrated Fuel Services a West Australian company specializing in providing fuel services to mining and aviation throughout Western Australia.

John L.C. Jones, Chairman & Director – Mr. J. Jones has served as Chairman and Director of Altan Rio Minerals Limited since its inception. He has been a prominent player in the international mining sector for over forty years with a long list of successes. Mr. J. Jones' guiding involvement in four companies (Troy Resources NL, Anglo Australian Resources NL, North Kalgurli Mines Limited, and Jones Mining NL) led to the discovery of four deposits and the development of eight mines.

Evan Jones, Director – Mr. E. Jones has served as Chief Executive Officer, President and Director of Altan Rio Minerals Limited since its inception. In May 2019, Mr. E. Jones resigned as Chief Executive Officer and continued to serve as a non-executive Director of the Company. He has twelve years of experience in corporate advisory and commercial management in the mining industry, including six years based in developing countries. With experience in both private and public mineral exploration companies, Mr. E. Jones has a proven ability to build business networks and negotiate opportunities.

Bob Williams, CFO – Mr. Williams has served as Chief Financial Officer for Altan Rio Minerals since April 2020. He is an executive with over 50 years of experience working in financial management and cost control positions. He has held the position of CFO/head office accountant in the stock and station industry and 30 years in public accounting.

James Harris, Director – Mr. Harris has served as Director for Altan Rio Minerals Limited since November 2019. He is an experienced executive in the management of construction and engineering projects in Australia and overseas. He is an executive director of Swanline Developments Pty. Ltd., a privately owned Australian company focused on property development and investment, project management, and business investment. Mr. Harris has worked for 10 years for both Alcoa of Australia Ltd., which operates one of the world’s largest integrated bauxite mining, alumina refining and aluminium smelting systems, and the United Group Ltd., an Australian engineering company. Mr. Harris also has extensive experience as a director of various businesses. Mr. Harris’ qualifications are in legal studies and public administration.

Kerry Griffin, Director – Mr Griffin has 24 years experience in mining geology, resource development and exploration in Australia, Africa, South/Central America and Asia including more than 18 years in senior roles with such companies as Newcrest Mining, Sons of Gwalia, Consolidated Minerals, Ivanhoe Mines, Aspire Mining Ltd., Haranga Resources – Ltd., Lindian Resources Ltd. and Latin Resources Ltd.

MANAGEMENT CHANGES

On May 30, 2019, Evan Jones has resigned as Chief Executive Officer and would continue to serve as a non-executive director of the Company. As a result of Mr. Jones’ resignation, the Company is pleased to announce that Paul Stephen has been appointed as Chief Executive Officer and Corporate Secretary. Mr. Stephen has also joined the Company’s board of directors.

On November 25, 2019, James Harris has joined the Company’s board of directors.

On April 24, 2020, the Company appointed Bob Williams as the Company’s chief financial officer, effective immediately.

SELECTED ANNUAL INFORMATION

The following table sets forth selected consolidated information of the Company at December 31 for each of the three most recently completed financial years prepared in accordance with International Financial Reporting Standards. The selected consolidated financial information should be read in conjunction with the Audited Consolidated Financial Statements of the Company.

US Dollars	2019	2018	2017
	\$	\$	\$
Finance income	2	70	115
Net loss	(249,710)	(47,529)	(102,258)
Net loss per share, basic and fully diluted	(0.02)	(0.00)	(0.01)
Cash and cash equivalents	86,638	3,974	8,607
Total assets	395,774	47,538	32,229
Long term debt	-	-	-
Dividends	-	-	-

The Company is at the exploration stage. The Company recorded a foreign exchange loss of \$11,993 during the year ended December 31, 2019 and a foreign exchange gain of \$18,641 during the year ended December 31, 2018.

The increase in net loss in 2019 was mainly due to higher operating expenses incurred during the year as compared to the prior year.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

For the three months ended March 31, 2020, the Company incurred a net loss of \$32,255, resulting in a loss per share of \$0.00. The loss was attributable to operating expenses of \$32,255.

For the three months ended March 31, 2019, the Company incurred a net loss of \$22,872, resulting in a loss per share of \$0.00. The loss was attributable to operating expenses of \$22,872.

Exploration

The Company capitalizes all exploration costs relating to its resource interests. During the three months ended March 31, 2020, the Company incurred \$96,829 in exploration of its Mongolia properties.

○ Chandman-Yol	\$ 1,122
○ Southern Cross	\$ 95,707

The Company capitalizes all exploration costs relating to its resource interests. During the three months ended March 31, 2019, the Company incurred \$8,228 in exploration of its Mongolia properties.

○ Chandman-Yol	\$ 8,228
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Expenses

During the three months ended March 31, 2020, the Company incurred \$30,786 in consulting and management fees, \$24,992 in foreign exchange gain, \$19,960 in general and administrative expenses, and \$4,548 in interest expense.

During the three months ended March 31, 2019, the Company incurred \$9,076 in consulting and management fees, \$2,599 in travel and entertainment, \$4,887 in foreign exchange loss, and \$6,310 in general and administrative expenses.

General and administrative expenses consist of computer, dues, insurance, rent, telecommunications, transfer agent and filing fees, wages and benefits, investor relations fees, general office expenses and administrative services related to maintaining the Company's exchange listing and complying with securities regulations. General and administrative expenses also include other office expenses for our subsidiaries.

RISKS AND UNCERTAINTIES

In conducting its business, the Company faces a number of risks and uncertainties related to the mineral exploration industry. Some of these risk factors include risks associated with land titles, exploration and development, government and environmental regulations, permits and licenses, competition, dependence on key personnel, fluctuating mineral and metal prices, the requirement and ability to raise additional capital through future financings and price volatility of publicly traded securities.

Title Risks

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests, and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Exploration and Development

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Substantial expenses are required to establish reserves by drilling, sampling and other techniques and to design and construct mining and processing facilities. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. We intend to comply fully with all environmental regulations.

The current or future operations of the Company, including development activities and commencement of production on our properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that we obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for the operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Competition

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Dependence on Key Personnel

The success of the Company is currently largely dependent on the performance of the directors and officers. There is no assurance that the Company will be able to maintain the services of the directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and the prospects.

Fluctuating Mineral and Metal Prices

Factors beyond our control may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the exploration activities cannot be predicted. For example, gold prices are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand and political and economic conditions. Worldwide gold production levels also affect gold prices. In addition, the price of gold has on occasion been subject to rapid short-term changes due to speculative activities.

Future Financings

The Company's continued operation will be dependent upon the ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of securities distributed hereunder will be affected by market volatility.

Readers should review the more detailed discussion of such risk factors set out in the Company's Long Form Prospectus under the heading "Risk Factors", which is filed on SEDAR and may be found at www.sedar.com.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected quarterly consolidated financial information for each of the last eight quarters with the figures for each quarter in US dollars.

US Dollars	Finance Income	Foreign Exchange Gain / (Loss)	Net Loss	Net Loss per Share (basic & fully diluted)
2020				
First Quarter	Nil	24,992	(32,255)	(0.00)
2019				
Fourth Quarter	Nil	(5,050)	(161,633)	(0.01)
Third Quarter	Nil	2,562	(48,105)	(0.00)
Second Quarter	2	(4,618)	(17,099)	(0.00)
First Quarter	Nil	(4,887)	(22,873)	(0.00)
2018				
Fourth Quarter	1	15,964	(6,544)	(0.00)
Third Quarter	Nil	(2,362)	(16,726)	(0.00)
Second Quarter	Nil	805	(14,863)	(0.00)

The net loss in the first quarter of 2020 has increased compared to the first quarter of 2019 due to increase in operating expenses.

The net loss in the fourth quarter of 2019 has increased compared to the fourth quarter of 2018 due to the increase in operating expenses.

The net loss in the third quarter of 2019 has increased compared to the third quarter of 2018 due to the increase in operating expenses.

The net loss in the second quarter of 2019 has increased compared to the second quarter of 2018 due to the increase in operating expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company relies on equity financings for its working capital requirements and to fund its planned exploration and development activities.

During the three months ended March 31, 2020, the Company's increase in cash and cash equivalents was \$101,647. Working capital deficits as at March 31, 2020 was \$719,898. Current liabilities at March 31, 2020 include an advance payable and loan payable balance of \$1,128,015. These amounts were advanced from Parkwise Corp., Verite Trust Company Limited and Monopond Limited, non-related parties, John Jones, a director of the Company and Porter Street Nominees Pty Ltd., a company controlled by a director of the Company. There were no specific terms of interest or repayment on these advances and the loans are unsecured. Advanced amount from Parkwise Corp. bears interest at 12.5%, payable monthly in arrears, unsecured and is due on March 31, 2021.

During the three months ended March 31, 2019, the Company's increase in cash and cash equivalents was \$1,010. Working capital deficit as at March 31, 2019 was \$920,327. Current liabilities at March 31, 2019 include an advance payable balance of \$563,140. This amount was advanced from Verite Trust Company Limited and Monopond Limited, non-related parties and John Jones, a director of the Company. There were no specific terms of interest or repayment on these advances and the loans are unsecured.

CONTRACTUAL AND OTHER OBLIGATIONS

At the present time, there are no contractual and other obligations that should be disclosed.

PROPOSED TRANSACTIONS

At the present time, there are no proposed transactions that should be disclosed.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no undisclosed off-balance sheet arrangements or off-balance sheet financing structures in place.

RELATED PARTY DISCLOSURE

The Company entered into the following transactions with related parties:

- a) As at March 31, 2020, the amount payable to Evan Jones, director and former President and CEO of the Company was \$81,240 (December 31, 2019 - \$81,240).
- b) Accrued accounting and administration services of \$8,836 (2019 - \$9,076) to management companies, controlled by an officer of the Company. At March 31, 2020, the amount payable to the companies was \$200,396 (December 31, 2019 - \$191,560).
- c) Paid consulting fees of \$21,951 (2019 - \$Nil) to a company controlled by the CEO of the Company. At March 31, 2020, the amount payable to the company was \$Nil (December 31, 2019 - \$62,538).
- d) At March 31, 2020, an amount of \$55,462 (December 31, 2019 - \$53,626) was due to Altan Nevada Minerals Ltd., a company with directors and officers in common.
- e) At March 31, 2020, an amount of \$9,344 (December 31, 2019 - \$2,476) was due from John Jones, a director of the Company.
- f) At March 31, 2020, an amount of \$5,000 (December 31, 2019 - \$5,000) was due to 0809979 B.C. Ltd., a company with a common director.
- g) At March 31, 2020, advance payable includes \$209,240 (December 31, 2019 - \$198,707) owing to John Jones, a director of the Company.
- h) At March 31, 2020, advance payable includes \$3,070 (December 31, 2019 - \$3,515) owing to Porter Street Nominees Pty Ltd., a company controlled by a director of the Company.

Subsequent to the period ended March 31, 2020, the Company settled \$198,707 (C\$262,066) in advances payable to related parties and \$105,727 (C\$139,497) in due to related parties through the issuance of 6,692,709 common shares and 4,367,758 common share purchase warrants at a price of \$0.10 per share.

These transactions were incurred in the normal course of operations. The payables are non-interest bearing and due on demand.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The

remuneration of directors and other members of key management personnel during the three months ended March 31, 2020 and 2019 are as follows:

	2020	2019
Management and consulting fees	30,786 \$	9,076

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in Note 3 to the condensed interim consolidated financial statements for the three months ended March 31, 2020. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Exploration and Evaluation Assets

Before legal rights to explore a property have been acquired, costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All direct and indirect costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized on the basis of specific claim blocks until the exploration and evaluation asset interests to which they relate are placed into production, the exploration and evaluation asset interests are disposed of through sale or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

At each reporting period, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment is based on: 1) whether the Company's exploration programs on the exploration and evaluation asset interests have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the assigned value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Impairment of Long-Lived Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the carrying value and recoverability of exploration and evaluation assets, inputs used in the calculation of share-based compensation and agents' warrants and the valuation allowance applied to future income taxes. Actual results could differ from those estimates and would impact future results of operations and cash flows.

Significant estimates made by management affecting our consolidated financial statements include:

Deferred Tax Assets & Liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Share-Based Compensation

The Company accounts for stock options granted to directors, officers and employees at the fair value of the options granted. The fair value of stock options granted is determined using the Black-Scholes option pricing model and is recorded as share-based compensation over the vesting period of the stock options. Upon the exercise of the stock options, the related fair value of the stock options is reallocated from reserves to share capital.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured.

Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive (loss) income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded through profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTOCI, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Change in accounting policies - Leases

The Company adopted IFRS 16 which replaced IAS 17 *Leases* and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. The new standard introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event of a significant changes in circumstance occurs which affects this assessment. IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed. Management expects an increase in depreciation expenses and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in the consolidated statements of cash flows. The adoption of IFRS 16 did not have a material impact on the Company's consolidated financial statements.

Future Reclamation Costs

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of the Company's exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as finance expense.

The Company currently does not have any significant future reclamation costs.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' deficiency which results from transactions and events from sources other than the Company's shareholders. The Company's and subsidiary's translation of its financial results to United States dollars is the only item currently affecting comprehensive income (loss) for the years presented.

New standards issued but not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

FINANCIAL INSTRUMENTS

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

Credit Risk

Credit risk is the risk of loss and deposit associated with counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper. The Company's receivables consist mainly of sales tax receivable due from the Government of Canada and due from related parties. The Company believes it has no significant credit risk.

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's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company has cash and cash equivalents of \$106,631 (December 31, 2019 - \$86,638) to settle current liabilities of \$858,356 (December 31, 2019 - \$718,311). As disclosed in Note 1 of condensed interim consolidated financial statements for the three months ended March 31, 2020, the Company will need to raise additional funds to meet its obligations as they come due. The Company is exposed to liquidity risk.

Market Risk

a) Interest rate risk

The Company has cash and cash equivalent balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables, accounts payables and accrued liabilities, loans payable, and due to/from related parties that are denominated in Canadian dollars, Mongolian Tugrik and Australian dollars.

c) *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 prices of gold and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company operates in Australia and Mongolia and is exposed to risk from changes in the Australian dollar, Canadian dollar and the Mongolian Tugrik. A simultaneous 10% fluctuation in the Australian dollar, Canadian dollar and Mongolian Tugrik against the US dollar would affect accumulated other comprehensive loss for the three months ended March 31, 2020 by approximately \$7,317 (2019 - \$20,618).

OUTSTANDING SHARE DATA

Subsequent to the period ended March 31, 2020, the Company has consolidated its capital on a one to six basis. All share figures have been retroactively adjusted to reflect the share consolidation.

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued to date. An aggregate of 42,539,680 common shares were issued and outstanding as of the date of this MD&A.

The Company has 17,971,629 purchase warrants outstanding as of the date of this MD&A.

The Company has 4,200,000 stock options outstanding as of the date of this MD&A.

SUBSEQUENT EVENTS

- a) On April 22, 2020, the Company's wholly owned subsidiary Altan Rio Minerals (Aust) Pty. Ltd. ("Altan Rio (Aust)") has entered into a joint venture agreement (the "JVA") with Surveyor to acquire up to an 80% interest in Surveyor's wholly owned Southern Cross North project (the "Project"), located in the Southern Cross greenstone belt in the Yilgarn province of Western Australia, pursuant to the previously disclosed binding term sheet entered into between Altan Rio (Aust) and Surveyor on September 25, 2019.

Key terms are as follows:

Altan Rio (Aust) may acquire an 80% undivided interest in the Project for a total of \$4,087,386 (A\$6,400,000) (the "Purchase Price") in progress payments over five years (the "Earning Period") on the following terms:

- Payment to Surveyor of \$293,781 (A\$460,000), payable within three months of executing the JVA (paid \$154,342 (A\$222,000) during the year ended December 31, 2019);
- Payment to Surveyor of \$638,654 (A\$1,000,000), payable in a combination of cash and common shares of the Company, so long as the cash payment is at least \$319,327 (A\$500,000) (the "Second Payment"). The Second Payment is due on or before the one-year anniversary of the execution of the JVA. The common shares, if any, included in the Second Payment are to be issued at the lower of C\$0.05 per Share and the last price at which the Company issued common prior to the Second Payment.
- The balance of the Purchase Price will be spent by Altan Rio (Aust) on exploration of the Project (the "Earn-in Obligation").
- During the earning period, Surveyor will grant Altan Rio (Aust) the sole and exclusive right to access and explore the Project. Altan Rio (Aust), as manager of the joint venture between the companies, will determine the nature and content of the exploration program and budget during the earn-in period.
- During the earn-in period, Altan Rio (Aust) has the right, but is not under any obligation, to undertake,

incur and satisfy the earn-in obligation in carrying out exploration on the project.

- b) On April 30, 2020, the Company closed the second and final tranche of a non-brokered private placement raising gross proceeds of \$215,672 (C\$300,000) through the sale of 5,000,000 common shares at a price of C\$0.06 per share.
- c) On May 19, 2020, Parkwise has advanced the Company an additional loan of \$71,979 (C\$100,000) (the “additional loan”). In connection with the loans, the Company issued 6,000,000 share purchase warrants to Parkwise (the “Bonus Warrants”), each Bonus Warrant entitling Parkwise to acquire one common share of the Company (each a “Bonus Warrant Share”) on the following terms and conditions:
- in connection with the Initial Loan, 4,000,000 Bonus Warrants, each such warrant entitling Parkwise to acquire one Bonus Warrant Share at a price of C\$0.06 per share until November 19, 2021; and
 - in connection with the Additional Loan, 2,000,000 Bonus Warrants, each such warrant entitling Parkwise to acquire one Bonus Warrant Share at a price of C\$0.05 per share until March 31, 2021.
- d) On May 25, 2020, the Company settled \$650,222 (C\$857,795) in advances payable and due to related parties through the issuance of 14,296,580 common shares at a deemed price of \$0.06 per share and 11,971,629 common share purchase warrants, each warrant entitling the holder thereof to acquire one common share for \$0.10 per share for a period of one year, of which 6,692,709 common shares and 4,367,758 common share purchase warrants were issued to directors of the Company.
- e) On June 23, 2020, the Company entered into an exploration and mining agreement with Tianye SXO Gold Mining Pty. Ltd. over the historical Pilot gold deposit in Western Australia. Tianye is a significant tenement holder in the Southern Cross greenstone belt in Western Australia, and is also the owner and operator of the Marvel Loch gold processing facility, 35 kilometres south of Southern Cross town site. Altan Rio's Southern Cross North project covers about 28 kilometres of the gold-rich Frasers Corinthian shear zone in the Southern Cross greenstone belt. Tianye's tenement M77/1049 is excised from Altan Rio's tenement holdings.

Key terms of the agreement are as follows:

- Defined area of mutual interest (AMI) incorporating M77/1049 and equivalent or greater part of the surrounding tenement, Altan Rio's P77/4341;
 - The established AMI is for the purpose of exploration, development and exploitation of gold resources;
 - The agreement will run for a period of five years, and, if agreed by both parties, it may be extended for an additional two years;
 - Altan to meet all costs associated with exploration, development and mining activities, at its sole discretion with no minimum expenditures required, with such costs, if any, to be recovered from future mining and processing operations;
 - Altan and Tianye will share on a 50:50 basis net profits, if any, from operations under the agreement (after full cost recovery by Altan Rio);
 - During the term of the agreement, any gold-mineralized material mined from the AMI will be processed at the Marvel Loch facility pursuant to a toll milling agreement agreed to between the parties (subject to the Marvel Loch facility, at all reasonable times, being able to process the gold-mineralized material in accordance with such toll milling agreement).
- f) On June 26, 2020, the Company granted an aggregate of 4,200,000 stock options to certain directors, officers and consultants of the Company, in accordance with the Company's current stock option plan. Each option is exercisable to acquire one common share of the Company at a price of \$0.09 per share. The options have a four-year term and expire on June 26, 2025. The options vested immediately on the date of grant.