



Aldebaran Resources Inc.

(the “Company”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	December 31, 2020	June 30, 2020
Assets		
Current Assets		
Cash	\$ 3,145,266	\$ 505,569
Receivables	16,537	8,450
Prepaid expenses	113,908	9,778
Marketable securities	-	30,408
	<u>3,275,711</u>	<u>554,205</u>
Property and equipment	-	50
Exploration and evaluation assets (Note 4)	<u>65,827,610</u>	<u>64,481,686</u>
Total Assets	\$ 69,103,321	\$ 65,035,941
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 22,588	\$ 91,735
Due to related parties (Note 6)	<u>8,043</u>	<u>274</u>
	<u>30,631</u>	<u>92,009</u>
Non-Current Liabilities		
Decommissioning liability	316,858	333,293
Deferred tax liability	<u>72,000</u>	<u>72,000</u>
	<u>419,489</u>	<u>497,302</u>
Shareholders' Equity		
Share capital (Note 5)	69,717,650	65,019,385
Reserves (Note 5)	2,277,883	1,356,775
Accumulated other comprehensive income (loss)	716,693	701,277
Deficit	<u>(4,028,394)</u>	<u>(2,538,798)</u>
	<u>68,683,832</u>	<u>64,538,639</u>
Total Liabilities and Shareholders' Equity	\$ 69,103,321	\$ 65,035,941

Nature and continuance of operations (Note 1)
Commitments (Note 8)

Approved by the Board of Directors:

"John Black"

Director

"Mark Wayne"

Director

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended December 31, 2020	Three months ended December 31, 2019	Six months ended December 31, 2020	Six months ended December 31, 2019
EXPENSES				
Accounting and audit	\$ 76,636	\$ 71,734	\$ 100,924	\$ 96,308
Advertising and promotion	3,545	2,872	7,556	5,726
Amortization	-	58	45	128
Consulting	35,721	27,253	55,215	43,259
Insurance	6,794	13,044	13,645	19,031
Interest	9,348	10,765	15,251	15,396
Investor relations	9,759	9,866	19,718	19,788
Legal (recovery)	(961)	5,126	3,860	15,968
Management fees (Note 6)	91,940	92,746	185,751	185,908
Office and administration (Note 6)	73,491	107,671	173,819	195,225
Share-based compensation (Note 5, 6)	121,714	375,226	921,108	810,785
Transfer agent and filing fees	5,488	6,979	7,375	27,486
Travel	-	360	-	591
Wages and benefits	27,733	10,702	41,183	27,005
	(461,208)	(734,402)	(1,545,450)	(1,462,604)
OTHER ITEMS				
Gain (loss) on foreign exchange	97,068	10,200	87,723	(5,185)
Loss on disposal of marketable securities	(34,004)	-	(29,334)	-
Interest income	3,059	15,789	3,754	40,406
Write-off of sales taxes	(1,737)	-	(6,289)	-
Loss for the period	\$ (396,822)	\$ (708,413)	\$ (1,489,596)	\$ (1,427,383)
Items that will not be reclassified subsequently to profit and loss:				
Translation adjustment	(80,725)	3,936	15,416	10,009
Comprehensive loss for the period	\$ (477,547)	\$ (704,477)	\$ (1,474,180)	\$ (1,417,374)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	93,635,958	77,635,959	86,940,306	77,635,959

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income (Loss) (Translation Adjustment)	Deficit	Total
Balance, June 30, 2019	77,635,959	\$ 65,019,385	\$ 124,998	\$ (342,647)	\$ (544,216)	\$ 64,257,520
Share-based compensation	-	-	810,785	-	-	810,785
Foreign exchange adjustment	-	-	-	10,009	-	10,009
Loss for the period	-	-	-	-	(1,427,383)	(1,427,383)
Balance, December 31, 2019	77,635,959	\$ 65,019,385	\$ 935,783	\$ (332,638)	\$ (1,971,599)	\$ 63,650,931
Balance, June 30, 2020	77,635,959	\$ 65,019,385	\$ 1,356,775	\$ 701,277	\$ (2,538,798)	\$ 64,538,639
Shares issued for cash	15,999,999	4,800,000	-	-	-	4,800,000
Share issuance costs	-	(101,735)	-	-	-	(101,735)
Share-based compensation	-	-	921,108	-	-	921,108
Foreign exchange adjustment	-	-	-	15,416	-	15,416
Loss for the period	-	-	-	-	(1,489,596)	(1,489,596)
Balance, December 31, 2020	93,635,958	\$ 69,717,650	\$ 2,277,883	\$ 716,693	\$ (4,028,394)	\$ 68,683,832

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Aldebaran Resources Inc.
Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Six months ended, December 31, 2020	Six months ended, December 31, 2019
Cash Flows from Operating Activities		
Loss for the period	\$ (1,489,596)	\$ (1,427,383)
Items not affecting cash:		
Amortization	45	128
Share-based compensation	921,108	810,785
Loss on disposal of marketable securities	29,334	-
Changes in non-cash working capital items:		
Marketable securities	-	(192,930)
Receivables	(8,087)	5,674
Due from related parties	-	(2,215)
Prepaid expenses	(104,130)	3,911
Accounts payable and accrued liabilities	(126,520)	(29,159)
Due to related parties	7,769	(49,986)
Net cash used in operating activities	(770,077)	(881,175)
Cash Flows from Financing Activities		
Proceeds from issuance of shares	4,800,000	-
Share issuance costs	(101,735)	-
Net cash provided by financing activities	4,698,265	-
Cash Flows from Investing Activities		
Exploration and evaluation asset expenditures	(1,362,254)	(1,048,771)
Net cash received from purchase and sale of marketable securities	1,074	-
Net cash used in investing activities	(1,361,180)	(1,048,771)
Effect of foreign exchange on cash	72,689	(25,829)
Change in cash	2,639,697	(1,955,775)
Cash, beginning	505,569	5,163,303
Cash, end	\$ 3,145,266	\$ 3,207,528
Supplemental disclosures with respect to cash flows:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

There were no supplemental disclosures with respect to cash flows for the periods ended December 31, 2002 and 2019.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Aldebaran Resources Inc. (“Aldebaran” or the “Company”) was incorporated on June 7, 2018 under the *Business Corporations Act* (Alberta) as part of a plan of arrangement to reorganize Regulus Resources Inc. (“Regulus”). The Company’s business activity is the acquisition and exploration of exploration and evaluation properties. The Company’s head office is located at Suite 2300 – 1177 West Hastings Street, Vancouver, BC V6E 2K3. The Company’s registered office is located at 15th Floor, Bankers Court, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8.

The Company operates in Canada and Argentina. The Company has an option to earn up to an 80% interest in the Altar Project along with holding a 100% interest in the Rio Grande project and several other earlier stage projects, all located in Argentina.

As at December 31, 2020 the Company had working capital of \$3,245,080. The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable.

During the year ended June 30, 2020, there was a global outbreak of a novel coronavirus identified as “COVID-19”. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

Given the uncertainty, management exercised significant judgment in determining the impact of COVID-19 on the Company’s interim condensed consolidated financial statements, including with respect to financial risks, including liquidity, and the assessment of going concern and the carrying values of the Company’s exploration and evaluation assets. The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. As a result, there is increased uncertainty and economic risks of failure associated with the Company’s exploration activities. The Company will continue to assess the impact of COVID-19 on commodity, credit, and equity markets, which may impact management’s judgments in the future. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

These interim condensed consolidated financial statements were authorized by the audit committee and by the board of directors of the Company on February 24, 2021.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

These interim condensed consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, except for financial instruments at fair value through profit and loss. The interim condensed consolidated financial statements are presented in Canadian dollars unless otherwise noted. The preparation of these interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

2. BASIS OF PREPARATION (cont'd...)

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements:

Functional currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under "Foreign Exchange".

Asset Acquisitions

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The joint venture and option agreement to acquire up to an 80% interest in Peregrine Metals Ltd. is determined to constitute an acquisition of assets (Note 4).

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Significant estimates, made by management, about the future and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Company's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Company's future financial position, operating results and cash flows.

2. BASIS OF PREPARATION (cont'd...)

Income taxes

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 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 or 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.

Decommissioning costs

Upon retirement of the Company's exploration and evaluation assets, decommissioning costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

Measurement of non-cash transactions

The Company applies significant estimates and judgments in determining the measurement of non-cash transactions, most significantly in relation to transactions settled in equity. Management uses judgment to determine whether goods or services acquired can be reliably valued, and if not, measures the transaction with reference to the fair value of the equity issued. Determining the fair value of equity can involve significant estimation to determine the appropriate share price.

Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (Note 6). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company are: the Canadian dollar (the Company) and the United States Dollar ("USD") (Aldebaran Argentina S.A. and Minera El Toro S.A.).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at June 30, 2020. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2020.

Aldebaran Resources Inc.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by the Management)
(Expressed in Canadian Dollars)
For the six months ended December 31, 2020

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Argentina and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Argentina.

In situations where the legal rights to explore a property are obtained through an option agreement (as in the case of Altar, discussed further below), as opposed to title held under the Company's name, to the best of the Company's knowledge those agreements are in good standing and the Company is complying with its commitments, unless otherwise disclosed.

	Altar, Argentina	Rio Grande, Argentina	Other Properties, Argentina	Total
Balance, June 30, 2019	\$ 41,408,173	\$ 9,532,511	\$ 8,543,503	\$ 59,484,187
Additions:				
Deferred exploration costs:				
Administrative services	-	13,721	19,356	33,077
Change in estimates related to decommissioning liability	-	(123,982)	65,861	(58,121)
Consulting	549,745	-	40,410	590,155
Field operations	1,703,771	2,018	736,481	2,442,270
Labour	334,735	38,555	26,733	400,023
Mapping	119,950	-	9,038	128,988
Recoveries	-	(4,342)	-	(4,342)
Taxes and licenses	-	6,539	11,094	17,633
Travel and accommodation	14,722	-	81,970	96,692
	2,722,923	(67,491)	990,943	3,646,375
Foreign exchange movement	1,233,797	(272,708)	390,035	1,351,124
Balance, June 30, 2020	45,364,893	9,192,312	9,924,481	64,481,686
Additions:				
Deferred exploration costs:				
Administrative services	-	5,162	-	5,162
Consulting	245,670	-	7,869	253,539
Environmental engineering	31,234	-	-	31,234
Field operations	790,200	676	72	790,948
Labour	208,096	3,640	-	211,736
Mapping	43,771	-	-	43,771
Taxes and licenses	-	9,883	15,981	25,864
	1,318,971	19,361	23,922	1,362,254
Foreign exchange movement	(14,801)	(521)	(1,008)	(16,330)
Balance, December 31, 2020	\$ 46,669,063	\$ 9,211,152	\$ 9,947,395	\$ 65,827,610

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Altar, Argentina

During the year ended June 30, 2019, the Company entered into a joint venture and option agreement (the "Altar JV Agreement") with Stillwater Canada LLC, an indirect subsidiary of Sibanye Gold Limited, trading as Sibanye-Stillwater ("Sibanye-Stillwater"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("Peregrine"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar copper-gold project in San Juan Province, Argentina ("Altar" or the "Altar Project"). The Altar Project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

The consideration to acquire an initial 60% interest comprises:

- (a) an upfront cash payment of US\$15,000,000 (\$19,588,500) to Stillwater Canada LLC upon closing of the Arrangement (paid);
- (b) the issuance of 19.9% of the Aldebaran Shares (15,449,555 common shares with a fair value of \$9,269,733) to Stillwater Canada LLC upon closing of the Arrangement (issued); and
- (c) Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar Project over five (5) years, inclusive of Peregrine's 2018 drilling that was conducted between February and May of 2018, with a minimum of US\$3 million each year.

Aldebaran has the right to earn an additional 20% interest in the Altar Project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest. If the Company fails to fund the US\$30 million of expenditures as described in (c) above, the Company will forfeit its right to earn any interest in the Altar Project.

A 1% net smelter return royalty on the Altar mining concessions known as Leona, Loba, Santa Rita, RCA VII, RCA II and Pampa is payable to Osisko Gold Royalties with no buy-out provision. There is also a 1% net smelter return royalty held by the original underlying concession owners on the Altar Concessions known as Loba, Santa Rita, RCA II and RCA VII (the "Other Royalty"). Annual payments of US\$80,000 are due to the holders of the Other Royalty when commercial production commences. The annual payments are in addition to, and not an advance on, the Other Royalty.

Rio Grande, Argentina

The Company holds a 100% interest in the Rio Grande property in Salta Province, Argentina.

Other Properties, Argentina

In addition to the Altar and Rio Grande properties, the Company holds a 100% interest in the Aguas Calientes, El Camino, Catua, Oscuro and La Frontera properties in Argentina.

5. SHARE CAPITAL AND RESERVES

Authorized: unlimited common shares without par value. All issued shares are fully paid.

There were no share issuances during the year ended June 30, 2020.

During the period ended December 31, 2020, the Company closed a financing of 15,999,999 units at \$0.30 per unit for proceeds of \$4,800,000. Each Unit consists of one common share in the capital of the Company and one-half of one warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.70 until September 15, 2022. The Company paid cash share issuance costs of \$101,735 related to the financing.

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Notes to the Interim Condensed Consolidated Financial Statements
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For the six months ended December 31, 2020

5. SHARE CAPITAL AND RESERVES (cont'd...)

Stock Options

The following table summarizes movements in stock options outstanding:

	Number of Options	Weighted Average Exercise Price
Balance – June 30, 2019	5,220,000	\$ 1.08
Granted	200,000	1.25
Balance – June 30, 2020	5,420,000	1.08
Granted	2,300,000	0.40
Balance – December 31, 2020	7,720,000	\$ 0.88
Exercisable – December 31, 2020	4,710,000	\$ 0.79

Additional information regarding stock options outstanding as at December 31, 2020 is as follows:

Number of Options	Exercise Price (\$)	Expiry Date
300,000	0.40	August 28, 2023
3,400,000	1.25	June 3, 2024
1,820,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
2,000,000	0.40	August 28, 2025
7,720,000		

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	Six months ended December 31, 2020	Year ended June 30, 2020
Risk-free interest rate	0.39%	1.51%
Expected life of grant	4.74 years	5.00 years
Volatility	72.75%	96.28%
Dividend	0%	0%
Weighted average fair value per option	\$0.32	\$0.22

Share-based compensation

The Company recognizes compensation expense for all stock options and warrants granted and vested using the fair value based method of accounting.

During the period ended December 31, 2020, the Company recognized \$921,108 (2019 - \$810,785) in share-based compensation expense.

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Notes to the Interim Condensed Consolidated Financial Statements
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5. SHARE CAPITAL AND RESERVES (cont'd...)

Warrants

The following table summarizes movements in warrants outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2019 and 2020	-	\$ -
Warrants issued	7,999,996	0.70
Balance, December 31, 2020	7,999,996	\$ 0.70

The following table summarizes information about warrants outstanding at December 31, 2020:

Exercise Price	Number Outstanding	Expiry Date
\$ 0.70	7,999,996	September 15, 2022
	7,999,996	

6. RELATED PARTY TRANSACTIONS

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Aldebaran Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration

During the period ended December 31, 2020, the Company entered into the following transactions with key management personnel and related parties:

- Double Black Diamond Resources LLC. (“DBD Resources”) is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended December 31, 2020, DBD Resources was paid \$65,726 (2019 - \$65,959) which was recorded to management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to DBD Resources.
- Unicus Funds Ltd. (“Unicus”) is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended December 31, 2020, Unicus was paid \$37,500 (2019 – \$37,500). Management services paid to Unicus are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to Unicus.
- K.B. Heather & Socios Limitada (The Rock Doctor Limitada) (“K.B. Heather”) is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the period ended December 31, 2020, K.B. Heather was paid \$85,525 (2019 – \$82,449) which was recorded to management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to K.B. Heather.

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6. RELATED PARTY TRANSACTIONS (cont'd...)

- d) At December 31, 2020, the Company owed \$8,043 (June 30, 2020 – \$274) of expenses to Regulus Resources Inc., a company with common directors and management.
- e) During the period ended December 31, 2020, the Company issued 1,825,000 (2019 – 200,000) stock options to directors and officers of the Company. The Company recognized a total of \$486,921 (2019 - \$512,464) stock-based compensation expense to related parties, which included vested options that had been issued in previous years.

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 are as follows:

	Fees		Share-based Benefits		Total
Period ended December 31, 2020					
Chief Executive Officer	\$	65,726	\$	131,894	\$ 197,620
Chief Geological Officer		82,525		131,894	214,419
Chief Financial Officer		37,500		131,894	169,394
Non-executive directors		-		91,239	91,239
	\$	185,751	\$	486,921	\$ 672,672
Period ended December 31, 2019					
Chief Executive Officer	\$	65,959	\$	144,503	\$ 210,462
Chief Geological Officer		82,449		144,503	226,952
Chief Financial Officer		37,500		144,503	182,003
Non-executive directors		-		78,955	78,955
	\$	185,908	\$	512,464	\$ 698,372

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, and due to related parties approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instruments, cash and marketable securities, under the fair value hierarchy, are based on level one quoted prices in active markets for identical assets or liabilities.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest-bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of tax credits due from the governments of Canada. As such, the Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of \$3,145,266 to settle current liabilities of \$30,631. Management believes that it has sufficient funds to meet its current liabilities as they become due; however, as the COVID-19 pandemic has continued to spread, it has adversely affected workforces, economies, as well as financial markets globally, potentially leading to an economic downturn. This has impacted the Company's ability to raise necessary funds. It is not possible for the Company at this time to predict the duration or magnitude of the impact towards the Company's business or results from its operations.

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 rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in US\$ and A-Peso. A 10% fluctuation in the US\$ against A-Peso and US\$ against the Canadian dollar simultaneously, would not have a significant affect on profit and loss for the period.

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's investment in marketable securities is classified as fair value through profit or loss ("FVTPL") and trades on the stock market. The Company closely monitors its marketable securities, stock market movements, commodity prices and individual equity movements to determine the appropriate course of action to be taken by the Company.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

8. COMMITMENTS

If the Company fails to complete the expenditures pursuant to the Altar JV Agreement as described in Note 4, the Company will forfeit its right to earn any interest in the Altar Project.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Argentina. All capital assets and exploration and evaluation assets are located in Argentina.



Aldebaran Resources Inc.

(the “Company”)

Management’s Discussion and Analysis

For the six months ended December 31, 2020

ALDEBARAN RESOURCES INC. MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following Management Discussion and Analysis ("MD&A") of Aldebaran Resources Inc. (the "Company" or "Aldebaran") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of February 24, 2021 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the six months ended December 31, 2020, the audited consolidated financial statements for the year ended June 30, 2020 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and the Company's website at www.aldebaranresources.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

Management of Aldebaran is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Description of Business and Overview

The Company's business activity is the acquisition, exploration and evaluation of mineral properties. Aldebaran was incorporated on June 7, 2018 by Regulus Resources Inc. ("Regulus") under the *Business Corporations Act* (Alberta) to participate in an arrangement with Regulus whereby Regulus agreed to spin out its Argentina mining properties to Aldebaran (the "Plan of Arrangement"). The Company holds an option to earn up to an 80% interest in the Altar copper-gold porphyry project in San Juan Province, Argentina (the "Altar project") as well as a 100% interest in the Rio Grande project (the Rio Grande project") and several other earlier stage projects, all located in Argentina. The Altar project is a very large, low grade resource that currently has over 14 billion lbs of contained copper and 4.8 million ounces of gold on a measured and indicated basis, plus an additional 3.4 billion lbs copper and 1.09 million ounces gold on an inferred basis (NI 43-101 resource estimate prepared by IMC effective September 28, 2018). The Company is led by John E. Black, Dr. Kevin B. Heather and Mark Wayne, who also serve as management of Regulus. The team has a proven track record with Antares Minerals, which they sold to First Quantum Minerals (TSX:FM, UK FQM) in 2010 for approximately C\$650 million after drilling out the Haquira Cu-Mo-Au deposit in Peru.

Significant Events from July 1, 2020 to the Date of this Report

- The Company announced on September 15, 2020 the closing of a non-brokered unit private placement offering (the "Offering"). The Company sold an aggregate of 15,999,999 units at a price of \$0.30 per unit for total gross proceeds of \$4,800,000. Each unit consists of one common share in the capital of the Company and one-half of one warrant. Each whole warrant entitles the holder to purchase one additional share at a price of \$0.70 until September 15, 2022. Route One Investment Company LLC and Sibanye-Stillwater each exercised their respective rights under their Investment Agreements with the Company to subscribe for their pro-rata share of the Offering.
- On December 3, 2020 the Company provided an update regarding ongoing technical work being done in advance of a 2021 drill program at its Altar project, summarized below.
- On January 9, 2021, the Company provided a summary of a newly developed geological-structural model for the Altar project, summarized below.
- On February 2, 2021, the Company announced the commencement of the 2021 drill program at the Altar project and provided an overview of the many exploration targets identified to date, summarized below.
- On February 18, 2021, the Company hosted a technical webinar led by Dr. Kevin B. Heather who provided a summary of the technical highlights of the Altar project.

Exploration and Evaluation Assets Review

This review has been prepared by John Black, CEO and director of the Company. The scientific and technical data contained in the section have been reviewed and approved by Dr. Kevin B. Heather, BSc (Hons), MSc, PhD, FAusIMM, Chief Geological Officer of the Company, who serves as a qualified person (QP) under the definitions of National Instrument 43-101.

ALDEBARAN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Upon completion of the Plan of Arrangement, Aldebaran beneficially acquired all of Regulus' interests in Argentina mining properties including the Rio Grande project and certain other earlier stage mineral exploration projects. Aldebaran has also entered into a joint venture agreement to earn up to an 80% interest in the Altar project (the "Altar JV Agreement"). The Altar project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

Altar Project

As part of the Plan of Arrangement, Aldebaran entered into the Altar JV Agreement, which provides Aldebaran the right to earn up an initial 60%, and a subsequent additional 20%, interest in the Altar project.

The consideration to acquire an initial 60% interest comprises:

- an upfront cash payment of US\$15 million to Stillwater Canada LLC, which was paid upon closing of the Plan of Arrangement;
- the issuance of 19.9% of the Aldebaran Shares to Stillwater Canada LLC, which were issued upon closing of the Plan of Arrangement; and
- Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar project over five (5) years, inclusive of 2018 drilling that was conducted between February and May of 2018, with a minimum expenditure of US\$3 million each year.

If the Company fails to complete the expenditures pursuant to the Altar JV Agreement as described above, the Company will forfeit its right to earn any interest in the Altar project. Aldebaran also has the right to earn an additional 20% interest in the Altar project by spending an additional US\$25 million over a three-year period following Aldebaran's acquisition of the initial 60% interest.

The Altar project is located in San Juan Province, Argentina approximately 10 km from the Chile-Argentina border and approximately 180 km west of the city of San Juan. Altar hosts a cluster of several large porphyry copper-gold deposits, with mineralization currently defined in four distinct zones – Altar East, Altar Central, Altar North and the recently discovered QDM-Radio Porphyry zone, about 3 km to the west of Altar Central. Mineralization at all of these porphyry deposits is associated with Miocene intrusive centers emplaced into Miocene volcanic host rocks. Altar is noteworthy for having relatively higher gold grades associated with the copper mineralization compared to nearby porphyry systems, which are dominantly copper or copper-molybdenum.

The Altar project was first explored and drilled by CRA/Rio Tinto (7 holes – 2,841 m) in 1995-2004. Peregrine Metals, a Canadian exploration company, subsequently optioned the property from Rio Tinto in 2005. Peregrine expanded the property and completed 56,761 m of drilling in 146 drill holes from 2005-2011 to define an initial mineral resource estimate at Altar Central and Altar East. In October 2011, Stillwater Canada LLC acquired Peregrine Metals for approximately US\$490 MM and in the subsequent period of 2012-2013 completed an additional 38,380 m of drilling in 80 holes to further define estimated mineral resources at Altar Central and Altar East. In 2016, Stillwater spent an additional US\$4MM on 4,893m of drilling in 8 holes which led to the discovery of the QDM epithermal Au-Radio Cu-Au porphyry systems. In 2017, Sibanye Gold purchased Stillwater to form Sibanye-Stillwater. During 2017, an additional US\$1.7 MM was spent on 5,630 m of drilling (7 holes) focusing on the QDM-Radio porphyry area. In 2018, Sibanye-Stillwater completed an additional 4,923 m of deeper drilling (3 drill holes + 1 extension) in a cost sharing agreement with Regulus on behalf of Aldebaran.

The Altar project is the subject of a technical report dated effective August 16, 2018 and amended September 28, 2018, titled "Estimated Mineral Resources, Altar project, San Juan Province, Argentina" (the "Altar Project Technical Report"), which was prepared by John M. Marek of Independent Mining Consultants, Inc. of Tucson, AZ and Stanford T. Foy, CPG and Qualified Person for Sibanye-Stillwater. The Altar Project Technical Report, which contains detailed disclosure on the Altar project, has been filed on SEDAR under the Aldebaran SEDAR profile at www.sedar.com. The report includes drilling up to and including the drilling completed in 2017; however, it does not include the 2018 or 2019 drilling.

The cut-off grades are presented in terms of Net Smelter Return (NSR) which reflects the combined benefit of producing copper, gold, and silver. The qualified person for the estimation of the mineral resource was John Marek of Independent Mining Consultants, Inc. Estimated mineral resources may be significantly affected by factors such as changes in metal prices, production costs and detailed testing and design of process and concentrate handling facilities, and such changes could be materially adverse.

ALDEBARAN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

Altar Mineral Resources¹											
December 31, 2013 - Updated to July 1, 2018											
Mineral Resources at \$4.67 NSR Cutoff									Contained Metal		
Classification	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	\$4.67	995,001	\$15.90	0.358	0.340	0.083	0.96	0.028	7,458	2,655	30,710
Indicated	\$4.67	1,048,899	\$14.09	0.312	0.305	0.065	0.90	0.023	7,053	2,192	30,351
Measured + Indicated	\$4.67	2,043,900	\$14.97	0.334	0.322	0.074	0.93	0.025	14,511	4,847	61,061
Inferred	\$4.67	555,951	\$12.88	0.283	0.279	0.060	0.87	0.022	3,420	1,072	15,551
Total Material of ore and waste in the Altar Cone:						8,041,551	ktonnes				

Quebrada de La Mina, Mineral Resources¹											
Mineral Resources at 13.17 NSR Cutoff									Contained Metal		
Classification	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t			Gold Gm/t	Silver Gm/t		Gold Ozs x 1000	Silver Ozs x 1000	
Measured	\$13.17	10,911	\$27.94			0.930	3.49		326	1,224	
Indicated	\$13.17	2,623	\$21.24			0.720	5.94		61	501	
Measured + Indicated	\$13.17	13,534	\$26.64			0.889	3.96		387	1,725	
Inferred	\$13.17	603	\$23.80			0.730	7.87		14	153	
Total Material of ore and waste in the QDM Cone:						39,776	ktonnes				

Total Altar and Quebrada de La Mina, Mineral Resources¹											
Mineral Resources									Contained Metal		
Classification	Cutoff Grade NSR \$/t	Ore Ktonnes	NSR \$/t	Total Cu %	Sulfide Cu %	Gold Gm/t	Silver Gm/t	Arsenic %	Sulfide Cu Million Lbs	Gold Ozs x 1000	Silver Ozs x 1000
Measured	4.67 at	1,005,912	\$16.03	0.354	0.336	0.092	0.99	0.028	7,458	2,981	31,935
Indicated	Altar	1,051,522	\$14.11	0.311	0.304	0.067	0.91	0.023	7,053	2,253	30,852
Measured + Indicated	13.17 at QDM	2,057,434	\$15.05	0.332	0.320	0.079	0.95	0.025	14,511	5,234	62,786
Inferred		556,554	\$12.89	0.283	0.279	0.061	0.88	0.022	3,420	1,087	15,703

Notes:

1. The resource statement is included within a floating cone defined with the following metal prices: \$2.75/lb copper, \$1,179/oz gold, \$22.79/oz silver.
2. Copper and arsenic grades are in percent of dry weight.
3. Gold and silver grades are in grams per metric tonne.
4. Sulfide copper reflects the estimated grade of copper that could be processed by sulfide flotation.
5. There are no mineral reserves at Altar or QDM at this time.
6. Gold and silver contained are in Thousands of Troy Ounces.
7. Weighted average grade calculations may not balance due to rounding.

During 2018, Sibanye-Stillwater completed a 4,923 m diamond drill program (3 holes plus one extension of a previous hole) on the Altar project, which was directed and paid for by Aldebaran as part of its earn-in agreement. Results from that program were never formally released; however, details can be found on the [Sibanye-Stillwater website](#). This program was successful in defining long intercepts of higher than current resource grade mineralization and provided follow up targets for future programs.

Aldebaran commenced a diamond drilling program at Altar in March 2019, with the goal of exploring and expanding the known higher-grade zones to identify a higher-grade resource within the project, as well as to identify and drill test a new target area beneath the Quebrada de Mina (QDM) zone. A total of 5,400 m was drilled in four diamond core exploration holes. Two of the holes (QDM-19-040 and QDM-19-041) were drilled to depth beneath the QDM gold zone. Additional drill holes were completed at the Altar Central (ALD-19-212) and Altar East (ALD-19-211). QDM-19-040 was lost before reaching its intended target depth. Two of the three holes that reached their target depth intersected long intervals of higher than current resource grade material, one of which (QDM-19-41) was the discovery of a new copper-gold porphyry centre at QDM. The results from drill holes QDM-19-040, QDM-19-041, ALDE-19-211 and ALD-19-212 were announced on October 3, 2019 (see news release at www.aldebaranresources.com).

Work Completed in 2020

Detailed Core Re-logging Program

All of the historical core, totaling ~115,000 m, has been relogged by Aldebaran geologists using a systematic set of logging criteria in order to have more consistent definition of the various rock types, alteration types, veining types and mineralization types. In addition to now having more consistent and reliable geological data across all the drill holes, we have also recognized new geological features that suggest the geological evolution of the Altar deposits is likely different from previous interpretations. This new geologic understanding will aid us in the development of the forthcoming updated resource estimate and the development of new exploration targets, both extensions of known high grade mineralization and new undrilled targets.

Surface Geological Mapping

The first-ever surface bedrock geological map has now been completed over a ~3,000-hectare area covering the Altar property. At a scale of 1:10,000, the mapping focussed on defining the major lithological units, the main faults, and structures, as well as the main alteration and mineralization types. This work has been rationalized with the sub-surface drill hole information and incorporated into the new geological model.

Hyperspectral & Structural Mapping

Satellite-borne high-resolution imagery and hyperspectral data were collected over the Altar project area in early 2020. Two sets of data were collected and analysed: (1) ASTER regional, 1:50,000 scale satellite data covering an area 60 x 60 km (3,600 km²) around the Altar project, and (2) WORLDVIEW3 high-resolution 1:10,000 scale satellite data covering an area 16 x 24 km (384 km²) immediately over the areas of known mineralization. The purpose of these data sets is to give us some regional and more detailed context of the structural setting and associated hydrothermal alteration related to the Altar cluster of mineralized porphyries. This information has been integrated into our new geological/structural model for the project.

Geophysics – Ground Magnetic Survey

The first-ever systematic ground magnetics survey has been completed over most of the Altar property; a total of 383.4 line-kilometres, on 100m spaced lines, covering ~4,425 hectares. This detailed ground magnetics provides much needed information regarding structure and locations of potentially favourable magnetite-bearing potassically-altered porphyry intrusions.

Geological – Structural Modeling

All the data sets described previously have been integrated into a new robust geological/structural model that has changed our understanding of the mineralization in a significant way. The recognition of discrete fault-bounded structural blocks that have played a role in controlling mineralization, as well as potentially subsequently offsetting mineralization, is an important revelation. This new 3D model is becoming the backbone for the re-evaluation of the current resource and targeting for resource expansion and drill testing of newly identified areas.

Copper (Cu), Gold (Au) and Copper Equivalent (CuEq) Grade Shell Modeling

Using the new geological/structural model described above as a framework, grade shells at different cut-offs were modeled for copper, gold, and copper equivalent. The purpose of these grade shells is to better highlight the distribution and geometry of the higher-grade mineralized zones and will be used as guides for the upcoming resource re-evaluation. Special attention was given to modeling supergene secondary copper zones (amenable to heap leach technology) versus hypogene primary copper zones (amenable to milling and flotation technology).

Arsenic (As) Modeling

Historically, Altar has been viewed to have an arsenic issue; however, based on detailed relogging of the drill holes, several important observations can be made:

- Arsenic is associated with enargite (Cu_3AsS_4).
- Enargite occurs in centimeter-wide, sheeted veinlets with pyrite.
- The veinlets are sub-vertical and therefore sub-parallel to the core axis of the vertically drilled holes (the majority of the historical drill holes are vertical).
- These sheeted veinlets form narrow structural corridors which have been now modeled.
- These narrow sub-vertical veinlets, and hence arsenic, could be overestimated within the vertical drill holes.
- A significant amount of the highest arsenic grade occurs within the supergene copper region of Altar Central, which could be processed using heap-leach technology and would not make it to a potential copper concentrate.
- The current resource model used no geology or arsenic grade shells and was based solely on geostatistical modeling; hence it may have overestimated arsenic and spread it throughout the deposit.

To better constrain the arsenic and consider the observations above, detailed wireframes/solids of arsenic >300 ppm were constructed to represent the structural corridors of sheeted veinlets. It is anticipated that these high-arsenic solids will more realistically show the distribution and geometry of arsenic and reduce the overall arsenic content of the resource in future modeling.

Rio Grande Project

The Rio Grande project is owned 100% by Aldebaran and is located in the Altiplano of northwest Argentina at elevations between 3,700 m and 4,700 m above sea level. The property is located approximately 260 km west of the city of Salta and 40 km east of the Chilean border. Exploration work has been carried out on the property since the discovery of the deposit in 1999. Regulus and its predecessor companies have worked on the property since 2004 until the property was transferred to Aldebaran pursuant to the Plan of Arrangement. To date, 129 holes totaling approximately 74,201 m have been drilled on the property. An initial mineral resource estimate was prepared in 2012. The mineral resource was updated in a report entitled "Technical Report on the Rio Grande Project, Salta State, Argentina" with an effective date of August 17, 2018, prepared by Sean D. Horan, P. Geo of Roscoe Postle Associates Inc. ("RPA") of Toronto, Ontario (the "Rio Grande Technical Report"). The Rio Grande Technical Report may be viewed at www.sedar.com on the Aldebaran SEDAR profile.

RPA updated the Rio Grande mineral resource estimate based on the information available to August 17, 2018. Mineral resources are based on a potential open pit scenario with a combination heap leaching and flotation envisaged for the processing of oxide, transition, and sulphide material types. The mineral resource estimate prepared by RPA for the Rio Grande project as of August 17, 2018 is summarized in the table below. Canadian Institute of Mining, Metallurgy and Petroleum for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions) were followed for mineral resources. RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral resource estimate.

Rio Grande Project							
Summary of Mineral Resources – August 17, 2018							
Class/Oxidation	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlb)	Au (koz)	Ag (Moz)
Indicated							
Oxide	46.4	0.27	0.33	2.5	274.2	492	3.8
Transition	24.6	0.36	0.41	4.4	194.3	323	3.5
Indicated Total	71.0	0.30	0.36	3.2	468.6	815	7.3
Inferred							
Oxide	32.4	0.21	0.27	2.6	153.3	281	2.7
Transition	8.6	0.29	0.34	3.5	55.1	93	1.0
Inferred Total	41.0	0.23	0.28	2.8	208.4	375	3.6
Notes:							
1. CIM (2014) definitions were followed for mineral resources.							
2. Mineral resources are estimated at a NSR cut-off grade of US\$8/t for oxide, US\$12/t for transition and US\$7.50/t for sulphide. No sulphide material was captured in resource shell.							
3. Mineral resources are estimated using a long-term gold price of US\$1,400 per ounce and copper price of US\$3.50 per pound.							
4. Bulk density is 2.41 t/m ³ oxide, 2.50 t/m ³ oxide, and 2.62 t/m ³ sulphide.							
5. Numbers may not add due to rounding.							
6. Mineral resources are reported within a preliminary open pit resource shell.							

ALDEBARAN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

No material work was performed on the Rio Grande project since the beginning of the year commencing July 1, 2020.

Aguas Calientes Project

The Aguas Calientes project is owned 100% by Aldebaran and is located in northwestern Argentina in Jujuy Province, 130 km west of the City of Salta. The property is comprised of a single claim covering 4,835 hectares. The project consists of two main zones displaying epithermal precious metal (Au-Ag) mineralization associated with silica-(clay)-sericite alteration emplaced in Miocene volcanic and volcanoclastic rocks and in adjacent sedimentary strata of Late Cretaceous and Tertiary age.

In February 2020, the Company announced the results of a drill program of eleven drill holes totaling 2,316.20 m (see news release dated February 6, 2020 at www.aldebaranresources.com). The most encouraging results were intercepted in Hole ACA-19-23, where anomalous gold associated with favourable trace elements (arsenic and antimony) was encountered in several wide intervals of well-developed, intermediate-sulphidation style epithermal mineralization within strongly altered volcanic rocks (see table below). The mineralized intervals, while lower-grade, are the first significant wide intercepts of epithermal-style mineralization and alteration encountered at Aguas Calientes despite two historical drilling campaigns conducted by previous owners. The mineralization appears to be similar in nature to the high-grade float boulders on surface which were used to help create drill targets. The significance of these drill results, combined with the approximately 6 km long float train of mineralized boulders, confirms the Company's belief that it has intersected the edge of a gold-silver epithermal vein system that may be partially covered by postmineral volcanic rocks toward the west.

Aguas Calientes Drill Results									
Hole Number	From (m)	To (m)	Length (m)	True width (m)	Au (g/t)	Ag (g/t)	As (ppm)	Sb (ppm)	AuEq (g/t)
ACA-19-023	111.25	132.00	20.75	14.67	0.43	4.33	406	345	0.49
	242.00	254.00	12.00	8.30	0.16	4.07	776	212	0.21
	265.00	271.00	6.00	4.15	0.19	2.63	333	145	0.23
	283.40	287.00	3.60	2.49	0.24	2.16	485	151	0.26
	316.00	346.00	30.00	20.50	0.21	5.38	561	341	0.28
The grades are uncut. Gold equivalent (AuEq) values were calculated using gold and silver. Metal prices used for the calculations are \$1,400 (U.S.) per ounce of gold and \$18 (U.S.) per ounce of silver. All intervals presented herein consist of sulphide mineralization. No adjustments were made for recovery as the project is an early-stage exploration project and metallurgical data to allow for estimation of recoveries are not yet available.									

Other Properties

In addition to the Rio Grande and Aguas Calientes projects, Aldebaran acquired four other Argentine projects and mineral rights covering approximately 25,000 hectares from Regulus in connection with the Plan of Arrangement. No material resources have been dedicated to these early stage properties since they were acquired by Regulus. These early stage properties are summarized below.

Property	Location	Ownership	Hectares
Catua	Jujuy Province, Argentina	100%	900
El Camino	Salta Province, Argentina	100%	4,100
La Frontera	Catamarca Province, Argentina	100%	1,200
Oscara	Salta Province, Argentina	100%	19,004

Overview of Exploration Work Programs in Progress or to Be Completed in 2021

Drill Program

The 2021 drill program at the Altar copper-gold project commenced the beginning of February 2021. Drilling will focus on testing several of the higher priority targets from the group of new targets generated as part of the recently completed extensive data collection and data modeling exercise. The objectives of the 2021 drill program are to: (a) test extensions to zones of higher-grade mineralization, and (b) test areas within specific structural blocks identified during the relogging and geological modeling process as having a high potential to extend the footprint of the known mineralization.

The Company will not be able to drill test all the targets listed below in 2021 as the summer field season at the Altar project is limited in length and there could be delays due to Covid-19 protocols. In addition, some of the targets will require the 3D IP-MT geophysical survey to be completed to better design optimal locations for drill holes. Drilling has commenced with two drill rigs, with the potential to add additional rigs during the season.

Discussion of Target Areas

QDM – Radio Porphyry Area

- **Radio East:** The Radio East target is designed to test the eastern extension of one of the highest-grade intercepts found on the property to date in QDM-17-034 (see table below). This intercept, found in the Radio porphyry centre, was associated with a porphyry dyke which was not geologically the same as the Radio porphyry, indicating this high-grade porphyry dyke potentially came from a different porphyry centre which the Company believes may be in the Radio East area. In addition, a large area of sericite-clay alteration with local zones of native sulphur and copper oxides occurs in Radio East, which is typical of the upper portion of a porphyry-epithermal system. This target requires additional field mapping and 3D IP-MT geophysical data before drilling commences.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
QDM-17-034	634	1,006	372	0.94	0.59	0.46	3.60	6.00
<i>Including</i>	840	918	78	2.06	1.23	1.12	7.60	4.00

- **QDM West:** The QDM West target is designed to test the western extension of the newly discovered QDM porphyry centre that was encountered in drill hole QDM-19-041 (see intercept in the table below and the October 3, 2019 press release). This discovery hole intercepted an upper gold-rich zone starting at surface and below that, an additional zone of porphyry-style mineralization. The style of alteration and mineralization is different from that encountered further to the east within the Radio porphyry area; hence it is believed to be a separate mineralized porphyry centre. The higher-grade Mo also suggests that hole AK-19-041 may have drilled down a shoulder/flank of a molybdenum shell which typically form around porphyry copper systems.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
QDM-19-041	0	194	194	0.59	0.08	0.74	1.10	3
QDM-19-041	737	1,526	789	0.52	0.41	0.09	1.00	126

- **Radio South:** The Radio South target is designed to test the southern extension to mineralization found in QDM-17-037 (see table below). Mineralization at the Radio porphyry appears to be associated with strong secondary k-feldspar + magnetite alteration which produces a pronounced magnetic high in the 3D Mag Inversion data. The most pronounced part of this magnetic high feature remains untested, which is the objective of testing this target area.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
QDM-17-037	190	734	544	0.54	0.41	0.17	1.60	14
<i>Including</i>	334	672	338	0.64	0.48	0.22	1.90	9

- **QDM South:** The QDM South target is a large area of hornfelsed andesites and predominately quartz - sericite ± pyrite ± tourmaline ± hematite alteration, which is similar in character to the upper portions of the Altar Central and Altar East porphyry centres. The target area is also highlighted by a multi-element anomaly in the talus fine geochemical survey data with a central area of elevated Au, Cu, Mo, Ag, S, As, Sb, Bi, Se, and Te and depleted Li and Mn, surrounded by an outer ring of elevated Pb, Zn, In and W.

Altar Central Area

- **Altar Central – West Extension:** The Altar Central West Extension target is designed to test for the western extension to higher-grade mineralization that is currently open to the west of drill holes ALD-07-019 and ALD-08-049 (see table below for intercepts). These are some of the best intercepts drilled at Altar Central and they remain open to the west, hence providing an opportunity to extend higher-grade mineralization and resources to the west.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
ALD-07-019	100	953	853	0.65	0.59	0.07	1.00	
<i>Including</i>	102	156	54	1.01	0.93	0.11	0.40	
<i>And</i>	334	470	136	0.60	0.52	0.11	0.90	
<i>And</i>	730	953	223	0.79	0.75	0.03	1.20	22
ALD-08-049	132	951.6	819.6	0.70	0.62	0.10	1.00	8
<i>Including</i>	138	234	96	0.82	0.75	0.09	1.20	2
<i>And</i>	264	616	352	0.90	0.78	0.17	0.90	4

- **Altar Central – North Extension:** The Altar Central North Extension target is designed to test for a northern extension to higher-grade mineralization that is currently open to the north of drill hole ALD-19-212, which intersected an upper zone of supergene secondary sulphide mineralization with attractive grades and a lower zone of porphyry mineralization that included several higher-grade intervals (see table below). In addition, three drill holes ALD-07-016, ALD-07-025, and ALD-08-058, drilled along an east-west fence line, were all shallow holes that terminated in mineralization, indicating potential to extend mineralization below those holes.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
ALD-19-212	72	152	80	1.09	0.99	0.11	2.30	8
ALD-19-212	237.5	1,379	1,141.5	0.53	0.47	0.04	1.10	75
<i>Including</i>	237.5	317	79.5	1.00	0.88	0.15	1.70	12
<i>And</i>	561	601	40	0.76	0.68	0.10	0.70	16
<i>And</i>	749	895	146	0.66	0.61	0.03	0.90	41
<i>And</i>	995	1,165	170	0.77	0.71	0.02	1.70	126
ALD-07-016	88	435	347	0.57	0.51	0.06	1.80	
ALD-07-025	118	314	196	0.48	0.41	0.10	1.40	
ALD-07-025	348	500	152	0.35	0.31	0.05	0.80	
ALD-08-058	56	440	384	0.53	0.46	0.08	1.40	

- **Altar Central – Southeast Extension:** The Altar Central Southeast Extension is a target designed to test for a southern extension of higher-grade mineralization that is currently open to the south of drill holes ALD-10-069, ALD-10-079, and ALD-11-151 (see table below). These better-grade intercepts drilled at Altar Central remain open to the southeast, hence providing an opportunity to extend higher-grade mineralization and resource to the southeast.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
ALD-10-069	272	757.6	485.6	0.53	0.48	0.04	0.90	38
ALD-10-079	320	934.6	614.6	0.54	0.48	0.04	1.30	39
<i>Including</i>	534	718	184	0.64	0.58	0.05	1.60	47
ALD-11-151	216	407	191	0.48	0.38	0.13	0.80	25

Altar East Area

- **Altar East – North Extension:** The Altar East North Extension target is designed to test for a northern extension to higher-grade mineralization found in drill holes ALD-12-153, ALD-11-150, and ALD-12-179 (see table below). These better-grade intercepts drilled at Altar East remain open to the north; hence providing an opportunity to extend higher-grade mineralization and resource to the north into an area of extensive alteration on surface.

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
ALD-11-150	12	548	236	0.52	0.39	0.17	1.50	13.00
ALD-12-153	78	964.5	886.5	0.57	0.46	0.14	0.90	14.00
<i>Including</i>	174	572	398	0.69	0.54	0.19	1.20	11.00
<i>And</i>	672	740	68	0.73	0.60	0.18	0.90	20.00
<i>And</i>	758	856	98	0.69	0.59	0.14	0.80	15.00
ALD-12-179	290	1,166.5	876.5	0.54	0.44	0.11	1.40	20
<i>Including</i>	592	934	342	0.63	0.51	0.15	1.50	21
<i>And</i>	950	1,118	168	0.64	0.56	0.10	1.20	14

- **Block 26:** Block 26 is a target area within structural fault block 26 and beneath several shallow drill holes that exhibit strong quartz stockwork veining and elevated gold. This structural block appears to be the northwestern extension to the main Altar East mineralization, however most of the historical drill holes, ALD-13-199, ALD-06-004, and ALD-12-187, were of shallow depth (see table below).

	From (m)	To (m)	Length (m)	CuEq (%) ¹	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)
ALD-13-199	326	490	164	0.50	0.41	0.10	1.80	6
ALD-06-004	266	380	114	0.43	0.28	0.21	0.50	17
ALD-06-004	414	498	84	0.41	0.32	0.11	0.60	19
ALD-12-187	204	521	317	0.51	0.44	0.10	0.60	9

Note to accompany tables above:

1. CuEq calculated using US\$3/lb Cu, US\$1,400/oz Au, US\$18/oz Ag and US\$10/lb Mo. Recoveries not used in CuEq calculation.

Resource Modeling. The current 43-101 resource statement for Altar, completed by the previous operator, shows a very large, low-grade mineral resource with elevated arsenic content. This is in part due to no geology being used, the low cut-off grade chosen, and the emphasis on “make it big” at the expense of grade. Aldebaran’s approach is very different and focuses on having a robust and consistent geological/structural model in conjunction with grade shells at different cut-offs for all the key economic and deleterious elements in order to highlight the potentially more economically attractive higher-grade zones and minimize the impact of the deleterious elements. Aldebaran is currently working with IMC out of Tucson Arizona on a re-evaluation and update of the Altar project resource using our newly developed geological/structural model, grade shells and incorporation of eight additional new drill holes completed during 2018 and 2019. The objective is to highlight the size and geometry of (a) the known higher-grade primary copper-gold zones at QDM/Radio, Altar Central and Altar East, and (b) the size and geometry of the supergene copper zones. In addition, this work will provide valuable information on where additional exploration drilling should be focussed to extend these higher-grade zones. An updated resource statement is scheduled for release in April 2021.

Talus Fine Geochemistry. The first-ever systematic talus fine geochemical sampling program has now been completed over ~60% of the main Altar area, with the remaining ~40% currently in progress. Talus fine samples were collected on a 100 x 100 m grid pattern covering most of the Altar property. Approximately 1,915 samples have been collected and analyzed for multi-element geochemistry. The purpose of this type of sampling is to identify areas not only with anomalous Cu, Au, and Ag geochemistry, but also areas with anomalous geochemistry in the trace elements typically associated with porphyry copper-gold systems. Processing and analysis of this data is currently underway and will be used as one integrant for the generation of drill hole targets.

Geophysics – 3D Induced Polarization (IP) and Magneto-Telluric (MT) Survey. A 3D Induced Polarization (IP) and Magneto-Telluric (MT) survey is planned to be completed during this field season. The survey will cover a 26.5 km² area (7.8 x 3.4 km) over the main mineralized areas and their surroundings. The objective of the survey is to provide additional characterization of the known mineralization and identify possible extensions and/or new areas for drill testing. Most mineralized porphyry systems have clear responses to both IP and MT, with IP helping to map out sulphide distributions and MT helping to identify areas of favourable alteration such as potassic alteration and silicification, both typically associated with copper mineralization in these types of systems.

Metallurgy. An extensive amount of metallurgical test work has been completed for the Altar project over the last several years and Aldebaran will be re-evaluating the results of this data, taking into consideration the new geological/structural model and the numerous other new data sets to determine if additional, more focussed metallurgical test work is required.

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The amount of drilling to be completed in the recently commenced drill program in this field season is dependent upon the Company's ability to raise additional capital as well as the requirement to comply with any new restrictions imposed by the ongoing COVID-19 pandemic. The Company will also continue to complete environmental monitoring and baseline studies at the Altar project that will primarily focus on characterization of surface water resources and any potential glacial related features. This work is being completed by qualified independent experts and will provide a basis for future feasibility studies.

The Rio Grande project is under review to evaluate potential synergies with the nearby Lindero Mine where Fortuna Silver is completing construction and will enter into commercial production in the first quarter of 2021.

No work is currently planned for the other projects in the Aldebaran portfolio, but the Company has been engaged with third parties to discuss potential for joint venture or other partnerships to advance these projects.

Summary of Quarterly Results

The following is a summary of certain selected financial information for the most recent eight fiscal quarters.

	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
All in \$1,000's except loss per share				
Working Capital	\$3,245	\$4,531	\$462	\$1,404
Loss (gain)	\$397	\$1,093	\$318	\$249
Loss (gain) per share	\$0.00	\$0.01	\$0.00	\$0.01
Loss (gain) per common share (diluted)	\$0.00	\$0.01	\$0.00	\$0.01
Total Assets	\$69,103	\$69,602	\$65,036	\$64,077
Total Liabilities	\$419	\$562	\$497	\$604
Deficit	\$4,028	\$3,632	\$2,539	\$2,221

	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
All in \$1,000's except loss per share				
Working Capital (Deficiency)		\$4,441	\$5,096	\$9,299
Loss (gain)	\$708	\$719	\$(470)	\$539
Loss (gain) per share	\$0.01	\$0.01	\$0.01	\$0.01
Loss (gain) per common share (diluted)	\$0.01	\$0.01	\$0.01	\$0.01
Total Assets	\$63,961	\$64,494	\$64,682	\$65,399
Total Liabilities	\$333	\$527	\$527	\$644
Deficit	\$1,972	\$1,263	\$544	\$1,014

Results of Operations

Results of Operations for the Six Months Ended December 31, 2020 Compared to the Six Months Ended December 31, 2019

During the six months ended December 31, 2020, loss from operating activities was \$1,489,596 (2019 –\$1,427,383). Significant variances from the same period in the prior year are as follows:

- Share-based compensation was \$921,108 for the six months ended December 31, 2020 (2019 - \$810,785). The variance is due to the timing of vested stock options issued in June 2019, July 2019 and September 2020.
- A gain of \$87,723 on foreign exchange for the six months ended December 31, 2020 (2019 – loss of \$5,185). The variance was mainly the result of fluctuations of the US\$, the A-Peso and the CAD\$.

Results of Operations for the Three Months Ended December 31, 2020 Compared to the Three Months Ended December 31, 2019

During the three months ended December 31, 2020, loss from operating activities was \$396,822 (2019 –\$708,413). Significant variances from the same period in the prior year are as follows:

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MANAGEMENT'S DISCUSSION AND ANALYSIS

- Share-based compensation was \$121,714 for the three months ended December 31, 2020 (2019 - \$375,226). The variance is due to the timing of vested stock options issued in June 2019, July 2019 and September 2020.
- A gain of \$97,068 on foreign exchange for the three months ended December 31, 2020 (2019 – gain of \$10,200). The variance was mainly the result of fluctuations of the US\$, the A-Peso and the CAD\$.

Liquidity and Capital Resources

Cash at December 31, 2020 totaled \$3,145,266. Working capital at December 31, 2020 was \$3,245,080 compared to working capital of \$462,196 as at June 30, 2020. Exploration and evaluation assets at December 31, 2020 totaled \$65,842,411 compared to \$65,035,941 as at June 30, 2020.

In September 2020 the Company closed a financing of 15,999,999 units at \$0.30 per unit for proceeds of \$4,800,000. As at the date of this report the Company has sufficient working capital to continue operations for at least the next 12 months.

The ability of the Company to recover the costs it has incurred to date on its exploration and evaluation assets is dependent upon the Company being able to finance its exploration and development expenditures and to resolve any environmental, regulatory or other constraints which may hinder the successful exploitation or disposal of its exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

Share Capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

As at the date of this report, the Company had the following outstanding:

- 93,635,958 common shares
- Stock options

Number of Options	Exercise Price (\$)	Expiry Date
300,000	0.40	August 28, 2023
3,400,000	1.25	June 3, 2024
1,820,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
2,000,000	0.40	August 28, 2025
7,720,000		

- Warrants

Number of Warrants	Exercise Price (\$)	Expiry Date
7,999,996	0.70	September 15, 2022
7,999,996		

Related Party Transactions

During the period ended December 31, 2020, the Company entered into the following transactions with key management personnel and related parties:

- a) Double Black Diamond Resources LLC. ("DBD Resources") is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended December 31, 2020, DBD Resources was paid \$65,726 (2019 - \$65,959) which was classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to DBD Resources.

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- b) Unicus Funds Ltd. ("Unicus") is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended December 31, 2020, Unicus was paid \$37,500 (2019 – \$37,500). Management services paid to Unicus are classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to Unicus.
- c) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) ("K.B. Heather") is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the period ended December 31, 2020, K.B. Heather was paid \$85,525 (2019 – \$82,449) which was classified as management fees in the interim condensed consolidated statements of operations and comprehensive loss. At December 31, 2020, the Company owed \$Nil (June 30, 2020 – \$Nil) to K.B. Heather.
- d) At December 31, 2020, the Company owed \$8,043 (June 30, 2020 – \$274) of expenses to Regulus Resources Inc., a company with common directors and management.
- e) During the period ended December 31, 2020, the Company issued 1,825,000 (2019 – 200,000) stock options to directors and officers of the Company. The Company recognized a total of \$486,921 (2019 - \$512,464) stock-based compensation expense to related parties, which included vested options that had been issued in previous years.

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 are as follows:

	Fees	Share-based Benefits	Total
Period ended December 31, 2020			
Chief Executive Officer	\$ 65,726	\$ 131,894	\$ 197,620
Chief Geological Officer	82,525	131,894	214,419
Chief Financial Officer	37,500	131,894	169,394
Non-executive directors	-	91,239	91,239
	<u>\$ 185,751</u>	<u>\$ 486,921</u>	<u>\$ 672,672</u>
Period ended December 31, 2019			
Chief Executive Officer	\$ 65,959	\$ 144,503	\$ 210,462
Chief Geological Officer	82,449	144,503	226,952
Chief Financial Officer	37,500	144,503	182,003
Non-executive directors	-	78,955	78,955
	<u>\$ 185,908</u>	<u>\$ 512,464</u>	<u>\$ 698,372</u>

Amounts due to related parties have no specific terms of repayment, are unsecured, and have no interest rate.

Risks and Uncertainties

Annual losses are expected to continue until the Company has an interest in an exploration and evaluation asset that produces revenues. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing and generating revenues sufficient to cover its operating costs. The Company's accompanying consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

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The operations of the Company are speculative due to the high-risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. There are a number of factors that could negatively affect the Company's business and the value of its common shares, including the factors listed below. The following information pertains to the outlook and conditions currently known to the Company that could have a material impact on the financial condition of the Company. Other factors may arise that are not currently foreseen by management of the Company that may present additional risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors, as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The more significant risks include:

COVID-19

At the time of publication of this management discussion and analysis, the global development of COVID-19 was rapidly evolving on a daily basis. The unprecedented nature and heightened uncertainty of the situation means that the extent and impact of the risks posed to Aldebaran by COVID-19 and other epidemics/pandemics/endemic diseases cannot be fully known, quantified, or predicted with any certainty. Global phenomena such as COVID-19 increase the risk of significant labour force disruption (including the supply of labour or site/country access) and the potential loss (permanent/temporary) of personnel. Our operations are located in remote locations and represent concentrations of personnel working and sometimes residing in close proximity to one another. COVID-19 has the potential to spread rapidly and place the Company's workforce at risk. As a Company, where practicably possible, steps are being continually assessed and implemented, as appropriate, to both protect employees and mitigate risks to operations from these threats and impacts, but there can be no assurance as to the level of impact the pandemic will have.

Exploration and Development Risk

The Company's properties are in the exploration stage and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries, civil unrest, general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business.

Negative Operating Cash Flow

The Company is an exploration stage company and has not generated cash flow from operations. The Company is devoting significant resources to the development and acquisition of its properties; however, there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. The Company currently has negative cash flow from operating activities.

Altar Project Obligations

If the Company fails to fund the US\$30 million of expenditures as required under the Altar JV Agreement (see Note 5 to the Financial Statements), the Company will forfeit its right to earn any interest in the Altar project.

Mineral Resource Estimates

The Company's reported mineral resources are estimations only. No assurance can be given that the estimated mineral resources will be recovered. By their nature, mineral resource estimations are imprecise and depend, to a certain extent, upon statistical inferences, which may ultimately prove unreliable because, among other factors, they are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral resource estimations may require revision (either up or down). There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process,

and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions. In particular, factors that may affect mineral resource estimates include:

- changes in interpretations of mineralization geometry and continuity of mineralization zones;
- input parameters used in the Whittle shell that constrains the mineral resources amenable to open pit mining methods;
- metallurgical and mining recoveries;
- operating and capital cost assumptions;
- metal price and exchange rate assumptions;
- confidence in modifying factors, including assumptions that surface rights to allow infrastructure to be constructed will be forthcoming;
- delays or other issues in reaching agreements with local or regulatory authorities and stakeholders;
- changes in land tenure requirements or permitting requirements from those discussed in the report; and
- changes in the environmental regulations or laws governing the property.

Changes in key assumptions and parameters could result in a restatement of mineral resource estimates. Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to mineral resources, there is no assurance that all or any part of Measured or Indicated mineral resources will ever be converted into mineral reserves. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

Title Risk

The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. The results of the Company's investigations should not be construed as a guarantee of title. Other parties may dispute the title to a property, or the property may be subject to prior unregistered agreements or liens and transfers or land claims by aboriginal, native, or indigenous peoples. The title may be affected by undetected encumbrances or defects or governmental actions. The Company has not conducted surveys of all of its properties, and the precise area and location of claims or the properties may be challenged and no assurances can be given that there are no title defects affecting such properties. Any defects in the title to the Company's properties could have a material and adverse effect on the Company.

No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties. Although the Company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license. The Company is earning an interest in the Altar property through an option agreement requiring exploration expenditures and acquisition of title to the properties is completed only when the option conditions have been met. If the Company does not satisfactorily complete these option conditions in the period laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

Foreign Operations Risk

The Company conducts exploration activities in foreign countries, including Argentina and Chile. Each of these countries exposes the Company to risks that may not otherwise be experienced if all operations were located in Canada. The risks vary from country to country and can include, but are not limited to, civil unrest or war, terrorism, illegal mining, changing political conditions, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect the Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Numerous countries have introduced changes to mining regimes that reflect increased government control or participation in the mining sector, including, but not limited to, changes of law affecting foreign ownership, mandatory government participation, taxation and royalties, exploration licensing, export duties, and repatriation of income or return of capital. There can be no assurance that industries which are deemed of national or strategic importance in countries in which the Company has assets, including mineral exploration, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not

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possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company.

Metal Price Risk

The Company's portfolios of properties and investments have exposure to predominantly copper, gold, silver and molybdenum. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The prices of these metals greatly affect the value of the Company, the price of the common shares of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures, option agreements and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metal prices.

Commodity prices, and in particular copper prices, may be significantly affected by both demand and supply-side disruptions as a result of COVID-19, global shutdowns as a result of COVID-19 and its continuing impact on economies around the world.

Uncertainty of Funding

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Recent economic events including US-China disputes and the COVID-19 global pandemic have created further uncertainty in global financial and equity markets and may adversely impact the Company's share price and ability to raise capital.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Economic and Political Instability in Argentina

All of the Company's properties, including the Altar project, are located in Argentina. There are risks relating to an uncertain or unpredictable political and economic environment in Argentina, especially as there is social opposition to mining operations in certain parts of the country. During an economic crisis in 2001 to 2003 and again in 2014, Argentina defaulted on foreign debt repayments and on the repayment on a number of official loans to multinational organizations. In addition, the government has renegotiated or defaulted on certain contractual arrangements. Prior to December 2015, the Argentinean government placed currency controls on the ability of companies and its citizens to obtain United States dollars, in each case requiring Central Bank approval (resulting in, at times, a limitation on the ability of multi-national companies to distribute dividends abroad in United States dollars) and revoked exemptions previously granted to companies in the oil and gas and mining sectors from the obligation to repatriate 100% of their export revenues to Argentina for conversion in the local foreign exchange markets, prior to transferring funds locally or overseas. Similarly, the government adopted a requirement that importers provide notice to the government and obtain approval for importation before placing orders for certain goods. Most of these measures were lifted by the Macri government that took office in December 2015. In October 2019, the government once again placed currency controls on the ability of companies and its citizens to obtain United States dollars. In December 2019, a Peronist government under President Alberto Fernandez took office. Past actions indicate that the Argentinean government may from time to time alter or impose additional requirements or policies that may adversely affect the Company's activities in Argentina or its ability to attract joint venture partners or obtain financing for its projects in the future.

Currency Risk

The Company will transact business in a number of currencies including but not limited to the Canadian Dollar, the US Dollar, the Argentine Peso and the Chilean Peso. The Argentine Peso in particular has had significant fluctuations in value relative to the US and Canadian dollars. Ongoing economic uncertainty in Argentina as well as unpredictable changes to foreign exchange rules may result in fluctuations in the value of the Argentine Peso that are greater than those experienced in the recent past. Fluctuations in exchange rates may have a significant

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effect on the cash flows of the Company. Future changes in exchange rates could materially affect the Company's results in either a positive or a negative direction. The Company does not currently engage in foreign currency hedging activities.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyberattacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Corruption and Bribery

The Company is required to comply with anti-corruption and anti-bribery laws, including the *Extractive Sector Transparency Measures Act*, the *Canadian Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, as well as similar laws in the countries in which the Company conducts its business. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company. The Company has adopted a comprehensive Anti-Corruption Policy in order to mitigate this risk.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential, as well as the necessary labour and supplies required to develop such properties. The Company competes with other exploration and mining companies, many of which have greater financial resources, operational experience and technical capabilities than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The Company may not be able to maintain or acquire attractive mining properties on terms it considers acceptable, or at all. Consequently, its financial condition could be materially adversely affected.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political risks.

Environmental Risks

It is possible that future regulatory developments, such as increasingly strict environmental protection laws, climate change policies, regulations and enforcement policies, and claims for damages to property and persons resulting from the Company's operations, could result in additional costs and liabilities, restrictions on or suspension of the Company's activities and delays in the exploration of and development of its properties.

The physical effects of climate change, which may include extreme weather events, resource shortages, changes in rainfall and storm patterns, water shortages and extreme weather events, may have an adverse effect on our operations. Events or conditions such as flooding or inadequate water supplies could disrupt exploration activities and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on our properties. Such events or conditions could also have other adverse

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effects on our operations, our workforce and on the local communities surrounding our properties, such as an increased risk of food, water scarcity and civil unrest.

Tax

The Company runs its business in different countries and strives to run its business in as tax efficient a manner as possible. The tax systems in certain of these countries are complicated and subject to changes. For this reason, future negative effects on the result of the Company due to changes in tax regulations cannot be excluded. Repatriation of earnings to Canada from other countries may be subject to withholding taxes. The Company has no control over withholding tax rates.

Disclosure For Venture Issuers Without Significant Revenue

A breakdown of the components of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements for the year ended June 30, 2020 to which this MD&A relates. A breakdown of the components of the exploration and evaluation assets of the Company is disclosed in the consolidated financial statements for the year ended June 30, 2020 to which this MD&A relates.

Investor Relations

In January 2019, the Company executed an agreement with Ms. Laura Brangwin to provide investor relations services to the Company (the "IR Agreement"). Ms. Brangwin is paid USD\$2,500 per month and her agreement provides for the grant of 50,000 stock options of the Company under the terms and conditions of the Company's Stock Option Plan. Ms. Brangwin does not own any shares of Aldebaran.

Financial and Capital Risk Management

Please refer to the December 31, 2020 interim condensed consolidated financial statements on www.sedar.com.

Recent Accounting Policies

Please refer to the June 30, 2020 audited consolidated financial statements on www.sedar.com.

Financial Instruments

Please refer to the December 31, 2020 interim condensed consolidated financial statements on www.sedar.com.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Internal Controls Over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

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Other MD&A Requirements

Additional information relating to the Company's operations and activities can be found by accessing the Company's news releases and filings on SEDAR at www.sedar.com.

Cautionary Note - Forward Looking Statements

Certain statements made and information contained herein in the MD&A constitutes "forward-looking information" and forward-looking statements" within the meaning of applicable securities legislation (collectively, "forward-looking information" or "forward-looking statements") concerning the business, operations, financial performance and condition of Aldebaran Resources Inc. The forward-looking information contained in this MD&A is based on information available to the Company as of the date of this MD&A. Except as required under applicable securities legislation, the Company does not intend, and does not assume any obligation, to update this forward-looking information. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance, (often, but not always, identified by words or phrases such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events, conditions or results "will", "may", "could", "would", "should", "might" or "will be taken", "will occur" or "will be achieved" or the negative connotations thereof and similar expressions) are not statements of historical fact and may be forward-looking statements.

All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks and uncertainties relating to, among other things, the inherent uncertainties regarding mineral resource estimates, cost estimates, changes in commodity prices, currency fluctuation, financings, unanticipated resource grades, infrastructure, results of exploration activities, cost overruns, availability of materials and equipment, timeliness of government approvals, taxation, political risk and related economic risk and unanticipated environmental impact on operations, the impact of COVID-19 on the Company's operations, personnel, ability to finance and outlook, as well as other risks, and uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A, and elsewhere, which may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

The Company believes that the expectations reflected in the forward-looking statements and information included in this MD&A are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements and information should not be unduly relied upon. This statement and information is as of the date of the MD&A. In particular, this MD&A contains forward-looking statements or information pertaining to the assumptions used in the mineral resources estimates for the Altar and Rio Grande projects, including, but not limited to, geological interpretation, grades, metal price assumptions, metallurgical and mining recovery rates, geotechnical and hydrogeological conditions, as applicable; ability to develop infrastructure; assumptions made in the interpretation of drill results, geology, grade and continuity of mineral deposits; expectations regarding access and demand for equipment, skilled labour and services needed for exploration and development of mineral properties, the impact of the COVID-19 pandemic on the Canadian and worldwide economy, the Company's workforce, world wide demand for commodities and the Company's business generally; and that activities will not be adversely disrupted or impeded by exploration, development, operating, regulatory, political, community, economic and/or environmental risks. In addition, this MD&A contains forward-looking statements or information pertaining to the anticipated timing or ability to secure additional financing and/or the quantum and terms thereof; exploration and development plans and expenditures; the timing and nature of studies and any potential development scenarios; opportunities to improve project economics; the success of future exploration activities; potential for resource expansion; potential for the discovery of new mineral deposits; ability to build shareholder value; expectations with regard to adding to mineral resources through exploration; expectations with respect to the conversion of inferred resources to an indicated resources classification; ability to execute the planned work programs; estimation of commodity prices, mineral resources, costs, and permitting time lines; ability to obtain surface rights and property interests; currency exchange rate fluctuations; requirements for additional capital; government regulation of mining activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; limitations on insurance coverage; and other risks and uncertainties.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that the current price of and demand for commodities will be sustained or will improve, the supply of commodities will remain stable, that the general business and economic conditions will not change in a material adverse manner, that financing will be available if and when needed on reasonable terms and that the Company will not experience any material labour dispute, accident, or failure of plant or equipment. These factors are not, and should not be construed as being, exhaustive. Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking information contained in this document is qualified by these cautionary statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof. Statements relating to "mineral resources" are deemed to be forward looking information, as they involve the

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implied assessment, based on certain estimates and assumptions, that the mineral resources described can be profitably produced in the future.

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).