MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Introduction

This management's discussion and analysis ("MD&A") of results of operations and financial condition of Orvana Minerals Corp. and its consolidated subsidiaries ("Orvana" or the "Company") describes the operating and financial results of Orvana for the year ended September 30, 2020.

This MD&A should be read in conjunction with the audited consolidated financial statements of Orvana for the year ended September 30, 2020 and related notes thereto (the "Audited Financials"). The Audited Financials are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

All currency amounts (except per unit amounts) unless otherwise stated, are in United States dollars ("US dollars"). Production and sales in respect of gold and silver are in fine troy ounces referred to as "ounces" or "oz" and in respect of copper are in pounds also referred to as "lbs". The information presented in this MD&A is as of December 1, 2020, unless otherwise stated.

A cautionary note regarding forward-looking statements follows this MD&A.

Company Overview

Orvana is a multi-mine gold-copper-silver producer with organic growth opportunities. Orvana's properties consist of:

(i) The El Valle and Carlés mines and the El Valle processing plant (collectively, "El Valle"), producer of copper concentrate and doré. El Valle is located in Asturias, Northern Spain, and is managed by its subsidiary Orovalle Minerals, S.L. ("Orovalle"), that, in addition to El Valle, owns certain mineral rights located in the region of Asturias;

(ii) The Don Mario Mine Complex ("Don Mario"), a set of assets that includes Las Tojas ore body, and the previously mined out Lower Mineralized Zone ("LMZ"), Upper Mineralized Zone ("UMZ") and Cerro Felix mines, plus the Processing Plant, currently in care and maintenance. Don Mario is located in Chiquitos, Southeastern Bolivia, and is managed by its subsidiary Empresa Minera Paitií, S.A. ("EMIPA"). Don Mario temporarily suspended operations in the first quarter of fiscal 2020; and

(iii) The Taguas property ("Taguas"), located in Argentina. On May 14, 2019, the Company entered into a purchase agreement with Compañía Minera Taguas S.A. pursuant to which Orvana agreed to acquire Taguas, consisting of 15 mining concessions over an area of 3,273.87 ha. The Property is located in the Province of San Juan, on the eastern flank of the Andes, between 3,500 m to 4,300 m above sea level. On July 9, the Company filed a Preliminary Economic Assessment Report for the Taguas property. Closing of the acquisition of Taguas is subject to applicable local mining rights registrations and the final acceptance of the Toronto Stock Exchange. The process to complete the acquisition and registration of the Taguas property in Argentina has been delayed due to COVID-19 travel restrictions and national lockdown measures.

Orvana's strategic focus is on initiatives and opportunities that deliver long-term shareholder value. In that regard, Orvana is currently working to optimize its properties, reduce its unitary operating costs and realize growth in its future production base through exploration within, and in proximity, to its properties.

COVID-19

In March 2020 the World Health Organization declared the COVID-19 outbreak to be a global pandemic. The situation is dynamic with countries around the world responding in different ways to address the outbreak. The COVID-19 pandemic is causing significant financial market declines and social dislocation, globally.

The extent of the effect of the COVID-19 pandemic on the Company's business activities is undetermined, given the uncertainties with respect to future developments, including without limitation: (i) duration, severity and scope of the COVID-19 pandemic; (ii) the effect of the COVID-19 situation on the future availability of mining supply and services that support operations; (iii) the effect of the COVID-19 situation could have on the Company's future operations and financial condition; and (iv) the necessary government responses to limiting the spread of COVID-19.

The Company has made efforts to safeguard the health of our employees, while continuing to operate safely and responsibly maintain employment and economic activity. The Company continues to implement comprehensive and proactive measures to respond to the COVID-19 pandemic; and continues to work closely with local governments and authorities to ensure proper protocols are followed during the ongoing COVID-19 crisis.

Spain's Government initially declared a lockdown on March 14, 2020, to contain the COVID-19 pandemic in Spain (the "Initial Lockdown"). The Initial Lockdown did not have a material impact on the Company's operations or logistics at its mining operations at Orovalle. On March 29, 2020, Spain's Government passed new legislation extending and broadening the reach of the national lockdown ("Extended Lockdown Order"), including an order for all non-essential workers to stay at home until April 9, 2020. The Extended Lockdown Order halted all "non-essential" activities (which initially appeared to include extractive industries including mining) starting Monday, March 30, 2020. In compliance with the Extended Lockdown Order, the Company temporarily reduced its normal mining operations at Orovalle to the minimum essential activities allowed under the Extended Lockdown Order. On April 1, 2020, the Company was able to gradually re-start production activities at Orovalle, after the Government passed clarifying rules allowing export industries to resume production where such production was subject to international contractual commitments. The Extended Lockdown Order expired on April 9, 2020 and the Initial Lockdown ended on June 21. During fourth quarter, Spain entered in the so called "Second Wave" of the COVID-19 pandemic. National and Regional Governments are implementing several rules to contain the pandemic, focused on the reduction of the personal mobility and social interacting. The new rules are mainly focused on hospitality and commercial industries, and are not having a material impact on the Company's operations or logistics at its mining operations at Orovalle. Orovalle has not experienced any significant disruption to product shipments since the onset of the COVID-19 pandemic.

In Bolivia, the Government declared a lockdown on March 21st, 2020, and a National quarantine was in place until August 31st. From September onward more flexible quarantine measures are in place. The mining activity, among others, was categorized as a priority economic activity and went back to regular operation since May 4th. The lockdown did not have a material impact on the Company's Bolivian operations, as EMIPA continues its care and maintenance phase with a small team of essential employees at Don Mario.

The Oxides Stockpile Project – OSP (Engineering & Development of a flowsheet to treat an oxides stockpile that has accumulated from past mining activities at Don Mario) was temporarily paused in mid March 2020 due to the lockdown orders in Bolivia and Perú, where the Company was completing metallurgical testing. Testing and optimization restarted in June 2020, once COVID-19 related restrictions were lifted. Positive testing results are validating the Company's preliminary recovery assumptions that define its economic feasibility. The Company is planning final evaluation of the OSP by end of third quarter, fiscal 2021, after completion of detailed engineering works; whose purpose is to de-risk technical CAPEX assumptions and sourcing costs.

As part of the Spanish national program to mitigate economic impacts caused by the COVID-19 pandemic, the Spanish Government offered guarantee lines to the Spanish banking sector through the Official Credit Institute "ICO", to facilitate companies to access funding. In the second half of fiscal 2020 Orovalle obtained several loans and revolving facilities for an amount of €5.6 million.

On April 1, 2020, the Bolivian Government issued Law 1294 Exceptional law of deferral of debt payments and temporary reduction of the payment of basic services allowing entities incorporated under the laws of Bolivia to reschedule debt repayments of principal and interests with a due date between April, 1 2020 and the end of quarantine of COVID-19. On August 26, 2020 the Bolivian Government issued Law 1319, clarifying that the extension of the automatic deferral of repayments (principals and interests) will continue until December 31, 2020. EMIPA, based on Laws 1294 and 1319, deferred the monthly installments of TSF and Heavy Equipment Loans due between April and December 2020, maintaining the remaining installments according to the existing terms of the loan agreements. This resulted in $0.9 million deferred from fiscal 2020 to fiscal 2021. Interests will apply for the deferred periods at the originally agreed interest rate of 5.3% and 5.5%.

Commodity market fluctuations resulting from COVID-19 have also affected our financial results. Gold and copper prices have increased in U.S. dollar terms in the second half of fiscal 2020, but our operations in Spain have been affected by the weakening of the U.S. dollar relative to the euro.

The Company continues to work on revisions to the production forecasts and development plans in light of the current conditions as at September 30, 2020, and is prepared for an extended period of health protocols and travel restrictions.

At September 30, 2020, the Company had $15.6 million of unrestricted cash, as well as expected proceeds from assets held for sale and cash generation from operating activities in order to meet current obligations.

Fiscal 2020 Consolidated Financial and Operating Highlights:

- EBITDA of $9.5 million for the year ended September 30, 2020.
- Operating cash flow of $11.4 million for the year ended September 30, 2020.
- Net loss of $1.6 million for the year ended September 30, 2020.
- Capital expenditures of $8.7 million for the year ended September 30, 2020.
- **Orovalle:**
    - Gold production was 51,104 ounces, 21% lower than the previous year. Production decrease was due to a combination of 17% lower head grade and 4% lower throughput. Gold head grade of 2.71 g/t, compared to 3.26 g/t reported last year.
    - Copper production was 5.6 million pounds, 12% higher than the previous year. Production increase was due to a combination of 10% and 6% higher head grade and recovery, partially off-set by 4% lower throughput. Copper head grade of 0.5%, compared to 0.45% reported last year.
    - The Company drilled 23,031 meters in fiscal 2020:
        - 20,664 meters were drilled in El Valle Boinás (13% below fiscal 2019); 15,991 meters were infill drilling and 4,673 meters were brownfield drilling.
        - 2,367 meters were drilled in Carlés (100% above fiscal 2019), in a deep hole with 3 wedges.
- **EMIPA:**
    - In the first quarter of fiscal 2020 the Company suspended mining operations at Las Tojas due to higher than expected mining dilution caused by narrow, erratic and discontinued mineralized structures, which resulted uneconomic.
    - A care and maintenance program was implemented at the end of first quarter of fiscal 2020. Critical areas of the program are: site security, environmental control, power generators maintenance, preventive maintenance of process plant, preventive maintenance of mine equipment and maintenance of camp facilities.
    - Gold production of 2,317 ounces, compared to 32.932 ounces in fiscal 2019.
    - Workforce restructuring program started in November 2019, with a reduction of 182 employees during fiscal 2020.

- In February 2020, EMIPA entered into a $3.0 million short term financing facility with BISA Bank in Bolivia, the proceeds of which were used to pay severances regarding the restructuring process.
- Oxides Stockpile Project – OSP (Engineering & Development of a flowsheet to treat an oxides stockpile that has accumulated from past mining activities at Don Mario):
    - The oxides stockpile has a mineral resource (Measured) of 2.18 million tonnes with an average gold grade of 1.85 g/t; and contains 386,950 oz of gold equivalent. The stockpile resource was estimated in the 2016 Report (as defined below) on the assumption that the stockpile would be processed by floatation and would not be included in the carbon-in-leach circuit. However, from fiscal 2018, the Company was evaluating metallurgical alternatives to process the oxides stockpile, concluding that a sulphidization circuit would maximize the value of the stockpile.

      Cautionary Statement – Mineral resources that are not mineral reserves do not have demonstrated economic viability. The mineral resource for the oxides stockpile was prepared in compliance with National Instrument 43-101 and CIM guidelines, as set out in the Don Mario Mine Operation 2016 Technical Report dated January 27, 2017 and effective as of September 30, 2016 (the "2016 Report"). A copy of the 2016 Report is posted under the Company's profile on www.sedar.com. These mineral resources were estimated using a gold price of US$1,300 per ounce, copper price of US$3.00 per pound and silver price of US$18 per ounce, prices of which were used in the 2016 Report.
    - The project was stopped in mid-March due to lockdown orders in Bolivia and Perú; development restarted in June.
    - The results of metallurgical studies validate the Company's preliminary recovery assumptions.
    - The Company plans the final evaluation of the Project by the end of the third quarter of fiscal 2021, after completion of detailed engineering works, whose purpose is to de-risk technical CAPEX assumptions and sourcing costs.
    - Subject to the favorable completion of technical, economic and funding analysis, the sulphidization circuit and ancillary facilities development is expected to require approximately twelve months to start the commercial production.
    - During the Fiscal 2020, BISA approved a $7.8 million facility to fund OSP; no drawn down was made yet.

Consolidated Results

	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Operating Performance					
Gold					
Grade (g/t)	**2.70**	2.43	2.17	**2.56**	2.34
Recovery (%)	**93.3**	94.1	89.9	**93.1**	92.6
Production (oz)	**13,422**	12,046	21,985	**53,421**	97,259
Sales (oz)	**14,784**	9,681	20,987	**55,344**	96,540
Average realized price / oz	**$1,891**	$1,699	$1,464	**$1,647**	$1,313
Copper					
Grade (%)	**0.58**	0.51	0.40	**0.45**	0.45
Recovery (%)	**83.4**	81.8	73.5	**80.8**	76.3
Production (‘000 lbs)	**1,780**	1,517	1,128	**5,611**	5,015
Sales (‘000 lbs)	**1,971**	1,077	1,089	**5,512**	5,073
Average realized price / lb	**2.93**	2.36	2.65	**2.68**	2.77
Financial Performance *(in 000’s, except per share amounts)*					
Revenue	**$32,586**	$19,143	$32,818	**$101,994**	$136,400
Mining costs	**$22,392**	$15,187	$27,147	**$82,240**	$113,558
Gross margin	**$3,290**	$33	($3,182)	**($2,114)**	($528)
Net income (loss)	**$8,640**	($4,711)	($3,626)	**($1,592)**	($5,266)
Net income (loss) per share (basic/diluted)	**$0.06**	($0.03)	($0.03)	**($0.01)**	($0.04)
EBITDA [(1)]	**$7,255**	($914)	$4,811	**$9,544**	$18,065
Operating cash flows before non-cash working capital changes	**$4,304**	$1,163	$4,091	**$8,959**	$18,312
Operating cash flows	**$13,392**	($822)	$4,974	**$11,435**	$14,444
Free Cash Flow [(1)]	**$602**	$826	$2,309	**$278**	$8,349
Ending cash and cash equivalents	**$15,572**	$8,046	$12,351	**$15,572**	$12,351
Capital expenditures [(2)]	**$3,702**	$337	$1,782	**$8,681**	$9,963
Cash operating costs (by-product) ($/oz) gold [(1)]	**$1,241**	$1,367	$1,206	**$1,278**	$1,094
All-in sustaining costs (by-product) ($/oz) gold [(1)(2)]	**$1,609**	$1,719	$1,358	**$1,582**	$1,253
All-in costs (by-product) ($/oz) gold [(1)(2)]	**$1,643**	$1,800	$1,402	**$1,614**	$1,288

(1) Earnings before interest, taxes, depreciation and amortization (“EBITDA”), free cash flow, cash operating costs, all-in sustaining costs and all-in costs are non-IFRS performance measures. For further information and a detailed reconciliation of these measures not presented elsewhere, please see the “Other Information - Non-IFRS Measures” section of this MD&A.

(2) These amounts are presented in the consolidated cash flows in the Q4 Financials on a cash basis. Each reported period excludes capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reporting period. See the “Cash Flows, Commitments and Liquidity - Capital Expenditures” section of this MD&A. The calculation of all-in sustaining costs and all-in costs includes capex incurred (paid and unpaid) during the period.

Operational Results

- Consolidated annual gold production of 53,421 ounces during fiscal 2020, a decrease of 45% compared to fiscal 2019.
- Production of 63,937 gold equivalent ounces during fiscal 2020, compared with 110,063 during fiscal 2019. [(1)]
- Production of 5.6 million pounds (2,545 tonnes) of copper, an increase of 12% compared with fiscal 2019, primarily due to higher head grade and recoveries at El Valle.
- Sales of 55,344 ounces of gold and 5.5 million pounds (2,500 tonnes) of copper during fiscal 2020, a decrease in gold sales of 43% and an increase in copper sales of 9%, compared with fiscal 2019.
- Production of 13,422 ounces of gold and 1.8 million pounds (808 tonnes) of copper during the fourth quarter of fiscal 2020, a decrease in gold production of 39% and an increase in copper production of 58% respectively, compared with the fourth quarter of fiscal 2019.

[(1)] Gold equivalent ounces include copper pounds and silver ounces produced and converted to a gold equivalent based on a ratio of the average market price for the commodities for the period discussed.

- Production of 16,742 gold equivalent ounces during the fourth quarter of fiscal 2020, compared with 24,504 during the fourth quarter of fiscal 2019.
- Sales of 14,784 ounces of gold and 2.0 million pounds (894 tonnes) of copper during the fourth quarter of fiscal 2020, a decrease in gold sales of 30% and an increase in copper sales of 82%, compared with the fourth quarter of fiscal 2019.

El Valle

- Fiscal 2020 gold production decreased by 21% and copper production increased by 12%, compared with fiscal 2019. Gold production decreased due mainly to 17% lower gold grades and 4% decrease in tonnes milled. Copper production increased due mainly to 10% and 6% higher head grade and recoveries respectively, partially off-set by 4% decrease in tonnes milled.
- The ratio of oxides to skarns processed in the mill was at the level of 44% (281,000 tonnes of oxides) during fiscal 2020, compared to 43% (282,000 tonnes of oxides) during fiscal 2019.
- Mechanical advance rates in oxide areas decreased by 6% to 7,499 meters during fiscal 2020, as compared to fiscal 2019.

Don Mario

- Fiscal 2020 gold production decreased by 93% compared to fiscal 2019 due to the suspension of operations.
- The care and maintenance program was implemented at the end of the first quarter. Critical areas of the program are: site security, environmental control, power generators maintenance, preventive maintenance of process plant, mine equipment and maintenance of camp facilities.

Financial Results

- Consolidated cash and cash equivalents were $15.6 million as at September 30, 2020, an increase of $3.2 million from September 30, 2019.
- Net revenue of $102 million for fiscal 2020, or 25% lower, compared with $136.4 million for fiscal 2019, primarily due to lower gold sales volume, partially off-set by higher copper sales volume and higher gold price.
- Mining costs of $82.2 million for fiscal 2020, or 28% lower, compared with $113.6 million for fiscal 2019, primarily mainly due to the suspension of operations at Don Mario.
- Net loss for fiscal 2020 of $1.6 million compared with $5.3 million loss for fiscal 2019.
- EBITDA for fiscal 2020 of $9.5 million compared with $18.1 million for fiscal 2019[(2)]
- Cash flows provided by operating activities of $11.4 million in fiscal 2020, compared with $14.4 million in fiscal 2019 and cash flows provided by operating activities before changes in non-cash working capital of $9 million in fiscal 2020, compared with $18.3 million in fiscal 2019. [(2)]
- Free cash flow for fiscal 2020 of $0.3 million compared with $8.3 million for fiscal 2019.[(2)]
- Capital expenditures of $8.7 million in fiscal 2020 compared with $9.9 million in fiscal 2019.
- COC and AISC on a by-product basis (net of copper and silver by-product revenue from El Valle and Don Mario) per ounce of gold sold in fiscal 2020 of $1,278 and $1,582, respectively, compared with COC and AISC (by-product) of $1,094 and $1,253, respectively, in fiscal 2019. The increase in both, COC and AISC was mainly due to lower gold sales volume at El Valle and Don Mario, partially off-set by higher by-product revenue at El Valle and lower mining costs at Don Mario. [(2)]

[(2)] EBITDA, cash flows provided by operating activities before non-cash working capital, free cash flow, Cash Operating Cost (COC), All-in Sustaining Cost (AISC) and All-in Costs (AIC) are non-IFRS performance measures. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance including the Company's ability to generate cash flows from its mining operations. Accordingly, it is intended to provide additional information and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. For further information and detailed reconciliations, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

- Net revenue of $32.6 million for the fourth quarter of fiscal 2020, a less than 1% decrease, over the $32.8 million recorded in the fourth quarter of fiscal 2019, driven primarily by lower gold sales volume, almost entirely off-set by higher copper sales volume and higher realized gold price.
- Mining costs of $22.4 million for the fourth quarter of fiscal 2020, or 18% lower, compared with $27.1 million for the fourth quarter of fiscal 2019 due to suspension of operations at Don Mario, slightly off-set by higher mining costs at El Valle on timing of product inventory sales.
- Net gain for the fourth quarter of fiscal 2020 of $8.6 million compared with net loss of $3.6 million for the fourth quarter of fiscal 2019.
- EBITDA for the fourth quarter of fiscal 2020 of $7.2 million compared with $4.8 million for the fourth quarter of fiscal 2019.
- Cash flows provided by operating activities of $13.4 million in the fourth quarter of fiscal 2020, compared with $5 million in the fourth quarter of fiscal 2019 and cash flows provided by operating activities before changes in non-cash working capital of $4.3 million in the fourth quarter of fiscal 2020, compared with $4.1 million in the fourth quarter of fiscal 2019. (2)
- Capital expenditures of $3.7 million in fourth quarter of fiscal 2020 compared with $1.8 million in the fourth quarter of fiscal 2019.
- COC and AISC on a by-product basis (net of copper and silver by-product revenue from El Valle and Don Mario) per ounce of gold sold in the fourth quarter of fiscal 2020 of $1,241 and $1,609, respectively, compared with COC and AISC (by-product) of $1,206 and $1,358, respectively, in the fourth quarter of fiscal 2019. The increase in both, COC and AISC was mainly due to lower ounces of gold, partially off-set by higher by-product revenue and lower mining costs (3).

Growth Initiatives Highlights

Orovalle

- Ongoing brownfield and infill drilling in and around the El Valle and Carlés mines are expected to continue strong conversion of resources into reserves and adding new resources to the ore bodies extending the current mine life.
- Orovalle has a robust regional exploration package consisting of 45,164 hectares which includes concessions and investigation permits, some of which are still in progress. Strategic near-term regional targets within our permits include:
    - The drilling program in Lidia (Investigation Permit located in the "Navelgas Gold Belt", 20 Km in a straight line from El Valle), that is starting in the first quarter of fiscal 2021.
    - The exploration drilling program in Ortosa-Godan (located in "Río Narcea Gold Belt, close to Carles deposit), that it is expected to start in the second quarter of fiscal 2021.

EMIPA

- In order to maximize the exploration potential of the 58,325 hectares available, the Company is reviewing all the historical exploration data and defining exploration targets for the short and medium terms.
- The Company has commenced an evaluation of re-processing tailings to determine the viability of recovering gold from material deposited in the tailings impoundment since the commencement of production at Don Mario. The Company targets the completion of the scoping study by the end of fiscal 2021.

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(2) EBITDA, cash flows provided by operating activities before non-cash working capital, free cash flow, COC, AISC and AIC are non-IFRS performance measures. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance including the Company's ability to generate cash flows from its mining operations. Accordingly, it is intended to provide additional information and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. For further information and detailed reconciliations, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

(3) COC and AISC are non-IFRS performance measures. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance including the Company's ability to generate cash flows from its mining operations. Accordingly, it is intended to provide additional information and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. For further information and detailed reconciliations, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

Taguas:

- As a result of the completion of an artificial intelligence-assisted data analysis, the Company identified in fiscal 2020 a total of 17 new high probability gold targets at Taguas, consisting of 9 new areas and 8 extended areas of previous known mineralization. All of the newly identified targets are based on a 96% level of similarity to the known gold mineralization. These results suggest that there is an enhanced probability of increasing the potential of the Property's oxides and sulphides resources. The potential of the new gold targets remains subject to additional fieldwork to be conducted in the first half of fiscal 2021, including opening new access points, surface mapping and soil and rock sampling.

Outlook

The Company continues to implement comprehensive and proactive measures to respond to the COVID-19 pandemic; and continues to work closely with local governments and authorities to ensure that proper protocols are followed during the ongoing COVID-19 crisis. The overall impact on each of our sites will depend on the progression of the Pandemic and measures in place for preventing transmission.

The Company continues to pursue its objectives of optimizing production, lowering unitary cash costs, maximizing free cash flow, and extending the life-of-mine of its operations.

- **Orovalle:**
  - The Company's main overall priority is to maintain stable production, and continuing a high level of safety and productivity, notwithstanding the COVID-19 situation in Spain and the related challenges to its global supply chain.
  - Ongoing brownfield and infill drilling in and around El Valle are expected to continue strong conversion of resources into reserves and adding new resources to the ore bodies, extending the current mine life.
  - Mineral Resource and Mineral Reserve estimate and the life-of-mine plan for El Valle and Carles gold-copper mines in northern Spain are being prepared in accordance with CIM Definition Standards (2014) and in compliance with the Canadian *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("NI 43-101") by RPA, now part of SLR Consulting Ltd., an independent consulting firm. The Company expects to complete the work in December 2020.
  - The Company has aggressive greenfield exploration programs for Lidia and Ortosa-Godán totaling 10,000 meters of DDH drilling, starting with Lidia in November 2020.

- **EMIPA:**
  - Engineering and development of the Oxides Stockpile Project (OSP) is being advanced. The Company plans the final evaluation of the Project by the end of the third quarter of fiscal 2021. Subject to the favorable completion of technical, economic and funding analysis, the OSP is expected to require approximately twelve months of development to start commercial production.
  - Mineral Resource and Mineral Reserve estimate for the Oxides Stockpile Project are being prepared in accordance with CIM Definition Standards (2014) and in compliance with the Canadian *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("NI 43-101") by DGCS SA ("DGCS"), an independent consulting firm. The Company expects to complete the work in December 2020.
  - The exploration main goal for fiscal 2021 is to define and prioritize targets inside the 58,325 hectares available in the Don Mario Complex. Based on the interpretation of historical geophysical data in the first quarter of fiscal 2021, the Company will define exploration targets and activities for the remaining fiscal year. Targets priorization will be based on: i) potential identified from the data reinterpretation process, ii) permitting and environmental evaluation and iii) distance to the current infrastructure.
  - An evaluation of re-processing tailings is in progress to determine the viability of recovering gold from material deposited in the tailings impoundment since the commencement of production at Don Mario. The Company targets the completion of the scoping study by the end of fiscal 2021.
- **Taguas:**
  - Mineral Resource estimate for the Taguas Property is being updated in accordance with CIM Definition Standards (2014) and in compliance with the Canadian National Instrument 43-

101 - Standards of Disclosure for Mineral Projects ("NI 43-101") by Geosim Services Inc, an independent consulting firm. The Company expects to complete the work in January 2021.

- Mineral Resource estimate update will be based on drilling information available as of today. The Company expects to increase the resource estimate, combining oxides and sulphides resources.
- The information obtained from the fieldwork campaign in progress in the first quarter of fiscal 2021 will provide key data to define exploration activities for the second and third quarter.

The following table sets out Orvana's fiscal 2020 results and fiscal 2021 production and cost guidance:

	FY 2020 Actual	FY 2021 Guidance (1)
El Valle Production		
Gold (oz)	**51,104**	50,000 - 55,000
Copper (million lbs)	**5.6**	7.0 – 8.5
Capital Expenditures		
El Valle	**$9,720**	$14,000 - $15,000
Consolidated	**$10,479**	$14,000 - $15,000
Cash operating costs (by-product) ($/oz) gold (1)		
El Valle	**$1,151**	$1,050 - $1,150
Consolidated	**$1,278**	$1,200 - $1,300
All-in sustaining costs (by-product) ($/oz) gold (1		
El Valle	**$1,385**	$1,350 - $1,450
Consolidated	**$1,582**	$1,500 - $1,600

(1) Fiscal 2021 guidance assumptions for COC and AISC include by-product commodity prices of $2.90 per pound of copper and an average Euro to US Dollar exchange of 1.16.

Overall Performance

The key factors affecting Orvana's operating and financial performance are tonnages mined and treated, metal grade and recoveries, quantities of metals produced and sold, realized metals prices, costs (including labour, energy and other supplies and material), mine development and other capital expenditures, foreign exchange rates and tax rates.

Year Ended September 30, 2020 Compared with Year Ended September 30, 2019

The Company recorded a net loss of $1.6 million for fiscal 2020 or $0.01 per share compared with $5.3 million loss for fiscal 2019 or $0.04 per share. The Company's net loss was impacted significantly by the following factors:

- Revenue for fiscal 2020 decreased by $34.4 million or 25% to $102 million from sales of 55,344 ounces of gold and 5.5 million pounds of copper, compared with revenue of $136.4 million from sales of 96,540 ounces of gold and 5.0 million pounds of copper. The decrease in revenue was primarily due to lower gold sales volume, partially off-set by higher copper sales volume and higher realized gold price.
- Mining costs were $82.2 million or $31.4 million lower for fiscal 2020 compared with $113.6 million for fiscal 2019 mainly due to suspension of operation at Don Mario.
- Depreciation expense of $20 million in fiscal 2020 decreased by $3.4 compared to fiscal 2019.
- Gross margin decreased by $1.6 million from negative $0.5 million for fiscal 2019 to negative $2.1 million for fiscal 2020.
- EBITDA decreased by $8.6 million to $9.5 million for fiscal 2020 compared with $18.1 million for fiscal 2019.
- Current income tax expense decreased by $0.4 million to $0.2 million for fiscal 2020 compared with $0.6 million for fiscal 2019.
- Deferred income tax benefit increased by $10 million to $12.2 million for fiscal 2020 compared with $2.2 million for fiscal 2019. The Company recognized $9.4 million of deferred tax assets in fiscal 2020 that were previously unrecognized, as current year taxable income projections support its recognition at September 30, 2020. These deferred tax assets primarily relate to cumulative taxable losses generated from the Company's Spanish operations.

Total consolidated COC (by-product) of $1,278 per ounce of gold sold in fiscal 2020 were $184 or 17% higher than in fiscal 2019. Total AISC (by-product) of $1,582 per ounce of gold sold in fiscal 2020 were $329 or 26% higher than in fiscal 2019. COC and AISC were negatively impacted by lower ounces of gold sold and positively impacted by higher copper by-product revenue and lower mining costs.

<u>Fourth Quarter Ended September 30, 2020 Compared with Fourth Quarter Ended September 30, 2019</u>

The Company recorded a net gain of $8.6 million or $0.06 per share for the fourth quarter of fiscal 2020 compared with a net loss of $3.6 million or $0.03 per share for the fourth quarter of fiscal 2019. The Company's net gain was impacted significantly by the following factors:

- Revenue for the fourth quarter of fiscal 2020 decreased by $0.2 million to $32.6 million on sales of 14,784 ounces of gold and 2.0 million pounds of copper from El Valle and Don Mario, compared with revenue of $32.8 million on sales of 20,987 ounces of gold and 1.1 million pounds of copper.
- Mining costs were $22.4 million or $4.7 million lower for the fourth quarter of fiscal 2020 compared with $27.1 million for the fourth quarter of fiscal 2019, primarily due to the suspension of operations at Don Mario, partially off-set by higher costs at El Valle on timing of sales of product inventory.
- Depreciation decreased by $2 million to $6.9 million for the fourth quarter of fiscal 2020 compared with $8.9 million for the fourth quarter of fiscal 2019.
- Gross margin increased by $6.5 million to positive $3.3 million for the fourth quarter of fiscal 2020 compared with negative $3.2 million for the fourth quarter of fiscal 2019.
- Deferred income tax benefit increased by $8 million to $8.8 million for the fourth quarter of fiscal 2020 compared with $0.8 million for the fourth quarter of fiscal 2019.

Total consolidated COC (by-product) of $1,241 per ounce of gold sold in the fourth quarter of fiscal 2020 were $35 or 3% higher than the fourth quarter of fiscal 2019. Total AISC (by-product) of $1,609 per ounce of gold sold in the fourth quarter of fiscal 2020 were $251 or 18% higher than the fourth quarter of fiscal 2019. Lower gold sales volume resulted in higher COC and AISC, partially off-set by higher by-product revenue and lower mining costs.

<u>Fourth Quarter Ended Sep 30, 2020 Compared with Third Quarter Ended June 30, 2020</u>

The Company recorded a net gain of $8.6 million or $0.06 per share for the fourth quarter of fiscal 2020 compared with $4.7 million of net loss or $0.03 per share for the third quarter of fiscal 2020. The Company's net gain was impacted significantly by the following factors:

- Revenue for the fourth quarter of fiscal 2020 increased by $13.5 million or 71% to $32.6 million from sales of 14,784 ounces of gold and 2.0 million pounds of copper compared with revenue of $19.1 million from sales of 9,681 ounces of gold and 1.1 million pounds of copper in the third quarter of fiscal 2020.
- Mining costs were $22.4 million or $7.2 million higher for the fourth quarter of fiscal 2020 compared with $15.2 million for the third quarter of fiscal 2020, due to higher sales volumes of gold and copper.
- Depreciation increased by $3 million to $6.9 million for the fourth quarter of fiscal 2020 compared with $3.9 million for the third quarter of fiscal 2020.
- Gross margin increased by $3.2 million to positive $3.3 million for the fourth quarter of fiscal 2020, compared with $0.1 million for the third quarter of fiscal 2020.
- Deferred income tax benefit increased by $8.3 million to $8.8 million for the fourth quarter of fiscal 2020 compared with $0.5 million for the third quarter of fiscal 2020.

Total consolidated COC (by-product) of $1,241 per ounce of gold sold in the fourth quarter of fiscal 2020 were $126 or 9% lower than the third quarter of fiscal 2020. Total AISC (by-product) of $1,609 per ounce of gold sold in the fourth quarter of fiscal 2020 were $110 or 6% lower than in the third quarter of fiscal 2020. Higher gold sales volume and higher by-product revenue positively impacted COC and AISC.

Orovalle

Through its wholly-owned subsidiary, Orovalle Minerals S.L. (“Orovalle”), the Company owns and operates the El Valle and Carlés mines located in the Rio Narcea Gold Belt in northern Spain, where the Company mines skarns and oxides underground.

The following table includes consolidated operating and financial performance data for Orovalle for the periods set out below.

	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Operating Performance					
Ore mined (tonnes) (wmt)	**189,012**	174,383	197,991	**677,894**	713,818
Ore milled (tonnes) (dmt)	**166,047**	163,717	175,966	**633,765**	658,046
Daily average throughput (dmt)	**1,900**	1,894	2,013	**1,823**	1,898
Gold					
Grade (g/t)	**2.70**	2.43	3.08	**2.71**	3.26
Recovery (%)	**93.3**	92.4	93.0	**92.7**	93.2
Production (oz)	**13,422**	11,822	16,185	**51,104**	64,327
Sales (oz)	**14,554**	9,681	14,970	**52,457**	62,249
Copper					
Grade (%)	**0.58**	0.51	0.40	**0.50**	0.45
Recovery (%)	**83.4**	81.8	73.5	**80.8**	76.3
Production (‘000 lbs)	**1,780**	1,517	1,128	**5,611**	5,015
Sales (‘000 lbs)	**1,971**	1,077	1,089	**5,512**	5,073
Financial Performance *(in 000’s, except per share amounts)*					
Revenue	**$32,161**	$19,143	$23,750	**$97,569**	$91,115
Mining costs	**$20,547**	$13,971	$17,015	**$69,128**	$70,006
Income (loss) before tax	**$(696)**	($1,915)	$(954)	**($1,440)**	$2,234
Capital expenditures	**$3,584**	$1,340	$2,727	**$10,371**	$8,689
Cash operating costs (by-product) ($/oz) gold (1)	**$1,134**	$1,242	$1,058	**$1,151**	$1,004
All-in sustaining costs (by-product) ($/oz) gold (1)	**$1,377**	$1,455	$1,283	**$1,385**	$1,185
All-in costs (by-product) ($/oz) gold (1)	**$1,381**	$1,456	$1,282	**$1,387**	$1,190

(1) For further information and a detailed reconciliation of COC, AISC and AIC, please see the “Other Information - Non-IFRS Measures” section of this MD&A.

Orovalle Operating Performance

During fiscal 2020 production decreased to 51,104 ounces of gold and increased to 5.6 million pounds of copper compared with 64,327 ounces of gold and 5.0 million pounds of copper during fiscal 2019. Gold production decreased by 21%, primarily due to 17% lower grade and 4% lower tonnes milled. Copper production increased by 12% primary due to 10% higher grades and 6% higher recoveries, partially off-set by 4% lower tonnes milled.

During the fourth fiscal quarter of 2020, Orovalle produced 13,422 ounces of gold and 1.8 million pounds of copper, compared with 16,185 ounces of gold and 1.1 million pounds of copper during the fourth quarter of fiscal 2019. Gold production decreased by 17% primarily due to 12% lower head grades and 6% lower tonnes milled.

The Company mined higher gold grade oxide tonnes and blended them with a ratio of 53% together with skarn ore. The percentage of oxide ore in the blend in the fourth quarter increased 17% compared with the third quarter of fiscal 2020.

Mechanical advance rates in oxide areas increased by 1% to 1,995 meters during the fourth quarter of fiscal 2020, as compared to the third quarter of fiscal 2020.

The project to review mine maintenance programs (processes, organizational structure, technical services) continues to advance, being the main targets equipment availability increase and maintenance cost reduction. Target date to finish improvements implementation is the first quarter of fiscal 2021.

Orovalle Financial Performance

Revenue from Orovalle for fiscal 2020 increased by 7% to $97.6 million on sales of 52,457 ounces of gold and 5.5 million pounds of copper from $91.1 million for fiscal 2019 on sales of 62,249 ounces of gold and 5.1 million pounds of copper.

Mining costs decreased by 1% from $70 million for the fiscal 2019 to $69 million for the fiscal 2020.

Loss before tax for the fiscal 2020 was $1.4 million compared with gain of $2.2 million for the fiscal 2019.

Total capital expenditures at El Valle during the fiscal 2020 were $10.4 million, compared with $8.7 million for the fiscal 2019. Capital expenditures in fiscal 2020 consisted substantially of primary development, mining infrastructure upgrades and mining equipment.

Total COC (by-product) of $1,151 per ounce of gold sold for the fiscal 2020 were $147 or 15% higher than fiscal 2019. Total AISC (by-product) of $1,385 per ounce of gold sold for the fiscal 2020 were $200 or 17% higher than fiscal 2019. COC and AISC were negatively impacted by lower gold sales volume and positively impacted by higher by-product revenue.

Orovalle Growth Exploration

A total of 6,765 meters were drilled in the fourth quarter of fiscal 2020 in El Valle, which is 16% above the third quarter. 5,181 meters were infill drilling and 1,584 meters were brownfield drilling, distributed by areas as follows:

	Meters Q4 2020	Comments
Infill drilling		
A208	2,516	The program will continue in H1 FY2021 focused on the orebody definition to the North.
S107	1,110	Focused on the deepest area of the structure.
A107	876	Target 1: Inferred resources conversion into indicate in the South part; Target 2: To increase the mine plan confidence in the upper levels, included in the H1 2021 mine plan.
Villar	529	Target: Indicated resources conversion into measured.
Other areas	151	93 meters in High Angle and 58 meters in Black skarn (58 meters).
Brownfield drilling		
High Angle East	1,584	New orebody discovered in fiscal 2020. Brownfield drilling program will continue in fiscal 2021 to define the orebody size.

Infill drilling program in fiscal 2020 was focused on oxides structures, A208, High Angle, A107, S107 and Villar. Fiscal 2020 brownfield program started in the first quarter, targeting high grade oxides structures in El Valle Boinás to the east (where a new orebody was defined (High Angle East), and the continuity of the structure in Carlés North at depth.

Ms. Guadalupe Collar (European Geologist), who supervised the explorations programs, is responsible for all aspects of the work, including the quality control/quality assurance program. Ms. Guadalupe Collar, Chief of Geology at Orovalle, is a qualified person as defined in NI 43-101 and has approved all of the geological scientific and technical information relating to Orovalle disclosed in this MD&A.

EMIPA

Through its wholly-owned subsidiary, Empresa Minera Paititi S.A. ("EMIPA"), the Company owns and operates Don Mario under a number of concessions in the Don Mario district located in south-eastern Bolivia. Fiscal 2009 marked the last year of six years of production from the Company's LMZ underground gold mine at Don Mario with some gold production from lower-grade open pit satellite deposits and lower grade stockpiles continuing into fiscal 2010 and 2011. From 2012 to the end of 2016, EMIPA mined the UMZ as an open-pit mine. Mining activity transitioned to Cerro Felix after LMZ. During the fourth quarter of fiscal 2019, mining activities transitioned from Cerro Félix to open pit operations in Las Tojas. In the first quarter of fiscal 2020 the Company made a decision to temporarily suspend mining and milling operations.

The following table includes operating and financial performance data for Don Mario for the periods set out below.

	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Operating Performance					
Ore mined (tonnes) (dmt)	**-**	-	182,339	**62,291**	745,846
Ore milled (tonnes) (dmt)	**-**	-	174,793	**64,875**	739,635
Daily average throughput (dmt)	**-**	-	2,083	**2,190**	2,185
Gold					
Grade (g/t)	**-**	-	1.25	**1.07**	1.51
Recovery (%)	**-**	-	82.4	**84.4**	91.2
Production (oz)	**-**	224	5,800	**2,317**	32,932
Sales (oz)	**230**	-	6,017	**2,887**	34,291
Financial Performance *(in 000's, except per share amounts)*					
Revenue	**$426**	$-	$9,050	**$4,425**	$45,287
Mining costs	**$1,844**	$1,217	$10,132	**$13,112**	$43,552
Income (loss) before tax	**$(1,087)**	($1,881)	$(2,348)	**$(10,638)**	$(3,906)
Capital expenditures	**$190**	$132	$323	**$759**	$2,929
Cash operating costs (by-product) ($/oz) gold (1)	**-**	-	$1,575	**$3,600**	$1,256
All-in sustaining costs (by-product) ($/oz) gold (1)	**-**	-	$1,629	**$4,214**	$1,361
All-in costs (by-product) ($/oz) gold (1)	**-**	-	$1,729	**$4,472**	$1,429

(1) For further information and a detailed reconciliation of COC, AISC and AIC, please see the "Other Information - Non-IFRS Measures" section of this MD&A.

EMIPA Operating Performance

During fiscal 2020, Don Mario produced 2,317 ounces of gold compared with 32,932 ounces of gold during fiscal 2019. Gold production decreased by 93% primarily due to Don Mario mine being put temporarily under care and maintenance since the second quarter of fiscal 2020.

Fourth quarter production was nil, compared with 5,800 ounces during the fourth quarter of fiscal 2019.

EMIPA Financial Performance

Revenue from EMIPA is $4.4 million in fiscal 2020, compared to $45.3 in fiscal 2019.

Mining costs of $13.1 million for the fiscal 2020 decreased $30.4 million or 70% compared with $43.5 million for the fiscal 2019.

Loss before tax for the fiscal 2020 was $10.6 million compared with loss before tax of $3.9 million for the fiscal 2019.

Total capital expenditures at Don Mario in fiscal 2020 were $0.8 million compared with $2.9 million in the fiscal 2019. Capital expenditures in the fiscal 2020 related primarily to the Oxides Project.

Total COC (by-product) of $3,600 per ounce of gold sold for the fiscal 2020 were $2,344 higher than fiscal 2019. Total AISC (by-product) of $4,214 per ounce of gold sold for the fiscal 2020 were $2,853 higher than fiscal 2019. COC and AISC were negatively impacted by the suspension of operations and Don Mario mine being put under care and maintenance since the second quarter of fiscal 2020.

EMIPA Exploration and Mine Life Extension

Subject to the favorable completion of technical, economic and funding analysis, the Oxides Stockpile Project is expected to provide three full production years for Don Mario.

The Company is defining the exploration program for the 58,325 hectares available at the Don Mario Complex. The review of historical data is in progress, in order to prioritize targets and define exploration activities.

The Company has commenced an evaluation of re-processing tailings to determine the viability of recovering gold from material deposited in the tailings impoundment since the commencement of production at Don Mario. The Company targets the completion of the scoping study by the second half of fiscal 2021.

Other Projects

The Company has been actively looking for and evaluating projects that could be aligned with the Company's strategy, to add a third project to the current portfolio.

On May 14, 2019, the Company entered into a purchase agreement with Compañía Minera Taguas S.A. (the "Vendor") pursuant to which Orvana agreed to acquire the Taguas property located in the Province of San Juan, Argentina. In consideration for 100% of Taguas, Orvana will grant the Vendor an indivisible net smelter royalty equal to 2.5% on all future metals production mined from Taguas.

Taguas consists of 15 mining concessions over an area of 3,273.87 ha. It is located in the Province of San Juan, Argentina, on the eastern flank of the Andes, between 3,500 m to 4,300 m above sea level. The Property is approximately 25km north of Barrick's Veladero operations.

Pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), entering into the Purchase Agreement with the Vendor is a "related party transaction" as the Vendor is indirectly owned by Orvana's 51.9% shareholder. The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the transaction contemplated by the Purchase Agreement by virtue of sections 5.5(a) and 5.7(a), respectively, of MI 61-101, as neither the fair market value of the subject matter of the Purchase Agreement, nor the fair market value of the consideration for Taguas exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101. The purchase agreement was considered and unanimously approved by the board of directors of the Company. Ms. Sara Magner abstained from voting on this matter.

The Toronto Stock Exchange ("TSX") has provided conditional acceptance of Orvana's notice of the transaction, pursuant to the TSX Company Manual. Closing of the transaction is subject to the final acceptance of the TSX and a number of closing conditions including, without limitation, completion of the required paperwork and registrations in Argentina to close the acquisition (including the Argentinean subsidiary incorporation and the rights transfer registration. The completion of this paperwork and registrations have been delayed due to COVID-19 related travel and business activity restrictions currently in force in Argentina. Subject to the resolution of the COVID-19 situation, the Company expects to complete the process by the second quarter of fiscal 2021.

The Company filed on July 9, 2019 a NI 43-101 preliminary economic assessment report on Taguas, which is available on www.sedar.com.

As a result of the completion of an assisted data analysis, the Company identified in fiscal 2020 a total of 17 new high probability gold targets at Taguas, consisting of 9 new areas and 8 extended areas of previous known mineralization. All of the newly identified targets are based on a 96% level of similarity to the known gold mineralization. These results suggest that there is an enhanced probability of increasing the potential of the Property's oxides and sulphides resources. The potential of the new gold targets remains subject to additional fieldwork to be conducted in the first half of fiscal 2021, including opening new access points, surface mapping and soil and rock sampling.

Market Review and Trends

<u>Metal Prices</u>

The market prices of gold and copper are primary drivers of Orvana's earnings and ability to generate free cash flows. During fiscal 2020, gold traded in a range from $1,456 to $2,067 per ounce and averaged $1,671 per ounce compared with $1,329 per ounce in fiscal 2019. Orvana's average gold realized price in fiscal 2020 was $1,647 per ounce, as compared to $1,313 per ounce in fiscal 2019. The Company derived approximately 83% of its revenue from sales of gold in fiscal 2020.

Copper prices during fiscal 2020 traded in a range of $2.16 to $3.11 per pound and averaged $2.65 per pound compared with $2.76 per pound in fiscal 2019. Orvana's average copper realized price in fiscal

2020 was $2.68 per pound, as compared to $2.77 per pound in fiscal 2019. The Company derived approximately 14% of its revenue from sales of copper in the third quarter of fiscal 2020.

Currency Exchange Rates

The results of Orvana's operations are affected by US dollar exchange rates. Orvana's largest exposure is to the Euro/US Dollar exchange rate. The Company incurs operating and administration costs at El Valle in Euros, while revenue is denominated in US dollars. Orvana's Euro costs decreased year over year, with the Euro to US Dollar exchange rate moving from an average of 1.13 in fiscal 2019 to 1.12 in fiscal 2020. As a result of foreign exchange movements, mining costs at El Valle were lower by approximately $0.5 million in fiscal 2020 compared with fiscal 2019.

Orvana also has a minor exposure to the Canadian dollar and the Swedish krona through corporate administration costs. Orvana's exposure to the US Dollar to Bolivianos exchange rate is limited as this exchange rate has not fluctuated significantly during previous reporting periods.

FINANCIAL CONDITION REVIEW

Balance Sheet Review

The following table provides a comparison of key elements of Orvana's balance sheet at September 30, 2020 and September 30, 2019.

(in 000's)	**September 30, 2020**	**September 30, 2019**
Cash and cash equivalents	**$15,572**	$12,351
Restricted cash (short term)	**$103**	$131
Non-cash working capital (1)	**$(12,346)**	$(7,485)
Total assets	**$150,945**	$152,829
Total liabilities	**$79,973**	$80,296
Shareholders' equity	**$70,972**	$72,533

(1) Working capital represents current assets of $36.9 million less cash and cash equivalents and short-term restricted cash totaling $15.7 million and less $33.5 million in current liabilities composed of accounts payable and accrued liabilities, income taxes payable and derivative instruments (not including current debt).

Total assets decreased by $1.9 million from $152.8 million to $150.9 million primarily as a result of the decrease in (i) VAT receivable Long Term in $6.4 million, (ii) inventory in $7.3 million, (iii) property, plant and equipment in $10.7 million, all this offset with increases in (iv) cash and cash equivalents in 3.2 million, (v) VAT receivable Short Term in $0.7 million, (vi) deferred income tax asset in $12.2 million, (vii) assets held for sale in $1.7 million, (viii) inventory Long Term in $3.7 million, (ix) restricted cash in $0.3, and (x) gold and concentrate receivables, income tax receivable and reclamation bonds for a total amount of $0.7 million.

Total liabilities decreased by $0.3 million to $80 million at September 30, 2020 from $80.3 million at September 30, 2019 primarily as a result of a decrease in (i) provision for statutory labour obligations in $4.2 million, (ii) accounts payable and accrued liabilities in $1 million, (iii) other Long Term liabilities in $0.5 million, (iv) deferred revenue in $0.2 million, all this offset with increases in (v) debt in $0.7 million, (vi) provision for statutory labout obligations Short Term in $1.1 million, (vii) lease obligations in $2 million, (viii) Long Term compensation in $0.9 million and (ix) asset retirement obligations in $1.1 million.

TSF Loan, Heavy equipment Loan and Revolving Facility - EMIPA

In June 2017, EMIPA closed a Bolivian loan denominated approximately $11.3 million with BISA bank, comprised of an $8.3 million term facility (the "TSF Loan") and a $3.0 million revolving working capital facility.

The proceeds of the TSF Loan were used to fund a major tailings storage facility expansion project that will add sufficient capacity to support future operations. Under the terms of the TSF Loan, seven disbursements of specified amounts will be drawn down as expenditures are incurred for the tailings storage facility expansion, with the first draw down occurring on June 30, 2017. The TSF Loan has an interest rate of 5.3% per annum, with twelve quarterly repayments beginning in April 2018. As at September 30, 2020, $8.3 million were drawn down this facility and $6.2 million of principal were repaid.

The revolving working capital facility of up to $3.0 million can be drawn down in the form of cash of up to $2.0 million, bank guarantees of $3.0 million or a combination of the two up to the limit of $3.0 million.

As at September 30, 2020, the proceeds received ($1,972) have been fully repaid, so the outstanding amount is $nil (September 30, 2019 - $1,972).

Security for both the TSF Loan and the revolving working capital facility include the CIL asset and other equipment at Don Mario.

In May 2018, EMIPA obtained a Bolivian loan with BISA of $2.4 million for heavy equipment purchases. This loan has thirty six equal monthly repayments, and an interest rate of 5.5% per annum. Security for the loan includes heavy equipment purchased. At September 30, 2020, the total amount was drawn from this loan and $1.7 million of principal were paid.

On April 1, 2020, the Bolivian Government issued Law 1294 Exceptional law of deferral of debt payments and temporary reduction of the payment of basic services allowing entities incorporated under the laws of Bolivia to reschedule debt repayments of principal and interests with a due date between April, 1 2020 and the end of quarantine of COVID-19. On August 26, 2020 the Bolivian Government issued Law 1319, clarifying that the extension of the automatic deferral of repayments (principals and interests) will continue until December 31, 2020. EMIPA, based on Laws 1294 and 1319, deferred several installments of TSF and Heavy Equipment Loans due between April and December 2020, maintaining the remaining installments according to the existing terms of the loan agreements. This resulted in $0.9 million deferred from fiscal 2020 to fiscal 2021. Interests will apply for the deferred periods at the originally agreed interest rate of 5.3% and 5.5%.

Restructuring Loan - EMIPA

In February 2020, EMIPA entered into a Bs.20,880,000 ($3.0 million) term facility with BISA in Bolivia, the proceeds of which were used to pay severances regarding restructuring process. The BISA Restructuring Loan bears an interest rate of 6% per annum and matures in February 2021 with repayment of the full amount and the accrued interests in the due date. Security for the BISA Restructuring Loan is tied to certain specific equipment that is currently under care and maintenance.

As at September 30, 2020, the full amount of the loan was drawn down and no repayments were made.

Banco de Crédito Loan - EMIPA

In May 2019, EMIPA entered into a Bs.3,430,000 (approximately $0.5 million) term facility with Banco de Crédito in Bolivia. This loan bears an interest rate of 6% per annum and initially matured in August 2019 with a single repayment installment (jointly with the interests), but EMIPA renegotiated this financing so the new repayment date was January 2020. As at September 30, 2020 EMIPA has fully repaid this Loan.

Oxides Project Facility - EMIPA

In February 2020, BISA approved a Bs.54,288,000 ($7.8 million) facility to partially finance the Oxides Project. As at September 30, 2020, the administrative process to close the transaction is finished, and the funds will be gradually available according to the terms agreed in the financing contract.

Spanish banking facility - Orovalle

In January 2019 Orovalle closed a syndicated credit facility for a total amount of €6 million (in USD, $ 6,741). These funds were used to repay the Samsung Prepayment Facility. In May 2019, Orovalle increased the facility by €2 million, achieving a total aggregated amount of €8 million (approximately $ 9 million), with the same terms and conditions.

This facility is subject to a 2% bank opening commission fee, bears a fixed annual interest rate of 2.55%, semi-annual principal repayments and semi-annual interest payments over a term of four years. The Company's obligations to the lenders are secured by: (i) the pledge of all of Orvana's shares of Orovalle; (ii) the pledge of Orovalle's doré sale proceeds; and (iii) 12,5% restricted cash.

Amongst the obligations, Orovalle is required to comply with net finance debt to EBITDA proforma financial covenant calculated based on individual financial information. This resulting rate must be lower than 3.5 for fiscal 2020, and lower than 3 and 2 for fiscal 2021 and 2022, respectively. At September 30, 2020, Orovalle is in compliance with the Spanish Banking Facility covenants.

During fiscal 2019 Orovalle made principal repayments of €1 million (approximately $1.3 million), and during fiscal 2020 made principal repayments of €2 million ($2.3 million). The interests paid during fiscal 2020 were $197- (during fiscal 2019 $99). During the year ended September 30, 2020 the value of this liability increased by $93 due to: amortized cost adjustments ($23) and deferred finance fees accrued ($70).

As of September, 30 2020 the restricted cash linked to this financing is $1,6 million, representing 25% of the remaining principal (increased from 12.5% after a waiver signed with the bank entities to increase the intercompany transfers limit included as a covenant of the financing).

Revolving facilities – Orovalle

In July 2019, Orovalle renewed a revolving credit facility with Banco Santander S.A. for an amount of €1,5 million for a one-year term bearing an annual rate of Euribor plus 2.27%. This credit facility was secured by Orovalle's VAT receivable from the Spanish Government. In July 2020 this revolving credit facility was cancelled.

In October 2018, Orovalle renewed a revolving credit facility with Bankinter S.A. ("Bankinter") for an increased amount of €1 million for a three month renewable term and bearing no interest. Last renewal was in January 2020 with expiry date April 2020. An administration fee was charged for each renewal. Under the terms of the agreement, all or part of the financing received must be used for the remittance of payroll tax, VAT and corporate taxes to the Spanish tax agency with payment being processed through the Bankinter account. No security is required to be posted for this facility. As at September 30, 2020, this revolving facility has been cancelled (September 30, 2019 approximately $1 million).

In May 2020, Orovalle obtained a new revolving credit facility with Bankinter S.A ("Bankinter") for an amount of €1.5 million for a yearly renewable term, and bearing an annual interest of 1.95 %. As of September, 30, 2020 this account has a balance of approximately $1.2 million (September 30, 2019 approximately $1 million).

In June 2020, Orovalle renewed a revolving credit facility with Bankia S.A. ("Bankia") for an amount of €1.5 million. This facility has not been used during the fiscal 2020, so no funds have been disposed.

New Financing COVID-19 related

As part of the Spanish national program to mitigate economic impacts caused by the COVID-19 pandemic, the Spanish Government offered guarantee lines to the Spanish banking sector through the Official Credit Institute "ICO", to facilitate companies to access funding. The detail of proceeds and repayments of each one is described below:

Facility	**Bank**	Principal (€ 000)	Proceeds up until September, 30 2020 (€ 000)	Repayments up until September, 30 2020 (€ 000)	Outstanding balance, September 30 2020 (€ 000)
Loan	Bankinter	€ 1,000	€ 1,000	€ -	€ 1,000
	Bankinter	500	500	-	500
	Sabadell	1,500	1,500	-	1,500
	BBVA	800	800	99	701
Revolving line	BSCH	1,800	1,784	-	1,784
Totals (€ 000s)		€ 5,600	€ 5,584	€99	€5,485
Total ($ 000s)		$6,556	$6,538	$115	$6,423

Bankinter Loan - Orovalle

On August 23, 2019, Orovalle entered into a new short-term Loan with Bankinter. The principal amounted to $0.4 million and it bears a fixed annual interest rate of 1.5%. This loan matures on September 2020.

During fiscal 2020 the company fully repaid this Loan.

Shareholders' Equity

Shareholders' equity at September 30, 2020 decreased by 2% to $71 million compared with $72.6 million at September 30, 2019. The table below sets out the number of each class of securities of the Company outstanding at September 30, 2020 and as at the date hereof:

	At September 30, 2020
Common Shares	136,623,171
Options (1)	646,008

(1) The options have a weighted average exercise price of $0.21 and their expiry date is December, 21 2022.

Derivative Instruments

The Company has no outstanding derivative instruments at September 30, 2020 and 2019 and paid net cash of $5.3 million in settlements of the derivative instruments that matured in the period (September 30, 2019, $0.8 million).

Changes in the fair value of the Company's outstanding derivative instruments are recognized through the Company's income statement as non-cash derivative instrument gains or losses. At maturity of each contract, a cash settlement takes place resulting in a realized gain/loss on the settlement of derivative instruments. The mark-to-market fair value of the Company's outstanding derivative instruments is based on independently provided market rates and determined using standard valuation techniques, including the impact of credit risk. The counterparty for all derivative instruments is Auramet International LLC.

The Company recorded fair value adjustments on its outstanding derivative instruments as follows:

(in 000's)	Fiscal 2020	Fiscal 2019
Change in unrealized fair value	$ -	$ (112)
Realized loss on cash settlements of derivative instruments	(5,290)	(856)
Derivative instruments loss	$ (5,290)	$ (968)

Capital Resources

At September 30, 2020, the Company had cash and cash equivalents of $15.6 million and restricted cash of $1.7 million. The Company considers its capital employed to consist of shareholders' equity (including share capital, contributed surplus and retained earnings) and total debt net of cash and cash equivalents as follows:

(in 000's)	September 30, 2020	September 30, 2019
Shareholders' equity	**$70,972**	$72,533
Revolving facilities TSF – EMIPA	**-**	1,972
TSF Loan – EMIPA	**2,124**	4,250
Heavy Equipment Loan – EMIPA	**683**	1,298
Restructuring Loan – EMIPA	**3,000**	-
Banco de Crédito Loan – EMIPA	**-**	493
Revolving facilities – Orovalle	**1,209**	2,761
Spanish banking facility – Orovalle	**5,726**	7,355
Bankinter Loan – Orovalle	**-**	380
New financing COVID-19 related – Orovalle	**6,423**	-
Lease liabilities	**2,857**	875
	$92,994	$91,917
Less: Cash and cash equivalents	**(15,572)**	(12,351)
Capital employed	**$77,422**	$79,566

The Company's financial objective when managing capital is to ensure that it has the cash and debt capacity and financial flexibility to fund its ongoing business objectives including operating activities, investments and growth in order to provide returns for shareholders. In order to maintain or adjust the capital structure, in addition to using cash flows from operating activities for this purpose, the Company may issue new shares or obtain additional debt. In fiscal 2016, the Company closed the $12.5 million Prepayment Facility, and during fiscal 2017 the Company closed the $11.3 million BISA TSF Loan and revolving working capital facility. In fiscal 2019, the Company closed the Spanish banking facility for €8 million. In fiscal 2020, the Company closed the EMIPA restructuring facility for $3 million as of March 31, 2019. Additionally, in February 2020, BISA approved a Bs.54,288,000 ($7,800) facility to partially finance the Oxides Project. As at September 30, 2020, the administrative process to close the transaction is finished, and the funds will be gradually available according to the terms agreed in the financing contract. During fiscal 2020 Orovalle accessed to new financing for a total of € 7.1 million.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the Company's operating and financial performance and current outlook for the business and industry in general. The Company's alternatives to fund future capital needs include cash flows from operating activities, debt or equity financing or adjustments to capital spending. The capital structure and these alternatives are reviewed by management and the board of directors of the Company on a regular basis to ensure the best mix of capital resources to meet the Company's needs.

The Company manages capital through its operating and financial budgeting and forecasting processes. The Company reviews its working capital and forecasts its future cash flows on a periodic basis, based on operating expenditures and other investing and financing activities. The forecast is regularly updated based on the results of El Valle and Don Mario. Information is regularly provided to the board of directors of the Company.

Due to the ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts on our business, the Company's strategy for fiscal 2021 is to manage its existing capital resources and liquidity in a prudent fashion to sustain operating costs while maintaining a high level of safety and productivity, and to meet all of its existing debt repayment obligations. Refer to "COVID-19" and "Outlook" sections.

Cash Flows, Commitments, Liquidity and Contingencies

Cash Flows

Total cash and cash equivalents as at September 30, 2020 was $15.6 million, primarily denominated in US dollars, representing $3.2 million higher cash than at September 30, 2019. Short-term restricted cash was $0.1 million at September 30, 2020, which is a similar amount as at September 30, 2019. The Company's total debt was $19.2 million at September 30, 2020. This compares with total debt as at September 30, 2019 of $18.5 million.

The following table summarizes the principal sources and uses of cash for the periods specified below:

(in 000's)	**Q4 2020**	**Q3 2020**	**Q4 2019**	**FY 2020**	**FY 2019**
Cash provided by operating activities before changes in non-cash working capital	**$4,304**	$1,163	$4,091	**$8,959**	$18,312
Cash provided by (used in) operating activities	**13,392**	(822)	4,974	**11,435**	14,444
Cash used in investing activities [(1)]	**(3,339)**	(375)	(1,497)	**(7,557)**	(9,862)
Cash provided by (used in) financing activities	**(2,368)**	3,064	(2,865)	**(404)**	(3,946)
Change in cash	**$7,685**	$1,867	$612	**$3,474**	$636

(1) These amounts are presented on a cash basis. Each reported period excludes unpaid capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reported period. See "Cash Flows, Commitments and Liquidity - Capital Expenditures".

Orvana's primary source of liquidity continues to be from operating cash flows. Cash flows provided by operating activities before changes in non-cash working capital were $9 million for fiscal 2020 compared with $18.3 million for fiscal 2019. Cash flows provided by operating activities were $11.4 million for fiscal 2020 compared with $14.4 million for fiscal 2019.

Significant drivers of the change in operating cash flow are production and realized gold and copper prices on sales. Future changes in the market price of gold and copper, either favourable or unfavourable, will continue to have a material impact on the Company's cash flows and liquidity. The principal uses of operating cash flows have been working capital and the funding of the Company's planned capital expenditures.

Cash used in investing activities was $7.6 million in fiscal 2020 compared with $9.9 million in fiscal 2019. Capital expenditures and movements in the Company's restricted cash and reclamation bond accounts drive the majority of cash flows used in investing activities.

Cash used in financing activities was $0.4 million in fiscal 2020 compared with cash used for $3.9 million in fiscal 2019, and is driven by the timing of drawdowns and repayments by the Company's debt facilities.

Capital Expenditures

The following table sets forth Orvana's capital expenditures for the periods specified below for El Valle and Don Mario:

(in 000's)	**Q4 2020**	**Q3 2020**	**Q4 2019**	**FY 2020**	**FY 2019**
El Valle	**$3,584**	$1,340	$2,347	**$10,371**	**$7,772**
Don Mario	**190**	132	323	**759**	**2,929**
Corporate	**-**	-	-	**-**	**-**
Sub-total capital expenditures	**$3,774**	$1,472	$2,670	**$11,130**	**$10,701**
Accounts payable adjustments [(1)]	**($72)**	($1,135)	($888)	**($2,449)**	**($738)**
Total capital expenditures [(1)]	**$3,702**	$337	$1,782	**$8,681**	**$9,963**

(1) These amounts are presented on a cash basis. Each reported period excludes unpaid capital expenditures incurred in the period which will be paid in subsequent periods and includes capital expenditures incurred in prior periods and paid for in the applicable reported period.

At El Valle, capital expenditures in fourth quarter of fiscal 2020 consisted mainly of primary development, tailings dam regrowth, heavy equipment and mining infrastructure. Capital expenditures at Don Mario consisted of metallurgical studies and tests works related to the oxides project.

Due to the ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts, Capital expenditures programs are being reviewed companywide. Refer to "COVID-19" and "Outlook" sections.

Other Commitments

The Company's current contractual obligations are summarized in the following table:

As at September 30, 2020		Payment Due by Period			
(in 000's)	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Spanish Local Banks + New COVID(Loans)	**$10,504**	$4,610	$5,894	-	-
BISA TSF Loan	**$2,126**	$2,126	-	-	-
BISA Heavy Equipment Loan	**$682**	$682	-	-	-
BISA Restructuring	**$3,000**	$3,000	-	-	-
Finance leases	**$2,906**	$1,600	$1,306	-	-
Operating leases	**$586**	$346	$230	$10	-
Decommissioning liabilities (1)	**$24,922**	$50	-	$6,191	$18,681
Reclamation bond (2)	**$5,854**	$5,854	-	-	-
Purchase obligations	**$4,386**	$2,486	$1,900	-	-
Provision for statutory labour obligations (3)	**$1,083**	1,083	-	-	-
Long-term compensation	**$1,708**	-	-	-	$1,708
Total contractual obligations (4)	**$57,757**	**21,837**	**$9,330**	**$6,201**	**$20,389**

(1) Decommissioning liabilities are undiscounted.

(2) Spanish regulatory authorities have requested that an additional reclamation bond of €5.0 million be deposited by the Company under Spanish mining regulations in respect of El Valle. The Company is challenging the requirement to fund the additional reclamation bond through an administrative appeal process. The Company is also working with the Spanish regulatory authorities to come to an agreement regarding posting this additional bond, including the consideration of alternatives to posting this bond.

(3) Under Bolivian law, EMIPA has an obligation to make payments to employees in the amount of one month's wages for each year of service. The employee can elect to receive payment after five years of service in the amount of five months of wages while continuing employment with EMIPA.

(4) Production from El Valle and Don Mario is subject to certain royalties for which amounts have not been included in total contractual obligations at September 30, 2020. For a description of such royalties and amounts payable, see "Royalties" below.

Royalties

Production from El Valle is subject to a 3% net smelter return royalty ("NSR"), referred to herein as the El Valle Royalty. The El Valle Royalty rate decreases to 2.5% for any quarter in which the average price of gold is below $1,100 per ounce. The El Valle Royalty expense totaled $2.9 million for fiscal 2020, compared with $2.7 million for fiscal 2019.

Production from Don Mario is subject to a 3% NSR. This expense totaled $0.6 million for fiscal 2020, compared with $1.7 million for fiscal 2019. The Bolivian government collects a mining royalty tax on the revenue generated from copper, gold and silver sales from Don Mario at rates of 5%, 7% and 6%, respectively. These amounts totaled $0.3 million for fiscal 2020, compared with $3.1 million for fiscal 2019.

Liquidity

Orvana's primary sources of liquidity in fiscal 2020 were operating cash flows, generating cash of $9 million from operating activities before changes in non-cash working capital. During fiscal 2020, Orvana generated cash for $11,4 million in operating activities, and used cash for $7.6 million in investing activities, and for $0.4 million in financing activities.

As at September 30, 2020, the Company had cash of $15.6 million, and together with forecasted operating cash flow, the renewal of current revolving lines, the reimbursement of VAT balances, the financing secured in second half of fiscal 2020 and the proceeds of assets held for sale, expects to cover the Company's commitments due in less than one year of $21.9 million.

Due to the ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts on our business, the Company's strategy for fiscal 2021 is to manage its existing capital resources and liquidity in a prudent fashion to sustain operating costs while maintaining a high level of safety and productivity, and to meet all of its existing debt repayment obligations. Refer to "COVID-19" and "Outlook" sections.

Capital expenditures in respect to the Oxides Stockpile Project would only be incurred should financing acceptable to the Company is realized.

The Company's cash flow forecasts are developed using best available information at the time of their preparation and rely on certain material assumptions, such as gold and copper market prices and the ability to achieve planned production of gold and copper. There can be no assurances that the Company's cash flow forecasts will not change materially in the future and that the effect of changes to the Company's forecasts, if negative, could result in future financing requirements for the Company.

If (i) unanticipated events occur that may impact the operations of Orovalle and EMIPA and/or (ii) if the Company does not have adequate access to financing on terms acceptable to the Company, the Company may need to take additional measures to increase its liquidity and capital resources, including obtaining additional debt or equity financing, pursuing joint-venture partnerships, equipment financings or other receivables financing arrangements. The Company may experience difficulty in obtaining satisfactory financing terms. Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on Orvana's results of operations or financial condition.

Contingencies

The Company continues to work through one environmental matter involving eventual selenium discharges into the Cauxa River in Asturias, Spain. The Cauxa River flows past the El Valle Mine operated by the Company's Spanish subsidiary, Orovalle, as well as other industrial properties owned by third parties. Selenium is a naturally occurring element that is found in rocks, land and water and thus is also naturally found in certain food supplies. The results of scientific studies conducted by the Company have confirmed the Company's belief that past and prevailing levels of selenium in waterways impacted by the Orovalle operations do not constitute a health or environmental risk.

Spanish Water Authority has taken the position that the levels of selenium in the river flowing past El Valle Mine exceed the levels permitted by applicable regulations as a result of discharges attributed to Orovalle which may not be in compliance with certain of Orovalle's permits (the "SE Discharge Matter"). In recent years, Orovalle has received approximately $1.1 million in fines relating to these matters and may face further additional fines or other sanctions, including the revocation or suspension of certain permits, in the future. Orovalle is appealing the outstanding fines, approximately $0.7 million, and the enforcement of certain fines has been suspended pending the related criminal matter. A judge of the criminal court of Grado Municipality, in the region of Asturias, has conducted an investigation into the potential commission by Orovalle of a reckless crime under the Spanish penal code relating to the SE Discharge Matter. After six years of investigation, during the third quarter of fiscal 2020 the Grado's Court issued the order to commence an oral trial to address the SE Discharge Matter in a criminal court of Oviedo (the capital of Asturias). A date for the commencement of the oral trial has not been set as of the date hereof. In connection with the pending oral trial, the Court set a requirement on Orovalle to provide a bond in the amount of €7 million as warranty for contingent liabilities, subject to the outcome of the oral trial. Orovalle has appealed the bond taking the position that past and prevailing levels of selenium in waterways impacted by Orovalle did not cause any damage to the environment. The appeal is in progress as of date hereof. With respect to the oral trial, Orovalle has filed its preliminary statement of defence asking for the acquittal on the basis that, among other things, there is absence of a committed criminal offence. If Orovalle is ultimately found responsible, monetary penalties, amongst other sanctions, may be applied. These sanctions could have a material impact on the Company. Orovalle will defend itself vigorously in this matter.

Orovalle has been working to remediate this selenium matter through various activities including the implementation of a reverse osmosis water treatment plant in September 2014 and the development of a long-term water management plan which is in progress. While it appears that these remediation efforts are addressing these matters, there can be no assurances that Orovalle's continuing remediation activities will be judged to successfully comply with local regulations. In addition, Orovalle has been seeking amendments to certain of its permits or, alternatively to receive new permits, and extensions of deadlines to comply with local requirements. Orvana is committed to developing and operating its mines and projects in full compliance with local environmental regulations and recognized international environmental standards.

In connection with workplace accidents at Orovalle in 2015 and 2017, the affected employees filed claims with the Instituto Nacional de la Seguridad Social (INSS) for social security benefit surcharges, to be paid by Orovalle. In late June 2018, INSS granted the two affected employees' in the 2015 workplace accident their social security benefits request for an aggregate amount of approximately $0.5 million. In October 2018, Orovalle filed claims before the Labour Court in order to dispute the payment of the abovementioned surcharges. Trials have been rescheduled by the Labour Court for the second quarter of fiscal 2020. In respect of the 2017 workplace accident, the affected employee has filed a claim with the INSS for social security benefit surcharges. The INSS has not affirmed this claim yet. If the request of the employee is affirmed by the INSS and the amount is estimated, Orovalle will file a claim before the Labour Court.

Certain former employees of EMIPA affected by the restructuring process during the second quarter of fiscal 2020 (the “Former Employees”) decided not to accept the dismissal terms provided for under applicable employment laws in Bolivia. In respect of these Former Employees, the Company proceeded to deposit into a judicial account the compensation benefits to which the aforementioned employees were entitled within the period established by law and according to the terms defined by the local regulation. As a result of filings by the Former Employees under the labour administrative resolution process to dispute EMIPA’s dismissal process, the Santa Cruz Departmental Labor Authority notified EMIPA in July 2020 by way of “reinstatement resolutions” directing that the 78 Former Employee should be reinstated to their original job positions with the payment of the wages accrued since their dismissal. EMIPA subsequently filed an appeal to dispute the ”reinstatement resolutions” on the basis that the dismissal process conducted by EMIPA during the restructuring process is in compliance with applicable employment laws. The result of the administrative appeal was positive for EMIPA, therefore Former Employees filed a final appeal known as the “Hierarchical Resource” with the Ministry of Labor at La Paz (national administrative level), the last step of the labor administrative resolution process. Subject to the outcome of the Hierarchical Resource, either party may seek a further determination of the matter through a judiciary or constitutional process.

SUMMARY OF QUARTERLY RESULTS

The following two tables include results for the eight quarters ended September 30, 2020:

	Quarters ended			
(in 000's, except per share amounts)	**Q4 2020**	**Q3 2020**	**Q2 2020**	**Q1 2020**
Revenue	**$32,586**	**$19,143**	$21,245	$29,020
Net income (loss)	**$8,640**	**($4,711)**	($2,776)	($2,745)
Gain (loss) per share (basic and diluted)	**$0.06**	**($0.03)**	($0.02)	($0.02)
Total assets	**$150,945**	**$145,357**	$141,430	$146,643
Total financial liabilities (1)	**$22,022**	**$26,204**	$21,278	$18,280
	Quarters ended			
	Q4 2019	**Q3 2019**	**Q2 2019**	**Q1 2019**
Revenue	**$32,818**	$31,190	$36,111	$36,281
Net loss	**($3,626)**	($3,914)	$3,334	($1,060)
Loss per share (basic and diluted)	**($0.03)**	($0.03)	$0.02	($0.01)
Total assets	**$152,829**	$158,372	$156,653	$154,965
Total financial liabilities (1)	**$19,384**	$22,041	$19,752	$16,880

(1) Financial liabilities include current and long-term portions of debt, obligations under finance leases and derivative liabilities.

FINANCIAL AND OTHER RISKS AND UNCERTAINTIES

Financial Risks

The Company's activities expose it to a variety of financial market risks (including commodity price risks, currency risk and interest rate risk), credit risks, liquidity risks, financing risks and other risks. Enterprise risk management is carried out by management of the Company under policies approved by the board of directors thereof. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Board of Directors of the Company reviews management's risk management programs and provides oversight on specific areas. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial and operating performance.

Other Risks

The Company identified a variety of additional risks and uncertainties in the most recent Annual Information Form ("AIF") including, but not limited to, (i) mineral resources and reserves estimates and replacement of depleted reserves, (ii) production estimates, (iii) development, capital projects and operations of mines, (iv) competition, (v) acquisitions and divestitures, (vi) title matters, (vii) water supply, (viii) regulatory and other risk, (ix) permits, (x) environmental, health and safety regulations, (xi) political and related risks, (xii) insurance, (xiii) reliance on key personnel and labor relations, (xiv) community relations and license to operate, (xv) litigation, (xvi) conflicts of interest, (xvii) controlling shareholder, and (xviii) share trading volatility.

In respect of regulatory and other risks and environmental regulations risks, see "Contingencies" above.

For a more detailed discussion of such financial and other business risks, please see the "Risk Factors" in Orvana's most recent AIF at www.sedar.com.

OTHER INFORMATION

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenues and expenses during the period. Actual results could differ significantly from those estimates. Specific items requiring estimates are mineral reserves, accounts receivable, property, plant and equipment, depreciation and amortization, forward metals prices, decommissioning liabilities, future income taxes, stock-based compensation and other accrued liabilities and contingent liabilities.

Net Realizable Amounts of Property, Plant and Equipment

At September 30, 2020, the net carrying value of the property, plant and equipment in respect of Orovalle and EMIPA amounted to $50.6 million and $22.3 million, respectively. Effective from the point that they are ready for their intended use, property, plant and equipment are amortized on a straight-line basis or using the units-of-production method over the shorter of the estimated economic life of the asset or mineral property. The method of depreciation is determined based on that which best represents the use of the assets.

The reserve and resource estimates for each operation are the prime determinants of the life of a mine. In general, a mineralized deposit where the mineralization is reasonably well defined is amortized over its proven and probable mineral reserves. Non-reserve material may be included in the depreciation calculations in limited circumstances where there is a high degree of confidence in economic extraction. The expected economic life of these mines is dependent upon, among other things, the estimated remaining ore; gold, copper and silver prices; cash operating costs and capital expenditures.

The Company assesses each mine development project to determine when a mine is substantially complete and ready for its intended use and has advanced to the production stage. In its assessment, the Company considers relevant criteria based on the nature of each project, including the completion of a reasonable period of testing of mine plant and equipment, the ability to produce materials in saleable form (within specifications) and the ability to sustain ongoing production of minerals. When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for sustaining capital costs and underground mine or reserve development, which are capitalized to property, plant and equipment.

Decommissioning Liabilities

Decommissioning liabilities relate to the dismantling of the mine facilities and environmental reclamation of the areas affected by mining operations. Mine facilities include structures and the tailings dam. Environmental reclamation requirements include mine water treatment, reforestation and dealing with soil contamination. It is possible that the Company's estimates of the ultimate amounts required to decommission its mines could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves. The following table sets out the Company's estimates, prepared by management with the assistance of independent third-party experts, of the undiscounted and discounted cash flows required to settle such decommissioning liabilities in respect of El Valle and Don Mario at September 30, 2020.

As at September 30, 2020	Undiscounted Cash Flows Estimated to Settle Decommissioning Liabilities	Discount Rate	Discounted Cash Flows Required to Settle Decommissioning Liabilities
(in 000's)			
El Valle (1)	$16,598	1.11%	$15,151
Don Mario (1)	$8,324	3.70%	$6,668
Total	**$24,922**		**$21,819**

(1) Accretion expense is recorded using the discount interest rate set out above. It is estimated that these amounts will be incurred beginning in 2020. The discount rate used to measure decommissioning liabilities under IFRS is based on current interest rates of government bonds of the applicable country and of term that matches the time period to the commencement of the decommissioning liability being incurred.

Stock-based compensation

The Company recorded a stock-based compensation expense of $31 thousand in fiscal 2020, compared with $88 in fiscal 2019. The stock-based compensation expense is based on an estimate of the fair value of stock options issued and expensed over the vesting period. The accounting for stock options requires estimates of interest rates, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

Long-term Compensation

The Company established a Deferred Share Unit ("DSU") plan, effectively a phantom stock plan, for directors, effective October 1, 2008. For grants subsequent to December 1, 2015, the fair value of the units issued is expensed over the fiscal year in which they are issued and is included in long-term compensation expense under general and administrative expenses in the statement of income. The fair value of the DSUs are marked to the quoted market price of Common Shares at each reporting date and changes in their fair value are also recorded under general and administrative expenses. Payouts are settled in cash within a specified period following a director's departure, based on the market price of the Common Shares at exercise.

The Company established a Restricted Share Unit ("RSU") plan, effectively a phantom stock plan, for designated executives, effective October 1, 2008. The initial fair value of units issued is expensed and is included in long-term compensation expense under general and administrative expenses in the statement of income. The fair value of the RSUs are marked to the quoted market price of the Common Shares at each reporting date and changes in their fair value are recorded under general and administrative expenses. Payouts are settled in cash after a specified period of vesting, based on the market price of the Common Shares at vesting.

The Company established a Share Appreciation Rights ("SAR") plan for designated executives, effective in respect of fiscal 2013. Unless otherwise determined by the directors of the Company, designated participants are granted SARs in such number equal to two times the number of RSUs granted to such participant in respect of compensation for a particular fiscal year. The Initial Fair Market Value as defined in the SAR plan is determined based on the closing price of the Common Shares on the date of grant. The fair value of the SARs are measured using an option pricing model at each period end, and to the extent that employees have rendered services over a three year vesting period, an expense is recorded under general and administrative expenses in the statement of net income over such vesting period. Vested SARs may be exercised provided there has been an appreciation in the market price of the Common Shares from the Initial Fair Market Value on the grant date and payouts are settled in cash as vested SARs are exercised.

Impairment

The Company assesses the carrying values of each cash-generating unit ("CGU") at each reporting period end date to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell ("FVLCS") or value-in-use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, the resale market for certain property, plant and equipment of the Company and operating performance. Fair value under FVLCS is determined as the amount that would be obtained from the sale, less costs, of the asset in an arm's length transaction between knowledgeable and willing parties. When observable market prices are not available for the asset, value-in-use for mineral properties is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that are specific to the Company's circumstances with respect to each CGU. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management of the Company has assessed its CGUs to be its mine sites (El Valle and Don Mario), which are the lowest level for which cash inflows and outflows are expected to be largely independent of those of other assets. Management projected cash flows over the remaining life-of-mine in respect of El Valle and Don Mario using forecasted production and costs per the current life-of-mine plans and the long-term forecasted price of gold, copper and silver to project future revenues. The key assumptions used in making this assessment at September 30, 2020 included commodity prices, operating costs, capital expenditures, foreign exchange rates and discount rates.

Although the total public market capitalization of the Company was below the carrying amount of Orvana's net assets at September 30, 2020 of $71 million, following the completion of an impairment test in respect of each CGU at the end of fiscal 2020, the Company estimated that the net recoverable amounts are greater than the carrying values of such assets based on the Company's current life-of-mine plans and the assumptions set out above at September 30, 2020. As such, there was no impairment of such carrying values as at September 30, 2020.

In light of a continued volatile metal price environment, and notwithstanding that the Company concluded that there was no impairment of carrying values at the end of fiscal 2020, there can be no assurances that an impairment adjustment may not be taken at either or both CGUs in future periods.

Gold prices

The net loss of $1.6 million for the 2020 fiscal year would be impacted by changes in average realized gold prices on gold ounces sold. A 10% increase/decrease in average realized gold prices would affect the gross revenue by an increase/decrease of approximately $9.6 million.

Copper prices.

The net loss of $1.6 million for the 2020 fiscal year would be impacted by changes in average realized copper prices. A 10% increase/decrease in average realized copper prices would affect gross revenue by an increase/decrease of approximately $1.5 million.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

Management is responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of internal control over financial reporting ("ICFR") to provide reasonable assurance that material information related to the Company, including its consolidated subsidiaries, is made known to the Company's certifying officers. The Company uses the *Internal Control – Integrated Framework* (COSO Framework) published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to design its ICFR. Based on a review of internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed as at September 30, 2020.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring material corrective actions.

Management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues, errors and instances of fraud, if any, have been detected and that all of the objectives of the internal controls over financial reporting have been achieved or will be achieved in the future.

Non-IFRS Measures

COC, AISC and AIC

The Company, in conjunction with an initiative undertaken within the gold mining industry, began reporting COC, AISC and AIC non-IFRS performance measures as set out in the guidance note released by the World Gold Council in June 2013. The Company believes that these performance measures more fully define the total costs associated with producing gold, copper and silver, however, these performance measures have no standardized meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

COC include total production cash costs incurred at the Company's mining operations, which form the basis of the Company's cash costs. AISC includes COC plus sustaining capital expenditures, corporate administrative expenses, costs of community relations, exploration and evaluation costs and reclamation cost accretion. The Company believes that this measure represents the total costs of producing gold from current operations and provides the Company and other stakeholders of the Company with additional information relating to the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of gold production from current operations, new project capital is not included in AISC. AIC represents AISC plus non-sustaining capital expenditures and non-sustaining exploration. Certain other cash expenditures including tax payments, debt payments, dividends and financing costs are also not included in the calculation of AIC. The Company reports these measures on a gold ounces sold basis.

Orvana Consolidated	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Cash operating costs, all-in sustaining costs and all-in costs (by-product) [(1)] *(in 000's)*					
Total mining costs (sales based)	**$22,391**	**$15,187**	**$26,644**	**$79,585**	**$113,558**
Deductions, refining, treatment, penalties, freight & other costs	2,981	1,443	2,229	8,819	9,122
Sub-total - other operating costs	**$2,981**	**$1,443**	**$2,229**	**$8,819**	**$9,122**
Copper sales - gross revenue value	(5,981)	(2,909)	(2,806)	(15,023)	(14,237)
Silver sales - gross revenue value	(1,043)	(482)	(754)	(2,626)	(2,842)
Sub-total by-product revenue	**($7,024)**	**($3,391)**	**($3,560)**	**($17,649)**	**($17,079)**
Cash operating costs	**$18,348**	**$13,239**	**$25,313**	**$70,755**	**$105,601**
Corporate general & administrative costs	2,276	1,496	86	5,266	2,660
Community costs related to current operations	86	86	88	348	445
Reclamation, accretion & amortization	126	328	393	1,064	1,662
Exploration and study costs (sustaining)	78	88	264	389	1,109
Primary development (sustaining)	762	748	1,250	3,933	4,216
Other sustaining capital expenditures [(2) (3)]	2,108	660	1,111	5,812	5,281
All-in sustaining costs	**$23,784**	**$16,645**	**$28,505**	**$87,567**	**$120,974**
Exploration and study costs (non-sustaining)	318	646	316	1,037	1,586
Capital expenditures (non-sustaining) [(3)]	190	132	594	734	1,764
All-in costs	**$24,292**	**$17,423**	**$29,415**	**$89,338**	**$124,324**
Au/oz sold	14,784	9,681	20,987	55,344	96,540
Cash operating costs ($/oz) gold	**$1,241**	**$1,367**	**$1,206**	**$1,278**	**$1,094**
All-in sustaining costs ($/oz) gold	**$1,609**	**$1,719**	**$1,358**	**$1,582**	**$1,253**
All-in costs ($/oz) gold	**$1,643**	**$1,800**	**$1,402**	**$1,614**	**$1,288**

(1) Costs are reported per ounce of gold sold in the period.

(2) Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

(3) Capital expenditures include unpaid capital expenditures incurred in the period.

The following table provides a reconciliation of COC, AISC and AIC (by-product) per ounce of gold sold for El Valle for the periods set out below:

El Valle	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Cash operating costs, all-in sustaining costs and all-in costs (by-product) [(1)] *(in 000's)*					
Total mining costs	**$20,547**	**$13,974**	**$17,015**	**$69,128**	**$70,006**
Deductions, refining, treatment, penalties, freight & other costs	2,980	1,443	2,220	8,814	9,083
Sub-total - other operating costs	**$2,980**	**$1,443**	**$2,220**	**$8,814**	**$9,083**
Copper sales - gross revenue value	(5,981)	(2,909)	(2,806)	(15,024)	(14,237)
Silver sales - gross revenue value	(1,038)	(482)	(591)	(2,556)	(2,328)
Sub-total by-product revenue	**($7,019)**	**($3,391)**	**($3,397)**	**($17,580)**	**($16,565)**
Cash operating costs	**$16,508**	**$12,026**	**$15,838**	**$60,362**	**$62,524**
Corporate general & administrative costs	375	375	375	1,500	1,500
Reclamation, accretion & amortization	290	273	359	1,061	1,433
Exploration and study costs (sustaining)	0	0	0	0	0
Primary development (sustaining)	763	748	1,250	3,933	4,216
Other sustaining capital expenditures [(2)] [(3)]	2,108	660	1,390	5,788	4,117
All-in sustaining costs	**$20,044**	**$14,082**	**$19,212**	**$72,644**	**$73,790**
Exploration and study costs (non-sustaining)	**57**	**16**	**(23)**	**135**	**276**
All-in costs	**$20,101**	**$14,098**	**$19,189**	**$72,779**	**$74,066**
Au/oz sold	14,554	9,681	14,970	52,457	62,249
Cash operating costs ($/oz) gold	**$1,134**	**$1,242**	**$1,058**	**$1,151**	**$1,004**
All-in sustaining costs ($/oz) gold	**$1,377**	**$1,455**	**$1,283**	**$1,385**	**$1,185**
All-in costs ($/oz) gold	**$1,381**	**$1,458**	**$1,282**	**$1,387**	**$1,190**

(1) Costs are reported per ounce of gold sold in the period.

(2) Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

(3) Capital expenditures include unpaid capital expenditures incurred in the period.

The following table provides a reconciliation of COC, AISC and AIC (by-product) per ounce of gold sold for Don Mario for the periods set out below:

Don Mario Mine	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Cash operating costs, all-in sustaining costs and all-in costs (by-product) (1) *(in 000's)*					
Total mining costs	**$1,845**	**$1,217**	**$9,629**	**$10,457**	**$43,552**
Deductions, refining, treatment, penalties, freight & other costs	-	-	9	4	39
Sub-total - other operating costs	**$-**	**$-**	**$9**	**$4**	**$39**
Copper sales – gross revenue value	0	0	0	0	0
Silver sales – gross revenue value	($5)	-	(163)	(69)	(513)
Other by-product gross revenue value	-	-	-	-	-
Sub-total by-product revenue	**($5)**	**$0**	**($163)**	**($69)**	**($513)**
Cash Operating Costs	**$1,840**	**$1,217**	**$9,475**	**$10,392**	**$43,078**
Corporate general & administrative costs	267	293	220	1,009	644
Community costs related to current operations	86	86	88	348	445
Reclamation, accretion & amortization	($165)	55	34	3	228
Exploration and study costs (sustaining)	78	88	264	389	1,110
Capital expenditures (sustaining) (2)(3)	-	-	(279)	25	1,164
All-in sustaining costs	**$2,106**	**$1,739**	**$9,802**	**$12,166**	**$46,669**
Capital expenditures (non-sustaining)	190	132	594	734	1,764
Exploration and study costs (non-sustaining)	-	-	6	11	567
All-in costs	**$2,296**	**$1,871**	**$10,402**	**$12,911**	**$49,000**
Au/oz sold	230	-	6,017	2,887	34,291
Cash operating costs ($/oz) gold	**-**	**-**	**$1,575**	**$3,600**	**$1,256**
All-in sustaining costs ($/oz) gold	**-**	**-**	**$1,629**	**$4,214**	**$1,361**
All-in costs ($/oz) gold	**-**	**-**	**$1,729**	**$4,472**	**$1,429**

(1) Costs are reported per ounce of gold sold in the period.

(2) Sustaining capital expenditures are those expenditures which do not increase annual gold ounce production at a mine site and excludes all expenditures at the Company's projects and certain expenditures at the Company's operating sites which are deemed expansionary in nature.

(3) Capital expenditures include unpaid capital expenditures incurred in the period.

EBITDA

The Company has included Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") as a non-IFRS performance measure in this MD&A. The Company excludes these items from net loss to provide a measure which allows the Company and investors to evaluate the results of the underlying core operations of the Company and its ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of EBITDA to the Company's consolidated financial statement for their respective periods:

(in 000's)	Q4 2020	Q3 2020	Q4 2019	FY 2020	FY 2019
Net income (loss)	**$8,640**	($4,711)	($3,626)	**($1,592)**	($5,266)
Less:					
Finance costs	**(380)**	(413)	(283)	**(1,340)**	(1,656)
Income taxes	**8,670**	539	699	**12,072**	1,695
Depreciation and amortization	**(6,905)**	(3,923)	(8,853)	**(20,014)**	(23,370)
Impairment	**-**	-	-	**(1,854)**	-
EBITDA	**$7,255**	($914)	$4,811	**$9,544**	$18,065

Other Information

Other operating and financial information with respect to the Company, including the AIF, is available on SEDAR at www.sedar.com and on the Company's website at www.orvana.com.

Cautionary Statements – Forward-Looking Information

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potentials, future events or performance (often, but not always, using words or phrases such as "believes", "expects", "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might", "will" or "are projected to" be taken or achieved) are not statements of historical fact, but are forward-looking statements.

The forward-looking statements herein relate to, among other things, the potential impact of the COVID-19 on the Company's business and operations, including its ability to continue operations; ability to manage challenges presented by COVID-19; the accounting treatment of COVID-19 related matters; ability to prevent and/or mitigate the impact of COVID-19 and other infectious diseases at or near the Company's mines and support the sustainability of its business including through the development of crisis management plans, increasing stock levels for key supplies, monitoring of guidance from the medical community, and engagement with local communities and authorities; Orvana's ability to achieve improvement in free cash flow; the potential to extend the mine life of El Valle and Don Mario beyond their current life-of-mine estimates including specifically, but not limited to in the case of Don Mario, the processing of the mineral stockpiles and the reprocessing of the tailings material; Orvana's ability to optimize its assets to deliver shareholder value; the Company's ability to optimize productivity at Don Mario and El Valle; estimates of future production, operating costs and capital expenditures; mineral resource and reserve estimates; statements and information regarding future feasibility studies and their results; future transactions; future metal prices; the ability to achieve additional growth and geographic diversification, including without limitation, the ability to complete the acquisition of the Taguas Property; future financial performance, including the ability to increase cash flow and profits; and future financing requirements and mine development plans.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein or as otherwise expressly incorporated herein by reference as well as: there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisitions at El Valle and Don Mario being consistent with the Company's current expectations; political developments in any jurisdiction in which the Company operates being consistent with its current expectations; certain price assumptions for gold, copper and silver; prices for key supplies being approximately consistent with current levels; production and cost of sales forecasts meeting expectations; the accuracy of the Company's current mineral reserve and mineral resource estimates; and labour and materials costs increasing on a basis consistent with Orvana's current expectations.

A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual events or results to differ materially from estimated or anticipated events or results expressed or implied by forward looking statements. Some of these risks, uncertainties and factors include fluctuations in the price of gold, silver and copper; the need to recalculate estimates of resources based on actual production experience; the failure to achieve production estimates; variations in the grade of ore mined; variations in the cost of operations; the availability of qualified personnel; the Company's ability to obtain and maintain all necessary regulatory approvals and licenses; the Company's ability to use cyanide in its mining operations; risks generally associated with mineral exploration and development, including the Company's ability to continue to operate the El Valle and/or Don Mario and/or ability to resume long-term operations at the Carlés Mine; the Company's ability to acquire and develop mineral properties and to successfully integrate such acquisitions; the Company's ability to execute on its strategy; the Company's ability to obtain financing when required on terms that are acceptable to the Company; challenges to the Company's interests in its property and mineral rights; current, pending and proposed legislative or regulatory developments or changes in political, social or economic conditions in the countries in which the Company operates; general economic conditions worldwide; and the risks identified in the Company's AIF under the heading "Risks and Uncertainties". This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements and reference should also be made to the Company's AIF for a description of additional risk factors.

The forward-looking statements made in this MD&A with respect to the anticipated development and exploration of the Company's mineral projects are intended to provide an overview of management's expectations with respect to certain future activities of the Company and may not be appropriate for other purposes.

Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions and, except as required by law, the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Readers are cautioned not to put undue reliance on forward-looking statements.

Cautionary Notes to Investors – Reserve and Resource Estimates

In accordance with applicable Canadian securities regulatory requirements, all mineral reserve and mineral resource estimates of the Company disclosed in this MD&A have been prepared as at September 30, 2020 in accordance with NI 43-101, classified in accordance with Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definitions and Guidelines" (the "CIM Guidelines").

Pursuant to the CIM Guidelines, mineral resources have a higher degree of uncertainty than mineral reserves as to their existence as well as their economic and legal feasibility. Inferred mineral resources, when compared with measured or indicated mineral resources, have the least certainty as to their existence, and it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Pursuant to NI 43-101, inferred mineral resources may not form the basis of any economic analysis, including any feasibility study. Accordingly, readers are cautioned not to assume that all or any part of a mineral resource exists, will ever be converted into a mineral reserve, or is or will ever be economically or legally mineable or recovered.