VANGOLD
MINING

Management's Discussion and Analysis

Six Months Ended June 30, 2020

SUITE 2820, 200 GRANVILLE STREET
VANCOUVER, BC, CANADA V6C 1S4
778-989-5346
Email: james@vangoldmining.com

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The following is management's discussion and analysis ("MD&A") of Vangold Mining Corp. ("Vangold" or the "Company"), prepared as of August 28, 2020. This MD&A is intended to assist the reader to assess material changes in the financial condition and results of operations of Vangold as of June 30, 2020 and for the six months then ended. This MD&A should be read together with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2020 and with the audited consolidated financial statements for the year ended December 31, 2019 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains "forward-looking information" that may include, but is not limited to, statements with respect to the future financial or operating performance of the Company. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "projects", "potential", "interprets", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

The Company's interim condensed consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website www.vangoldmining.com.

Overview

Vangold is in the business of acquiring and developing mineral properties. The Company's focus is to explore, develop and exploit mineral resources using environmentally benign mining techniques. The Company currently holds exploration and development properties near and around Guanajuato, Mexico.

The Company was incorporated under the *Business Corporations Act* of British Columbia in 1978 and is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol "VGLD". The Company's head office, as well as registered and records offices, is located at Suite 2820 - 200 Granville Street, Vancouver, British Columbia, Canada, V6C 1S4.

The Company is exploring the historical El Pinguico Mine to evaluate its potential to support production from both stockpile and in situ mineralized material, while continuing exploration on its other mineral concessions located in the State of Guanajuato, Mexico.

The Company has two subsidiaries: Obras Mineras El Pinguico S.A. de C.V. ("OMP"), which was incorporated on March 7, 2017, and CanMex Silver S.A. de C.V. ("CanMex Silver"), which was incorporated on January 31, 2017. OMP holds the El Pinguico, Segunda Ampliación Pinguico, Patito I and II mineral concessions located within 15 kilometres ("km") of Guanajuato, Mexico. CanMex Silver holds the Analy I and II, located 25 km east of San Miguel de Allende, as well as the El Ruso, and Ysabela mineral concessions located within the state of Guanajuato, some 200km east of Guanajuato city, and the Camilla mineral concession located near the El Ruso and Ysabela claims but in the state of Queretero. See *Exploration and Development* below.

The Company also has an interest in Rossland Resources Inc., (Rossland) a private company holding mineral claims in the Rossland B.C. area. VanGold owns 900,000 Rossland resources Inc. shares representing approximately 9.1% of Rossland. The Company also retains a 3% NSR of a series of undeveloped mining properties held by Rossland in the Rossland B.C. area.

Hernan Dorado Smith, Mining Engineer, MBA and QP by the Mineral and Metallurgical Society of America (MMSA)., Director and a Qualified Person of the Company under National Instrument 43- 101, has reviewed and approved the technical information presented in this MD&A.

Highlights

- Effective March 10, 2020 the Company's shares re-commenced trading on the TSX-V and effective March 24, 2020 the Company changed its trading symbol from "VAN" to "VGLD".
- On March 20, 2020, the Company completed a shares for debt transaction. The Company settled a total of $20,183 owed by issuing 403,640 shares. 200,000 of these shares were issued to a company owned by the Chief Executive Officer of the Company.
- On June 2, 2020 Vangold completed its bulk sample and metallurgical test which consisted of delivering a total of 1039 wet tonnes of mineralized material from its El Pinguico silver and gold project for processing at Endeavour Silver Corp.'s (Endeavour) (TSX:EDR) nearby Bolanitos mill.

  The material used for this test came exclusively from the Company's surface stockpile of waste material which was left behind when mining ceased at El Pinguico in 1913. The material has been exposed to the elements since that time and was therefore somewhat oxidized. Despite this, recoveries of gold and silver were very good. Average Recoveries were: Gold: 75.18% Silver: 60.36% At times during the milling process the Company observed even higher gold and silver recoveries - up to 77.68% for gold and 67.19% for silver. The different grinding size and residency time within different circuits at the Bolanitos' mill accounts for much of these differences. The entire process helped gain a better understanding of how these higher recoveries were reached, and how they can be replicated in the future. The Company may also pursue additional lab tests in order to replicate the higher numbers and potentially apply that knowledge at one of the local Guanajuato mills.
- During the six months ended June 30, 2020 the Company adopted a warrant acceleration bonus program for its outstanding share purchase warrants granted in connection with the Company's 2019 non-brokered private placement financing. Under the program holders will receive one bonus share for every 10 warrants exercised if exercised on or before June 26, 2020. Under TSX polices insiders are only eligible to 10% of eligible warrants. In total 17,159,500 shares and 1,266,055 bonus shares were issued on exercise of warrants under the acceleration bonus program for total proceeds of $1,715,950.
- On August 14, 2020, the Company completed a non-brokered private placement for gross proceeds of $3,974,495, consisting of 25,641,902 units at a price of $0.155 per unit. Each unit consisting of one common share and one-half share purchase warrant where each whole warrant exercisable at a price of $0.25 for a period of two years.
- On August 20, 2020, the Company signed an option agreement with Exploraciones Mineras Del Bajio S.A de C.V. to re-purchase three underlying royalties on its El Pinguico silver and gold project. Under the terms of the agreement, the Company will pay $1,680,000 ($5,000 paid) and issue 3,750,000 units on or before December 31, 2020. Each unit will comprise of one common share and one non-transferable share purchase warrant exercisable at a price of $0.175 for a 5-year period. Upon exercise of the option the Company will own its undivided 100% interest in El Pinguico silver and gold project free from royalties, except for a 15% net profit royalty on the existing above ground and underground stockpiles in mineralized material.

Exploration and Development Mexico

El Pinguico Mine Project

In April 2017, the Company acquired a 100% interest in the El Pinguico property, located in Guanajuato State, Mexico. Under the terms of the agreement, the Company paid consideration of US$100,000 ($136,240) and issued 2,500,000 common shares. The Company also issued 331,250 common shares as a finder's fee. The vendors retain a 4% net smelter return royalty ("NSR") and a 15% net profits interest ("NPI") on minerals recovered from an existing stockpile of mineralized rock and a 3% NSR and 5% NPI on all in situ mineralization. The Company may repurchase 1% (one-third) of the 3% NSR on all newly mined mineralization.

In October 2017, the Company and OMP executed a Surface Land Purchase Agreement with two private landowners for 302 hectares. The surface land includes the Company's El Pinguico property and provides significant land area for mining infrastructure, development and construction. Under the terms of the agreement, the Company has the option to purchase the property in two years and is committed to pay two annual instalments of $4,500, with a final payment of $65,000 on the third anniversary.

Upon receiving the notarized Surface Land Purchase Agreement, the Company submitted the Use of Land application with the Minister of Mines in Guanajuato on September 21, 2017. On October 20, 2017, the Company received final approval from the Guanajuato municipality. The Use of Land permit provides the Company with all the rights and entitlement for initiating necessary infrastructure work and preparing the surface stockpile for production. These activities include road construction, building structures, hauling and waste dumping activities. The Company's immediate plans are to:

- Evaluate the potential to economically recover precious metals from surface stockpile material.
- Fulfill requirements of the Environmental Assessment ("MIA"), application submission by December 2017.

In February 2020, the Company signed a surface land use agreement with a local landowner and a surface land access agreement for the mine with the Ejido Calderones, the local Ejido group,

The land access agreement allows for unrestricted road access for exploration and mining equipment and personnel to El Pinguico through the community of Calderones. The agreement is for a period of 15 years. Under the terms of the agreement the Company paid the equivalent of $7,100 and will make annual payments of equivalent to approximately $2,100 adjusted for yearly inflation.

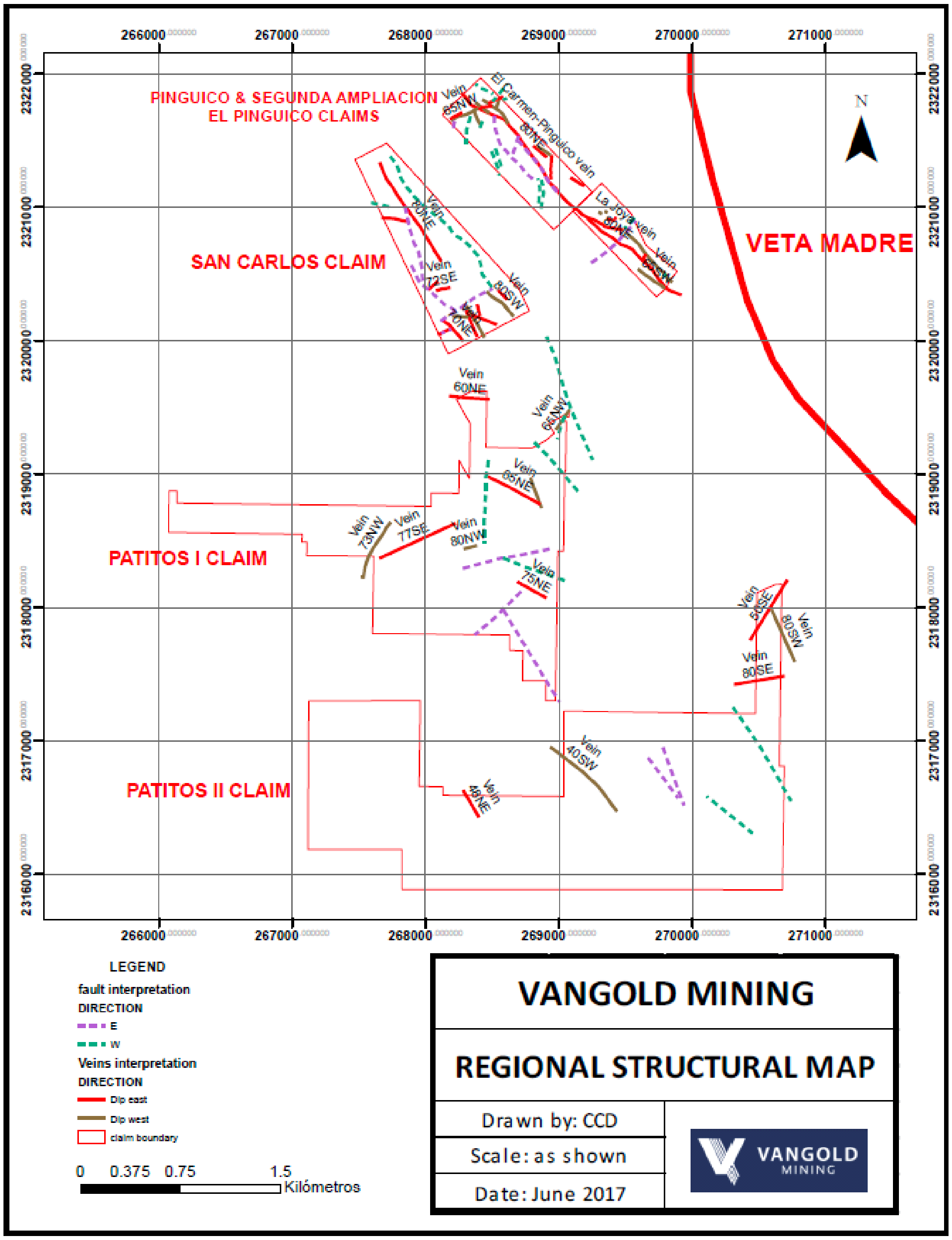
The land use agreement was signed with a local landowner and encompasses a total of 89.6 hectares covering portions of the surface of the El Pinguico mining claims. The two-year agreement allows the Company to build additional roads and do all things necessary to build or re-establish a mine. The agreement also gives the Company an option to purchase the land outright after the two-year term. Vangold director Hernan Dorado Smith commented, "The Ramirez family who own the land are a prominent business family within the Guanajuato community; they have had an interest in the El Pinguico mine for over 50 years. Under this agreement, the Company made an initial payment of approximately $1,700. After 12 months, the Company will then commence making monthly payments of approximately $140.

These surface access and use agreements, together with Vangold's existing mining rights, provide the Company with all key land components necessary to carry out its planned exploration and operational activities at El Pinguico."

The historic El Pinguico mine property consists of two mining concessions covering 71 hectares, located approximately 7 km southeast of Guanajuato in Guanajuato State, Mexico, and contains the past-producing high-grade El Pinguico-Carmen silver-gold mine. The property contains a historic mine with two main access adits: the El Carmen Adit and the Sangria del Carmen Adit. The historic El Pinguico mine is on strike with the Veta Madre (Mother Lode), and is located approximately 5 km from Endeavor Silver's El Cubo mine and 2 km from Mina Las Torres, owned by Fresnillo PLC.

From 1906 to 1913, the El Pinguico/Carmen mine produced 250 tonnes per day from shrinkage mining techniques, liberating high-grade silver and gold ore at cutoff grades over 15 grams per tonne ("g/t") gold equivalent ("Au eq"). Due to local and national civil unrest, the El Pinguico mine prematurely closed, abandoning what are believed to be large surface and underground stockpiles of mineralized material. The Company's NI 43-101 Technical Report dated February 28, 2017 and news release "VANGOLD MINING CORP. REPORTS EXPLORATION RESULTS: ASSAYS UP TO 34 G/T AUEQ FROM SAMPLES AT EL PINGUICO MINE", dated June 15, 2017, contain more information about the mine. The report and news release are available on www.sedar.com.

The Guanajuato Mining District is mainly characterized by epithermal deposits associated with continental tertiary acid volcanism. The El Carmen-El Pinguico vein is considered an extension of the Veta Madre vein system, the main vein in the historic Guanajuato Silver District, and the depth extent is still unknown. The mineralization consists of a mixture of native gold and silver, polybasite, pyargyrite, tetrahedrite, marcasite, sphalerite, galena, pyrite and chalcopyrite. The property has excellent access routes, communications, basic mining infrastructure and proximity to processing plants.



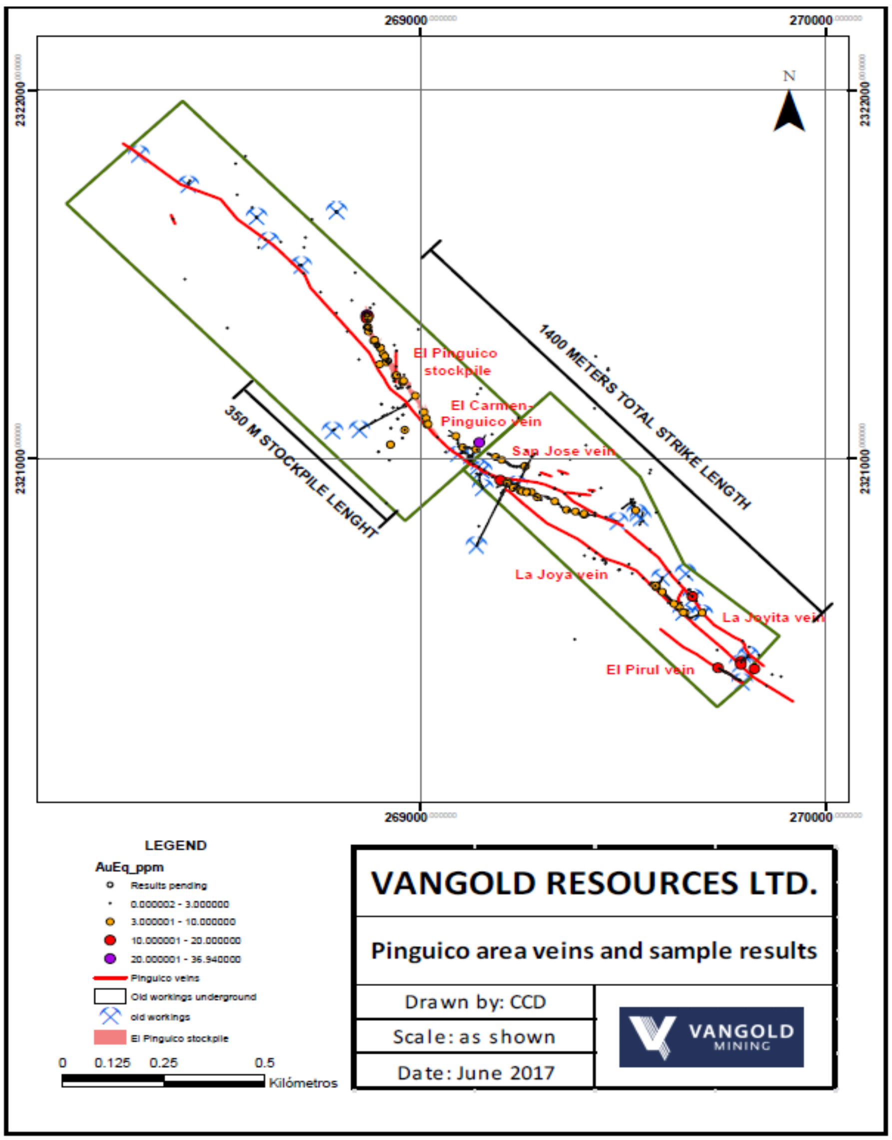
Current Exploration

In April 2017, the Company released a NI 43-101 Technical Report on the El Pinguico mine, prepared by Carlos Cham Domínguez, C.P.G., an independent Qualified Person (as that term is defined in NI 43-101). The report is available on [www.sedar.com.](http://www.sedar.com)

The Company retained FindOre S.A. de C.V., a geological exploration services company, to continue with its recommended work program, which included extensive surface and underground mapping, surveying, rock sampling and trenching.

The geological exploration program was extensive, covering over 800 hectares. Results from the exploration program expanded the potential for Au and Ag mineralization beyond the known El Pinguico and El Carmen veins. Highlights from the exploration program include:

- Collected a total of 512 rock grab and chip samples from surface outcrops and historical workings.
- 12 samples over 10 g/t (Au eq; calculated at US$1,250 gold and US$18 silver) and three over 20 g/t (Au eq) were collected in the existing workings.
- Over 70 samples with over 3 g/t (Au eq).
- Confirmation the El Carmen-Pinguico vein-related mineralization potentially extends over 1.5 km to southern claim limit.
- Completion of detailed mapping illustrates multiple parallel and perpendicular vein systems across the property, as illustrated in the El Pinguico map below.
- Surface stockpile with a surveyed area of over 15,000 m^2 and over 92,000 m^3 of rock with grades ranging from 0.14 g/t Au eq to 4.36 g/t Au eq.
- Specific gravity tests have been done in the in-situ veins sampled providing an average SG of 2.56.



The exploration program provided the Company detailed knowledge of the parallel vein structures within the El Pinguico/El Carmen concession, such as Pachuca, San Jose and El Pirul veins, and observed vein thickness ranging from 0.30 metres (or "m") to 3.0 metres over several hundred metres in length. Perpendicular veins are believed to also hold significant discovery potential with La Joya and La Joyita veins at surface and potential intersection with the Veda Madre (Mother Vein) at depth.

On November 22, 2017, the Company's subsidiary, OMP, entered into a "Right of Passage" agreement with the Ejido and the town of Calderones, located 2 km from the El Pinguico mine. The Right of Passage agreement provides unencumbered access for the Company's vehicles and contractor equipment to enter the Company's mining concessions and surrounding land. This is a critical agreement to have in place and the Company can continue its developments with the full approval and agreement of the town of Calderones' residents. This agreement was subsequently allowed to lapse.

During February 2020, the Company signed a surface land access agreement and a surface land use agreement for the mine with the Ejido Calderones, these agreements allow for unrestricted road access for exploration and mining equipment and personnel to El Pinguico through the community of Calderones. The land access agreement is for a period of 15 years. The Land use agreement is a two-year term with option to purchase the land.

During November 2017, the Company reported it had commenced a sampling campaign on the surface stockpile. The work included excavation of 24 trenches on a pre-determined grid pattern of 25m x 25m. The objectives of the sampling program are (i) to confirm the overall average grade of the surface stockpile, and (ii) to define and optimize metallurgical recoveries for this type of exposed and weathered stockpiled material.

Access into the El Pinguico mine workings is now possible from surface to the top of the under ground ("UG") stockpile located at Level 3 (110 metres below surface) to Level 6 (210 metres below surface).

El Pinguico Drill Program

The El Pinguico drill program was designed to recover up to 1,000 metres of core samples from 15 to 20 NQ drill holes. The drill holes were to intersect and penetrate through the UG stockpile collecting core samples when the drill bit passed through the broken rock. Three drill pad locations were constructed in the Pachuca drift, a parallel tunnel to the UG stockpile.

Drilling commenced in mid-January 2018 on drill station No. 3 in the Pachuca drift. The drill rig has completed three of the planned 17-hole planned. The three drill holes had intersected the UG stockpile, providing the samples required to perform the assay test and give evidence of consistent Au and Ag content.

During February 2018, the Company completed the fifth of the 17 proposed drill holes of the phase one drill program, targeting a broad sampling of existing broken material located in the mined stopes of the El Pinguico property. The core samples from the drill holes were assayed at Platinum Corp. lab complying with International Standards ISO 9001:2000 and ISO 17025:2005, located in Guanajuato, Mexico. After completing the fifth drill hole, the Company suspended the drill program due to inconsistent core recoveries and assays. Recovery loss was potentially due to numerous voids within the stockpile and the inherently difficult nature of core drilling into unconsolidated material and open mine workings.

The Company has plans for a phase two drill program designed to target the El Carmen vein (southeast Extension of the El Pinguico vein) via underground drill stations located in the San Jose 1 and 2 crosscuts; in addition to the Lower Pinguico vein, targeting the El Pinguico vein at depth and along its NW and SE extension. Drilling of the El Pinguico vein is expected to be from a parallel drift located 290 metres below surface. Secondary targets are multiple parallel veins located in the hanging wall and footwall of the El Pinguico vein.

Mexican Silver Belt Claims

On April 28, 2017, the Company entered into asset acquisition agreements to acquire 100% of seven mining concessions to strategically improve its mineral holdings within the Mexican Silver Belt. On June 27, 2017, the TSX-V approved the arm's length transaction. The new mining concessions were divided between the Company's two subsidiaries.

OMP acquired the Patito I and Patito II concessions to expand its land position adjacent to the El Pinguico mine project. The remaining five concessions are owned by CanMex Silver. Under the terms of the agreement, the Company paid $10,000 and issued 1,562,500 common shares. The vendors retain a 2.5% NSR of which 1.25% (one-half) may be repurchased for $500,000 by one or both of the subsidiaries, dependent on the economic development of the concession.

Patito I and Patito II

Providing additional mineral rights to the El Pinguico Project, these claims are in close proximity to and along strike from the Veta Madre (Mother Vein) system. Several vein/lode structures are present, possibly representing a parallel vein system to the Veta Madre and El Pinguico veins. The host rocks are sub-aerial acid volcanics. Numerous Au-Ag rock chip anomalies have been identified by historical sampling. The mineralization is associated with brecciation and mesothermal/epithermal quartz veining/stockwork and silicification controlled by narrow structures 0.3 m to 1.5 m wide at surface with potential to open at depth, as has been observed in historical mines in the district.

Analy I and II

These claims represent a total land area of 723 hectares, located within 50 km of Guanajuato, in the middle of the prolific Silver Belt. The claims are located in an old Ag-Pb-Zn mining area that has never been explored using modern methods, providing potential for new discoveries.

El Ruso

The El Ruso claim area is located adjacent to an old mercury ("Hg") prospecting pit, and several other small historical Hg and Au-Ag mines are present in the area, including the El Nacimiento skarn deposit. No historical production/grade records are available. Historical and current field work have returned high-grade Au and Ag assays.

Ysabela and Camila

These are granted claims in an old Ag-Pb-Zn-Au mining area in the Sierra Madre Oriental. The Camila claim boundary is located on the abandoned Santa Ana Ag-Pb-Zn mine, a manto or skarn deposit that operated intermittently from the late 1800s to 1995. Several other abandoned Ag-Pb-Zn mines are located on the claim boundary, including the Guadalupe Mine, an Ag-Pb-Zn mine that operated intermittently from the late 1800s' to about 1985, with maximum production prior to closure of 1,000 tonnes per day. A 200 m deep shaft is connected to a lower 530 m long haulage and ventilation tunnel. An inactive mill site occurs within the claim. The area has never been explored using modern exploration methods and has never been drilled, offering significant mineralization potential. The area is easily accessible by road and the terrain is amenable to rapid screening by conventional reconnaissance exploration techniques.

Rossland, British Columbia, Canada

South Belt

At December 31, 2019, Vangold holds a 25% interest in certain mineral claims within the historic Rossland gold camp in southeastern British Columbia.

The Company entered into an Option and Joint Venture Agreement with a private company, Rossland Resources Inc. ("RRI") that entitled RRI to earn up to a 100% interest in the property. RRI has fulfilled its commitments to earn a 75% interest and its option to earn a final 25% interest expired on June 1, 2013. In addition, RRI has granted Vangold a 1.5% NSR on the claims. RRI can purchase the NSR granted to

Vangold for a total of $1,500,000 at any time. RRI is operator of the project. Through the option period, Vangold received a total of 1,300,000 shares of RRI.

Evening Star Property

The Company owns a 100% interest in the surface rights and a 50% interest in the mineral rights comprising the Evening Star Property, a former producing mine located in southeastern British Columbia. On July 1, 2014, the Company issued a mortgage on the Evening Star Property in the amount of $50,000. The mortgage was discharged when the short-term debt was repaid in January 2018.

During the year ended December 31, 2018, the Company began the process to relinquish the interests in the Rossland properties, as the Company focused operations on the Mexican Silver Belt, El Pinguico and Tassawini Mining License properties. As a result, the Company recognized an impairment of $9,001 during the year ended December 31, 2018.

Exploration Outlook

The Company is in the business of exploration and development of mineral properties. Currently, the Company's primary focus is on advancing the El Pinguico property through exploration programs and developing a low risk drilling campaign to delineate the lower extension of the El Pinguico vein.

The Company continues to evaluate the grade distribution, volumetric parameters, and metallurgical characteristics of its Mexican project to assess the potential for processing surface stockpile material, and for extracting and processing underground stockpile material.

Financial

Results of Operations

<u>For the six months ended June 30, 2020, compared to the six months ended June 30, 2019</u>

During the six months ended June 30, 2020, the Company incurred net loss and comprehensive loss of $495,062 (2019 –$302,775).

Management and consulting fees had a nominal decrease of $910 to $139,055 (2019 - $139,965). These include geological fees and other management fees.

Mineral exploration costs increased by $21,955 to $43,922 (2019 - $21,967), as the Company prepares to resume operation in its Mexican property. Expenditures incurred include payment of mineral claims, entering in to surface agreements, land permits and other.

Professional fees increased by $59,833 to $117,000 (2019 - $57,167) the increase is mostly due legal fees incurred to with bringing the Company back trading as well as dealing with various contracts entered into related to operations in its Mexican Property.

Advertising and promotion increased $29,378 to $34,606 (2019 – $5,228) as the Company increases its efforts to promote the Company.

Transfer agent fees had a nominal decreased of $327 to $24,533 (2019 - $24,860) during 2020 the Company incurred fees as it reinstated its trading status, amounts incurred in relation to the warrant acceleration bonus program while payments in 2019 related to the proposed acquisition of the Tassawini project which was since terminated.

For the three months ended June 30, 2020, compared to the three months ended June 30, 2019

During the three months ended June 30, 2020, the Company incurred net loss and comprehensive loss of $297,884 (2019 –$153,638).

Management and consulting fees increased by $28,247 to $94,931 (2019 - $66,684). These include geological fees and other management fees.

Mineral exploration costs increased by $11,595 to $6,061 (2019 - $17,656). Expenditures in 2019 include payment of mineral claims, which for the current year were made in July 2020.

Professional fees decreased by $3,339 to $50,163 (2019 - $53,502) related mostly to legal fees incurred to bring the Company back trading as well as dealing with various contracts entered into related to operations in its Mexican Property.

Transfer agent fees increased by $14,825 to $20,332 (2019 - $5,507) during 2020 the Company incurred fees as it reinstated its trading status, amounts incurred in relation to the warrant acceleration bonus program.

Results of Operations and Summary of Quarterly Results

The Company is an exploration stage company and has not generated any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter ended:	Revenues $	Net income (loss) $	Basic and fully diluted earnings (loss) per share $
September 30, 2018	-	(406,143)	(0.01)
December 31, 2018	-	42,688	0.00
March 31, 2019	-	(149,137)	(0.00)
June 30, 2019	-	(153,638)	(0.00)
September 30, 2019	-	(141,788)	(0.00)
December 31, 2019	-	(65,213)	(0.00)
March 31, 2020	-	(197,178)	(0.00)
June 30, 2020	-	(297,884)	(0.00)

Variations in the Company's net losses and expenses for the periods above resulted primarily from the following factors:

- During the quarter ended December 31, 2018, the Company realized a gain on sale of certain Armenian oil and gas rights, and sold 99,900 common shares of a private company for consideration of $150,000 less cost of $15,000, resulting in a net gain of $135,000. This resulted in a net income for the quarter of $42,688.
- During the year ended December 31, 2019, management concentrated efforts to reduce costs and negotiate with existing debt holders as measures to manage its capital while it continues to work in advancing its existing projects and looking for new opportunities.
- During the three months ended March 31, 2020 and June 30, 2020, the company re-commenced trading and resumed operations in its Mexican property. As a result, it incurred substantial legal fees as well expenditures for its local operations in Mexico.

Sources and Use of Cash

For the six months ended	June 30, 2020	June 30, 2019
	$	$
Cash used in operating activities	(465,243)	(360,641)
Cash used in investing activities	(5,335)	(154,048)
Cash provided by financing activities	1,715,950	317,800
Effects of foreign exchange on cash	709	3,785
Net increase (decrease) in cash and cash equivalents	1,245,372	73,624
Ending cash balance	1,790,360	114,646

Cash used in operating activities during the six months ended June 30, 2020 is comprised of net loss, add-back of non-cash expenses and net change in non-cash working capital items. Cash used in operating activities increased by $4,602 to $465,243 (2019 - $360,641) primarily due to an increase in net loss for the period.

Cash used in investing activities during the six months ended June 30, 2020 was related to the $5,335 (2019 - $154,048) acquisition of equipment while the amount related to the six months ended June 30, 2019 related to advances made in connection with acquisition of the Tassawini Project.

Cash from financing activities increased during the six months ended June 30, 2020 compared to the comparative period as the company raised $1,715,950 on exercise of warrants as a result to its warrant acceleration bonus program, (2019 - $317,800).

Liquidity and Capital Resources

Liquidity Outlook

As of June 30, 2020, the Company had $1,790,360 (December 31, 2019 - $544,279) in cash, and raised additional $3,974,495 subsequent to June 30, 2020 which management believes is sufficient to fund the Company's operations for the year. The Company does not have any cash flow from operations due to the fact that it is an exploration stage company, and therefore, financings have been the sole source of funds in the past few years.

In the opinion of management, the Company's cash is sufficient to support the Company's general administrative and corporate operating requirements and exploration activities for the coming year but as the Company continues its fieldwork on its exploration projects and continue developing the El Pinguico Project, further financing will be required.

The Company continues to incur exploration, evaluation, and administrative expenses, which are being expensed. Consequently, the Company's net loss is not a meaningful indicator of its performance or potential. The key performance driver for the Company is the acquisition and development of prospective exploration and evaluation assets. By acquiring and exploring projects of superior technical merit, the Company increases its chances of finding and developing an economic deposit on several of its eight mining claims.

At this time, the Company is not anticipating profit from operations. Until such time as the Company is able to realize profits from the production and marketing of commodities from its mineral interests, the Company will report an annual deficit and will rely on its ability to obtain equity or debt financing to fund ongoing operations.

Additional financing is required for additional exploration and administration costs. Due to the inherent nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its share of obligations relating to mineral properties. Given the volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management constantly reviews expenditures and exploration programs and equity markets such that the Company has sufficient liquidity to support its growth strategy.

In order to finance the Company's future exploration and development of its mineral programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved, which may be beyond its control.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration results and/or external opportunities.

Related Party Transactions

For the six months ended June 30, 2020, the Company incurred management and consulting fees of $66,000 (2019 - $50,000) to a company controlled by James Anderson, the Chief Executive Officer of the Company. As of June 30, 2020, the amount of $nil (December 31, 2019 - $10,000) was owed to a company controlled by the Chief Executive Officer of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest-bearing, unsecured and due on demand.

For the six months ended June 30, 2020, the Company incurred management and consulting fees of $nil (2019 - $45,000) to a company controlled by Cameron King, the former Chief Executive Officer of the Company. As of June 30, 2020, the amount of $nil (December 31, 2019 - $nil) was owed to the former CEO of the Company and a company controlled by the former CEO of the Company, which is included in accounts payable and accrued liabilities.

For the six months ended June 30, 2020, the Company incurred share-based compensation of $22,740 (2019 - $6,238) to directors and officers of the Company, which resulted from the amortization of unvested options granted in prior periods.

Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's interim condensed consolidated statement of financial position as at June 30, 2020 as follows:

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company operates in Canada and Mexico, but has the majority of its cash and equivalents held in Canada in Canadian dollars. The Company is exposed to foreign exchange risk due to fluctuations in foreign currencies (Mexican peso and US dollar). Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

Significant accounting policies

The Company's condensed interim consolidated financial statements have been prepared using accounting policies, judgments and estimates consistent with those used in the consolidated financial statements for the years ended December 31, 2019 and 2018. Refer to the audited consolidated financial statements for the years ended December 31, 2019 and 2018 for additional information.

New Accounting Standards Issued but not yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early-adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

Risks and Uncertainties

The Company is engaged in the business of acquiring and exploring mineral properties with the expectation of locating economic deposits of minerals. All of the Company's properties are without proven ore deposits and there is no assurance that the Company's exploration programs will result in proven ore deposits, nor can there be any assurance that economic deposits can be commercially mined. As a consequence, any forward-looking information is subject to known and unknown risks and uncertainties as follows, but not limited thereto:

- Exploration and development of mining properties is highly speculative in nature and involves a high degree of risk.
- Timing delays in exploration and development and delays in funding may result in delays and postponement of projects.
- Many competitors are in the same business, some of which have greater financial, technical and other resources than the Company.

- Mining involves many hazards and risks in the field, such as unexpected rock formations, seismic activity, cave-ins, adverse weather conditions, unstable political conditions and many other conditions.
- Lack of assurance that the Company will be able to obtain all necessary permits and approvals to conduct its affairs or that future tax, environmental or other legislation will not cause additional expenses, delays or postponements.
- Operations of the Company are subject to environmental regulation, a breach of which may result in imposition of enforcement actions. Environmental hazards may exist on current properties, which are presently unknown to the Company, and regulations and laws change over time.
- World prices for metals can be unstable and unpredictable and may materially affect the Company's operations, as well as economic conditions that may change the demand for minerals.
- The securities markets worldwide can experience high price and volume volatility.
- The Company is dependent on the services of several key individuals, the loss of which could significantly affect operations.
- There is potential for officers and directors of the Company to have conflicts of interest with other entities.
- Uncertainties as to the development and implementation of future technologies.
- Changes in accounting policies and methods may affect how the financial condition of the Company is reported.
- Breaches of contracts, such as property agreements, could result in significant loss.
- Mine or exploration project closings or delays due to health pandemics, war, terrorism, or other yet unknown global or regional man made or natural catastrophes;
- Foreign currency risk, as the Company operates in several foreign jurisdictions.
- The Company has investigated the right to explore and exploit its properties and to the best of its knowledge there are no known encumbrances. However, the Company's investigation should not be construed as a guarantee of title.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

Capital Management

The Company considers its capital to consist of its share capital, equity reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support exploration and development of exploration and evaluation assets. The Board of Directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal.

- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In addition, the Company may issue new equity, incur additional debt, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees, enter into joint venture arrangements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest-bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2020 compared to the year ended December 31, 2019. The Company is not subject to externally imposed capital requirements.

Management's Responsibility for the Financial Statements

The preparation and presentation of the accompanying interim condensed consolidated financial statements, MD&A and all financial information in the interim condensed consolidated financial statements are the responsibility of management and have been approved by the audit committee of the Board of Directors. The interim condensed consolidated financial statements have been prepared in accordance with IFRS. Financial statements, by nature are not precise since they include amounts based upon estimates and judgments. When alternative treatments exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and with the participation of the CEO and the CFO, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian securities regulations. The CEO and CFO will certify the annual filings with the CSA as required in Canada by NI 52-109 *Certification of Disclosure in an Issuer's Annual and Interim Filings*. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its audit committee which is independent from management. The audit committee is appointed by the Board of Directors and reviews the interim condensed consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of management's assessment over internal controls described below; examines and approves the fees and expenses for the audit services; and recommends the independent auditors to the Board of Directors for the appointment by the shareholders. The independent auditors have full and free access to the audit committee and meet with it to discuss their audit work, internal control over financial reporting and financial reporting matters. The audit committee reports its findings to the Board of Directors for consideration when approving the interim condensed consolidated financial statements for issuance to the shareholders and also management's report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Cautionary Statement on Forward-looking Information

Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration and development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis, and other risks and uncertainties. In addition, forward-looking statements are based on various assumptions, including, without limitation, the expectations and beliefs of management, the assumed long-term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour, and that the political environment within Mexico and Canada will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors should change, except as required by law.

Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Vangold's general and administrative expenses, and exploration and evaluation assets and expenditures are provided in its unaudited interim condensed consolidated financial statements for the six months ended June 30, 2020 and the audited consolidated financial statements for the year ended December 31, 2019, available on Vangold's website at www.vangoldmining.com or under the Company's profile on www.sedar.com.

Outlook

The Company expects to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out its properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

The Company is focused on developing and building its asset base in Mexico and is considering several options for the Canadian properties. The Company is considering outright sale to interested third parties, which would reduce short-term debt, obligated exploration and continued property payments.

Share Capital

Outstanding Share Information

As at the date of this MD&A, the Company has:

- 104,365,936 (June 30, 2020 – 78,493,284) common shares issued and outstanding.
- 4,187,500 (June 30, 2020 – 4,187,500) stock options.
- 31,028,751 (June 30, 2020 – 18,438,550) share purchase warrants.

Stock Option plan

The Company's stock option plan reserves a fixed 3,392,307 shares for issuance, less any common shares reserved for currently outstanding stock options. At an annual general meeting held April 17, 2018, the Company's shareholders approved an increase to the maximum amount of options that can be granted pursuant to the stock option plan to 6,175,673 common shares, being 20% of the Company's issued and outstanding shares.

On December 6, 2019, the shareholders of the Company approved at its annual general meeting a new 10% rolling stock option plan in accordance with the policies of the TSXV pursuant to which the number of Shares issuable under the plan shall not exceed, on a rolling basis, 10% of the Company's issued and outstanding shares at the time of grant.