This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Fabled Copper Corp. (the "Company") and describes its financial results for period ended March 31, 2020. The MD&A should be read in conjunction with the condensed interim consolidated financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the period ended March 31, 2020 in addition to the audited consolidated financial statements for the year ended December 31, 2019. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Forward-Looking Statements

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the *forward-looking information.*

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

This MD&A is current as at July 15, 2020

BACKGROUND

The Company is a development stage company engaged in the acquisition and exploration of mineral properties. The Company is currently focusing its exploration activities on copper mineralization in Eastern British Columbia. The Company is a British Columbia private company. Its primary business objective is to successfully earn into its key mineral project, and locate and develop this key project into an economically viable mineral property. The Company is a junior exploration company with no revenues from mineral producing operations. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production.

REVERSE TAKEOVER

On September 25, 2018, pursuant to the terms of the Transaction, the Company acquired all of the outstanding shares of Fabled by way of share exchange. Where the Fabled shareholders paid less than $0.05 cash per share for their Fabled shares they received one post-consolidated common share of the Company for every 2.67 Fabled shares currently held. Where the Fabled shareholders paid $0.05 or more cash per share for their Fabled shares they received one post-consolidated common share of the Company for every one Fabled share currently held (the "Share Exchange"). In connection with the Share Exchange, the Company issued an aggregate of 10,958,814 common shares. 17,089,903 common shares of the shares exchanged are subject to surplus escrow restrictions and 14,137,783 common shares of the shares exchanged are subject to value escrow restrictions in accordance with the rules of the Exchange.

Fabled is considered to have acquired the Company, with the Transaction being accounted for as a reverse takeover of the Company by Fabled in accordance with the guidance provided in IFRS2, Share-based Payments and IFRS 3, Business Combinations. Accordingly, the financial statements represent a continuation of Fabled, not the Corporation with the exception that all figures as to the number of common shares, as well as loss per share in these consolidated financial statements reflect the legal capital of Company at the exchange ratio in the acquisition.

QUARTERLY HIGHLIGHTS

- None

MINERAL PROPERTIES

<u>ChurcKey Property</u>

On March 27, 2019, the Company, through its wholly owned subsidiary, Fabled, entered into a letter of intent with ChurchKey Mines Inc. (the "ChurchKey") to acquire mineral claims comprising the ChurchKey Central Property ("Property"). On May 22, 2019, the letter of intent was amended to reflect an additional acquisition of claims.

In consideration for the Property, the Company will pay the following consideration to ChurchKey:

- $50,000 (paid) in cash on date of closing;
- $50,000[(1)] in cash 90 days after closing;
- $100,000[(1)] in cash 12 months after closing;
- $250,000 in cash 24 months after closing;
- $300,000 in cash 36 months after closing;
- $500,000 in cash 48 months after closing; and
- $750,000 in cash 60 months after closing.

(1) Subsequently, the Company and the Optionor have agreed to extend the payable date for these payments to October 31, 2020 in consideration of an additional payment of $50,000 to be made to the Optionor on the date that the Company completes a financing.

The Company has granted the Vendor an increased 2% NSR with respect to the Property upon commencement of commercial production. In addition, the Company has the exclusive right to purchase 1% of NSR at any time in the first four years following closing for $425,000 if it makes an annual payment of $25,000 on each of the 4 anniversaries of closing. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement. This transaction is subject to regulatory approval.

During the year ended December 31, 2019, the Company recorded an impairment loss of $242,794.

Toro Property

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third party company (the "Optionor"). Under the Toro Option Agreement, the Company has an option to acquire an undivided 100% interest in nine mineral claims located within the Omineca mining division, British Columbia, Canada (the "Toro Property"). Pursuant to the Toro Assignment Agreement, the Company issued 30,000,000 common shares of the Company valued at $3,000,000 to the Assignors during the year ended September 30, 2017.

The Toro Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 to acquire an undivided 50% interest in the Toro Property (the "First Option"). To acquire the remaining 50% interest (the "Second Option"), the Company shall pay $5,000,000 by March 3, 2022. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $100,000 to the Optionor. The Optionor retains a royalty of 2% of Net Smelter Return ("NSR").

On June 15, 2017, the Toro Option Agreement was amended and restated to re-schedule the $100,000 payment as follows:

i) $25,000 (paid) to be paid on or before June 16, 2017; and
ii) $75,000 (paid) to be paid on or before December 31, 2017.

On August 24, 2017, the agreement was further amended to allow the Company to exercise the Second Option by paying the Optionor either i) the sum of $5,000,000 in cash or ii) a number of common shares of the Company with a value equal to $5,000,000, by March 3, 2022.

On December 4, 2017, the agreement was further amended to reschedule the $75,000 payment due on December 31, 2017 to February 28, 2018.

On February 26, 2018 the agreement was further amended to reschedule the $75,000 payment due on February 28, 2018 and the first advance royalty payment of $100,000 due on March 3, 2018 to the earlier of (i) April 30, 2018 and (ii) the date the shares of the company formed following completion of the Transaction begin trading on the TSX Venture Exchange.

On May 4, 2018, June 30, 2018 and August 15, 2018 the agreement was further amended to change the reference to April 30, 2018 in the February amendment to September 30, 2018.

In respect of the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment to March 31, 2021.

During the year ended December 31, 2019, the Company recorded an impairment loss of $3,516,577 (2018 – $Nil).

Neil/Ram Creek Property

On January 23, 2017, the Company entered into an assignment agreement (the "Neil/Ram Creek Assignment Agreement") with an arm's length company (the "Assignor") to acquire all of the Assignor's right title and interest in an option agreement (the "Neil/Ram Creek Option Agreement") with a third party company (the "Optionor"). Under the Neil/Ram Creek Option Agreement, the Company has an option to acquire an undivided 100% interest in three mineral claims located within the Omineca mining division, British Columbia, Canada (the "Neil/Ram Creek Property"). Pursuant to the Neil/Ram Creek Assignment Agreement, the Company acquired a 50% interest in the three mineral claims and issued 25,000,000 common shares of the Company valued at $2,500,000 to the Assignor during the year ended September 30, 2017.

The Neil/Ram Creek Option Agreement, dated August 17, 2016, requires the Company to pay $5,000,000 to acquire the remaining 50% interest by August 17, 2021. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $50,000 to the Optionor. The Optionor retains a royalty of 2% of NSR.

On June 15, 2017, the Neil/Ram Creek Option Agreement was amended and restated to re-schedule the $5,000,000 payment to be paid the earlier of:

i) commencement of commercial production; or
ii) when the Company's interest in the Neil/Ram Creek Property is sold, on closing of change of control of the property interest; or where the Company enters into a joint venture or co-shareholders agreement involving the Company, but only where such events take place after December 31, 2017.

On August 24, 2017, the agreement was further amended to allow the Company to exercise the Option by paying the Optionor either i) the sum of $5,000,000 in cash or ii) a number of common shares of the Company with a value equal to $5,000,000, by March 3, 2022.

On February 26, 2018 the agreement was further amended to reschedule the first advance royalty payment of $50,000 due on March 3, 2018 to the earlier of (i) April 30, 2018 and (ii) the date the shares of the Company formed following completion of the Transaction begin trading on the Exchange.

On May 4, 2018, June 30, 2018 and August 15, 2018 the agreement was further amended to change the reference to April 30, 2018 in the February amendment to September 30, 2018.

With respect of the advance royalty payment of $50,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment to March 31, 2021.

During the year ended December 31, 2019, the Company recorded an impairment loss of $2,825,631 (2018 – $Nil).

Ribbon Property

On March 4, 2017, the Company entered into an assignment agreement (the "Ribbon Assignment Agreement") with various arm's length individuals and companies (collectively the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Ribbon Option Agreement") with a third party company (the "Optionor"). Under the Ribbon Option Agreement, the Company has an option to acquire an undivided 100% interest in two mineral claims located within the Omineca mining division, British Columbia, Canada (the "Ribbon Property"). Pursuant to the Ribbon Assignment Agreement, the Company issued 27,500,000 common shares of the Company valued at $2,750,000 to the Assignors during the year ended September 30, 2017.

The Ribbon Option Agreement, dated March 3, 2017, requires the Company to pay $100,000 within 180 days of March 3, 2017 to acquire 100% interest in the Ribbon Property. Commencing on March 3, 2018, the Company shall pay a non-refundable annual advance royalty payment of $100,000 to the Optionor. The Optionor retains a royalty of 2% of NSR.

On June 15, 2017, the Ribbon Option Agreement was amended and restated to re-schedule the $100,000 payment as follows:

i) $25,000 (paid) to be paid on or before June 16, 2017; and
ii) $75,000 to be paid on or before December 31, 2017.

On December 4, 2017, the agreement was further amended to reschedule the $75,000 payment due on December 31, 2017 to February 28, 2018.

On February 26, 2018 the agreement was further amended to reschedule the $75,000 payment due on February 28, 2018 and the first advance royalty payment of $100,000 due on March 3, 2018 to the earlier of (i) April 30, 2018 and (ii) the date the shares of the Company formed following completion of the Transaction begin trading on the Exchange.

On February 26, 2018 the agreement was further amended to reschedule the first advance royalty payment of $50,000 due on March 3, 2018 to the earlier of (i) April 30, 2018 and (ii) the date the shares of the Company formed following completion of the Transaction begin trading on the Exchange.

The agreement was further amended to change the reference to April 30, 2018 in the February amendment to September 30, 2018. On October 5, 2018, $75,000 property payment and $100,000 advance royalty payment was made by the Company.

In respect of the advance royalty payment of $100,000 due on March 3, 2019, the Company and the Optionor agreed to extend the date for payment to the earlier of December 31, 2019 and the date the Company completes a financing or series of financings for a total of not less than $1,500,000. Subsequently, the Company and the Optionor further extended the date for the payment to March 31, 2021.

During the year ended December 31, 2019, the Company recorded an impairment loss of $1,732,568 (2018 – $Nil).

	ChurchKey Property	Toro Property	Neil/Ram Creek Property	Ribbon Property	Total
	$	$	$	$	$
Balance at September 30, 2017	**-**	**3,139,338**	**2,563,887**	**1,395,972**	**7,099,197**
Acquisition costs	-	176,667	63,884	176,667	417,218
Geological	-	19,042	36,398	10,041	65,481
Balance at December 31, 2018	**-**	**3,335,047**	**2,664,169**	**1,582,680**	**7,581,896**
Acquisition costs	83,394	-	-	-	83,394
Geological	159,400	181,530	161,462	149,888	652,280
Impairment	(242,794)	(3,516,577)	(2,825,631)	(1,732,568)	(8,317,570)
Balance at December 31, 2019	**-**	**-**	**-**	**-**	**-**
Balance at March 31, 2020	**-**	**-**	**-**	**-**	**-**

LIQUIDITY AND CAPITAL RESOURCES

In management’s view, given the nature of the Company’s operations, which comprises exploration and evaluation of mining properties, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company’s financial success will be dependent upon the extent to which it can successfully exercise its option, discover mineralization and the economic viability of developing its properties.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company’s control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

Share Capital Activity

At March 31, 2020, the Company had working capital of $196,685, including cash of $29,873.

There was no share capital activity in the current quarter.

The Company’s expected cash resources are sufficient to meet its working capital and mineral property requirements for the next year, however the Company has no source of revenue therefore Management will continue to seek new sources of capital to maintain its operations and to further the development and acquisition of its mineral properties.

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

OUTSTANDING SHARE DATA

The following share capital data is current as of date of this document is:

	Balance
Shares issued and outstanding	46,809,760

As at the date of this MD&A, the Company has 3,391,055 stock options outstanding to various Directors, Officers and Consultants of the Company.

RESULTS OF OPERATION

For the three months ended March 31, 2020

The Company incurred net loss of $38,253 compared to a net loss of $19,363 for the three ended March 31, 2019. The Company is currently preserving working capital for the purpose of additional capital raises to fund operations.

SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
	$	$	$	$
Net profit (loss)	(38,523)	(8,477,219)	(26,795)	(31,413)
Basic and diluted profit (loss) per share	(0.00)	(0.19)	(0.00)	(0.00)

	March 31, 2019	December 31, 2018	December 31, 2018	September 30, 2018
	$	$	$	$
Net profit (loss)	(19,363)	(123,419)	(123,419)	(174,725)
Basic and diluted (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)

*Date of incorporation.

SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEARS

	Year ended December 31, 2019	Fifteen months ended December 31, 2018	Twelve months ended September 30, 2017
			$
Income Statement			
Net profit (loss)	**(8,554,790)**	**(321,638)**	**(1,548,864)**
Loss per share (basic and diluted)	**(0.19)**	**(0.01)**	**(0.14)**
Balance Sheet			
Total resource properties	**-**	**7,581,896**	**7,099,197**
Total assets	**172,677**	**8,337,096**	**8,216,467**
Total long-term liabilities	**-**	**-**	**-**

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	March 31, 2020	December 31, 2019
	$	$
Cash and restricted cash	**29,873**	121,325
Amounts receivable	**26,318**	37,237
Accounts payable and accrued liabilities	**222,269**	291,386
Due to related party	**34,722**	29,722
Note payable	**10,000**	10,000

Cash and restricted cash are carried at fair value using a level 1 fair value measurement. The carrying value accounts payable and accrued liabilities, due to related party, note payable and loan approximate their fair value because of the short-term nature of these instruments.

Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company’s financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company’s exposure to credit risk is on its cash. Risk associated with cash and restricted cash are managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

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

Currency Risk
The Company operates in Canada and is therefore not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk relating to its note payable, loan and due to related party balances.

Price Risk
The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity Price Risk
The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

During the period ended March 31, 2020, the Company incurred $Nil (March 31, 2019 - $Nil in professional legal fees from a private company owned by a director of the Company.

As at March 31, 2020, the Company owed $29,722 (December 31, 2019 - $29,722) to a director of the Company and a company controlled by the director for disbursements made on behalf of the Company.

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

Off-Balance Sheet Transactions

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

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

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

Shares issued for non-cash consideration
The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration, specifically relating to shares issued for services and for exploration and evaluation properties. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the good or service. When no market price is available, a valuation technique is used to determine what price the equity instruments
would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. In the case of the Company, the fair value of the shares issued was estimated with reference to private placements with arm's length parties.

Deferred tax assets & liabilities
The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is

dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

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

RISK AND UNCERTAINTIES

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

b) The most likely sources of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital and the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company, which are likely to result in substantial dilution to the holdings of existing shareholders.

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The prices of metals greatly affect the value of and the potential value of its exploration and evaluation assets. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.

f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

FUTURE ACCOUNTING POLICY CHANGES

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. The following have been adopted by the Company:

IFRS 16 Leases: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this new standards did not have a significant impact on the Company's consolidated financial statements.

New Interpretation IFRIC 23 - Uncertainty over Income Tax Treatments: On June 7, 2017, the IASB issued IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments ("IFRIC 23"). IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. There was no impact to the Company's consolidated financial statements as a result of adopting this new standard.

PROPOSED TRANSACTIONS

On July 14, 2020 the Company entered into a Letter of Intent with Golden Minerals Company (the "Vendor") for a proposed transaction (the "Proposed Transaction") under which the Vendor will grant Fabled the option to acquire a 100% interest in the Santa María Mine in the State of Chihuahua, Mexico (the "Property"). Under the terms of the LOI the Company will be able to acquire the Property from the Vendor by making the following payments:

(a) US$500,000 in cash and 1,000,000 common shares on closing of the Proposed Transaction;
(b) US$1,500,000 in cash 12 months after Transaction Closing; and
(c) US$2,000,000 in cash 24 months after Transaction Closing.

Fabled will also grant the Vendor a 1% net smelter royalty ("NSR") with respect to the Property.

The Proposed Transaction is subject to the parties entering into the definitive option agreement and customary closing conditions, including, among other things, receipt of requisite approvals of the TSX Venture Exchange (the “Exchange”), the completion of an updated NI 43-101 compliant technical report on Santa Maria, delivery of a title opinion on Santa Maria and completion of the Offering.

In addition Fabled announced on July 15, 2020 that it has entered into an agreement with Mackie Research Capital Corporation to act as lead agent and sole bookrunner on a “best efforts” basis, for a private placement of subscription receipts of the Company (the “Subscription Receipts”) for gross proceeds of up to $4,000,000 (the "Offering") at a price of $0.05 per Subscription Receipt. The Offering is being made in connection with the Proposed Transaction, and is integral to the completion of the Proposed Transaction.

Further details on the Proposed Transaction and the Offering above can be found in the Company’s News Release dated July 15, 2020 as filed on sedar.com.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.