AGUILA AMERICAN GOLD LIMITED

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

The following management discussion and analysis and financial review, prepared as at July 15, 2020, should be read in conjunction with the audited financial statements and related notes for the years ended April 30, 2020 and 2019 of Aguila American Gold Limited ("Aguila" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

COVID-19

Recently there was a global outbreak of a novel coronavirus identified as "COVID-19", which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries in which the Company may conduct future mineral interests or business acquisitions to fight the virus.

Company Overview

The Company is a junior mineral exploration company which was previously engaged in exploration of the Angostura Property located in Peru. Effective April 30, 2017 the Company determined to cease operations in Peru. As at the date of this MD&A, the Company has no mineral property interests and is actively reviewing prospective mineral property or business opportunities. During fiscal 2019 the Company had been diligently negotiating settlements of certain of its accounts payable and loans and advances. In November 2018 the Company paid a total of $49,500 in settlement of $207,012 of accounts payable and $61,500 of loans and advances payable. Funding for the settlements was primarily provided by $70,000 of advances from a private company owned by the interim CEO of the Company and $28,200 from the exercise of stock options. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments to fund existing levels of operations and administration, retire its indebtedness as they come due, and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities.

On June 11, 2020 the Company completed a private placement financing of $300,000. On June 25, 2020 the Company completed a further financing of $200,025.

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSXV under the symbol "AGL", the OTCBB under the symbol "AGLAF" and the Frankfurt Stock Exchange under the symbol "AGP".

Selected Financial Data

The following selected financial information is derived from the audited annual financial statements of the Company.

	Years Ended April 30,		
	2020 **$**	**2019** **$**	**2018** **$**
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(124,310)	(106,533)	(108,397)
Other items	(3,488)	225,015	49,817
Net (loss) income	(127,798)	118,482	(58,580)
Basic and diluted (loss) income per share	(0.04)	0.05	(0.02)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital (deficiency)	(332,601)	(342,643)	(531,616)
Total assets	32,105	27,993	25,112
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company.

	Fiscal 2020				Fiscal 2019			
	Apr. 30 **2020** **$**	**Jan. 31** **2020** **$**	**Oct. 31** **2019** **$**	**Jul. 31** **2019** **$**	**Apr. 30** **2019** **$**	**Jan. 31** **2019** **$**	**Oct. 31** **2018** **$**	**Jul. 31** **2018** **$**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(20,408)	(17,581)	(29,339)	(56,982)	(19,827)	(42,725)	(27,329)	(16,652)
Other items	(3,310)	(310)	90	42	56	(1,130)	219,023	7,066
Net (loss) income	(23,718)	(17,891)	(29,249)	(56,940)	(19,771)	(43,855)	191,694	(9,586)
Basic and diluted income (loss) per share	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	0.08	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital (deficiency)	(332,601)	(308,467)	(304,792)	(275,543)	(342,643)	(346,872)	(349,508)	(541,202)
Total assets	32,105	43,345	23,190	36,299	27,993	17,635	15,932	21,227
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Corporate activities have been kept at minimal levels while the Company reviews business opportunities and completes its recapitalization.

Three Months Ended April 30, 2020 Compared to Three Months Ended January 31, 2020

During the three months ended April 30, 2020 ("Q4") the Company recognized a net loss of $23,718, compared to a net loss of $17,891 for the three months ended January 31, 2020 ("Q3"), an increase in loss of $5,827, primarily due to the commencement of interest being accrued on advances made to the Company. Accordingly, the Company recognized $3,440 interest expense during Q4 compared to $416 during Q3.

Three Months Ended April 30, 2020 Compared to Three Months Ended April 30, 2019

During the three months ended April 30, 2020 ("Q4/2020") the Company reported a net loss of $23,718, compared to a net loss of $19,771 for the three months ended April 30, 2019 ("Q4/2019"), an increase in loss of $3,947 primarily due to $3,856 accrued interest expense on advances during Q4/2020 compared to $nil during Q4/2019.

Year Ended April 30, 2020 Compared to Year Ended April 30, 2019

During the year ended April 30, 2020 ("fiscal 2020"), the Company reported a net loss of $127,798, compared to net income of $118,482 reported during the year ended April 30, 2019 ("fiscal 2019), an increase in loss of $246,280 primarily due to the Company recognizing a $224,800 recovery of amounts previously recorded during fiscal 2019. In addition, during fiscal 2020 the Company recognized share-based compensation of $38,220, on the granting of 294,000 share options compared to $18,291 share-based compensation on the granting of 120,000 share options during the 2019 period.

Excluding share-based compensation, general and administrative expenses decreased slightly, from $88,242 during fiscal 2019 to $86,090 during fiscal 2020.

Financings

No financing were conducted during fiscal 2020. During fiscal 2019 the Company completed a non-brokered private placement of 200,000 units for $24,000.

During fiscal 2020 the Company issued 494,000 (2019 - 120,000) common shares of the Company on the exercise of share options and warrants for proceeds of $99,620 (2019 - $28,200).

Proceeds from the above were used for working capital purposes.

Advances

The Company has previously been provided advances from private companies controlled or affiliated with Nick DeMare. These advances were made to provide working capital to the Company. During fiscal 2020 the Company received further advances of $48,500 and repaid $47,000. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During fiscal 2020 the Company accrued $3,856 interest expense. The advances are without specific terms of repayment and, as at April 30, 2020, $118,856 of advances and accrued interest remained outstanding.

Financial Condition / Capital Resources

As at April 30, 2020, had a working capital deficiency of $332,601 and an accumulated deficit of $27,865,350. The Company has no significant assets and is dependent on ongoing advances from its officers and shareholders. Further funds will be required to fund existing levels of operations and administration, retire its indebtedness as they come due, and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. See also "COVID-19".

On June 11, 2020 the Company completed a non-brokered private placement of 3,000,000 units for proceeds of $300,000 and on June 25, 2020 the Company completed a further non-brokered private placement of 1,905,000 units for proceeds of $200,025.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's critical accounting estimates and sources of estimation is included in Note 3 to the April 30, 2020 audited annual financial statements.

Changes in Accounting Policies

The Company adopted all of the requirements of IFRS 16 – *Leases* ("IFRS 16"), effective May 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no impact on the Company's financial statements upon the adoption of this new standard.

A detailed summary of all the Company's other significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the April 30, 2020 audited annual financial statements.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

(i) During fiscal 2020 and 2019 the following amounts were incurred with respect to the Company's sole executive officer, Mr. Nick DeMare, who holds the position of interim Chief Executive Officer and Chief Financial Officer:

	2020 **$**	**2019** **$**
Mr. DeMare - professional fees	36,000	36,000
Mr. DeMare - share-based compensation	14,820	18,291
	50,820	54,291

As at April 30, 2020 $170,100 (2019 - $160,650) was outstanding for past fees.

(ii) During fiscal 2019 the Company negotiated the settlement of $207,012 of accounts payable which was due to the estate of the former CEO of the Company by paying the estate $11,500. The Company accordingly, recorded a recovery of $195,512. The Company also repaid $14,500 of advances owing to the estate of the former CEO of the Company.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2020 and 2019 the following professional fees were incurred with respect to non-executive directors of the Company:

	2020 **$**	**2019** **$**
Mr. Way - professional fees	6,000	6,000
Mr. Berka - professional fees	6,000	6,000

	2020 $	2019 $
Mr. Way - share-based compensation	7,800	-
Mr. Berka - share-based compensation	7,800	-
	27,600	12,000

As at April 30, 2020 $75,482 (2019 - $91,082) was outstanding for past fees.

(ii) During fiscal 2020 the Company incurred $15,800 (2019 - $17,300) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by Mr. DeMare. As at April 30, 2020 $nil (2019 - $4,924) remained unpaid.

During the 2020 period the Company also recorded $7,800 share-based compensation for share options granted to Chase.

(iii) The Company has received ongoing advances from private corporations controlled or affiliated with Mr. DeMare. Effective January 20, 2020 the advances the Company agreed to commence accruing interest at the rate of 12% per annum. During fiscal 2020 the Company recorded $3,856 interest expense. As at April 30, 2020, $118,856 (2019 - $113,500) was outstanding.

(iv) On June 11, 2020 directors and officer purchased a total of 1,250,000 units of a 3,000,000 unit private placement completed at $0.10 per unit. On June 25, 2020 directors and officer also purchased a total of 1,260,000 units of a 1,905,000 unit private placement completed at $0.105 per unit.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at July 15, 2020, there were 8,143,985 issued and outstanding common shares and 2,795,000 warrants outstanding with an exercise prices ranging from $0.13 to $0.50 per share.