MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

(Containing information through November 13, 2020 unless otherwise noted)

BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Belo Sun Mining Corp. ("we", "our", "us", "Belo Sun" or the "Company") as of November 13, 2020 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous periods and should be read in conjunction with our condensed consolidated interim financial statements for the three and nine months ended September 30, 2020, as well as the Company's audited annual consolidated financial statements and MD&A for the year ended December 31, 2019. The financial statements and related notes of Belo Sun have been prepared in accordance with International Financial Reporting Standards ("IFRS") and do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

Please refer to the notes of the December 31, 2019 annual consolidated financial statements for disclosure of the Company's significant accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars. References to US$ refer to the United States dollar, and R$ refer to the Brazilian Real.

The Company's Annual Information Form can be found under the Company's profile at www.sedar.com. Additional information, including our press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com. Additional information relating to the Company can be found on the Belo Sun website at www.belosun.com.

Peter Tagliamonte, P.Eng, (B. Eng; MBA) President and CEO for the Company, is the in-house Qualified Person under National Instrument 43-101 for all technical materials. Stéphane

Amireault, P.Eng (B.Eng; MScA), Vice-President of Exploration for Belo Sun, is the in-house Qualified Person under National Instrument 43-101 for geology. Mr. Amireault and Mr. Tagliamonte have reviewed and approved the scientific and technical information in this MD&A.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Belo Sun, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, without limitation, statements with respect to: possible events, the future price of gold, the estimation of Mineral reserves and Mineral Resources, the realization of Mineral Reserve and Mineral Resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, timing and status to resolve legal claims or injunctions, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, changes in government jurisdiction regarding permitting authority activities, changes in government permitting requirements, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words “anticipates”, ‘‘plans’’, ‘‘expects’’, “indicative”, “intend”, ‘‘scheduled’’, “timeline”, ‘‘estimates’’, ‘‘forecasts”, “guidance”, “opportunity”, “outlook”, “potential”, “projected”, “schedule”, “seek”, “strategy”, “study” (including, without limitation, as may be qualified by “feasibility” and “pre-feasibility”), “targets”, “models”, or ‘‘believes’’, or variations of or similar such words and phrases or statements that certain actions, events or results ‘‘may’’, ‘‘could’’, ‘‘would’’, or ‘‘should’’, ‘‘might’’, or ‘‘will be taken’’, ‘‘occur’’ or ‘‘be achieved’’ and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Belo Sun and its external professional advisors as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ‘‘Risk Factors’’ section of our most recently filed Annual Information Form and this MD&A. These factors are not intended to represent a complete list of the factors that could affect Belo Sun. Economic analyses (including Mineral reserve and Mineral Resource estimates) in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. Belo Sun disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.

ACRONYMS AND TERMS

Below are acronyms and terms that will be referenced throughout the MD&A:

CPRM: Serviço Geológico do Brasil (Geological Service of Brazil)

EIA: Environmental Impact Assessment

FUNAI: Fundaçao Nacional do Indio (Brazilian Federal Ministry of Indigenous Affairs)

IBAMA: Insituto Brasileiro Do Meio Ambiente E Dos Recoursos Naturais Renovaveis (Brazilian Institue of Environment)

INCRA: Instituto Nacional de Colonização e Reforma Agrária (Brazilian National Institute of Colonization and Agrarian Reform)

LI: Licença de Instalação in Brazil (Construction Licence)

LO: Licença de Operação in Brazil (Operation Licence)

LP: Licença Prévia in Brazil (Environmental Licence)

MPE: State Prosecution Service or Ministério Público Estadual

MPF: Federal Prosecution Service or Ministério Público Federal

SEMAS: Secretaria de Estado de Meio Ambiente e Sustentabilidade (Secretariat of Enviorment and Sustainability of the State of Para, Brazil)

OVERVIEW OF THE COMPANY

Belo Sun is a Canadian TSX listed development and mineral exploration mining company focused on the development of gold projects. Belo Sun's principal asset is the Volta Grande Gold Project ("PVG" or "Volta Grande Gold Project") located in Brazil in the state of Pará near the city of Altamira.

Highlights for the nine months ended September 30, 2020 and subsequent events include:

- In August 2020, the Company received the awaited clarification request from FUNAI on the Indigenous Study that was submitted in February 2020. The Company has completed the responses for the clarifications requested by FUNAI and these responses were submitted in October 2020.

- On July 27, 2020, Belo Sun welcomed Rui Botica Santos to its board of directors as a newly elected director. Mr. Santos is a qualified lawyer in Brazil and is widely regarded as a leading lawyer in the mining sector. Mr. Santos has over 25 years representing mining clients on mergers and acquisitions, and exploration, for both the mining and oil and gas industries.

- Belo Sun continues to closely monitor developments around the COVID-19 pandemic. The Company quickly followed the recommended measures by public health and government authorities. Belo Sun will continue to monitor the situation with our priority being the health and safety of our employees and our surrounding communities.

- Belo Sun has provided assistance with coordinating the manufacturing of personal protection equipment ("PPE") in the city of Altamira and has supplied PPE to the communities surrounding the PVG and made donations to the municipality of Senador Jose Poririo.

- In February 2020, the Company appointed Peter Nixon to the Board of Directors as lead independent director. Mr. Nixon has served on the boards of several publicly traded mining companies and has successfully guided many of them through the permitting and development stages.

- The Company completed the field studies and consultation with Indigenous groups and submitted the Indigenous Study to FUNAI in February 2020

- The Company remains engaged in discussions with INCRA to find a satisfactory solution for the overlap of INCRA land and the Volta Grande Gold Project mining concession.

- The Company continues to advance and undertake engineering and technical work to meet the conditions set out in the LI, specifically related to the environment, community, operating standards and regulations and documentation.

- The Company continues to advance work related to the PVG to ensure optimization with engineering and geochemical characterization studies, construction planning optimization and capital and operational cost reviews.

- In February 2020 the Company completed, in conjunction with some of its principle engineering providers and suppliers, an internal capital and operating cost review of its feasibility study and these values remain within 5% of the original estimate

- The Company is evaluating and discussing funding solutions with various groups for the Volta Grande Gold Project.

- The Company continues basic regional exploration activities.

- The Company continues to follow any related court cases regarding the Volta Grande Gold Project.

OUTLOOK

For 2020, the Company continues to focus on the advancement of the Volta Grande Gold Project with the following main objectives:

- Belo Sun will continue to monitor the COVID-19 situation with our priority being the health and safety of our employees and our surrounding communities and following best practices.

- Approval of the Indigenous Study. In February 2020, the Company submitted the Indigenous Study to FUNAI. In August 2020, the Company received the clarification request from FUNAI as per the normal course of FUNAI review. The Company has completed the clarification responses and these responses were submitted to FUNAI in October 2020.

- Project optimization and preparation with engineering studies, geotechnical characterization studies, geological studies, construction planning optimization and capital and operational cost reviews.

- Continue to seek and evaluate the best funding solution for the development and construction of the PVG.

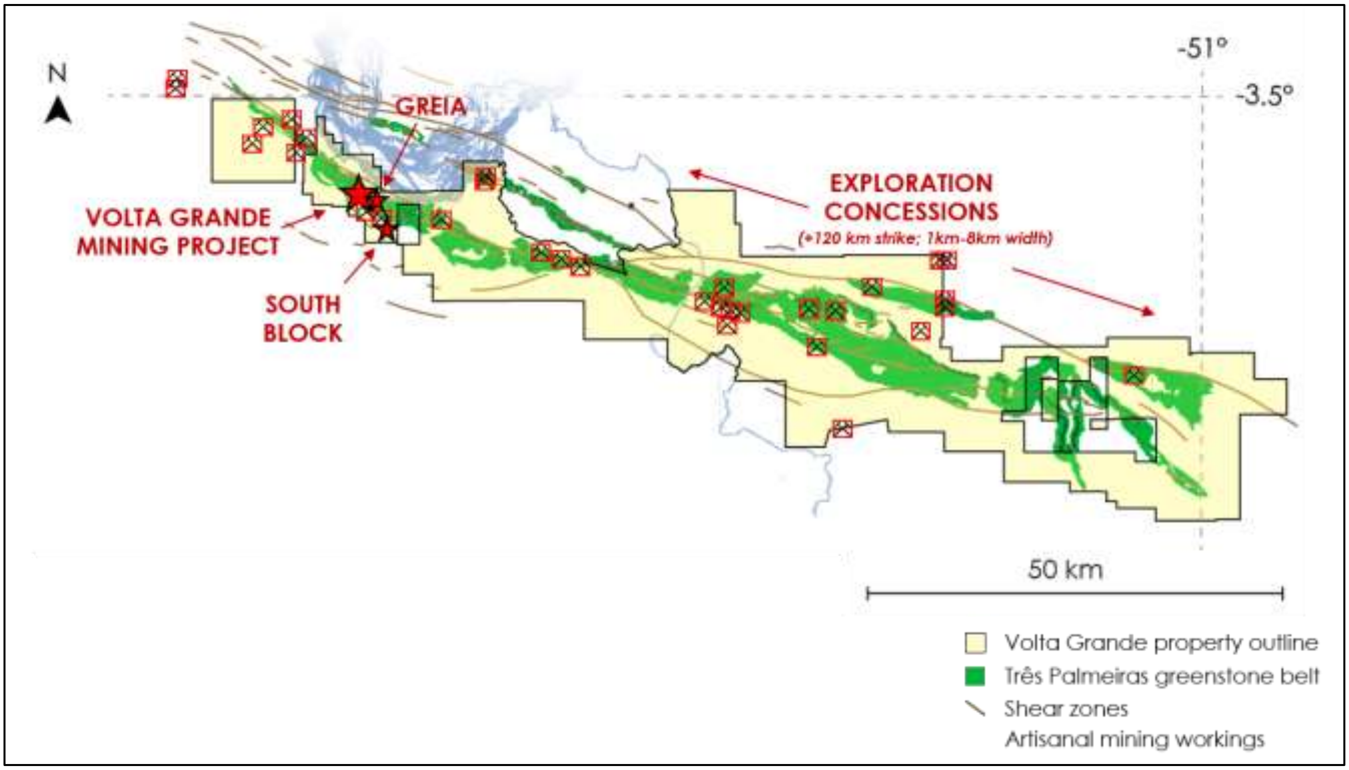
- Continue discussions with INCRA to complete the resolution of the overlap of INCRA land and PVG concessions. Both INCRA and Belo Sun have proceeded with discussions with a mutual goal of resolving this item.

- Continue to evaluate cost saving measures, streamline non-core exploration concessions and to manage funds appropriately.

OVERVIEW OF THE VOLTA GRANDE GOLD PROJECT

The Volta Grande Gold Project (100% owned) is located approximately 49 kilometers southeast of the town of Altamira (est. pop. 150,000) in the northern region of Pará State. Altamira is a prosperous regional center with excellent infrastructure. The development of the Volta Grande Gold Project is the Company’s primary focus. Volta Grande Gold Project is an advanced-stage development project with a completed NI 43-101 completed feasibility study showing very robust economic, long mine life and a gold Mineral Reserves currently estimated at 3.79 million ounces.

Gold Mineralization in the Volta Grande Gold Project area was identified at numerous sites in the 1990s by past operators TVX Gold Inc. (now part of Kinross Gold Corporation) and Battle Mountain Exploration (now part of Newmont Mining Corporation). Historical drilling by these companies included more than 27,000 meters of combined core, auger, and reverse circulation drilling and several thousand channel and soil samples. Preliminary metallurgical work indicated that Volta Grande Gold Project Mineralization is amenable to conventional milling and cyanidation process methods, with gold recoveries of up to 95% in bottle roll tests.



The shear-hosted main Mineral Resources are currently contained in the area of the Volta Grande Gold Project called the North Block. The North Block is a string of connected deposits, comprised of Ouro Verde and Grota Seca. The Volta Grande Gold Project Feasibility Study only considered the extraction of Mineral Resources from the North Block. Belo Sun also has a currently small Mineral Resource in an area called Greia which is approximately 1 km from the Volta Grande Gold Project and another Mineral Resource called the South Block which is approximately 6km from the Volta Grande Gold Project that are highly prospective but were not included in the Feasibility Study. Belo Sun also holds exploration concessions that covers most of the 120 km greenstone belt hosting the mineral reserve and resources.

Most of the Mineralized areas are characterized by a large alteration envelope having numerous narrow zones of high-grade gold Mineralization and have had Garimpeiros (term used for informal miners in Brazil) workings. There is geological potential at Volta Grande Gold Project for expansion and the discovery of additional Mineralized zones within the large alteration envelope in the host intrusive rocks, which have been traced for more than seven kilometers along strike in the North Block. Two types of gold Mineralization are present: primary gold in intrusive rocks and secondary gold in the saprolitic zone overlying the primary Mineralization.

The property has had historical Garimpeiros (informal miners) activity using both open pit and underground mining methods with several shafts of 80 to up to 300 meters along high-grade veins. Grab samples from these shafts have assayed as high as 474.9 g/t Au.

In 2005, the Company signed an agreement to acquire 100 percent interest in the PVG and the exploration concessions along the Tres Palmeiras Green Stone Belt. The transaction was completed in 2006 with full payment to the vendor. There are no royalties on the mining concessions other than the government royalty of 1.5% which applies to all gold production in Brazil. With the transfer of title of the mining concessions for Volta Grande Gold Project, the Company assumed a debt obligation to CPRM, whereby Belo Sun obligated to repay a risk-loan debt to CPRM valued at R$3,740,000 plus applicable interest. The interest rate on the debt is fixed at 3%.

Belo Sun has taken a conservative position with respect to the debt obligation and deposited into a high interest savings account the full amount required to cover the debt payment and accumulated interest.

Belo Sun continues to have discussions with CPRM with the objective to look for opportunities to reduce the future debt obligation with a mutual benefit to both CPRM and Belo Sun.

Starting in 2010, Belo Sun has carried out a large drill exploration program that consisted of over 700 drill holes for a total of over 180,000 meters drilled (mostly by diamond drilling) at Ouro Verde, Grota Seca, Greia (mostly reverse circulation drilling) and South Block. The results at the North Block outlined the initial size of the Mineralizing system with a pit-constrained Mineral Resource extending over 4km on strike and over 500 meters deep for Ouro Verde, Central and Grota Seca and was the Mineral Resources used in the development of the Volta Grande Gold Project Feasibility Study.

FEASIBILITY STUDY

In March 2015, the Company completed a Feasibility Study on its Volta Grande Gold Project. The Feasibility Study was prepared by Lycopodium Minerals Canada Ltd, VOGBR Recursos Hidricos e Geotencia Ltda, SRK Consulting (Canada) Inc., Environmental Resources Management Inc., AGP Mining Consultants Inc., W.H. Wahl & Associates Consulting and L&M Assessoria Empresarial. The Feasibility Study was prepared in accordance with National Instrument 43-101 (NI 43-101) of the Canadian Securities Administrators. Projections include:

- Using a gold price of US$1,200/oz and an exchange rate of 3.1:1 (Brazil R$3.1: US$1), the project delivered solid production profile and strong economics:
- Post-tax Internal Rate of Return of 26%
- Post-tax Net Present Value of US$665 million at a 5% discount rate
- Annual gold production of 268,000 oz averaged over the first 10 years of the mine life
- Initial capital costs of US$298 million, including pre-production costs and taxes

- Average cash operating costs of US$618/oz and all-in sustaining costs of US$779/oz
- Proven and Probable Mineral reserves of 3.8 million ounces of gold (see table below)

See “Cautionary Statement Regarding Forward-Looking Information”.

Summary of Volta Grande Economic Results by Gold Price

	High Case	Base Case	Low Case
Gold Price (US$ per oz)	$1,300	$1,200	$1,100
Pre-Tax NPV (5%)	$1,171 million	$941 million	$712 million
Pre-Tax IRR	43%	36%	29%
Post-Tax NPV (5%)	$855 million	$665 million	$472 million
Post-Tax IRR	32%	26%	20%

Volta Grande Project Capital Expenditures Estimate Breakdown (Post-tax), in US$

Initial Capital	
Process & Infrastructure	$244 million
Mining	$20 million
Pre-Production Costs - Process	$3 million
Pre-Production Costs - Mining	$32 million
Total -- Initial Capital	$298 million
Total -- Expansion Capital	$63 million
Average Sustaining Capital over life of mine	$7.3 million / year

Values have been rounded to the nearest million.

The Feasibility Study capital and operating cost estimates for the Volta Grande Gold Project are summarized below.

Summary of Volta Grande Project Operating Cost Estimates	Average Life-of-Mine Operating Cost
Mining	US$10.62/tonne milled
Processing	US$7.26/tonne milled
G&A	US$0.84/tonne milled
Total Operating Cost	US$18.72/tonne milled
Cash Operating Cost	US$618/oz
All in Sustaining Cost	US$779/oz

Volta Grande Gold Project Mineral Reserves

The Mineral Reserves for the Volta Grande Gold Project are Fully Diluted and are based on the conversion of measured and indicated Mineral Resources within the current Feasibility Study mine plan. A portion of the Measured Mineral Resources are converted directly to Proven Mineral Reserves and a portion of the Indicated Mineral Resources to Probable Mineral Reserves.

The Fully Diluted Mineral Reserves (the mining dilution has been included and considered in the grade and tonnes) for the Volta Grande Gold Project are shown below.

Volta Grande Project Proven and Probable Reserves*

Classification	Tonnes (t)	Gold Grade (g/t)	Contained Gold (oz)
Proven	41,757,000	1.07	1,442,000
Probable	74,212,000	0.98	2,346,000
Proven + Probable	**115,969,000**	**1.02**	**3,788,000**

**This Mineral Reserve estimate is as of March 25, 2015 and is based on the new Mineral Resource estimate dated March 2015. The Mineral reserve calculation was completed under the supervision of Gordon Zurowski, P.Eng of AGP Mining Consultants Inc, who is a Qualified Person as defined under National Instrument 43-101. Mineral reserves are stated within the final design pit based on a USD$1,020 per ounce gold price pit shell with a USD$1,200 per ounce gold price for revenue. The cutoff grade was 0.37 g/t for Ouro Verde and 0.40 g/t for Grota Seca. The mining cost averaged USD$10.90/tonne milled, processing was USD$7.25/tonne milled and G&A was USD$0.84/tonne milled. The process recovery averaged 93%. The exchange rate assumption applied was R$3.10 equal to US$1.00 The Feasibility Study only considers the Volta Grande open pit Mineralized zones. The Feasibility Study does not include any Mineral Resources from the South Block, or Mineral Resources from the Greia Zone. Mineral Resources that were part of the March 2015 Total Mineral Resource associated with South Block and underground Mineral Resources were not included in the scope of the Feasibility Study.*

Mining

The Feasibility Study considers open pit mining using a 100% owner operated equipment fleet including trucks, loaders and drills. The mine has been designed to deliver an initial 3.5 million tonnes per year (10,000 tonnes per day) of mill feed and expand to 7 million tonnes per year (20,000 tonnes per day) reaching full production in Year 3. The Feasibility Study contemplates an eight-month pre-production stripping period. The Feasibility Study optimizes the mine plan for the first ten years with an average delivered head grade of 1.38 g/t. Material from the last three months of pre-production stripping will be used to commission the process plant.

The average strip ratio for the life of the mine is estimated at 4.3:1. Open pit bench heights of 10 meters will be mined and ore hauled with 136-tonne haul trucks and matching loading equipment. Best practice grade control drilling will be done with reverse circulation drilling and rock sampling on mine benches prior to blasting. This is intended to provide flexibility for grade control during operations while maintaining reasonable mine operating costs and production capability.

Metallurgy

Extensive feasibility level test work was completed by SGS Canada Inc., using representative run-of-mine composites, that confirmed the material from the Volta Grande Mineral deposits is amenable to a conventional crush, grind, gravity concentration, cyanide leach and carbon-in-pulp flow sheet with overall life of mine gold recovery of 93%.

Infrastructure

The Volta Grande Gold Project is located in Pará State, approximately 49 kilometers south-east of the city of Altamira. The Volta Grande Gold Project is accessible from both road and river. Altamira is a major regional center with a population of 150,000 and is serviced by a local airport and the Trans-Amazonian Highway. Altamira acts as the service center for many large industrial projects in the region.

The climate in the area of the Volta Grande Gold Project is tropical with a rainy season from January to April and a dry season from May to December. The mean temperature is constant throughout the year (25°C to 30°C) and the relative humidity ranges from 65% to 85%.

Access to the mine site from the city of Altamira can be done by road and river. Road access to the PVG site is a distance of approximately 60 km with approximately 30km of road nearest to the city of Altamira being paved, the remaining 30km of access road will be upgraded and paved during the mine operation.

Power for the PVG will be from line power coming from the nearby electrical infrastructure and will be brought to the mine project by a 230-kV power line.

Water requirements for the Volta Grande Gold Project were designed to not require the extraction of any water from the Xingu River. Water requirements will be provided by capturing precipitation and surface run-off. The water collected in storage ponds and augmented by reclaimed water from the tailings management facility will meet the operating requirements.

The scientific and technical information contained in the feasibility study pertaining to the Volta Grande Gold Project has been reviewed and approved by the following Qualified Persons: Dr. Jean Francois Couture, PGeo and Dr. Oy Leuangthong, P.Eng (Mineral Resource) of SRK Consulting (Canada) Inc.; Gordon Zurowski, P.Eng (Mining), of AGP Mining Consultants Inc.; Alexandre Luz, MAusIMM (Economic Analysis) of L&M Advisory; Aron Cleugh (Metallurgy and Process) and Stefan Gueorguiev, P.Eng (Infrastructure and Author of the Technical Report), of Lycopodium Minerals Canada Ltd., each of whom are independent of Belo Sun.

See "Cautionary Statement Regarding Forward-Looking Information".

The Fully Diluted Mineral Resource (the mining dilution has been included and considered in the grade and tonnes) estimate for the North Block of the Volta Grande Gold Project is outlined in the table below with an effective date of March 16, 2015.

Deposit	Category	Quantity Mt	Gold Grade g/t Au	Contained Gold KOz
Ouro Verde Open Pit				
Saprolite	Measured	750	0.96	23
	Indicated	709	0.78	18
	Inferred	216	0.67	5
Unweathered	Measured	18,532	1.16	693
	Indicated	52,647	1.06	1,796
	Inferred	22,576	0.89	643
Grota Seca Open Pit				
Saprolite	Measured	249	0.96	8
	Indicated	1,386	0.74	33
	Inferred	832	0.61	16
Unweathered	Measured	24,270	1.00	782
	Indicated	54,611	0.87	1,519
	Inferred	12,557	0.82	332
Junction Open Pit				
Saprolite	Measured	2	1.53	0
	Indicated	215	0.78	5
	Inferred	82	0.66	2
Unweathered	Measured	271	0.71	6
	Indicated	2,950	0.77	73
	Inferred	1,491	0.75	36
Greia Open Pit				
Saprolite	Inferred	512	1.06	17
Unweathered	Inferred	1,503	2.04	98
Total Open Pit				
	Measured	44,075	1.07	1,512
	Indicated	112,518	0.95	3,444
	Measured + Indicated	156,593	0.98	4,956
	Inferred	39,767	0.90	1,151

Notes:

(1) The 0.4 g/t Au open pit cut-off grade underlying the Mineral Resource estimates is based on a number of parameters and assumptions including gold price of US$1,400 per troy ounce, pit angles set at 31 degrees for saprolite and 53 degrees for hard rock, and metallurgical gold recovery of 94% for unweathered and weathered rock. Assumed costs for the Mineral Resource modeling are as follow: open pit mining costs of US$2.05/tonne of ore, process costs of US$8.12/ tonne general and administrative costs of US$0.99/tonne, royalty of 1%.

(2) The quantity and grade of reported inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define the inferred Mineral Resources as Indicated or measured Mineral Resources and it is uncertain if further exploration will result in upgrading them to indicated or measured Mineral Resource categories.

(3) The Mineral Resources have been classified according to the Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Reserves (November 2010). The effective date of the report containing the Mineral Resource estimate is March 30, 2015.

(4) The Mineral Resource estimate was authored Dr. Oy Leuangthong, P.Eng, a Qualified Person as defined by National Instrument 43-101 and is independent of Belo Sun. SRK Consulting (Canada) Inc. Dr. Leuangthong is not aware of any legal, political, environmental or other risks that could materially affect the potential development of the Mineral Resources.

Below is a summary of the Mineral Resource estimation parameters pertinent to the current Mineral Resource estimate.

The Mineral Resource and reserve estimate for the Volta Grande Gold Project was prepared considering only the gold deposits located in the North Block. The North Block is a string of connected deposits that has been defined as the Ouro Verde and Grota Seca deposits.

The Mineral Resources for Volta Grande consist of four zones. Ouro Verde and Grota Seca (the “North Block”), Greia and the South Block. The Greia zone was separated from Grota Seca and consists of a near-pit target to the north of the Grota Seca deposit. The Junction Zone is the connection between Ouro Verde and Grota Seca. It highlights some exploration potential along strike length between the two deposits.

The database consists of a total of 33,191 meters of drilling obtained from previously reported drilling and from 180,650 meters of drilling completed and assayed by Belo Sun since April 2010, for the Ouro Verde and Grota Seca deposits.

The Mineralized zones at the Ouro Verde deposit extend for about 2,200 m along strike whereas the Grota Seca extends for 2,900m along strike.

For each deposit, Very Low, Low, Medium and High-Grade gold domains where modelled in hard rock as well as in saprolite. The gold mineralization thickness ranges from 2 to 70 meters.

The composite length selected was 2.0 m. Residual composite lengths of 0.5 m and longer were included in the Mineral Resource estimation.

Capping analysis was performed on composites for all grade domains. All domains were capped except High Grade Saprolite.

All estimations are based on a fully diluted block model with unitary dimension of 5 m E, 5 m N and 5 m elevation rotated -17° clockwise.

Three estimation passes with progressively relaxed parameters were used for each grade domain. The grade estimation was done using ordinary kriging interpolation. Additional restrictions were set to constrain the grade and radius of influence for the high-grade part of the Mid-Grade Domain.

Classification was performed using the density of the informing composites. Measured blocks are informed by composites at average distances of 25m (maximum distance is 40m). Indicated blocks are informed by composites at average distances of 50m (maximum distance of 80m).

Tonnage estimates are based on rock specific gravity of 2.75 tonnes per cubic meter for the Grota Seca and Ouro Verde deposits, and 1.36 tonnes per cubic meter for saprolite.

Community relations

The Company operates two information offices to improve communication between the Company and the local communities. The first is in the city of Senador José Porfírio, the municipality that hosts the Volta Grande Gold Project. The office is located in the downtown core, near the City Hall where City Council and other public institutions are located. The second office is located in the Resaca Village near the Volta Grande Gold Project.

Belo Sun is also contributing to the improved accessibility of public services such as health care and education to the local population near the Volta Grande Gold Project by assisting with the transport doctors, nurses, dentists and teachers to the area. Among other things, these efforts promote the eradication of malaria in the Volta Grande area. Most recently, Belo Sun has been supplying basic PPE (face masks) to the local communities.

PERMITTING, LICENSING AND LEGAL

Belo Sun went through a rigorous and detailed permitting process following all the government regulations for the completion of its EIA to receiving its Construction Licence.

- In December 2013, the Environmental Council of Pará State, Brazil (“COEMA”) approved the EIA.
- In 2014, PVG received its LP approval.
- In 2017, SEMAS accepted the Indigenous Study, FUNAI did not accept the study.
- In 2017, PVG received its LI approval.

Subsequent to receiving its LI, there were three injunctions filed against the LI for the following reasons:

1) FUNAI AND THE INDIGENOUS STUDY: The Indigenous Study was not approved by FUNAI;

2) SEMAS VS. IBAMA AGENCY PERMITTING: IBAMA should be considered the permitting authority rather than SEMAS; and

3) INCRA: There was an overlap of INCRA land and the mining concession.

FUNAI AND THE INDIGENOUS STUDY

At the beginning of 2020, Belo Sun completed the Indigenous Study following all the required FUNAI protocols and completed additional consultation with the Indigenous groups near PVG. The Indigenous Study was submitted to FUNAI in February 2020.

The normal internal guidelines within FUNAI for the review process following submission are:

1) FUNAI has 90 days to review the Indigenous Study.

2) FUNAI has one opportunity to ask for clarifications within the 90 day review period.

3) If FUNAI does ask for clarification, after the Company responds, FUNAI has 30 additional days to complete the review of the Indigenous Study.

4) Following this original 90 day review and the additional 30 days starting from when the Company's responses to FUNAI request for clarification, FUNAI will issue their approval or disapproval of the Indigenous Study. When the Company submitted the responses to FUNAI at the end of October 2020, FUNAI indicated that COVID-19 and high backlog of work was delaying the normal process. Although the Company does expect some delays to the normal review process, at this point the delays are not expected to be excessive and FUNAI has been working very well under the circumstances.

Belo Sun was advised that FUNAI typically asks for clarifications relating to the Indigenous Studies, so the Company did expect that clarification questions would be asked within the initial 90 day review period. In August 2020, the Company received the clarification request from FUNAI. The Company submitted the responses to the clarification request by FUNAI at the end of October 2020.

FUNAI AND THE INDIGENOUS STUDY BACKGROUND

The approval of the EIA and receipt of the LP were key milestones in the advancement of the PVG towards the construction phase. The Company received its LP in February 2014, which was issued with conditions related to training and capacity building, environmental monitoring, social education and development of local industries.

The Company built a training center in the local village where training and skill building workshops in conjunction with the Federal and Pará State agencies are ongoing. As well, the

Company completed a study on the Indigenous peoples in the region as part of the conditions of the LP. This study involved consultation with the Indigenous communities and other potential Indigenous stakeholders in the region.

Following the grant of the LP, the Company commenced work on obtaining its LI. Under Brazilian laws and regulations, Indigenous studies are required only if designated Indigenous lands are located less than 10 km from a mining project. The three closest indigenous lands were located 12.6 km, 16 km and 39 km away from the PVG. Although the Volta Grande Gold Project is more than 10km from Indigenous land, the Company and SEMAS agreed to a condition requiring an Indigenous Study be completed and submitted with the Company's LI application.

In 2016, Belo Sun completed its original Indigenous Study, covering the three nearest Indigenous communities, located 12.6 km, 16 km and 39 km away from the Volta Grande Gold Project. This Indigenous Study was submitted along with the LI application.

In February 2017, Belo Sun received the approval of the LI for the Volta Grande Project and approval of the Indigenous Study from the Brazilian State Government of Pará. The LI is the final governmental approval authorizing the Company to proceed with construction and development of the Volta Grande Gold Project.

Although the Indigenous Study was accepted by SEMAS, the Company did not receive approval for the Indigenous Study from FUNAI mainly because the study did not include primary data. The Indigenous Study did not include primary data as a result of FUNAI not granting the Company access to Indigenous land during the period of the study. SEMAS advised the Company to continue with the Indigenous Study and submit it with secondary data.

In April 2017, the Company received an interim suspension order related to the LI by the Brazilian Federal Court (the "Court"). According to the order, the LI has been suspended until the Indigenous Study is completed by the Company and has been approved by FUNAI.

The interim injunction decision was appealed by both the State of Para and the Company.

In December 2017, the Federal Court of Appeals in Brasilia decided to uphold the suspension. Following the court decision, the Company commenced working closely with FUNAI and anthropology consulting firms to complete the Indigenous Study in compliance with FUNAI's protocols and the Court ruling.

SEMAS VS. IBAMA AGENCY PERMITTING

The PVG is permitted with SEMAS. Prior to starting the permitting process, Belo Sun contacted both SEMAS and IBAMA and requested a ruling on which agency had the permitting authority for the Volta Grande Gold Project. IBAMA advised that the PVG did not have any of the parameters for Federal permitting. SEMAS confirmed that they were the correct permitting authority. However, the local MPF filed an injunction with an Altamira judge requesting that the permitting authority be changed from SEMAS to IBAMA. The sequence of legal events is shown below:

In September 2018, the Federal Regional Justice in Altamira ruled that the past permitting for the LP and LI under SEMAS was valid, but permitting authority going forward for the Volta Grande Gold Project would be IBAMA (Federal Environmental Agency) rather than SEMAS (State Agency).

In November 2018, the First Regional Federal Court ruled to suspend the decision of the Federal Regional Justice in Altamira overturning the decision of the First Regional Federal Court and confirming that SEMAS was the competent permitting authority.

On July 12, 2019, a three-judge panel decision by the superior court of appeals of the federal justice in Brasilia ruled unanimously that SEMAS was the competent authority for the environmental permitting of PVG. The ruling also confirms that the LI granted in 2017 by SEMAS and the LP granted in 2014 by SEMAS for the PVG remain valid (see press releases dated December 6, 2017 and July 23, 2018).

INCRA

The Volta Grande Gold Project exploration concessions were granted in 1974. In 1999, INCRA designated a land area for rural development. The rural development area designated by INCRA involved an overlap of a small portion of INCRA rural development project area within the Company's mining concessions. The INCRA overlap on the PVG footprint covers some of the planned facilities, a small portion of the end of the Grota Seca pit and one of the proposed waste pile deposits.

The LI included and approved a relocation plan. It allows families in the directly impacted area the option to: a) relocate at any time during the life of the project and at any time of the families' choosing with relocation expenses covered by the Company; or b) stay where they currently live; or c) leave and receive financial compensation for their property.

After receiving the LI, an order from the judge of the Agrarian Court of Altamira issued a temporary 180-day injunction halting certain work related to the LI. The purpose of the injunction was to provide time for the relocation of certain families living near the PVG site and to finalize the agreement with INCRA involving the overlap of a small portion of INCRA urban development project area within the Company's mining concessions.

The Agrarian Court of Altamira lifted this injunction in June 2017.

While a final satisfactory negotiated solution is expected it has taken some time due to various changes in the INCRA administration and changes in the Federal Government and the COVID-19 pandemic. Both INCRA and the Company have continued to discuss a solution and both parties are in agreement that a solution is the objective. The discussions between INCRA and Belo Sun are recorded and registered with the court in Altamira on a regular basis. Belo Sun has the law firm of Pinheiro Neto and others assisting with documenting a solution. In November 2019 and January 2020, the Company met with the new INCRA President to discuss the land overlap issue. It was agreed that a legal task force would be assembled to address the issue and find available solutions. Discussions continue in a very constructive manner and the Company expects no issues with completing this negotiation, however success can never be guaranteed.

Belo Sun entered into an MOU agreement with INCRA in 2016 and executed a similar agreement again in August 2017 which would see Belo Sun purchasing suitable substitution land chosen by INCRA in exchange for INCRA releasing the overlap land. With the Government change that occurred in January 2018, Belo Sun entered into new discussions with the new INCRA administration. On October 17, 2019 the INCRA President and Directors of INCRA were dismissed from office. As a result of the change in management, Belo Sun established contact with the new INCRA administration and management team to finalize a formal agreement with INCRA.

On August 23, 2019 the Pará State Prosecution Office (*Ministério Público do Estado do Pará*) ("MPE") filled an injunction request lawsuit in the Pará State Court in the City of Senador Jose Porfirio against the State of Pará and Belo Sun Mineração. In this lawsuit the MPE requests the cancelation of the environmental licenses granted for the construction of the PVG and the grant of an injunction, in a fast track decision, to suspend all permitting processes involving the PVG. The MPE requested that all the licenses granted to the PVG be declared null. The main allegations used by the MPE are the same used in previous filed lawsuits: that the Indigenous Study requires approval by FUNAI, IBAMA should be the permitting authority and that there is an INCRA land overlap.

On September 30, 2019 the State of Pará presented its response requesting the full rejection of the lawsuit. On October 3, 2019 Belo Sun presented its initial response challenging the allegations presented by the MPE. The Pará State Court has not granted any decision in the case so far.

In November 2019, the Agrarian State Judge of the Court of Altamira ruled that the Company's LI will remain suspended until the following two conditions were fulfilled: 1) a periodic update to SEMAS on the status of the relocation of certain families living in the area directly affected by the PVG; and 2) update SEMAS on the negotiations with INCRA involving the overlapping portion of the INCRA urban development project area within the PVG.

In January 2020, the State Court of Appeal of Para State overturned the November 2019 court ruling by the Agrarian State Judge of the Court of Altamira.

In a separate ruling in November 2019, the State Court of Belem ruled to uphold the Company's LI and authorize the start of construction under the condition that the Company complies with the relocation plan terms as submitted by the Company to SEMAS for its Construction Licence.

On August 2020 the MPE filed a request with a local Altarima Judge (Agrarian Court – State Circuit) against the State of Para and Belo Sun to suspend the LI based on a report submitted by a Colombian NGO (AIDA – Association Interamericana for Environmental Development) criticizing the licensing process. The State of Para and Belo Sun presented technical and legal evidence that the allegations were false.

ANNUAL RESULTS

	2019	2018	2017
Net loss	$ (7,983,962)	($8,063,871)	$(12,488,792)
Net loss per share	$ (0.02)	($0.02)	($0.03)
Working Capital*	$33,822,001	$31,148,631	$ 57,076,054
Total Assets	$59,113,233	$67,552,607	$ 82,932,208
Total Non-current Liabilities	$ 51,629	$0	$ 1,084,663

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q3-2020 30-Sep-20	Q2-2020 30-Jun-20	Q1-2020 31-Mar-20	Q4-2019 31-Dec-19	Q3-2019 30-Sep-19	Q2-2019 30-Jun-19	Q1-2019 31-Mar-19	Q4-2018 31-Dec-18
Net loss	$ (1,492,669)	($1,057,126)	$ (974,584)	$ (1,794,711)	($1,956,822)	($2,441,421)	($1,791,008)	($2,316,753)
Net loss per share	$ (0.00)	($0.00)	$0.00	($0.01)	$0.00	($0.01)	($0.00)	($0.01)
Working Capital*	$ 27,799,322	$28,972,184	$ 28,964,499	$ 33,822,001	$36,173,328	$37,530,408	$29,450,537	$31,148,631
Total Assets	$ 56,749,864	$58,210,778	$59,564,237	$59,113,233	$61,456,906	$62,835,665	$65,472,943	$67,552,607
Total Non-current Liabilities	$ 30,214	$34,973	$ 43,091	$ 51,629	$57,765	$66,393	$72,566	$0

* Working Capital is defined as current assets minus current liabilities. Working capital is a Non-IFRS figure without a standardized meaning. Please see "Non-IFRS Measures" below for a reconciliation.

<u>Factors Affecting Comparability of Quarters</u>

Results of operations can vary significantly as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by a number of factors, including the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each individual project.

In addition, the granting of stock options and deferred share units ("DSUs") in a particular quarter gives rise to share-based compensation expense. In the third quarter of 2020, the Company recorded share-based compensation expense of $239,007 (Q2 2020 – 30,850; Q1 2020 -

$52,906; Q4 2019 - $53,488; Q3 2019 - $82,392; Q2 2019 - $72,748; Q1 2019 – $132,834; Q4-2018 – $246,348). Share-based compensation expense is dependent on vesting terms, and front-loaded accrual methods, and DSU expense in particular was dependent on the value of the Company's share price which fluctuated. In April 2018, the Company purchased, through an independent trustee, its own shares from the secondary market with the intent of using these shares to satisfy the DSU obligations. As a result, the accounting treatment changed and the DSUs value is fixed at the share price on the date of change. DSU expense will continue to fluctuate in accordance with vesting terms.

Exploration expenditures during quarters vary and can cause earnings to fluctuate. In the third quarter of 2020, the Company recorded exploration and evaluation expenses of $227,903 (Q2 2020 - $217,645; Q1 2020 - $523,269; Q4 2019 - $764,316; Q3 2019 - $859,738; Q2 2019 - $940,742; Q1 2019 – $737,419; Q4-2018 – $946,589). The Company began deferring development expenditures, including engineering expenses, during the first quarter of 2017. As a result of the suspension of the LI, certain expenditures were deferred during 2019 as the Company has been focusing on the Indigenous Study.

Also contributing to fluctuating quarterly net losses are changes in foreign exchange rates. The Company holds a portion of its monetary assets and liabilities in Brazil and therefore changes in the rate of exchange between the Brazilian Real, United States dollar and the Canadian dollar result in reported gains and losses on foreign currency fluctuations.

RESULTS OF OPERATIONS – FINANCIAL

The following is a discussion of the results of operations of the Company for the three and nine months ended September 30, 2020. This discussion should be read in conjunction with the Company's consolidated financial statements for the three and nine months ended September 30, 2020 and related notes.

	Three months ended September 30,	
	2020	2019
Net loss	$ (1,492,669)	$ (1,957,822)
Interest income	(62,155)	(254,479)
Salaries, wages and consulting fees	711,663	921,989
Professional fees	46,016	128,013
General and administration	234,897	318,262
Depreciation	31,215	33,732
Share-based payments	239,007	82,392
Exploration and evaluation expenses	227,903	859,738
(Gain)/loss on foreign exchange	63,238	(133,400)
Interest expense	885	1,575

For the three months ended September 30, 2020, the Company recorded a net loss of $1,492,669 ($0.00 per share) compared to a net loss of $1,957,822 ($0.00 per share) for the three months ended September 30, 2019.

Salaries, wages and consulting fees decreased by $210,326 in Q3-2020 compared to Q3-2019 due to a severance payment in Q3-2019 as well as a decrease in the number of consultants in Q3-2020 compared to Q3-2019.

General and administration costs decreased by $83,365 in Q3-2020 compared to Q3-2019, a recent trend resulting from a decrease in travel and other activities with the suspension of the LI, combined with travel restrictions in place due to the COVID-19 pandemic.

The Company recorded $121,394 in share-based payments during Q3-2020 related to the value of vesting DSUs and a stock option grant in the quarter (Q3-2019: $82,392). Expense related to vesting stock options was $117,613 in both Q3-2020 and $nil Q3-2019.

Exploration and evaluation expenses, which included costs for the Indigenous Study, were $227,903 for the three months ended September 30, 2020 compared to $859,738 for the three months ended September 30, 2019. The Company incurred $672 in development expenditures during the current quarter which were recorded in property, plant and equipment (Q3-2019: $nil).

The Company also recognized a foreign exchange loss of $63,238 during Q3-2020 (Q3-2019: gain of $133,400) a result of the effect of fluctuations in the exchange rates between the Brazilian Real and the U.S. dollar.

During the three months ended September 30, 2020, the Company spent $1,065,108 on operations (three months ended September 30, 2019: $2,069,329). The Company purchased $1,622 of property, plant and equipment in the quarter (Q3-2019 – $2,666 on equipment, offset by repayment of promissory notes of $444,000). Financing activity used $4,865 for lease liability payments (Q3-2019 – provided $488,991 primarily from stock option exercises).

	Nine months ended September 30,	
	2020	2019
Net loss	$ (3,524,379)	$ (6,189,251)
Interest income	(276,143)	(740,223)
Salaries, wages and consulting fees	2,279,765	2,917,970
Professional fees	153,387	165,533
General and administration	696,336	986,427
Depreciation	99,060	102,915
Share-based payments	322,763	287,974
Exploration and evaluation expenses	968,817	2,537,899
(Gain)/loss on foreign exchange	(722,749)	(25,787)
Interest expense	3,143	5,142
Gain on sale of securities	-	(48,599)

For the nine months ended September 30, 2020, the Company recorded a net loss of $3,524,379 ($0.01 per share) compared to a net loss of $6,189,251 ($0.00 per share) for the nine months ended September 30, 2019.

Salaries, wages and consulting fees decreased by $638,205 in 2020 compared to 2019 due to a bonus grant and severance payment in 2019 as well as a decrease in the number of consultants in 2020 compared to the prior year.

General and administration costs decreased by $290,091 in 2020 compared to 2019, a recent trend resulting from a decrease in travel and other activities with the suspension of the LI, combined with travel restrictions in place due to the COVID-19 pandemic.

The Company recorded $205,150 in share-based payments during 2020 related to the value of vesting DSUs (2019: $205,582). Expense related to vesting stock options was $117,613 in 2020 and $nil in 2019.

Exploration and evaluation expenses, which included costs for the Indigenous Study, were $968,817 for the nine months ended September 30, 2020 compared to $2,537,899 for the nine months ended September 30, 2019. The Company incurred $672 in development expenditures during the current year which were recorded in property, plant and equipment (2019: $18,561).

The Company also recognized a foreign exchange gain of $722,749 during 2020 (2019: gain of $25,787) as a result of the effect of fluctuations in the exchange rates between the Brazilian Real and the U.S. dollar.

During the nine months ended September 30, 2020, the Company spent $3,076,193 on operations (nine months ended September 30, 2019: $6,308,813). The Company purchased $1,229 of property, plant and equipment during 2020 (2019: $21,553) and received repayment on outstanding promissory notes of $4,904,356 and received interest payments related to the promissory notes of $123,981 (2019 - $779,000 and $380,327, respectively). Financing activity provided $1,148,797 during 2020, primarily $1,348,000 due to the exercise of stock options in the year, partially offset by the purchase of shares to be held for the DSU plan for $183,347 (2019 – provided $475,356 primarily from stock option exercises).

LIQUIDITY AND CAPITAL RESOURCES

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the development of a property that leads to the production of gold. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

The Company currently has a negative operating cash flow and finances its development and Mineral exploration activities through equity financings. The Company's financial success will be dependent on the economic viability of its development and Mineral exploration properties and the extent to which it can establish economic Mineral reserves and operations.

The Company had working capital (see Non-IFRS Measures) of $27,799,322 as at September 30, 2020 (December 31, 2019 - $33,822,001) including cash and cash equivalents of $31,395,025 (December 31, 2019 - $28,965,718). None of the cash equivalents are invested in asset-backed securities.

The Company's deposit on a SAG mill has been classified as a long-term deposit as a result of a renegotiation of the agreement to purchase the SAG mill and a letter of credit held by FLSmidth.

Term Investment

The Company is carrying a term deposit with Banco do Brasil to fund potential amounts owing to Companhia de Pesquisa de Recoursos Minerais ("CPRM"). As at September 30, 2020, the balance of this deposit was R$1,832,047 ($471,620) (December 31, 2019: R$1,806,839 ($571,181)).

NON-IFRS MEASURES

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the gold mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of working capital to the financial statements as at September 30, 2020 and December 31, 2019.

	September 30, 2020	December 31, 2019
Current assets		
Cash and cash equivalents	$ 31,395,025	$ 28,965,718
Prepaid expenses and sundry receivables	188,406	195,230
Promissory notes receivabble	-	9,013,433
	31,583,431	38,174,381
Current liabilities		
Accounts payable and accrued liabilities	3,768,063	4,332,233
Current portion of lease liabilities	16,046	20,147
	3,784,109	4,352,380
Working Capital: current assets less current liabilities	$ 27,799,322	$ 33,822,001

CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued share capital, shares held in trust for the settlement of share-based payments, share-based payment reserve and deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, development and exploration of Mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the development stage and, accordingly, the Company is dependent upon external financings to fund activities. To carry out planned engineering, test work, advancement and development of the mining projects, and pay for administrative costs, the Company will spend working capital and expects to raise additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

COMMITMENTS AND CONTINGENCIES

Management contract commitments

The Company is party to certain management contracts. These contracts require that additional payments of up to $24,902,334 be made upon the occurrence of certain events such as a change of control of the Company. The change of control commitment includes a component based on the Company's current share price. As a result of this inclusion, the change of control commitment reported increases or decreases in relation to the change in share price during the period. Minimum commitments remaining under these contracts were approximately $3,850,000 to be made if they are terminated without cause.

Legal contingencies

The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount that may be required to be paid in connection thereto, will have a material effect on the financial condition or future results of operations. As at September 30, 2020 and December 31, 2019, no amounts have been accrued related to such matters.

Environmental commitments

The Company's mining, development and exploration activities are subject to various federal, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Other commitments

The Federal Constitution of Brazil has established that the states, municipalities, federal district and certain agencies of the federal administration are entitled to receive royalties for the exploitation of Mineral Resources by holders of mining concessions (including extraction permits). The royalty rate for gold is currently 1.5% Federal law 13,540/17) arising from the sale of the mineral product, less the sales taxes of the mineral product. No royalties are currently due.

The Volta Grande Gold Project does not have any other royalties attached to the project beyond the aforementioned 1.5% royalty to the Brazilian government.

There is debt obligation due to CPRM as a result of a risk loan agreement. The Company maintains a high interest saving account that covers the full amount of the debt payment. As at September 30, 2020, no payments have been paid.

The capital resources of the Company are property, plant and equipment at $19,538,441 (net book value). The Company began capitalizing development costs effective February 2, 2017 upon the initial grant of the LI.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not party to any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2020 and 2019, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of goods/services			
	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
2227929 Ontario Inc.	$ 120,000	$ 120,000	$ 360,000	$ 360,000
Directors' promissory notes interest	12,314	66,243	5,631	224,209

The Company shares office space with other companies who may have common officers and directors. The costs associated with the use of this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly fee of $30,000. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

In January 2019, the Company purchased 3,000,000 common shares of Troilus Gold Corp. for $1,929,620, including commissions, an average price per share of $0.643. In February 2019, the Company sold these shares at an average price of $0.659 per share including commissions. A gain of $48,599 was recognized with respect to this disposition of shares.

The Company and Troilus Gold Corp. (“Troilus”) previously shared common directors and officers, including Mr. Peter Tagliamonte, Mr. Bruce Humphrey, and Mr. Denis Arsenault. The Company and Troilus currently share one common officer, Mr. Ian Pritchard.

The following balances included in the Company’s accounts were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	30-Sep-20	31-Dec-19	30-Sep-20	31-Dec-19
Directors and officers of the Company	$ 3,940,468	$ 9,013,433	$ 13,366	$ 117,221

Amounts owed by related parties reflect the promissory notes entered into with directors of the Company in April 2018 plus accrued interest.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the period were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Short-term benefits	$ 479,498	$ 605,660	$ 1,496,999	$ 2,210,154
Share-based payments	89,725	-	89,725	-
DSU expense	121,394	71,188	334,076	269,029
	$ 690,617	$ 676,848	$ 1,920,800	$ 2,479,183

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

More detailed information regarding the compensation of officers and directors of the Company is disclosed in the management information circular. The most recent management information circular is available under profile of the Company on SEDAR at www.sedar.com.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying value of cash and cash equivalents, prepaid expenses, sundry receivable and accounts payable approximate their fair values due to the short maturity of those instruments.

The Company's risk exposures and their impacts on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the nine months ended September 30, 2020.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparties related to its cash and cash equivalents and term investment carry an investment grade rating as assessed by external rating agencies. The Company maintains all of its cash and cash equivalents and term investment with major Canadian and Brazilian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The Company's promissory notes are held by directors of the Company. Management has assessed the credit risk associated with these promissory notes and based on the credit-worthiness of the parties involved, the Company has assessed the chance of loss as remote.

The Company's maximum exposure to credit risk at the statement of financial position date is the carrying value of cash and cash equivalents, promissory notes receivable and term deposits.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at September 30, 2020, the Company had current assets of $31,583,431 to settle current liabilities of $3,784,109. Approximately $2,986,000 of the Company's financial liabilities as at September 30, 2020 have contractual maturities of less than 30 days and are subject to normal trade terms. Of this amount, approximately $1,800,000 has been payable for over 180 days.

Market risk

(a) Interest rate risk

The Company's cash and cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on cash and cash equivalent balances on hand at September 30, 2020, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $31,000 (December 31, 2019 - $29,000).

(b) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's currency risk arises primarily with respect to the United States dollar and Brazilian Real. Fluctuations in the exchange rates between these currencies and the Canadian dollar could materially affect the Company's business, financial condition, and results of operations. The Company does not mitigate this risk with hedging activity.

A strengthening of $0.01 in the United States dollar against the Brazilian Real would have increased net loss by approximately $15,000 for the nine months ended September 30, 2020 (nine months ended September 30, 2019 - $89,000). A strengthening of $0.01 in the Canadian dollar against the United States dollar would have decreased other comprehensive income by approximately $3,000 for the nine months ended September 30, 2020 (nine months ended September 30, 2019 - $129,000).

As at September 30, 2020 the monetary balances in non-Canadian dollar currencies are as follows:

		Brazilian Reais		United States Dollar
Cash	R$	7,126,510		214
Accounts receivable and prepaid expenses		158,008		-
Long term investment		1,832,047		-
Accounts payable		(13,175,259)		(28,247)
Leases		(179,702)		-
	R$	(4,238,396)	$	(28,034)

OUTSTANDING SHARE DATA

Authorized unlimited common shares without par value – 454,971,915 are issued and outstanding as at November 13, 2020.

Authorized unlimited special shares – zero outstanding.

Stock options outstanding as at November 13, 2020 are as follows:

Number of stock options outstanding		Exercise price	Expiry date
4,648,333	$	0.85	14-Nov-21
200,000	$	0.23	15-Jun-23
4,850,000	$	0.80	27-Jul-25
9,698,333	$	0.81	

As at November 13, 2020, there were 17,064,750 DSU’s outstanding, of which 16,692,416 have vested at November 13, 2020.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high-risk nature of its business, which are the acquisition, financing, development and exploration of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward–looking information relating to the Company. Please refer to the Company's Annual Information Form for the year ended December 31, 2019 filed on SEDAR on March 24, 2020 for a full description of the Company's risks in addition to those highlighted below.

Coronavirus (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of projects may be impacted as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the operations or projects of the Company is suspended, it may have a material adverse impact on the Company's profitability, results of operations, and financial condition. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company's profitability, results of operations and financial conditions. On March 20, 2020, Brazil declared a state of emergency, freeing up funds for the federal government to fight the coronavirus. The extent to which the coronavirus impacts the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Nature of Mining, Mineral Exploration and Development Projects

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, Mineral Resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the Mineral deposit, expected recovery rates of Minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when Mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish measured, indicated and inferred Mineral Resources through drilling. Upon completion of a feasibility study, with an accompanying economic analysis, proven and probable Mineral reserves may be estimated. Because of these uncertainties, no assurance can be given that exploration programs will result in the expansion of Mineral Resources or the establishment of Mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of Mineral deposits will result in discoveries or development of commercial quantities of ore.

Mine development capital cost estimates are vulnerable to market forces, cost escalations and reductions, exchange rate fluctuations and supplier price changes. These factors can affect capital cost estimates.

Licences and Permits, Laws and Regulations

The Corporation's development and exploration activities, including mine, mill and infrastructure facilities, require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. Indigenous land demarcation can change and expand. New protected land can be established and expanded. In addition, the Corporation may be required to compensate those suffering loss or damage by reason of its activities. There can be no assurance that the Corporation will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or to operate its mining facilities.

The costs and potential delays associated with obtaining or maintaining the necessary authorizations and licences and complying with these authorizations, licences and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of the Volta Grande Gold Project. The recent litigation process with the Agrarian Court of Altamira, and other claims and injunctions brought against the Corporation are examples of legal claims that affect, and may continue to affect, the Volta Grande Gold Project. Any failure to comply with applicable laws, regulations, authorizations or licences, even if inadvertent, could result in interruption or termination of exploration, development or mining operations or logistics operations, or material fines, penalties or other liabilities that could have a material adverse effect on the Corporation's business, reputation, properties, results of operations, financial condition, prospects or community relations. Claims, lawsuits and injunctions may be brought by parties looking to prevent the Corporation from advancing its projects. The Corporation can make no assurance that it will be able to maintain or obtain all of the required Mineral licences and authorizations on a timely basis, if at all. There is no assurance that it will obtain the corresponding mining concessions, or that if they are granted, that the process will not be heavily contested and thus costly and time consuming to the Corporation. In addition, it may not obtain one or more licences. Any such failure may have a material adverse effect on the Corporation's business, results of operations and financial condition.

The Volta Grande LI outlined a timeframe to complete construction of the PVG within a 3 years period. As a result of the delays arising from the court ruling requiring Belo Sun to undertake a new Indigenous Study, the Company engaged SEMAS in discussions regarding this issue. SEMAS has confirmed with the company that the time schedule of the LI was suspended with the judicial court ruling received on April 2017 and that once the LI is re-instated the time for completion of the LI will commence.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating Mineral Resources and reserves, including many factors beyond the control of the Corporation. Such estimates are a subjective process, and the accuracy of any Mineral Resource or reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in geological interpretation. These amounts are estimates only and the actual level of recovery of Minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices, market conditions and actual events could have a material adverse effect on the Corporation's Mineral Resource and reserve estimates, financial position and results of operations.

Uncertainty Relating to Mineral Resources

Mineral Resources that are not Mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to Mineral Resources, there is no assurance that Mineral Resources will be upgraded to Mineral reserves.

Foreign Operations

At present, the Mineral properties of Belo Sun are located in Brazil. As a result, the operations of the Corporation are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates; price controls; import or export controls; currency remittance; high rates of inflation; labour unrest; renegotiation or nullification of existing permits, applications and contracts; tax disputes; changes in tax policies; restrictions on foreign exchange; changing political conditions; community relations; Indigenous relations; NGO activity; currency controls; and governmental regulations and legislation that may require the awarding of contracts of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitudes in Brazil or other countries in which Belo Sun may conduct business, may adversely affect the operations of the Corporation. The Corporation may become subject to local political unrest or poor community relations that could have a debilitating impact on operations and, at its extreme, could result in damage and injury to personnel and site infrastructure.

Failure to comply with applicable laws and regulations may result in enforcement actions and include corrective measures requiring capital expenditures, installing of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Environmental

The Company's activities are subject to extensive federal, state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

The current and future operations of the Corporation, including development and mining activities, are subject to extensive federal, state and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. Activities at the Corporation's properties may give rise to environmental damage and create liability for the Corporation for any such damage or any violation of applicable environmental laws. To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that the Corporation may incur to remedy environmental pollution would reduce otherwise available funds and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect. The Corporation intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards.

Many of the local, state and federal environmental laws and regulations require the Corporation to obtain licences for its activities. The Corporation must update and review its licences from time to time, and is subject to environmental impact analyses and public review processes prior to approval of new activities. In particular, the Corporation's Mineral project is located in the Volta Grande do Xingu region, in the area proximal to the Belo Monte hydroelectric plant, on the Xingu River, which is one of the Amazon's most important rivers. Due to the existence of communities of Indigenous peoples and the region's biodiversity, the environmental licensing process of the Belo Monte dam has attracted a great deal of attention from the local communities, non-governmental organizations, the Federal Public Prosecutor Office, the Brazilian Institute of Environment and Renewable Natural Resources, and other Brazilian and foreign institutions. Therefore, environmental licensing of the Volta Grande Gold Project and relations with local communities and local Indigenous communities may be more challenging and time consuming and subject to greater scrutiny as compared to the environmental licensing process and community and social relations for other Mineral projects conducted in Brazil. Belo

Sun can make no assurance that it will be able to maintain or obtain all of the required environmental and social licences on a timely basis, if at all.

In addition, it is possible that future changes in applicable laws, regulations and authorizations or changes in enforcement or regulatory interpretation could have a significant impact on the Corporation's activities. Those risks include, but are not limited to, the risk that regulatory authorities may increase bonding requirements beyond the Corporation's or its subsidiaries' financial capabilities. Developments elsewhere in the Brazilian mining industry or in relation to Brazilian mining legislation may add to regulatory processes and requirements, including additional scrutiny of all current permitting applications.

Liquidity Concerns and Future Financings

The Corporation will require significant capital and operating expenditures in connection with the development of the Volta Grande Gold Project. There can be no assurance that the Corporation will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Corporation to obtain debt or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Corporation to postpone or slow down its development plans, forfeit rights in some or all of the Corporation's properties or reduce or terminate some or all of its activities. In the event that the Corporation completes an equity financing, such financing could be extremely dilutive to current shareholders who invested in the Corporation at higher share prices and dilutive as compared to the Corporation's estimated net asset value per share and Mineral Resource or reserve ounces per share.

Title to Properties

The acquisition of title to Mineral Resource properties is a very detailed and time-consuming process. The Corporation holds its interest in its properties indirectly through mining concession rights, exploration permits and exploration applications. Title to, and the area of, the permits may be disputed, or applications may lapse. There may be area overlaps as in the case with INCRA. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Corporation may have an interest, which, if successful, could result in the loss or reduction of the Corporation's interest in the properties. There are garimpeiros (informal miners) operating from time to time within the Corporation's property, and there may be issues and difficulties that could arise, including title disputes and the risk of the garimpeiros encroaching onto active areas of the Volta Grande Gold Project. The Company always advises the proper authorities of any illegal garimpeiro mining activity on its properties.

The Corporation may need to acquire title to additional surface rights and property interests to further development and exploration activities. There can be no assurances that the Corporation will be able to acquire such additional surface rights. To the extent additional surface rights are available, they may only be acquired at significantly increased prices, potentially adversely affecting financial performance of the Corporation.

Project Development Costs

The Company plans to continue to develop its Volta Grande Gold Project. There can be no assurance that this project will be fully developed in accordance with the Company's current plans or completed on time or to budget, or at all.

Litigation

Belo Sun has entered into legal binding agreements with various third parties on a consulting and partnership basis. The rights and obligations that arise from such agreements are open to interpretation and Belo Sun may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause Belo Sun to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any future disputes could have a material adverse effect on Belo Sun.

Dependence on Key Personnel

The success of the Company is dependent upon the efforts and abilities of its senior management and board of directors. The loss of any member of the management team or board of directors should not but could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel will be found.

Conflicts of Interest

Certain of the directors and officers of the Company may serve from time to time as directors, officers, promoters and members of management of other companies involved in mining or natural Resource development and exploration and therefore it is possible that a conflict may arise between their duties as a director or officers of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and the directors and officers will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company is responsible for establishing and maintaining disclosure controls and procedures. Management has designed such disclosure controls and procedures, or caused them to be designed under its supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer by others within those entities.

The CEO and CFO have evaluated (or caused to be evaluated under their supervision) the effectiveness of the Company's disclosure controls and procedures as at September 30, 2020. Based upon the results of that evaluation, the CEO and CFO have concluded that as at September 30, 2020, the Company's disclosure controls and procedures were effective.

Internal Control Over Financial Reporting

Management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Under their supervision, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

▪ Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions, acquisitions and dispositions of the assets of the Company;

▪ Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control (COSO - 1992) Framework to design the Company's internal control over financial reporting.

The CEO and CFO have evaluated (or caused to be evaluated under their supervision) the Company's internal control over financial reporting as at September 30, 2020. Based on this assessment, the CEO and CFO have concluded that the Company's internal control over financial reporting was effective as at September 30, 2020.

There has been no change in the Company's internal control over financial reporting during the nine months ended September 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are Resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 2 of its annual consolidated financial statements for the year ended December 31, 2019.

New and Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2020 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Critical Accounting Estimates

The preparation of the Company's Financial Statements in conformity with 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 reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when development and exploration costs should be capitalized or expensed, and impact estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.