



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

(Containing information through November 6, 2019 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 6, 2019 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 interim consolidated financial statements for the three and nine months ended September 30, 2019 as well as the Company's audited annual consolidated financial statements and MD&A for the year ended December 31, 2018. 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, 2018 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.

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. Joseph C. Milbourne, FAusIMM, Vice-President of Technical Services for the Company, is the in-house Qualified Person under National Instrument 43-101 for all technical materials (except geology). Mr. Amireault and Mr. Milbourne 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.

Overview of the Company

Belo Sun is a Canadian-based development and mineral exploration company with a portfolio of gold-focused properties in Brazil including its principal project, the Volta Grande Gold Project (“PVG”) in Pará State approximately 49 kilometers South East of the city of Altamira. Belo Sun’s other properties are the Patrocinio Gold Project in Pará State and the Rainbow Alexandrite Project in Goiás State.

In 2014, PVG received its Environmental Licence (“LP”) approval and in 2017 it received its Construction Licence (“LI”) approval.

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

- 1) The Indigenous Study was not approved by FUNAI;
- 2) There was an overlap of INCRA land and the mining concession; and
- 3) IBAMA was the permitting authority and not SEMAS.

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

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

IBAMA: Instituto Brasileiro Do Meio Ambiente E Dos Recursos Naturais Renovaveis (Brazilian Institute of Environment)

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

The injunction relating to the Indigenous Study went to court and the court ruled that the LP and LI were both valid, however, the LI was suspended until the Company completed a new Indigenous Study and conducted additional consultation with Indigenous groups. The Company has been focused on completing these requirements.

The injunctions relating to INCRA and the IBAMA vs SEMAS authority were both overturned.

Highlights

Highlights for the nine months ended September 30, 2019 include:

- The Company continues to advance work related to completing an Indigenous Study in accordance with FUNAI’s guidelines and protocols, as required to lift the suspension of the LI.

- The Company continues to advance the consultation with Indigenous groups near the PVG. The Company conducted comprehensive site visits for the adult population of the local Indigenous communities, explaining the project and answering questions. The Company sponsored eight seminars conducted by independent professionals covering the topics of explosives, tailings facilities and hazardous materials. In addition, the Company organized and facilitated two site visits to operating mines similar to the PVG for both the local Indigenous communities.
- The Company remains engaged in discussions with INCRA to determine compensation for the overlap of INCRA land and the Volta Grande Mining concession.
- The Company continues to advance work to satisfy conditions set out in the LI, specifically related to the environment, community, operating standards and documentation.
- The Company continues to advance work related to PVG to ensure optimization with engineering and geochemical characterization studies, construction planning optimization and capital and operational cost reviews.
- The Company is evaluating the optimal funding solution for the PVG.
- The Company is conducting basic regional exploration activities.
- The Company continues to defend and follow any related court cases regarding PVG.

In July 2019, a three-judge panel decision by the Court of Appeals of the Federal Justice in Brasilia ruled unanimously that the SEMAS remains the competent authority for the environmental permitting of the PVG. The ruling confirms that the LI granted in 2017 by SEMAS and the LP granted in 2014 by SEMAS for the PVG remain valid, subject to completion of the Indigenous Study in a form acceptable to FUNAI.

Permitting, Licensing and Legal

In December 2013, the Environmental Council of Pará State, Brazil (COEMA) approved the Environmental Impact Assessment (“EIA”) for Belo Sun’s PVG and SEMAS issued the LP (see press release dated November 18, 2013). The approval of the EIA and receipt of the LP were key milestones in the advancement of the project 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. Although the PVG 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 12km, 16 km and 39 km away from the Volta Grande Gold Project. This Indigenous Study was submitted along with the Construction Licence application.

In February 2017, Belo Sun was granted its LI for the PVG by SEMAS.

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

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 is now in discussions with the new INCRA administration. While a final satisfactory negotiated solution is not guaranteed, both parties have continued to discuss a solution. The discussions between INCRA and Belo Sun are recorded and registered with the court in Altamira on a regular basis.

The relocation plan approved in the LI grants affected families the option to relocate at a time of the families' choosing with relocation expenses covered by the Company, stay where they currently live, or receive financial compensation for their property.

In granting the LI, SEMAS accepted the Indigenous Study, however, FUNAI did not approve the Indigenous Study, based on the study using secondary data.

In April 2017, the Company received a second injunction on its LI relating to the Indigenous Study. Both the Company and the State of Para appealed this injunction. The injunction suspending the LI was upheld by the Superior Court in Brasilia in December 2017, however, the court ruled that the LP granted by SEMAS in 2014 and the LI granted by SEMAS in 2017 are valid. According to the court order decision, the LI has been suspended until the Indigenous Study completed by the Company has been approved by FUNAI, and consultation with the Indigenous groups regarding the PVG have been completed. Following the decision of the Superior Court in Brasilia, the Company initiated discussions with FUNAI to update the Indigenous Study that complied with FUNAI's protocols. During Q1-2018, the Company retained

JGP Consultoria e Participacoes Ltda to execute the Indigenous Study and is in the process of updating the Indigenous Study to comply with FUNAI's requirements.

In September 2018, the Federal Regional Justice in Altamira ruled that the permitting authority going forward would be IBAMA (Federal Environmental Agency) rather than SEMAS. In November 2018 the First Regional Federal Court ruled to suspend the decision of the Federal Regional Justice in Altamira. Following the decision of the First Regional Federal Court, on July 12, 2019 a three-judge panel decision by the court of appeals of the federal justice in Brazil ruled unanimously that, SEMAS remains the competent authority for the environmental permitting of Belo Sun's PVG. The ruling confirms that the LI granted in 2017 by SEMAS and the LP granted in 2014 by SEMAS for the PVG remain valid, subject to the completion of the Indigenous Study prepared following the protocols prescribed by FUNAI, including primary data collection and consultations with the local Indigenous communities (see press releases dated December 6, 2017, and July 23, 2018).

On August 23, 2019 the Pará State Prosecution Office (*Ministério Público do Estado do Pará*) ("MPE") filed 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. In conclusion, the MPE requests that all the licenses granted to the PVG are declared null. The main allegations used by MPE are the same used in previous filed lawsuits.

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.

Due to the partial overlapping of the PVG to the INCRA resettlement project area, Belo Sun is in the process of formally reaching an agreement with INCRA to establish the way to compensate INCRA for the non-utilization of a portion of land during the time Belo Sun should use it for mining purposes.

On October 17, 2019 the President and chief executives of INCRA were dismissed from office. As a result of the change in management, Belo Sun is establishing contact with the new INCRA administration and management team to finalize a formal agreement with INCRA.

The LI is the final governmental approval authorizing the Company to proceed with construction and development of the PVG. The PVG consists of an open pit mine, a gold recovery process facility, water and tailings management and supporting infrastructure.

Summary of Quarterly Results

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

	Q2-2019	Q1-2019	Q4-2018	Q3-2018	Q2-2018	Q1-2018	Q4-2017	Q3-2017
	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Net loss	\$ (1,957,822)	(\$2,441,421)	\$ (1,791,008)	\$ (2,316,753)	(\$1,842,934)	(\$1,933,049)	(\$1,971,135)	(\$400,229)
Net loss per share	\$ (0.00)	(\$0.01)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Working Capital*	36,173,328	\$37,530,408	\$29,450,537	\$31,148,631	\$33,600,506	\$35,154,468	\$52,114,375	\$57,076,054
Total Assets	\$ 61,456,906	\$62,835,665	\$65,472,943	\$67,552,607	\$68,816,946	\$71,449,648	\$82,892,109	\$82,932,208
Total Non-current Liabilities	57,765	\$66,393	\$72,566	\$0	\$0	\$0	\$869,497	\$1,084,663

* 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.

Factors Affecting Comparability of Quarters

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 2019, the Company recorded share-based compensation expense of \$82,392 (Q2 2019 - \$72,748; Q1 2019 – \$132,834; Q4-2018 – \$246,348; Q3-2018 – \$286,443; Q2-2018 – \$746,606; Q1-2018 – \$(190,691); Q4-2017 – \$(1,489,154)). 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. The credits during Q1-2018, and Q4-2017 result from a decrease of the Company’s share price on the DSU value.

Exploration expenditures during quarters vary and can cause earnings to fluctuate. In the third quarter of 2019, the Company recorded exploration and evaluation expenses of \$859,738 (Q2 2019 - \$940,742; Q1 2019 – \$737,419; Q4-2018 – \$946,589; Q3-2018 – \$745,318; Q2-2018 – \$797,198; Q1-2018 – \$831,335; Q4-2017 – \$592,587). The Company began deferring development expenditures, including engineering expenses, during the first quarter of 2017. As a result of the suspension of the LI, minimal 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.

The decrease in total assets during Q2-2018 is due in part to the cash outlay required to purchase the Company's shares from the secondary market for its DSU obligations. As well, the Company completed the purchase and cancellation of approximately 22 million of its common shares during the quarter resulting in a cash outlay of approximately \$5 million. The non-current liabilities represent the DSU liability for those DSUs that vest more than one year from the period end. Increases and decreases during the periods reflected new grants, increases or decreases in the Company's share price, as well as movement of the liability to current. This decreased to \$nil in Q2-2018 as a result of the change in accounting treatment whereby, effective April 2018, the DSUs are treated as equity as they are expected to be paid out in common shares of the Company. The increase to non-current liabilities in Q1-2019 relates to the adoption of IFRS 16 and represents long-term lease liabilities.

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, 2019. This discussion should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2019 and related notes.

	Three months ended September 30,	
	2019	2018
Net loss	\$ (1,957,822)	\$ (1,842,934)
Interest income	(258,046)	(285,162)
Salaries, wages and consulting fees	821,989	819,371
Severance	100,000	-
Professional fees	128,013	36,195
General and administration	318,262	332,784
Depreciation	33,732	25,472
Share-based payments	82,392	286,443
Exploration and evaluation expenses	859,738	745,318
(Gain)/loss on foreign exchange	(133,400)	(117,487)
Interest expense	5,142	-

For the three months ended September 30, 2019, the Company recorded a net loss of \$1,957,822 (\$0.00 per share) compared to a net loss of \$1,842,934 (\$0.00 per share) for the three months ended September 30, 2018.

General and administration costs decreased by \$14,522 in Q3-2019 compared to Q3-2018, a recent trend resulting from a decrease in travel and other activities with the suspension of the LI.

The Company recorded \$82,392 in share-based payments during Q3-2019 related to the value of vesting DSUs (Q3-2018: \$199,165). Expense related to vesting stock options was \$nil (Q3-2018: \$87,278).

Exploration and evaluation expenses, which included costs for the Indigenous Study, were \$859,738 for the three months ended September 30, 2019 compared to \$745,318 for the three months ended September 30, 2018. The Company incurred no development expenditures during the current quarter (Q3-2018: \$nil).

The Company also recognized a foreign exchange gain of \$133,400 during Q3-2019 (Q3-2018: \$117,487) as 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, 2019, the Company spent \$2,069,329 on operations (three months ended September 30, 2018: \$1,928,926). The Company purchased \$2,666 of property, plant and equipment during the quarter during Q3-2019 (Q3-2018: \$552,576 primarily on land purchases for the PVG). The Company received \$444,000 in repayment of promissory notes during the three months ended September 30, 2019. Financing activity provided \$490,400 from stock option exercises, partially offset by \$4,976 used during Q3-2019 for lease payments with the adoption of IFRS 16.

	Nine months ended September 30,	
	2019	2018
Net loss	\$ (6,189,251)	\$ (5,747,118)
Interest income	(740,223)	(810,362)
Salaries, wages and consulting fees	2,817,970	2,545,260
Severance	100,000	-
Professional fees	165,533	186,203
General and administration	986,427	1,135,154
Depreciation	102,915	75,844
Share-based payments	287,974	842,358
Exploration and evaluation expenses	2,537,899	2,373,851
(Income)/loss on foreign exchange	(25,787)	(601,190)
Interest expense	5,142	-
Gain on sale of securities	(48,599)	-

For the nine months ended September 30, 2019, the Company recorded a net loss of \$6,189,251 (\$0.01 per share) compared to a net loss of \$5,747,118 (\$0.01 per share) for the nine months ended September 30, 2018.

Salaries, wages and consulting fees were increased by \$272,710 in 2019 compared to 2018, primarily due to bonuses paid during the year.

Professional fees decreased by \$20,670 in 2019 compared to 2018 as a result of the reduced activity as the Indigenous Study progresses.

General and administration costs decreased by \$148,727 in 2019 compared to 2018, a recent trend resulting from a decrease in travel and other activities with the suspension of the LI.

The Company recorded \$287,974 in share-based payments during 2019 related to the value of vesting DSUs (2018: \$429,174). Expense related to vesting stock options was \$nil (2018: \$413,184).

Exploration and evaluation expenses, which included costs for the Indigenous Study, were \$2,537,899 for the nine months ended September 30, 2019 compared to \$2,373,851 for the nine months ended September 30, 2018. The Company incurred development expenditures of \$18,561 during the current year which were recorded to property, plant and equipment (2018: \$nil development expenditures were incurred or capitalized).

The Company also recognized a foreign exchange gain of \$25,787 during 2019 (2018: \$601,190) 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, 2019, the Company spent \$6,308,813 on operations (nine months ended September 30, 2018: \$5,830,430). The Company spent \$21,553 on property, plant and equipment, or the PVG during 2019 (2018: \$1,399,529). During the first half of 2018, the Company acquired a land package for R\$7,000,000 (\$2,771,109), with payment terms over 120 days, having paid R\$3,615,949 (\$1,396,985) against this purchase as at September 30, 2018. The Company purchased securities for \$1,929,620 and sold them for \$1,978,219 during 2019 (2018: \$nil). Financing activity provided \$490,400 from stock option exercises that were partially offset by \$15,044 during 2019 on lease payments with the adoption of IFRS 16 (2018: \$nil).

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 \$36,173,328 as at September 30, 2019 (December 31, 2018 - \$31,148,631) including cash and cash equivalents of

\$30,708,490 (December 31, 2018 - \$35,378,721). 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 Recursos Minerais ("CPRM"). As at September 30, 2019, the balance of this deposit was R\$1,769,255 (\$576,859) (December 31, 2018: R\$1,726,827 (\$606,980)).

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 provide a reconciliation of working capital to the financial statements as at September 30, 2019 and December 31, 2018.

	September 30, 2019	December 31,
Current assets		
Cash and cash equivalents	\$ 30,708,490	\$ 35,378,721
Prepaid expenses and sundry receivables	242,142	227,850
Promissory notes receivable	9,345,263	-
	40,295,895	35,606,571
Current liabilities		
Accounts payable and accrued liabilities	4,102,460	4,457,940
Current portion of lease liabilities	20,107	-
	4,122,567	4,457,940
Working Capital, current assets less current liabilities	\$ 36,173,328	\$ 31,148,631

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. In order 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, 2019. 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 \$17,100,000 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 \$3,800,000 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, 2019 and 2018, 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.

Under a successfully renegotiated agreement with CPRM in March 2008, the Company maintains an interest-bearing term deposit to cover the future royalty payments, starting September 30, 2008. As at September 30, 2019, no royalty payments have been paid.

The capital resources of the Company are property, plant and equipment at \$18,994,992 (net book value). The Company began capitalizing development costs effective February 2, 2017 upon the initial grant of the LI.

Results of Operation – Development and Exploration

VOLTA GRANDE PROPERTY

Volta Grande, the Company's primary focus, is an advanced-stage development and exploration project located in Pará State, Brazil where gold mineral resources and reserves have been estimated.

Agreement

In 2005, the Company signed an agreement modifying the terms of the acquisition of a 100 percent interest in the PVG located in the Pará State, approximately 49 kilometers southeast of the city of Altamira in northern Brazil. Under the original terms of the contract signed in 2004, the Company was to pay to the vendor US\$3 million over four years. Under the modified agreement the Company agreed to pay to the vendor a total of US\$600,000 which was paid in 2006. The transfer of title to the Volta Grande Property occurred following the arrangements

with CPRM, whereby the Company has committed to pay CPRM R\$3,740,000 if a mineable deposit is defined on the Volta Grande Property. Payments would begin two years following production and could be paid over ten years on a quarterly basis. As security, the Company had purchased a term deposit of R\$3,740,000.

In March 2008, the Company successfully renegotiated the agreement with CPRM. Under the new terms, CPRM released to the Company R\$3,525,087 of the total term deposit of R\$4,273,087 held in security to cover the Company's debt owed to CPRM. In addition, the Company allocated the balance of the original term deposit that was not released, amounting to R\$748,000, to be retained in an interest-bearing term deposit to cover future royalty payments.

Background

The 100% owned Volta Grande Gold Project is located approximately 49 kilometers southeast of the town of Altamira (pop. 150,000) in the northern region of Pará State.

Gold mineralization 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 metres of combined core, auger, and reverse circulation drilling and several thousand channel and soil samples. Preliminary metallurgical work indicated that Volta Grande mineralization is amenable to conventional milling and cyanidation process methods, with gold recoveries of up to 95% in bottle roll tests.

The shear-hosted mineral resource at Volta Grande is contained in the main areas of the Volta Grande Gold Project (North Block which is a string of connected deposits, comprised of Ouro Verde and Grota Seca and a currently small mineral resource called the South Block which is about 6km from the Volta Grande Gold Project). All of these areas have or have had development in the form of artisanal workings. Within these areas, there are numerous narrow zones of high-grade gold mineralization, with potential for expansion along strike and at depth. There is also potential for the discovery of additional mineralized zones within the large alteration envelope in the host intrusive rocks, which have been traced for more than seven kilometres 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 been mined historically by garimpeiros (informal miners) for several decades using both open pit and underground mining methods with several shafts of 80 to up to 300 metres along high-grade veins. Grab samples from these shafts have assayed as high as 474.9 g/t Au.

Since 2010, Belo Sun has carried out a large drill exploration program that consisted of over 700 drill holes for a total of over 180,000m drilled (mostly by diamond drilling) at Ouro Verde, Grota Seca and South Block. The results outlined the size of the mineralizing system with a pit-constrained mineral resource extending over 4km on strike and over 500 metres deep for Ouro Verde, Central and Grota Seca.

Feasibility Study

In March 2015, the Company completed a Feasibility Study on its 100% owned Volta Grande Gold Project. The Feasibility Study was prepared in accordance with National Instrument 43-101 (NI 43-101) of the Canadian Securities Administrators. Projections include:

- Annual gold production of 268,000 oz averaged over the first 10 years of the mine life
- Post-tax Internal Rate of Return of 26% using a gold price of US\$1,200/oz and an exchange rate of 3.1:1 (Brazil R\$3.1: US\$1)
- Post-tax Net Present Value of US\$665 million at a 5% discount rate
- 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 Mineral Reserves

The mineral reserves for the Volta Grande Gold Project 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 reserves.

The fully diluted mineral reserves 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 gold price pit shell with a USD\$1,200 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 the South Block, nor the Greia Zone. Mineral resources that were part of the March 2015 mineral resource associated with South Block and underground mineral resources were left outside of 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 metres 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, 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 (CIP) flow sheet. Test work results indicated that 40% to 50% of the gold will be recovered in a gravity concentrate.

Infrastructure

The Volta Grande Gold Project is located in Pará State, approximately 49 kilometres 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 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 Project 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 Project will originate from a sub-station located 20 kilometers away 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 extract 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 should be sufficient to meet 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 revised mineral resource 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 are as follow: open pit mining costs of US\$2.05/tonne of ore, process costs of US\$8.12/tonne, general & 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 metres of drilling obtained from previously reported drilling and from 180,650 metres 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 domains were modelled in hard rock as well as in saprolite. The gold mineralization thickness ranges from 2 to 70 metres.

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 metre for the Grota Seca and Ouro Verde deposits, and 1.36 tonnes per cubic metre 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 helping to transport doctors, nurses, dentists and teachers to the area. Among other things, these efforts promote the eradication of malaria in the Volta Grande area.

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, 2019 and 2018, 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		Nine months ended	
	September 30,		September 30,	
	2019	2018	2019	2018
2227929 Ontario Inc.	\$ 120,000	\$ 120,101	\$ 360,000	\$ 361,355
Forbes & Manhattan, Inc.	-	75,000	325,000	225,000
Directors' promissory notes interest	66,243	-	224,209	71,099

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 \$40,000. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

Mr. Stan Bharti, a former director of the Company, is the Executive Chairman of Forbes & Manhattan, Inc., a corporation that provides business development services to the Company. Forbes & Manhattan, Inc. charges a monthly consulting fee of \$25,000.

In 2019 The Company considered a strategic investment into Troilus Gold Corp. ("Troilus")

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-19	31-Dec-18	30-Sep-19	31-Dec-18
Directors and officers of the Company	\$ 9,345,263	\$10,280,381	\$ 11,250	\$ 56,882
2227929 Ontario Inc.	-	-	-	17,871
Forbes & Manhattan, Inc.	-	-	-	12,000
Troilus Gold Corp	-	-	-	1,743

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,	
	2019	2018	2019	2018
Short-term benefits	\$ 605,660	\$ 543,247	\$2,210,154	\$ 1,629,747
Share-based payments	-	90,450	-	285,641
DSU expense	71,188	190,974	269,029	420,545
	\$ 676,848	\$ 824,671	\$2,479,183	\$ 2,335,933

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, 2019.

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 a low risk credit risk.

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.

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, 2019, the Company had current assets of \$40,295,895 to settle current liabilities of \$4,122,567. Approximately \$3,318,000 of the Company's financial liabilities as at September 30, 2019 have contractual maturities of less than 30 days and are subject to normal trade terms. Of this amount, approximately \$2,011,000 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, 2019, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately \$31,000 (December 31, 2018 - \$35,000).

(b) Currency risk

As the Company operates on an international basis, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign 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 have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

A strengthening of \$0.01 in the United States dollar against the Brazilian Real would have increased net loss by approximately \$89,000 for the nine months ended September 30, 2019 (for the nine months ended September 30, 2018 - \$96,000). A strengthening of \$0.01 in the Canadian dollar against the United States dollar would have decreased other comprehensive income by approximately \$129,000 for the nine months ended September 30, 2019 (for the nine months ended September 30, 2018 - \$24,000).

As at September 30, 2019 the monetary balances in non-Canadian dollar currencies are as follows:

	Brazilian Reais	United States Dollar
Cash	R\$ 186,963	394
Accounts receivable and prepaid expenses	50,619	-
Long term investment	576,859	-
Accounts payable	(3,766,431)	-
Leases	(77,872)	-
	R\$ (3,029,862)	\$ 394

Outstanding Share Data

Authorized unlimited common shares without par value – 445,801,915 are issued and outstanding as at November 6, 2019.

Authorized unlimited special shares – zero outstanding.

Stock options outstanding as at November 6, 2019 are as follows:

Number of stock options outstanding	Exercise price	Expiry date
2,845,000 \$	0.12	19-Nov-19
5,775,000 \$	0.22	6-Apr-20
550,000 \$	0.22	8-Jun-20
4,653,333 \$	0.85	14-Nov-21
250,000 \$	0.23	15-Jun-23
14,073,333 \$	0.41	

As at November 6, 2019, there were 17,714,750 DSU's outstanding, of which 16,188,250 have vested at November 6, 2019.

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, 2018 filed on SEDAR on March 29, 2019 for a full description of the Company's risks in addition to those highlighted below.

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 is expiring in February 2020. The Company engaged SEMAS in discussions regarding this issue. Through meetings and correspondence with SEMAS, the Company has been advised that there is low risk with losing the LI provided that an extension/renewal submission is made. The extension/renewal was submitted and the Company is monitoring the situation.

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, 2019. Based upon the results of that evaluation, the CEO and CFO have concluded that as at September 30, 2019, 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, 2019. 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, 2019.

There has been no change in the Company's internal control over financial reporting during the nine months ended September 30, 2019 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, 2018.

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, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 16 – Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. The Company has applied IFRS 16 on January 1, 2019 using the modified retrospective approach, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. Upon adoption, the Company has elected to apply the available exemptions for short-term leases and leases of low-value assets. The Company has also elected to apply the

practical expedient whereby leases whose term ends within 12 months of the date of the initial application would be accounted for in the same way as short-term leases.

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The Company has included the estimated extension of their leases in the lease term in assessing the present value of future lease payments. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of use assets are depreciated in accordance with the Company's accounting policy for Property, plant and equipment.

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.