MEXICAN GOLD CORP

(FORMERLY SOURCE EXPLORATION CORP.)

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

The following management's discussion and analysis ("MD&A") of Mexican Gold Corp. (formerly Source Exploration Corp.) ("Mexican Gold" or the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the year ended June 30, 2017. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Corporation for the years ended June 30, 2017 and 2016, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Corporation's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of October 10, 2017, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Mexican Gold's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Information about the Corporation and its operations can be obtained from the offices of the Corporation or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this MD&A and in certain documents incorporated by reference in this MD&A, constitute forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of (i) this MD&A; or (ii) as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Corporation's properties to contain economic deposits of gold and/or other metals (as described under the headings "Description of Business".	Financing will be available for future exploration of the Corporation's properties; the actual results of the Corporation's exploration activities will be favourable; operating and exploration costs will not exceed the Corporation's expectations; the Corporation will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Corporation, and applicable political and economic conditions will be favourable to the Corporation; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to Mexican Gold; no title disputes exist with respect to the Corporation's properties.	Gold and/or other metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Corporation's expectations; availability of financing for and actual results of the Corporation's exploration activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Corporation's ability to retain and attract skilled staff; availability of permits.
The Corporation's estimated head office costs for fiscal 2018 and the need to raise capital in order to meet its working capital needs (as described under the heading "Liquidity and Financial Position").	The operating and exploration activities of the Corporation on a going forward basis, and the costs associated therewith, will be consistent with the Corporation's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation; availability of financing.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; interest rate and exchange rate fluctuations; changes in economic conditions and planned operations.

Plans, costs, timing and capital for future exploration of the Corporation's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations (as described under the headings "Description of Business" and "Overall Performance").	Financing will be available for the Corporation's exploration activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Corporation's current expectations; the Corporation will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to Mexican Gold; the Corporation will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions will be favourable to the Corporation; the price of gold and/or other applicable metals will be favourable to the Corporation; no title disputes exist with respect to the Corporation's property.	Gold and/or other metals price volatility; changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired property; the possibility that future exploration results will not be consistent with the Corporation's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Corporation's ability to retain and attract skilled staff; receipt of permits.
Management's outlook regarding future trends and potential future acquisitions and financings.	Financing will be available for the Corporation's exploration and operating activities; the price of gold and/or other applicable metals will be favourable.	Gold and/or other metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.
Prices and price volatility for gold and other precious minerals and metals.	The price of gold and other precious minerals and metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of gold and other precious minerals and metals will be favourable.	Changes in debt and equity markets and the spot price of gold and other precious minerals and metals; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Mexican Gold's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Mexican Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Mexican Gold (formerly Source Exploration Corp.) was incorporated under the Business Corporation's Act (Alberta) on October 5, 2006 and was continued under the Business Corporations Act (Ontario) on January 17, 2011. On April 20, 2017, the Corporation filed Articles of Amendment to change its name to Mexican Gold Corp. The Corporation's shareholders approved a special resolution to change the name of the Corporation at the Corporation's special meeting of shareholders held on April 12, 2017. Effective at the start of trading on April 26, 2017, the Corporation commenced trading on the TSX Venture Exchange ("TSXV") under the new name and the new stock symbol "MEX".

The Corporation is a Canadian-based junior exploration and development company with exploration projects in Mexico. The principal business of the Corporation is the acquisition, exploration and development of high value mineral properties.

The Corporation's Las Minas project is located in the State of Veracruz, Mexico, approximately 270 kilometres east of Mexico City. The project is comprised of six mineral concessions covering approximately 1,616 hectares in the heart of the historical Las Minas mining district. The project is accessible by road and located near a hydro-electric power plant.

Overall Performance

Share issuances

(i) On November 30, 2016, the Corporation closed the first tranche of a non-brokered private placement of 5,192,500 units of the Corporation (the "Units") at a price of $0.15 per Unit for gross proceeds of $778,875. Each Unit consists of one common share of the Corporation and one common share purchase warrant ("Warrant"). Each Warrant entitled the holder to purchase one common share at a price of $0.25 per common share until November 30, 2018.

In connection with the private placement, the Corporation paid an aggregate of $42,438 in finder's fees to certain arm's length parties, representing 8% of the proceeds received from subscribers that were introduced by such parties, and issued 270,920 finder's warrants ("Finder's Warrants") on the same terms as the Warrants.

Pursuant to the terms of the Warrants and the Finder's Warrants, the Corporation has the right to accelerate the expiry date of the Warrants and the Finder's Warrants on notice to the holders of the Warrants and the Finder's Warrants, if at any time after March 31, 2017 the closing price of its common shares on a stock exchange in Canada is greater than $0.40 per common share for a period of 10 consecutive trading days, in which case the Warrants and the Finder's Warrants will expire 30 days after the date on which such notice is given. The securities issued under this tranche of the private placement are subject to a hold period under applicable Canadian securities laws which will expire on March 31, 2017.

(ii) On February 14, 2017, the Corporation closed the second tranche of a non-brokered private placement of 12,333,333 Units of the Corporation at a price of $0.15 per Unit for gross proceeds of up to $1,850,000. Each Unit consists of one common share of the Corporation and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.25 per common share until March 3, 2019.

In connection with the private placement, the Corporation paid an aggregate of $57,724 in finder's fees to certain arm's length parties, representing 8% of the proceeds received from subscribers that were introduced by such parties, and issued 72,000 Finder's Warrants on the same terms as the Warrants.

Pursuant to the terms of the Warrants and the Finder's Warrants, the Corporation has the right to accelerate the expiry date of the Warrants and the Finder's Warrants on notice to the holders of the Warrants and the Finder's Warrants, if at any time after July 4, 2017 the closing price of its common shares on a stock exchange in Canada is greater than $0.40 per common share for a period of 10 consecutive trading days, in which case the Warrants and the Finder's Warrants will expire 30 days after the date on which such notice is given. The securities issued under this tranche of the private placement are subject to a hold period under applicable Canadian securities laws which will expire on July 4, 2017.

(iii) On May 10, 2017, the Corporation issued an aggregate of 1,052,129 common shares at a deemed price of $0.31 per common share and an aggregate of 611,000 common shares at a deemed price of $0.25 per common share to certain of its officers and/or directors in settlement of outstanding debt in the aggregate amount of $478,910.

(iv) On May 25, 2017, the Corporation closed a non-brokered private placement of 5,990,270 units of the Corporation at a price of $0.30 per Unit for gross proceeds of up to $1,797,081. Each Unit consists of one common share of the Corporation and one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one common share at a price of $0.45 per common share until May 25, 2019.

In connection with the private placement, the Corporation paid an aggregate of $22,785 in finder's fees to certain arm's length parties, representing 7% of the proceeds received from subscribers that were introduced by such parties, and issued 75,950 Finder's Warrants on the same terms as the Warrants. The securities issued under the private placement are subject to a hold period under applicable Canadian securities laws which will expire on September 26, 2017.

Stock Option Grants

(i) On March 7, 2017, the Corporation granted 1,450,000 options to officers, directors and consultants of the Corporation at a price of $0.30 per share and an expiry date of March 7, 2027. The options will vest one-third after twelve, eighteen and twenty-four months respectively from the date of the grant.

(ii) On May 24, 2017, the Corporation granted 400,000 options to a consultant of the Corporation at a price of $0.35 per share and an expiry date of May 24, 2022. The options will vest quarterly over twelve months from the date of the grant.

(iii) On May 29, 2017, the Corporation granted a total of 1,050,000 stock options to certain officers, directors and consultants of the Corporation at a price of $0.36. 950,000 of the options have an expiry date of May 29, 2027 and vest one-third after twelve, eighteen and twenty-four months from the effective date of the grant. 100,000 of the options have an expiry date of May 29, 2022 and vested immediately. Additionally, the Corporation granted 250,000 stock options to an officer and director of the Corporation at a price of $0.55 per share, an expiry date of May 29, 2027 and vested immediately.

Appointment and Resignation of Directors

(i) On February 23, 2017, the Corporation announced the appointment of Mr. Ali Zamani to the Board of Directors of the Corporation. Mr. Zamani brings extensive experience in business, finance, and governance of private and publicly-traded companies. He has served as the Managing Partner of Overlook Investments LLC since January 2016.

(ii) On March 15, 2017, the Corporation announced the appointment of Mr. Brian Robertson, P.Eng., as Chairman, effective immediately. Mr. Robertson currently serves as President and Chief Executive Officer of the Corporation and is also a director. In his new role as Chairman, Mr. Robertson replaces Mr. David Baker, previously Executive Chairman, who will remain on the Board as an independent director.

(iii) On May 12, 2017, the Corporation announced that Mr. Earl Terris resigned as a director of the Corporation for personal reasons, effective May 12, 2017.

(iv) On May 26, 2017, the Corporation announced the appointments of Mr. Ali Zamani as Chairman of the Board of Directors and Mr. John Anderson as Director, effective immediately. Mr. Zamani replaces Mr. Brian Robertson who continues in his role as President and CEO.

Change of Name

On April 21, 2017, the Corporation announced that it filed Articles of Amendment to change its name to Mexican Gold Corp. The Corporation's shareholders approved a special resolution to change the name of the Corporation at the Corporation's special meeting of shareholders held on April 12, 2017. Effective at the start of trading on April 26, 2017, the Corporation commenced trading on the TSX Venture Exchange under the new name and the new stock symbol "MEX".

Exploration update

2017 Phase 2 Exploration Program

The Corporation mobilized a diamond drill to the Las Minas property in mid-February to commence a 3,000 metre drilling program. The program included infill/extension as well as step-out drilling to expand the mineralized footprint of the El Dorado/Juan Bran zone. Additionally, a single hole was drilled at the Cinco Senores zone to test a geological concept that the Cinco Senores historic mining area represents a further lobe of the El Dorado mineralized skarn system

The drilling was a continuation of previous successful drilling campaigns at the high priority El Dorado/ Juan Bran zone (See Mexican Gold press releases dated February 4, 2014, March 13, 2014 and August 29, 2014), and aimed at completing a maiden NI -43-101 resource estimate.

Diamond drilling at the El Dorado/Juan Bran zone intersected long intervals of high-grade gold, copper and silver mineralization and extended the zone up to 90 metres on strike to the west.

Highlights for holes with long high- grade intervals include:

- **6.82 g/t Au Eq over 12.0 metres in LM-17-ED-25, within**
  - **5.88 g/t Au Eq over 16.0 metres, within**
    - **4.43 g/t Au Eq over 24.0 metres**
- **3.87 g/t Au Eq over 14.0 metres in LM-17-ED-26, within**
  - **3.32 g/t Au Eq over 28.0 metres**
- **5.98 g/t Au Eq over 6.0 metres in LM-17-ED-28, within**
  - **4.18 g/t Au Eq over 26.0 metres, within**
    - **3.48 g/t Au Eq over 36.0 metres**
- **6.18 g/t Au Eq over 4.0 metres in LM-17-JB-12, within**
  - **2.97 g/t Au Eq over 14.0 metres**
- **6.14 g/t Au Eq over 16.0 metres in LM-17-ED-31, within**
  - **4.79 g/t Au Eq over 28.0 metres, within**
    - **3.88 g/t Au Eq over 38.0 metres**
- **5.43 g/t Au Eq over 10.0 metres in LM-17-ED-35. within**
  - **4.22 g/t Au Eq over 14.0 metres, within**
    - **3.36 g/t Au Eq over 18.0 metres**
- **5.29 g/t Au Eq over 16.0 metres in LM- 17- ED-38 Upper Zone, within**
  - **4.57 g/t Au Eq over 21.0 metres**
- **4.59 g/t Au Eq over 11.6 metres in LM-17-ED-38 Lower Zone, within**
  - **3.12 g/t Au Eq over 23.6 metres**
- **4.51 g/t Au Eq over 16.0 metres in LM-17-JB-16, within**
  - **3.89 g/t Au Eq 20.0 metres**

The western boundary of the El Dorado / Juan Bran zone was extended on strike by holes LM- 17- JB-16, LM-17- JB-17 and LM-17-JB-18. These holes intersected strong mineralization up to 90 metres beyond the extent of mineralization defined by earlier drilling. The zone remains open on strike and down dip.

Highlights from holes extending the western boundary of mineralization include:

- **4.51 g/t Au Eq over 16.0 metres in LM-17 –JB-16, within**
  - **3.89 g/t Au Eq over 20.0 metres,**
- **4.99 g/t Au Eq over 2.0 metres in LM-17-JB-17**
- **4.00 g/t Au Eq over 6.0 metres in LM-17- ED-18, within**
  - **3.22 g/t Au Eq over 10.0 metres**

Diamond Drilling at Cinco Senores Zone

A single step –out hole, LM-17-CS-04, was drilled at the Cinco Senores zone at the end of the 2017 Phase 1 drilling program to test a geological concept that the Cinco Senores historic mining area represents a further lobe of the El Dorado mineralized skarn system. Step –out hole LM-17-CS-04 intersected a high- grade 2.0 metre interval with massive chalcopyrite grading 10.8 g/t gold, 41.7 g/t silver and 2.8 % copper or 15.98 g/ t gold equivalent. The strong presence of chalcopyrite -mineralized magnetite at the targeted skarn elevation in the step-out hole, when combined with earlier drilling and sampling results, is believed to be indicative of the potential for another El Dorado/ Juan Bran type deposit at the Cinco Senores zone.

The Cinco Senores area presents several compelling similarities to the El Dorado area including:

- Multiple historic mines at the level of the erosional exposed contact between a regional dioritic sill and the overlying carbonate rocks.
- A regional scale fault intersecting the sill contact to provide structural control for skarn formation.
- Strong gold and copper values in mineralized skarn within and around the historic mining.
- A topographic profile which puts the sill contact below surface and out of reach of historic operations.
- An analogous 'erosional horseshoe' magnetic signature.
- El Dorado-type mineralized magnetite skarn is exposed in a small outcrop on the valley floor.

Acquisition of Pueblo Nuevo and La Luz 1 Concessions

On May 16, 2017, the Corporation reported that it had acquired a 100% interest in the Pueblo Nuevo and La Luz 1 concessions. Pursuant to the terms of the option agreement, the Corporation acquired the Pueblo Nuevo and La Luz 1 concessions for US$ 150,000, plus VAT, in cash. The property owner retains a 1.5% royalty, of which 0.5% can be bought for US$ 500,000, plus VAT. Mexican Gold has the first right of refusal on the remaining 1% royalty.

Exploration Program at Pueblo Nuevo Concessions

The Pueblo Nuevo concession covers an area of approximately 97.5 hectares with numerous high – grade quartz veins and silicified structures hosted in a volcanic package. The veins have indicated strike lengths of 100 to 300 metres, with widths varying from 0.50 to 3.0 metres. The Pueblo Nuevo concession is the site of several historical underground mines and adits including the La Miqueta, La Miqueta Alta, Marangola, Murcielagos, Dos Rios and Banco de Cobre. The La Miqueta mine was extensively mined in the past and has 21 known levels. Historic mining activity was carried out on narrow (10-20 cm) quartz veins in both diorite and marble, extending approximately 100 metres on strike and over 100 metres vertically

Sampling Pueblo Nuevo Concession

On May 31, 2017, Mexican Gold reported high-grade sampling results from its 100% Pueblo Nuevo concession. The sampling was carried out on the Tamiagua 1, Tamiagua 2, and Dos Rios vein structures.

Sampling of the Tamiagua 1 vein structure yielded up to 24.86 g/t gold and 17.8 g/t silver or 25.13 g/t Au Eq over 0.25 m, contained within a 0.72 m interval grading 19.09 g/t gold and 10.6 g/t silver or 19.24 g/t Au Eq.

A sample from the shaft at the Tamiagua 2 vein structure graded 13.68 g/t gold, 29.8 g/t silver or 14.90 g/t Au Eq over 0.20 m. A chip sample of the vein outcropping on surface graded 15.93 g/t gold. 98.6 g/t silver or 17.3 g/t Au Eq. Sampling of the Dos Rios vein yielded 3.23 g/t gold, 25.2 g/t silver or 3.67 g/t Au Eq over 0.30 m.

Extension Agreement Pepe, Pepe Tres and San Jose Concessions

On June 8, 2017, the Corporation announced that its wholly-owned subsidiary, Roca Verde Exploration de Mexico, S.A. de C.V. had entered into a definitive purchase and sale agreement to acquire a 100% interest in the Pepe, Pepe Tres and San Jose concessions at its Las Minas property from the current owners. The Concessions form the core of the Las Minas property and encompass six highly mineralized zones, including the El Dorado/Juan Bran and Santa Cruz zones.

Pursuant to the terms of the Purchase Agreement, Roca Verde agreed to acquire the Concessions in consideration for the following payments to the Owners:

- an initial payment of US$433,333 plus Value Added Tax, payable upon execution of the Purchase Agreement;
- six equal payments of US$22,000 plus Value Added Tax, payable monthly commencing on December 5, 2017 with the final payment due on May 7, 2018; and
- a final payment of US$866,666 plus Value Added Tax, payable on or before December 5, 2018.

The Initial Payment was paid in full. If the Final Payment is made prior to the date on which any of the Monthly Payments are due, any Monthly Payment that would have been due after the date upon which the Final Payment is made shall no longer be payable. Upon payment of the Consideration, ownership and full title to the Concessions shall be automatically transferred to Roca Verde.

Pursuant to the terms of the Purchase Agreement, upon the transfer of the Concessions, the Owners retain a 1.5% NSR royalty, of which one third may be purchased by Roca Verde for US $500,000 plus Value Added Tax. Roca Verde has a right of first refusal on the Royalty in the event that the Owners intend to transfer all or part of the Royalty.

Maiden NI -43-101 Resource Estimate

During the quarter, the John T. Boyd Company was engaged to commence work on a maiden resource estimate, with a site visit being completed in mid-April. The maiden NI-43-101 resource estimate included both the El Dorado / Juan Bran and Santa Cruz zones. On August 1, 2017, the Corporation announced an initial Mineral Resource Estimate for the two zones. The estimate was based on data generated from 19,636 metres of drilling and 4,247 assays. Highlights of the estimate are detailed below:

Highlights

• Total Inferred Resource of 719,000 Au Eq ozs contained within 10,304,000 tonnes grading 2.17 g/t Au Eq.

• Total Measured and Indicated ("M&I") Resource of 304,000 Au Eq ozs contained within 4,970,000 tonnes grading 1.90 g/t Au Eq.

• The El Dorado/Juan Bran zone outcrops on surface and occurs as a flat lying to sub-horizontal body zone measuring approximately 650 metres N-S by 250 metres E-W. The zone varies in thickness from 6.0 to 28.0 metres.
• The Santa Cruz zone is comprised of a series of high-grade stacked lenses of skarn mineralization that strike NW and dip approximately 50 degrees to the west. Overall dimensions of Santa Cruz mineralization are approximately 220 m x 100 m.

Notes

Mineral Resources were calculated at a gold price of US $1,250 per troy ounce, a copper price of US $2.85 per pound and a silver price of US $16.75 per troy ounce. Gold equivalent grade is calculated as Au Eq (g/t) = Au (g/t) + Ag (g/t) * 0.013 + Cu (%) * 1.564.

All reported intervals are core lengths and additional information is required to determine true widths. Assays are uncut, length–weighted average values.

(1) Gold equivalent (Au Eq) calculations use metal prices of US$ 1200/oz. for gold, US$ 19.00/oz. for silver and US$ 3.00/lb. for copper. No adjustments have been made for potential relative differences in metal recoveries.

Au Eq g/t equals Au g/t + (Ag g/t x 0.016) + (Cu% x1.71).

Environmental Contingency

The Corporation's mining and exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of June 30, 2017, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Overall Objective

The Corporation's business objective is to generate superior returns for our shareholders by acquiring high potential precious metals exploration properties in safe jurisdiction and adding significant value by carrying out focused exploration and development programs

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Corporation at June 30, 2017, 2016 and 2015 and for the years ended June 30, 2017, 2016 and 2015.

Description	Year Ended June 30, 2017 ($)	Year Ended June 30, 2016 ($)	Year Ended June 30, 2015 ($)
Total revenues	16,151	3,430	4,208
Total net loss	(3,145,003)	(945,158)	(1,174,950)
Net loss per common share - basic and	(0.17)	(0.11)	(0.15)

Description	As at June 30, 2017 ($)	As at June 30, 2016 ($)	As at June 30, 2015 ($)
Total assets	1,394,819	71,892	468,996
Total non-current financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

- The net loss of $3,145,003 for the year ended June 30, 2017, consisted primarily of general and administrative of $794,332, exploration and evaluation expenditures of $1,857,636 and share-based payments of $269,158.

- The net loss of $945,158 for the year ended June 30, 2016, consisted primarily of general and administrative of $674,560 and exploration and evaluation expenditures of $328,448 offset by the recovery of VAT of $102,851.

- The net loss of $1,174,950 for the year ended June 30, 2015, consisted primarily of general and administrative of $876,466; exploration and evaluation expenditures of $916,805; and share-based payments of $128,800 offset by the recovery of VAT of $847,264.

Summary of Quarterly Information

Three Months Ended	Total Assets $	Total Revenue $	Net Loss Total $	Net Loss Per Share [9][10] $
June 30, 2017	1,394,819	-	(2,020,168) [1]	(0.11)
March 31, 2017	1,403,352	-	(686,981) [2]	(0.04)
December 31, 2016	489,834	-	(238,095) [3]	(0.02)
September 30, 2016	53,152	-	(199,759) [4]	(0.02)
June 30, 2016	71,892	-	(224,517) [5]	(0.03)
March 31, 2016	106,754	-	(282,827) [6]	(0.03)
December 31, 2015	276,175	-	(154,687) [7]	(0.02)
September 30, 2015	361,957	-	(283,127) [8]	(0.03)

(1) Net loss of $2,020,168 includes administrative and general of $326,226, exploration and evaluation expenditures of $1,325,915, and share-based payments of $251,812. All other items were for working capital purposes.

(2) Net loss of $686,981 includes administrative and general of $182,006, exploration and evaluation expenditures of $418,901 and VAT of $39,241. All other items were for working capital purposes.

(3) Net loss of $238,095 includes administrative and general of $143,590 and exploration and evaluation expenditures of $71,285. All other items were for working capital purposes.

(4) Net loss of $199,759 includes administrative and general of $142,510 and exploration and evaluation expenditures of $41,535 offset by recovery of VAT of $7,976. All other items were for working capital purposes.

(5) Net loss of $224,517 includes administrative and general of $106,187, exploration and evaluation expenditures of $122,850 and professional fees of $3,973 offset by recovery of VAT of $11,145. All other items were for working capital purposes.

(6) Net loss of $282,827 includes administrative and general of $116,800, exploration and evaluation expenditures of $139,216 and professional fees of $6,518 offset by recovery of VAT of $11,145. All other items were for working capital purposes.

(7) Net loss of $154,687 includes administrative and general of $113,781, exploration and evaluation expenditures of $45,528 and professional fees of $11,634 offset by recovery of VAT of $11,145. All other items were for working capital purposes.

(8) Net loss of $283,127 includes administrative and general of $337,792, exploration and evaluation expenditures of $20,854 and professional fees of $12,621 offset by recovery of VAT of $92,790. All other items were for working capital purposes.

(9) Basic and diluted.

(10) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Year ended June 30, 2017, compared with year ended June 30, 2016

The Corporation's net loss totaled $3,145,003 for the year ended June 30, 2017, with basic and diluted loss per share of $0.17. This compares with a net loss of $945,158 with basic and diluted loss per share of $0.11 for the year ended June 30, 2016. The increase in net loss of $2,199,845 was principally because:

- Exploration and evaluation expenditures for the year ended June 30, 2017 were $1,857,636 (year ended June 30, 2016 – $328,448). The current year expenses relate to general exploration of $862,143 on the Corporation's mineral properties and acquisition costs and option payments of $995,493. The increase in exploration and evaluation expenditures of $1,529,188 is primarily due to the commencement of the drilling program on the properties during the current year.

- General and administrative for the year ended June 30, 2017 increased to $794,332 (year ended June 30, 2016 – $674,560) is primarily due to increased investor relations and corporate activity during the year.

- The Corporation incurred an increase in share-based payments of $266,890 for the year ended June 30, 2017, compared to the year ended June 30, 2016, due to the grant of 3,150,000 options during the current year compared to 14,000 options granted in the prior year.

- Professional fees for the year ended June 30, 2017 increased to $66,970 (year ended June 30, 2016 – $34,746) due to more support cost for the Corporation's operations.

- During the year ended June 30, 2017, the Corporation recognized a loss of $20,029 from the settlement of $478,910 of debt with the issue of 1,663,129 common shares with a fair value of $498,939.

- The expense of VAT of $143,172 during the year ended June 30, 2017 as compared to recovery of VAT of $102,851 in the previous year. The variance in expense or recovery of VAT is due to VAT recovery being recorded when received from the Mexican authorities and these recoveries vary from period to period based on the release of funds.

Three months ended June 30, 2017, compared with three months ended June 30, 2016

The Corporation's net loss totaled $2,000,139 for the three months ended June 30, 2017, with basic and diluted loss per share of $0.11. This compares with a net loss of $224,517 with basic and diluted loss per share of $0.03 for the three months ended June 30, 2016. The increase in net loss of $1,775,622 was principally because:

- Exploration and evaluation expenditures for the three months ended June 30, 2017 were $1,325,915 (three months ended June 30, 2016 – $122,850). These expenses relate to general exploration of $496,454 on the Corporation's mineral properties and acquisition costs and option payments of $829,461. The increase in exploration and evaluation expenditures of $1,325,915 is primarily due to the drilling program on the properties and the acquisition of Pepe, Pepe Tres and San Jose concessions during the current period.

- General and administrative for the three months ended June 30, 2017 increased to $326,226 (three months ended June 30, 2016 – $106,187) primarily due to increased investor relations and corporate activity during the quarter.

- During the three months ended June 30, 2017, the Corporation recognized a loss of $20,029 from the settlement of $478,910 of debt with the issue of 1,663,129 common shares with a fair value of $498,939.

- The expense of VAT of $106,670 during the three months ended June 30, 2017 as compared to recovery of VAT $11,145 in the comparative three month period. The variance in expense or recovery of VAT is due to VAT recovery being recorded when received from the Mexican authorities and these recoveries vary from period to period based on the release of funds.

Liquidity and Financial Position

As at June 30, 2017, the Corporation had working capital of $1,258,630, compared to a working capital deficit of $654,070 at June 30, 2016. The Corporation had $834,057 in cash available to fund its ongoing operations compared to $44,377 in cash at June 30, 2016. Current liabilities at June 30, 2017 were $136,189 compared to $716,105 at June 30, 2016. The Corporation's cash is sufficient to continue the day to day operations. The Corporation intends to keep discretionary spending to a minimum to conserve its cash.

Cash used in operating activities was $3,490,069 for the year ended June 30, 2017. Operating activities were affected by a $9,857 adjustment for depreciation, share-based payments of $269,158, loss on settlement of debt of $20,029 and the net change in non-cash working capital balances of $644,110 because of an increase in accounts receivable of $35,854, increase in prepaids and deposits of $507,250 and decrease in accounts payable and accrued liabilities of $101,006.

Cash provided by financing activities was $4,254,691 for the year ended June 30, 2017. Financing activities consisted of the proceeds of $4,483,863 from the private placement which was offset by share issue costs of $229,172.

The Corporation has no operating revenues, and depends on debt and/or equity financing to fund its operations. As of June 30, 2017, and to the date of this MD&A, the cash resources of the Corporation are held with one Canadian chartered bank. The Corporation has no debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

During fiscal 2017, the Corporation's corporate head office costs are estimated to average $200,000 per quarter. Head office costs include professional fees, reporting issuer costs, business development costs and general and administrative costs. Head office costs exclude property research and area selection costs. The cost of acquisition and work commitments on the new acquisitions cannot be accurately estimated.

Based on the Corporation's working capital of $1,258,630 at June 30, 2017 (June 30, 2016 – deficit of $654,070), the Corporation will have to raise additional equity capital in fiscal 2018 in amounts sufficient to fund both planned exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Corporation's exploration program and its ability to continue to access capital to fund its ongoing operations. The Corporation's cash at June 30, 2017 is not anticipated to be sufficient to fund its budgeted exploration activities of $523,830, accounts payable and accrued liabilities of $136,189 and the estimated operating expenses of $800,000 for fiscal 2018.

Related Party Transactions

The Corporation's related parties include directors and key management personnel and entities over which they have control or significant influence. The following are the related party transactions, recorded at the exchange amount as agreed to by the parties:

i) Included in general and administrative expenses for the year ended June 30, 2017 are amounts totaling $14,261 (year ended June 30, 2016 - $8,456) for corporate secretarial and filing services provided by DRAX, a company related to the Corporation through Shaun Drake, Corporate Secretary of the Corporation. As at June 30, 2017, DRAX was owed $1,700 (June 30, 2016 - $1,697) and this amount was included in accounts payable and accrued liabilities.

ii) Included in general and administrative expenditures for the year ended June 30, 2017 are amounts totaling $nil (year ended June 30, 2016 - $4,286) for office rental and $63,750 (year ended June 30, 2016 - $90,000) for investor relations and consulting services provided by 0702232 B.C. Ltd. (o/a D. Baker Capital Inc.), a company related to the Corporation through David Baker, the former Chairman and director of the Corporation. As at June 30, 2017, D. Baker Capital Inc. was owed $nil (June 30, 2016 - $100,804) and this amount was included in accounts payable and accrued liabilities. The Corporation received a short-term loan of $195,000 from D. Baker Capital Inc. which was fully repaid during the year ended June 30, 2017.

Key management personnel remuneration includes the following amounts:

Salaries and wages (i) **Names**	**Year Ended June 30, 2017 ($)**	**Year Ended June 30, 2016 ($)**
Brian Robertson	154,777	308,701[a]
Total	**154,777**	**308,701**

[a] During the year ended June 30, 2016, the Company accrued additional salary of $155,204 for retroactive salary owed to Brian Robertson.

Directors fees (i) **Names**	**Year Ended June 30, 2017 ($)**	**Year Ended June 30, 2016 ($)**
Earl Terris	9,208	15,000
Gorden Glenn	9,209	15,000
David Baker	2,000	nil
Total	**20,417**	**30,000**

Share-based payments **Names**	**Year Ended June 30, 2017 ($)**	**Year Ended June 30, 2016 ($)**
Brian Robertson	126,933	nil
David Baker	8,849	nil
Shaun Drake	8,266	nil
Ali Zamani	16,963	nil
John Anderson	1,297	nil
Gavin Nelson	1,945	nil
Vivian Gu	nil	2,268
Total	**164,253**	**2,268**

(i) As at June 30, 2017, the directors and key management were owed $79,824 (June 30, 2016 - $341,313) and this amount was included in accounts payable and accrued liabilities.

(ii) On May 10, 2017, the Corporation issued an aggregate of 1,052,129 common shares at a deemed price of $0.31 per common share and an aggregate of 611,000 common shares at a deemed price of $0.25 per common share to certain of its officers and/or directors in settlement of outstanding debt in the aggregate amount of $478,910.

To the knowledge of the directors and senior officers of the Corporation, as at June 30, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Corporation carrying more than 10% of the voting rights attached to all of the common shares of the Corporation other than as set out below:

	Number of common shares	**Percentage of outstanding shares**
Palisade Global Investments Ltd.	4,370,000	12.8%

The remaining 87.2% of the shares are widely held, which includes various small holdings which are owned by directors and officers of the Corporation. The holding can change at any time at the discretion of the owner.

Commitments

The Corporation has commitments relating to property payment obligations related to the Las Minas property held by the Corporation's subsidiary. The annual payments for the next fiscal year are as follows:

Fiscal year	Amount ($)
2018	171,296
2019	1,124,672
Total	**1,295,968**

Share Capital

The Corporation is authorized to issue an unlimited number of common shares and special shares. As of the date of this MD&A, the Corporation had 34,175,229 common shares outstanding.

As of the date of this MD&A, the following warrants were outstanding:

Warrants	Expiry Date	Exercise Price
4,987,172	November 30, 2018	$0.25
270,920	November 30, 2018 (1)	$0.25
12,307,033	March 3, 2019	$0.25
72,000	March 3, 2019 (1)	$0.25
1,025,717	May 15, 2019	$2.00
51,738	May 15, 2019 (1)	$2.00
5,990,270	May 25, 2019	$0.45
75,950	May 25, 2019 (1)	$0.45
24,780,800		

(1) Finder's warrants

As of the date of this MD&A, the following stock options were outstanding:

Options	Expiry Date	Exercise Price
374,000	June 20, 2019	$1.35
199,000	March 20, 2020	$0.80
14,000	September 1, 2020	$0.80
400,000	May 24, 2022	$0.35
100,000	May 29, 2022	$0.36
1,250,000	March 7, 2027	$0.30
950,000	May 29, 2027	$0.36
250,000	May 29, 2027	$0.55
3,537,000		

Change in Accounting Policies

Recent accounting pronouncements

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Corporation is currently assessing the impact of this pronouncement.

IFRS 16 Leases ("IFRS 16") was issued by IASB in January 2016. IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off statement of financial position operating leases. Instead, there is a single, on statement of financial position accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

Financial Instruments and Related Risks

The Corporation's operations include the acquisition and exploration of mineral properties in Mexico. The Corporation examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Credit risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Corporation by those counterparties, less any amounts owed to the counterparty by the Corporation where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

i) Trade credit risk
The Corporation is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Corporation is not exposed to significant credit risk and overall the Corporation's credit risk has not changed significantly from the prior year.

ii) Cash
In order to manage credit and liquidity risk the Corporation invests only in highly rated investment grade instruments that have maturities of three months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure. At June 30, 2017, the Corporation had a working capital of $1,258,630 which is sufficient to meet its upcoming liabilities (2016 - $654,070 working capital deficiency).

Accounts payable and accrued liabilities are due within the current operating period.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Corporation will realize a significant loss as a result of a decline in the fair market value of investments and other items held within cash and cash equivalents is limited given that the majority of investments have a relatively short maturity. The Corporation manages its interest rate risk with investments by investing the majority of funds in short-term investments and therefore is not exposed to significant fluctuations in interest rates.

(d) Currency risk

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Corporation is the Canadian dollar. The functional currency of the subsidiary is the Mexican Peso. As at June 30, 2017, there are no significant financial instruments denominated in Mexican Pesos. Changes in the currency exchange rates between the Canadian dollar relative to Mexican Pesos could have an effect on the Corporation's results of operations, financial position or cash flows. The Corporation has not hedged its exposure to currency fluctuations. At June 30, 2017, a one percent decrease/increase in the Mexican Peso would result in a foreign exchange gain/loss of $800 (2016 - $5,889). The Corporation does not invest in derivatives to mitigate these risks.

Management of Capital Risk

The Corporation manages its common shares as capital. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Corporation does not pay out dividends. The Corporation's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with short-term maturities, selected with regard to the expected timing of expenditures from continuing operations.

Risks and Uncertainties

An investment in the Corporation involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating the Corporation and its business before making any investment decision in regards to the common shares of the Corporation. The Corporations' business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Corporation. Additional risks not presently known to us may also impair business operations.

Exploration and Mining Risks

The Corporation is engaged in mineral exploration and development activities. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors beyond our control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Corporation relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Corporation is limited in financial resources, and as a mineral exploration company has no source of operating cash flow. The Corporation has no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfil our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of our projects with the possible loss of such properties.

Regulatory Requirements

Even if our mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Corporation may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

No Assurance of Titles

It is possible that any of our properties may be subject to prior registered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The operations of the Corporation may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at our projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases. We compete with many companies possessing greater financial resources and technical facilities than the Corporation for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital or losing our investment capital.

Environmental Regulations

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non- compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Stage of Development

The Corporation is in the business of exploring for, with the ultimate goal of producing, mineral resources from our mineral exploration properties. None of our properties have commenced commercial production and we have no history of earnings or cash flow from our operations. As a result of the foregoing, there can be no assurance that we will be able to develop any of our properties profitably or that our activities will generate positive cash flow. We are unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. A prospective investor in the Corporation must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

Geopolitical Risks

The Corporation may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Corporation cannot be predicted. Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Corporation and may adversely affect its business. The possibility that future governments may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements, and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Corporation, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Information

Additional information concerning the Corporation is available on Sedar at **www.sedar.com**.