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Management's Discussion and Analysis
For the Year Ended April 30, 2018
Dated: August 23, 2018

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Southern Silver Exploration Corp.

(An Exploration Stage Company)

Management's Discussion and Analysis

For the Year Ended April 30, 2018

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Southern Silver Exploration Corp. (the "Company") is for the year ended April 30, 2018 and is dated August 23, 2018. This MD&A was prepared to conform to National Instrument ("NI") 51-102F1 and was approved by the Board of Directors prior to its release.

This analysis should be read in conjunction with the Company's audited consolidated financial statements for the year ended April 30, 2018, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company's shares trade on the TSX Venture Exchange ("SSV"), the Frankfurt Stock Exchange ("SEG1"), the Santiago Stock Exchange, Venture ("SSVCL") and the OTCQB Marketplace ("SSVFF").

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts included herein are in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company is available at www.southernsilverexploration.com and on SEDAR at www.sedar.com.

B. Qualified Person

Robert W. J. Macdonald, P. Geo., is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development programs. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulfide deposits.

C. Foreign Exchange Information and Conversion Tables

For ease of reference, the following information is provided:

Canadian Dollars per US Dollar ⁽¹⁾			Conversion Table ⁽²⁾		
	Year ended		Imperial		Metric
	April 30, 2018	2017			
Rate at end of period	1.2817	1.3650	1 acre	=	0.404686 hectares
Average rate for period	1.2774	1.3177	1 foot	=	0.304800 meters
			1 mile	=	1.609344 kilometres
			1 ton	=	0.907185 tonnes
			1 Ounce (troy)/ton	=	34.285700 g/t

(1) www.bankofcanada.ca (2) www.onlineconversion.com

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C. Foreign Exchange Information and Conversion Tables, continued

Precious metal units and conversion factors ⁽²⁾					
ppb	- Part per billion	1 ppb	=	0.0010 ppm	= 0.000030 oz/t
ppm	- Part per million	100 ppb	=	0.1000 ppm	= 0.002920 oz/t
oz	- Ounce (troy)	10,000 ppb	=	10.0000 ppm	= 0.291670 oz/t
oz/t	- Ounce per ton (avdp.)	1 ppm	=	1.0000 ug/g	= 1.000000 g/t
g	- Gram				
g/t	- gram per metric ton	1 oz/t	=	34.2857 ppm	
mg	- milligram	1 Carat	=	41.6660 mg/g	
kg	- kilogram	1 ton (avdp.)	=	907.1848 kg	
ug	- microgram	1 oz (troy)	=	31.1035 g	

D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements.

The Company is continuing to advance its core asset - Cerro Las Minitas - a silver-lead-zinc property located in Durango State, Mexico. The property is a large land position and lies within the prolific Faja de Plata (Belt of Silver) of north central Mexico with the Company owning an indirect interest of 40% along with joint venture partner Electrum Global Holdings L.P. ("Electrum") which owns an indirect 60% interest.

The Company also continues to advance Oro - a gold-silver-copper-lead-zinc property located in New Mexico, USA. The property features a classic porphyry zonation within the highly prospective Laramide Porphyry belt of the southern USA.

Cerro Las Minitas - Durango, Mexico

The property is located about 70 kilometres to the northeast of the city of Durango in Durango State, Mexico, and is accessed easily by road. The property comprises 25 concessions totaling approximately 34,415 hectares in one of the most significant silver producing regions in the world.

From 2010 to the end of 2017, the Company has completed 108 drill holes totaling over 49,348 metres.

Drilling has identified three high-grade silver-polymetallic deposits, the Blind deposit, the El Sol deposit and the Skarn Front deposit, several new discoveries including the North Skarn and Las Victorias targets and extensions to the historic deposits at Mina La Bocona. Mineralization occurs as massive-sulphide pipes, veins and replacements in sub-vertical structures that demonstrate good continuity between drill holes. Mineralization is open on-strike and at depth in a similar geological environment to that of major Mexican Carbonate Replacement Deposits (CRDs) such as Santa Eulalia (45Mt of 310g/t Ag, 7.1% Zn and 8.2% Pb) and Skarn deposits such as San Martin (60Mt of 118g/t Ag, 0.9% Pb and 3.9% Zn).

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

On January 8, 2018, the Company released an updated NI 43-101 mineral resource estimate for the project which, at a 175g/t AgEq cut-off, featured:

- a 318% increase in Indicated Mineral resources to 10.1Mt averaging 102g/t Ag, 0.1g/t Au, 0.15% Cu, 1.4% Pb and 3.6% Zn (356g/t AgEq, 7.6% ZnEq); and
- an 18% increase in Inferred Mineral resources to 8.7Mt averaging 74g/t Ag, 0.04g/t Au, 0.15% Cu, 0.7% Pb and 4.5% Zn (332g/t AgEq, 7.0% ZnEq).

Table 1: Base-case Mineral Resource Estimate Utilizing a 175g/t AgEq cut-off value:

Indicated																
Zone	Tonnes	Ag	Au	Pb	Zn	Cu	AgEq	ZnEq	Ag TrOz	Au TrOz	Pb	Zn	Cu	AgEq TrOz	ZnEq	
	(Kt)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(%)	(000's)	(000's)	(Mlbs)	(Mlbs)	(Mlbs)	(000's)	(Mlbs)	
Blind Zone	3,168	86	0.05	1.8	2.1	0.11	279	5.9	8,739	6	128	145	8	28,461	414	
El Sol	1,150	79	0.03	2.0	2.0	0.09	276	5.9	2,931	1	51	52	2	10,217	149	
Las Victorias	708	122	0.70	2.0	2.5	0.23	403	8.6	2,772	16	32	38	4	9,177	133	
Skarn Front	5,109	115	0.07	1.0	5.1	0.17	416	8.8	18,915	11	108	578	19	68,273	993	
Total	10,135	102	0.10	1.4	3.6	0.15	356	7.6	33,356	34	319	813	33	116,127	1,689	

Inferred																
Zone	Tonnes	Ag	Au	Pb	Zn	Cu	AgEq	ZnEq	Ag TrOz	Au TrOz	Pb	Zn	Cu	AgEq TrOz	ZnEq	
	(Kt)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)	(%)	(000's)	(000's)	(Mlbs)	(Mlbs)	(Mlbs)	(000's)	(Mlbs)	
Blind Zone	503	103	0.33	1.9	3.4	0.07	374	7.9	1,662	5	21	38	1	6,042	88	
El Sol	264	61	0.06	1.7	2.5	0.04	263	5.6	515	1	10	15	0	2,233	32	
Skarn Front	7,917	73	0.02	0.6	4.7	0.16	332	7.0	18,545	6	100	818	28	84,451	1,228	
Total	8,685	74	0.04	0.7	4.5	0.15	332	7.0	20,721	12	131	870	29	92,726	1,349	

Notes: The 175g/t AgEq cut-off value was calculated using average long-term prices of \$16/oz. silver, \$1,200/oz. gold, \$2.75/lb. copper, \$1.0/lb. lead and \$1.10/lb. zinc and metal recoveries of 82% silver, 86% lead, 80% zinc and 80% copper were used to define the cut-off grades. The base case cut-off grade assumed \$75/tonne operating and sustaining costs. All prices are stated in \$USD.

Four separate mineral deposits were modelled in the resource update with the Blind, the El Sol and the Las Victorias deposits forming sets of sub-parallel, northwest-trending and steeply dipping mineralized zones which extend for over 1,000 metres strike and up to 600 metres depth. The fourth deposit known as the Skarn Front, forms beneath the Blind, El Sol and Las Victorias deposits and is localized on the outer edge of the skarn alteration zone surrounding the Central Monzonite Intrusion.

Thick zones of higher-grade mineralization cluster at the projected intersections of the Blind and El Sol zones and the Skarn Front, the outline of which forms an extensive "higher-grade" target area which rakes for over 800 metres diagonally and ranges from 300 to 600 metres in width. Significantly, this target region and other targets along the Skarn Front zone have been only partially drill tested to date.

The 2016-17 drill program was also successful in establishing potential extensions to the known zones of mineralization in two areas which now provide new targets for systematic resource expansion in future drill programs including a 600 metre strike-length of exploration potential along the North Skarn target area and a 500 metre strike-length of both the Blind Zone and Skarn Front deposits in the Las Victorias target area.

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D. Summary of Mineral Properties, continued

Cerro Las Minitas - Durango, Mexico, continued

In May 2018, the Company announced the start of drilling on the property as part of its US\$3,000,000 2018/9 exploration program. Up to 10,000 metres of core drilling is targeting continued resource expansion at the Las Victorias and North Skarn target areas.

A second core drill was mobilized to the project in July 2018 and is targeting the discovery and delineation of major Ag-Au quartz vein systems within the more recently acquired CLM West claim group (Creston del Oro, Biznagas and Los Lenchos claims) which were identified through a comprehensive sampling program of over 6,000 float and rock chip samples, mapping and ground geophysics throughout the last twelve months.

Initial drilling will target exposed quartz veins in the northern part of the claims. Previous sampling of these veins returned strongly anomalous pathfinder values (As-Sb-Hg) indicative of the upper levels of a low sulphidation epithermal vein system.

Metallurgical test work on representative composites from the Cerro Los Minitas mineral deposits was conducted by Blue Coast Research of Parksville, BC which visited the project in October 2017 to supervise the selection of samples for use in the study. Representative samples of the Blind – El Sol oxides and sulphides as well as the Skarn Front sulphides were collected from drill core and combined into three distinct composites to represent the three different styles of mineralization currently identified on the project. Test work included sample characterization and batch flotation tests. A limited cyanidation test program was conducted on the Blind – El Sol oxide composite. Sample characterization of the composites included head analyses, chemical characterization, modal mineralogy determinations (including microprobe work) and Bond Ball Work Index tests.

The metallurgical test work was successful in separating both lead and zinc concentrates from both of the Skarn Front and Blind - El Sol sulphide composites. Silver was recovered to the lead concentrate and averaged 70% for the Skarn Front material and 82% for the Blind – El Sol sulphides. Lead recoveries remained high and averaged 87% in the Skarn Front and 90% in the Blind – El Sol concentrates.

Three stages of cleaning were required to increase overall zinc performance in the test work with the best results from the Skarn Front material returning recoveries of 74% Zn to 85% Zn and grading from 44% to 46.7% Zn. Minimal lead cleaning was required to produce high concentrate grades of over 60% Pb in the lead concentrate. Silver which partitions into the lead concentrate returned grades of over 2500g/t Ag in the Blind El Sol and over 4500g/t Ag in the Skarn Front.

The overall objective of the 2018/9 exploration program is to continue to increase the existing resource base and to identify and drill test new epithermal vein systems within the larger claim package.

Minas de Ameca - Jalisco, Mexico

The Minas de Ameca project, located about 80 kilometres west of Guadalajara, comprised the El Magistral and San Luis claims. The Company has relinquished its interest in these claims.

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D. Summary of Mineral Properties, continued

Oro - New Mexico, USA

The Oro property comprises a contiguous block of Federal, State and private land in the historic Eureka mining district in Grant County, New Mexico and is located approximately 80 kilometres southwest of the Silver City porphyry copper district.

The claims surround a highly prospective zone of quartz-sericite-pyrite alteration footprint, interpreted to overlie an unexposed porphyry centre. Classic porphyry system zonation is indicated by surface gold and copper mineralization associated with Laramide-age intrusions in this core area, flanked by lead-zinc skarn mineralization and distal sediment-hosted gold occurrences. In addition to bulk-tonnage porphyry copper-molybdenum-gold potential, the property also includes the sediment-hosted gold mineralization Stockpond target located 3 kilometres to the northeast of the porphyry system.

In October 2017 the company completed an eight hole, 1520 metre reverse circulation (RC) drill program on the Stockpond gold target. The drilling program is a follow-up to Phase I drilling in 2016 which intersected thick horizons of strongly silicified and hematite-rich sediments in eight of nine holes drilled, with the higher gold grades spatially associated with zones of strong silicification. The strongest values were obtained in the easternmost hole, SP16-004, which intersected a 41.2 metre interval of 0.42g/t Au (including a 9.1 metre interval of 0.75g/t Au). Phase II holes have offset this encouraging drill intercept and tested to bedrock in the large gravel-covered area to the east of the earlier drilling.

The Company also completed a 300 line-kilometre airborne Z-TEM survey over the entire property at 200 metre line spacing as part of a larger evaluation of the property to identify new targets for drill testing Cu-Mo porphyry potential. Preliminary results show several potential target areas. Further 3D processing and interpretation of the data is pending.

Acquisition Costs

Mineral property acquisition costs as at April 30, 2018 were as follows:

	Cerro Las Minitas	Minas de Ameca	Oro	Total
	\$	\$	\$	\$
Balance as at April 30, 2016	2,200,910	-	-	2,200,910
Additions, net	132,860	-	59,753	192,613
Adjustment on deconsolidation	(2,333,770)	-	-	(2,333,770)
Balance as at April 30, 2017	-	-	59,753	59,753
Additions, net	-	-	66,413	66,413
Balance as at April 30, 2018	-	-	126,166	126,166

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D. Summary of Mineral Properties, continued

Acquisition Costs, continued

The Company retains an indirect 40% interest in Cerro Las Minitas and is able to exert significant influence over operations. However, effective from November 2, 2016, the Company was required to deconsolidate certain assets and liabilities as a result of the Electrum earn-in. The interest is now accounted for as an investment in an associate using the equity method.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the years ended April 30, 2018 and 2017 were as follows:

	Cerro Las Minitas		Oro		Total	
	\$ 2018	\$ 2017	\$ 2018	\$ 2017	\$ 2018	\$ 2017
Assays and geochemistry	-	57,003	20,263	49,352	20,263	106,355
Camp, utilities and supplies	-	3,984	2,276	2,397	2,276	6,381
Drilling	-	266,448	103,683	105,448	103,683	371,896
Equipment and field supplies	-	31,391	-	-	-	31,391
Geological and geophysics	-	42,934	227,322	110,494	227,322	153,428
Land fees	-	44,694	7,539	-	7,539	44,694
Project supervision	-	170,222	29,216	12,785	29,216	183,007
Project support	-	1,783	-	-	-	1,783
Taxes	-	60,868	-	-	-	60,868
Travel	-	1,733	-	-	-	1,733
	-	681,060	390,299	280,476	390,299	961,536
General exploration - other					1,263	7,656
					391,562	969,192

E. Results of Operations

During the year ended April 30, 2018 the Company recognized a net loss and comprehensive loss of \$3,398,722 (2017 - \$2,631,493).

As per its mandate to acquire, explore, and develop mineral resource properties, the Company completed exploration programs on the Cerro Las Minitas and Oro properties (*D - Summary of Mineral Properties*). Effective November 2, 2016, the Company was required to deconsolidate certain assets and liabilities as a result of the Electrum earn-in, which resulted in a gain upon deconsolidation. Subsequently, the Company's share of costs associated with exploration and other activities at Cerro Las Minitas are accounted for within Share of Loss in Equity Accounted Investment.

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E. Results of Operations, continued

Consulting fees increased due to new contracts for certain related parties (*I - Related Party Transactions*). Investor relations and travel and promotion increased due to the engagement of investor relations consultants and increased activity associated with on-going financing and promotional initiatives. Additional professional fees and transfer agent costs were recognized in the prior period with respect to obtaining a listing on the OTCQB Marketplace.

Non-cash share-based payments vary as stock options are granted and vest. Foreign exchange gains and losses fluctuate based on the US and Canadian dollar exchange rate and the extent of transactions and balances denominated in US dollars. Other income recognized mainly relates to interest income earned on cash reserves.

A summary of variances is as follows:

	2018	2017	Variance
	\$	\$	\$
Administration	60,000	60,000	-
Consulting	216,013	178,241	37,772
Exploration and evaluation	391,562	969,192	(577,630)
Investor relations	578,945	408,368	170,577
Office and general	45,773	37,817	7,956
Professional fees	136,368	169,206	(32,838)
Regulatory fees and taxes	38,562	44,398	(5,836)
Share-based payments	825,406	409,926	415,480
Shareholders' communications	14,397	16,403	(2,006)
Transfer agent	10,839	38,732	(27,893)
Travel and promotion	21,431	1,187	20,244
Foreign exchange loss (gain)	36,601	(35,069)	71,670
Gain on loss of control of subsidiary	-	(333,794)	333,794
Other income	(9,406)	-	(9,406)
Share of loss in equity accounted investment	1,032,231	666,886	365,345

F. Summary of Quarterly Results

The following financial data was derived from the Company's consolidated financial statements for the eight previous quarters:

	Apr 30, 2018	Jan 31, 2018	Oct 31, 2017	Jul 31, 2017	Apr 30, 2017	Jan 31, 2017	Oct 31, 2016	Jul 31, 2016
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss - equity holders	540,764	472,917	1,461,770	923,271	606,691	222,165	526,037	1,052,348
Net loss - non-controlling interest	-	-	-	-	-	-	55,394	168,858
Basic and diluted loss per share - equity holders	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Basic and diluted loss per share - non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.00	\$ 0.00

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F. Summary of Quarterly Results, continued

The Company earned no revenue due to the nature of current operations.

Quarterly fluctuations mainly relate to recognition of share-based payments which occur as stock options are granted and vest, foreign exchange gains and losses which vary with market rates, mineral property exploration expenses which occur as projects are identified or impairments which occur when indicators arise and share of losses in equity accounted investment. A significant gain upon deconsolidation of certain assets and liabilities was recognized in the three months ended January 31, 2017.

G. Fourth Quarter

During the fourth quarter, a total of 92,000 stock options and 500 compensation options were exercised for gross proceeds of \$8,160. Proceeds were utilized towards general working capital.

H. Summary of Annual Information

During the previous three fiscal years presented below, the Company earned no revenue and main operating costs have remained materially constant, subject to additional contracts for services entered into as required and costs incurred for financing or other ad-hoc projects as undertaken. The Company continues to invest in its mineral properties as resources have permitted and impairment charges are recognized as relevant indicators arise.

During the year ended April 30, 2017, the Company deconsolidated two previously fully-controlled subsidiaries but retained a 40% interest and the ability to exert significant influence.

To date, the Company has not paid dividends and does not have any long-term financial liabilities.

	2018	2017	2016
	\$	\$	\$
Net loss - equity holders	(3,398,722)	(2,407,241)	(2,909,525)
Net loss - non-controlling interest	-	(224,252)	(501,891)
Basic and diluted loss per share - equity holders	(0.04)	(0.03)	(0.05)
Basic and diluted loss per share - non-controlling interest	-	(0.00)	(0.01)
Current assets	2,302,155	2,490,535	1,810,948
Other non-current assets	5,066,921	4,075,005	38,231
Mineral properties	126,166	59,753	2,200,910
Total assets	7,495,242	6,625,293	4,050,089
Total non-current financial liabilities	-	-	-
Cash dividends per common share	-	-	-

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I. Related Party Transactions

Except as disclosed elsewhere, the Company entered into the following related party transactions:

(a) Pursuant to a service agreement between the Company and a private company controlled by a director and officer of the Company, the Company was charged as follows:

- \$60,000 (2017 - \$60,000) for office space and general administration services;
- \$39,600 (2017 - \$34,700) for professional services;
- \$23,713 (2017 - \$27,921) for consulting services;
- \$197,448 (2017 - \$94,078) for investor relations services;
- \$30,748 (2017 - \$61,318) for geological services;
- \$147,119 (2017 - \$60,667) for geological services (charged to investment in associate); and
- \$5,772 (2017 - \$7,043) for the mark-up on out-of-pocket expenses.

Amounts payable as at April 30, 2018 were \$44,227 (2017 - \$35,731).

(b) Fees in the amount of \$46,800 (2017 - \$112,320) were charged by a director and officer of the Company for consulting services. Effective October 1, 2017 such fees of \$91,000 (2017 - \$nil) were charged by a company controlled by a director and officer of the Company. Amounts payable as at April 30, 2018 were \$13,650 (2017 - \$9,828).

(c) Fees in the amount of \$77,350 (2017 - \$52,766) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, share issue costs, mineral property expenditures or charged to investment in associate. Amounts payable as at April 30, 2018 were \$8,982 (2017 - \$28,590).

(d) Fees in the amount of \$30,000 (2017 - \$30,000) were charged by an officer of the Company for consulting services. Amounts payable as at April 30, 2018 were \$2,625 (2017 - \$2,625).

(e) Fees in the amount of \$39,000 (2017 - \$nil) were charged by a an officer of the Company for consulting services and included in consulting fees, mineral property expenditures or charged to investment in associate. Amounts payable as at April 30, 2018 were \$3,150 (2017 - \$nil).

(f) Fees in the amount of \$1,500 (2017 - \$nil) were charged by a director of the Company for consulting services and charged to investment in associate. Amounts payable as at April 30, 2018 were \$1,695 (2017 - \$nil).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment. The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. Compensation awarded to key management, included in (b), (d), (e) and (f) above, was as follows:

	2018	2017
Short-term benefits	\$ 208,300	\$ 142,320
Share-based payments	584,471	283,221
Total	\$ 792,771	\$ 425,541

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I. Related Party Transactions, continued

One executive officer is entitled to termination benefits in the event of a change of control equal to thirty six months of the compensation that would have been paid during the unexpired term of their agreement. The remaining balance payable under the agreement termination clause as at April 30, 2018 was \$468,000.

J. Financial Condition, Liquidity and Capital Resources

As at April 30, 2018 the Company had working capital of \$1,841,834 (2017 - \$2,137,928). However, the Company does not yet generate any revenue from operations and, for the foreseeable future, the Company will need to rely upon earn-in agreements and / or issue share capital to finance future exploration and administrative activities. Although the Company has been successful in its financing initiatives, there can be no assurance that the Company will be able to obtain adequate future financing. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with a possible loss of some properties and reduction or termination of operations.

During the year ended April 30, 2018, the Company closed a non-brokered and brokered private placement and issued a total of 8,797,000 units for gross proceeds of \$3,518,800. Net proceeds are being utilized to contribute to the Company's proportionate share of the costs associated with continuing exploration at Cerro Las Minitas, exploration at Oro and for additional working capital.

K. Outstanding Equity and Convertible Securities

i) Issued and Outstanding Shares

As at August 23, 2018, the Company had 96,663,948 common shares issued and outstanding.

ii) Share Purchase Warrants

Share purchase warrants outstanding as at August 23, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Exercised	Balance August 23, 2018
\$0.08	March 4, 2020	1,259,295	-	1,259,295
\$0.08	March 5, 2020	15,884,593	-	15,884,593
\$0.08	March 11, 2020	1,810,000	-	1,810,000
\$0.15	June 26, 2020	9,000,000	-	9,000,000
\$0.08	March 4, 2021	6,000,000	-	6,000,000
\$0.08	April 8, 2021	2,300,000	-	2,300,000
\$0.15	May 19, 2021	9,062,500	100,000	8,962,500
\$0.55	June 13, 2020	6,372,500	-	6,372,500
\$0.55	August 31, 2020	1,171,750	-	1,171,750
\$0.55	September 29, 2020	1,254,500	-	1,254,500
		54,115,138	100,000	54,015,138
Weighted average exercise price		\$0.18	\$0.15	\$0.18
Weighted average remaining life in years		2.32		2.00

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K. Outstanding Equity and Convertible Securities, continued

iii) Stock Options

Stock options outstanding and exercisable as at August 23, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Balance August 23, 2018
\$0.50	March 24, 2019	50,000	50,000
\$0.08	March 26, 2020	2,218,000	2,218,000
\$0.08	July 29, 2020	650,000	650,000
\$0.08	September 28, 2020	190,000	190,000
\$0.11	April 22, 2021	1,168,500	1,168,500
\$0.30	June 3, 2021	1,625,000	1,625,000
\$0.34	October 2, 2022	2,750,000	2,750,000
\$0.34	February 1, 2023	150,000	150,000
Options outstanding		8,801,500	8,801,500
Options exercisable		8,651,500	8,726,500
Weighted average exercise price (outstanding)		\$0.21	\$0.21
Weighted average remaining life in years (outstanding)		3.14	2.82
Weighted average exercise price (exercisable)		\$0.21	\$0.21
Weighted average remaining life in years (exercisable)		3.11	2.81

iv) Compensation Options

Compensation options outstanding as at August 23, 2018 were as follows:

Exercise Price	Expiry Date	Balance April 30, 2018	Balance August 23, 2018
\$0.40	August 31, 2020	105,100	105,100
		105,100	105,100
Weighted average exercise price		\$0.40	\$0.40
Weighted average remaining life in years		2.34	2.02

L. Financial Instruments

The Company's financial instruments include cash, other receivables, reclamation bond, accounts payable and accrued liabilities and amounts due to related parties.

The Company has classified its financial instruments into the following categories:

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L. Financial Instruments, continued

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Other Receivables	Loans and Receivables	Amortized Cost
Reclamation Bond	Loans and Receivables	Amortized Cost
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Due to Related Parties	Other Financial Liabilities	Amortized Cost

The carrying values of other receivables, accounts payable and accrued liabilities and amounts due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

These financial instruments have no material risk exposure. The Company's risk management policies require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

M. Events After the Reporting Period and Outlook

There are no other material events subsequent to the date of this document. The Company is continuing to explore its properties and activities over the ensuing year will focus on this. The Company expects to continue its strategy of collaborating with experienced mining companies to acquire and develop other properties and to advance them to production.

N. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

O. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors, two of whom are independent, who meet at least quarterly with management, and at least annually with the external auditors, to review accounting, internal control, financial reporting and audit matters.

There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

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O. Disclosure Controls and Procedures, continued

Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

P. Risks and Uncertainties

The principal business of the Company is the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of development, the following risk factors, among others, should be considered:

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The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive.

There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that our exploration programs will result in the establishment or expansion of resources or reserves.

No Operating History and Availability of Financial Resources

The Company does not have an operating history and has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Therefore, it may not have sufficient financial resources to undertake, by itself, all of its planned exploration and administrative activities.

Historically, the Company has relied mainly upon the issuance of share capital to finance its activities. In the future, the Company will be required to rely on earn-in agreements and / or issue share capital to finance future exploration and administrative activities, which may result in dilution to existing shareholders.

Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

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P. Risks and Uncertainties, continued

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

Price Volatility and Lack of Active Market

Securities markets in Canada and elsewhere continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Government Regulations and Environmental Risks and Hazards

The Company conduct is subject to various federal, provincial, state laws, rules and regulations, including environmental legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties.

The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

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P. Risks and Uncertainties, continued

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims or government expropriation and title may be affected by undetected defects.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Q. Changes in Accounting Policies Including Initial Adoption

Future Accounting Standards Changes

IFRS 9: *Financial Instruments* will eventually form a complete replacement for IAS 39: *Financial Instruments: Recognition and Measurement*. All financial assets are classified as measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified at fair value through profit and loss, financial guarantees and certain other exceptions.

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company has assessed the effects of IFRS 9 and believes that there will be no changes to the measurement of the Company's financial instruments.

R. Proposed Transactions

Other than normal course review of monthly submittals, there are no other new acquisitions or proposed transactions contemplated as at the date of this report.

S. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence.

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S. Forward-Looking Statements, continued

Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.