



MANAGEMENT DISCUSSION & REPORT FOR THE PERIOD
TO SEPTEMBER 30, 2018

Dated November 27, 2018

Forward Looking Statements:

The MD&A contains forward looking statements that are based on the Company's expectations, estimates and projections regarding its business, the mining industry in general, and the economic environment in which it operates as of the date of the MD&A. These statements are reasonable but involve a number of risks and uncertainties, and there can be no assurance that they will prove to be accurate. Therefore, actual outcome and results may differ materially from those expressed in or implied by these forward-looking statements. This MD&A should be read in conjunction with the accompanying financial statements.

Nature of Activities:

Golden Tag Resources Ltd. is a Montreal based Canadian mineral resource exploration company, incorporated under the laws of the Province of British Columbia on September 22, 1980 and continued under the Canada Business Corporations Act on July 20, 1995. The Company has traded on the TSX Venture Exchange and predecessor exchanges on a continuous basis since its inception. Traditionally, much of Golden Tag's exploration activity was involved in the search for and definition of gold in eastern Canada's classical greenstone belts, however, the Company has expanded its exploration activities to include Mexico. The Company currently holds a 100% interest in the San Diego property in Durango State, Mexico

Detailed information about the Company can be found on SEDAR at www.sedar.com and on its website www.goldentag.ca. Please also refer to the Annual Financial Statements as at December 31, 2017 and the accompanying comprehensive MD&A.

SAN DIEGO PROPERTY, MEXICO:

Golden Tag currently owns a 100% interest in the San Diego Property. The project has been advanced through various exploration programs since 2005 and total cumulate expenditures to date by Golden Tag on the property are \$10,477,661. Former joint-venture partner Golden Minerals Company retains a 2% NSR on the project.

The San Diego Property consists of 4 mining concessions (91.65 hectares) in the Municipality of Cuencame, Durango State, Mexico. It is located approximately 75 km southwest of the city of Torreon, Mexico and is 12 km northeast of Peñoles Velardeña Mine. The Peñoles non-ferrous metallurgical complex (smelting and refining) is in Torreon. The property can be accessed via a

10 km dirt road from the village of San Diego, which is only 5 km east of Highway 400 and Federal Road 49.

The property lies within the Velardeña Mining District where several mines have produced silver, zinc, lead and gold over the past century from polymetallic mineralization associated with intermediate to felsic intrusive bodies. The mineral deposits of the Velardeña Mining District consist primarily of quartz-calcite veins with associated silver, lead, zinc, gold and copper mineralization typical of the polymetallic, intrusive related skarn and low-sulfidation epithermal deposits of northern Mexico.

The San Diego Property is underlain by Cretaceous limestones of the Aurora and Cuesta del Cura Formation, which were intruded by a Tertiary diorite stock and later-stage felsic dikes. Multi-stage mineralization is associated with the intrusive and volcanic activity in the area and consists primarily of polymetallic silver-lead-zinc mineralized quartz-calcite veins, stockwork vein systems, breccias, skarn, and replacement sulfides. Veins typically have an oxide zone in the near surface environment (above 30-meters vertical depth) that generally has richer silver and gold grades than the deeper sulfide zone of the same vein.

Exploration Results

A total of 32,933 meters of surface diamond drilling has been completed on the property in 6 Phases of exploration between 2006 and 2012. A NI43-101 Technical Report by SGS Canada, with an effective date of April 2013, summarizes the results of the 6 Phases of exploration and is available on www.sedar.com.

Work conducted to date has proven that the property is centered over a very large multi-phase hydrothermal system with alteration and mineralization extending beyond the current limits of drilling and to vertical depths of over 800 to 1,000 meters. There are now at least 23 recognized zones of silver-lead-zinc mineralization on the property.

Mineralization in the upper 250 meters of the project area is generally restricted to narrow, high grade sulfide veins. Close to surface, the veins are oxidized and were the focus of historical mining on the property. There are two dominant systems of veins: 1) a principal system trending northwest-southeast 2) a secondary system trending northeast-southwest.

Below 250 meters vertical depth, there is a greater interaction between host rocks and mineralizing hydrothermal solutions and limestone becomes increasingly recrystallized to form marble. Mineralization encountered in Phase 5 and Phase 6 drilling includes the depth extensions of the near surface veins but often in association with sulfide replacement of the adjacent wall rocks resulting in greater widths of mineralization: mantos type replacement zones in limestone/marble (massive to semi-massive sulfide zones parallel to bedding), pipe-like carbonate replacement zones (massive to semi-massive sulfide zones along the intersection of cross-cutting veins), widespread areas of stockwork, stringer or disseminated sulfide mineralization, and very large areas of skarn-type mineralization which straddle massive sulfide replacement zones developed along the contact of the Central Diorite. Exploration drilling also encountered a second, major structural corridor trending northwest-southeast and located to the south of the Central Diorite.

This new corridor hosts several broad and well mineralized vein zones which have not been followed up by shallow drilling to date.

Mineral Resource Estimate – San Diego Property

A Mineral Resource Estimate was completed by SGS Canada Inc upon completion of Phase 6 drilling in November 2012. A NI 43-101 Independent Technical Report by SGS Canada was published in April 2013 in support of the mineral resources disclosed in a Press Release on February 26, 2013. An additional updated Resource report with no changes in the mineral resource was filed on June 12, 2015. The report is available on the Company's website www.goldentag.ca or at www.sedar.com.

The results from the independent estimate of resources are summarized below as Table 1 and 2. Parameters used in the Resource Estimate are summarized in Table 3.

The Estimated Indicated and Inferred Resources at San Diego include:

- Indicated Resources of 16.5 Million tonnes grading 60 g/t Ag, 0.71% Pb and 1.22% Zn
- Inferred Resources of 42 Million tonnes grading 62 g/t Ag, 0.90% Pb and 1.31% Zn

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

SGS-Canada also recognized that there are many areas within the known and modeled structures, and as depth extensions to mineralized zones, that require additional drilling to meet the geostatistical resource parameters applied in the study. They conclude that these areas potentially host:

- Additional Target Potential of between 20 to 50 million tonnes grading 100 to 150 g/t Silver Equivalent

The Additional Target Potential is conceptual in nature as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

Additional Target Potential includes tonnes contained within 23 mineralized envelopes that were outlined in three dimensions and form the base for 34 geostatistical block models. These areas do not meet with the required drill hole density for classification as Indicated or Inferred Resources. This Potential within the models falls under "Unclassified tonnes above applicable cut-offs" or "Unclassified resources that are below cut-offs". Additional potential exists also on various dip, strike or plunge extensions to the numerous zones.

The updated resource estimate represented a very significant increase in tonnage over the previous Resource Estimate in 2009 with the most noteworthy, an expansion of Indicated Resources from 370,000 tonnes to 16.5 million tonnes (Mt). Inferred Resources double in tonnage from 22 million tonnes to 42 million tonnes. Silver ounces increase in comparison to 2009 and now stand at 31.6 million ounces of silver Indicated and 83.8 million ounces silver Inferred versus 3 million ounces

and 76.5 million ounces respectively in 2009. This represents a very large increase in higher quality resources.

Cautionary Statement:

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Additional Potential is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in this potential being delineated as a mineral resource.

Table 1. Summary of Resources in 23 Mineralized Zones on the San Diego Property (SGS, 2013)

SAN DIEGO RESOURCE ESTIMATE	CoG (g/t)	Indicated Resources							Inferred Resources						
		Tonnes (Mt)	Au g/t	Ag g/t	Pb %	Zn %	Ag.EQ ⁽²⁾ g/t	Ag Oz (M)	Tonnes (Mt)	Au g/t	Ag g/t	Pb %	Zn %	Ag.EQ ⁽²⁾ g/t	Ag Oz (M)
Fernandez Zone															
Endoskarn	52 ⁽¹⁾	9.3	0.06	55	0.59	1.33	100	16.5	9.6	0.04	57	0.6	1.3	101	17.4
Fringe	52	5.5	0.06	43	0.74	0.89	83	7.6	19.1	0.05	41	0.7	0.97	81	25.1
Sub-total		14.8	0.06	51	0.65	1.17	94	24.1	28.7	0.05	46	0.7	1.08	88	42.4
Vein & Mantos Zones															
Trovador	52	0.29	0.09	87	0.72	4.15	194	0.81	4.41	0.04	68	0.9	1.55	124	9.6
Montanez (3)	125	0.56	0.31	101	1.36	1.43	170	1.82	1.57	0.18	91	1.5	1.9	174	4.6
Vein Zones (17)	52-125	0.53	0.14	166	1.38	1.03	227	2.80	7.12	0.14	109	1.7	1.99	200	25.0
Oxide Zones	133	0.31	0.43	211	1.15	0.9	234	2.11	0.29	0.43	238	0.8	0.91	261	2.2
Sub-total		1.69	0.24	139	1.22	1.68	204	7.54	13.39	0.12	96	1.40	1.81	173	41.4
TOTAL RESOURCES (Oxide & Sulfide Zones)		16.5	0.08	60	0.71	1.22	105	31.6	42.0	0.07	62	0.9	1.31	115	83.8

- (1) Block Caving/Mechanized Bulk Mining Cut-Off Grade (CoG) of 52 g/t Ag.EQ. See Table 6 for more details
- (2) Ag.EQ: Silver Equivalent ounces based on 3-yr trailing average commodity prices of US\$1455/oz.Au; US\$28.10/oz.Ag; US\$1.00/lb Pb and US\$0.96/lb Zn applying estimated Mill and Smelter recoveries.
- (3) Bulk Zones includes the Fernandez Zone (Fringe & Endoskarn).
- (4) Totals may not add up correctly due to rounding.

Table 2. Summary of Mineral Resources, San Diego Property (SGS, 2013)

INDICATED RESOURCES	Cut-Off (g/t)	Tonnage (t)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag.EQ (g/t)	Silver ounces	Ag.EQ ounces
BULK ZONES ⁽³⁾	52	14,800,000	0.06	51	0.65	1.17	0.12	94	24,070,000	44,510,000
OXIDE VEINS	133	311,000	0.43	211	1.15	0.90	0.00	234	2,110,000	2,330,000
SULFIDE VEINS	52-125	1,373,000	0.20	123	1.23	1.85	0.10	197	5,430,000	8,680,000
TOTAL INDICATED		16,484,000	0.08	60	0.71	1.22	0.11	105	31,610,000	55,520,000

INFERRED RESOURCES	Cut-Off (g/t)	Tonnage (t)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Ag.EQ (g/t)	Silver ounces	Ag.EQ ounces
BULK ZONES ⁽³⁾	52	28,650,000	0.05	46	0.67	1.08	0.10	88	42,440,000	80,690,000
OXIDE VEINS	133	288,000	0.43	238	0.81	0.91	0.10	261	2,200,000	2,410,000
SULFIDE VEINS	52-125	13,100,000	0.11	93	1.41	1.83	0.10	171	39,170,000	72,230,000
TOTAL INFERRED		42,038,000	0.07	62	0.90	1.31	0.10	115	83,810,000	155,330,000

Please refer to the notes at the bottom of Table 1.

Table 3. Parameters used in the San Diego Mineral Resource Estimate (SGS, 2013)

Parameters	Silver	Lead	Zinc	Gold	Copper
Metal Pricing ⁽¹⁾	\$28.10/oz	\$1.00/lb	\$0.96/lb	\$1,455/oz	3.65/lb
Sulfides - Net Recoveries	64.9%	76.4%	57.5%	0.0%	0.0%
Conversion Factor to AgEQ g/t ⁽²⁾	1.0	1% = 28.7	1% = 20.8	-	-
Oxides - Net Recoveries	60.5%	0.0%	0.0%	62.5%	0.0%
Conversion Factor to AgEQ g/t ⁽²⁾	1.0	-	-	53.4%	-
Potential Mining Methods	Cut-Off Grades(COG)		Minimum Horizontal Mining Width (m)		
	\$/t ⁽³⁾	Ag.EQ (g/t)			
COG 133 Narrow vein Shrinkage- Oxide	\$73	133	1.0		
COG 125 Narrow vein Shrinkage	\$73	125	1.0		
COG 102 Long Hole Mining	\$60	102	2.5		
COG 81 Bulk Mining	\$47.50	81	5.0		
COG 52 Mechanized Bulk /Block Cave	\$30	52	Greater than 5 meters		

Notes: (1) \$US Pricing based on 3-year trailing average
(2) g/t Ag.EQ with estimated Mill and Smelter recoveries.
(3) Estimated mining cost (\$/t) in Mexico

The SGS study and resource estimate confirm that San Diego is a large, new silver-lead-zinc- rich deposit which lies on the Velardeña Mine trend to the east of Golden Minerals Santa Juana Mine and Peñoles Santa Maria Mine.

The Updated Resource Estimate contains 21 vein zones of primarily sulfide mineralization with oxide portions limited to the near-surface environment (0 to 30 m vertical depth). The estimate also reports the newly discovered Fernandez Zone (2 zones) and confirms it is a large and well constrained body of mineralization.

Resource Estimate Methodology

A three-dimensional model of level plans and cross-sections was constructed that enabled a better understanding of the interrelationships between the various mineralized structures found on the San Diego Property. Wireframe envelopes were created for the 23 mineralized bodies of which, 10 cross the oxide-sulfide interface. Two of the bodies (Fernandez Zone: Endoskarn and Fringe) have an ovoid shape, whereas the remainder represent veins (1 to 5 m wide). Fernandez Zone envelopes were filled with isotropic blocks measuring 5 x 5 x 5 m whereas the vein zones were populated with thin rotated blocks of 0.5 x 5 x 5 m to better respect the geometry and thickness of these structures. The blocks were interpolated from equal length composites calculated from the mineralized intervals. Prior to compositing, high-grade silver and gold assays were capped respectively to 1,400 g/t Ag and 5 g/t Au. Mineralized intervals having less than 1-meter true thickness were diluted with adjacent wall-rock. For the various cut-off grades (CoG), minimum horizontal mining widths were set at >5.0 m for CoG 52 g/t Ag.EQ; 5.0 m for CoG 81 g/t Ag.EQ; 2.5 m for CoG 102 g/t Ag.EQ; and 1.0 m for CoG 125 g/t Ag.EQ.

Block grades were interpolated from the composites in three separate passes using inverse distance to the square methodology. Blocks were classified automatically requiring a minimum of three drill holes within a 65m distance (40 m extrapolation) for Indicated Resources and a minimum of 2 drill holes within a 125 m distance (80 m extrapolation) for Inferred Resources.

In addition, a 60-meter radius around a single drill hole was also defined as Inferred Resource. Each mineralized body was validated visually to ensure that grade and classification was geologically reasonable. The San Diego drill hole database includes 59 diamond drill holes totaling 32,967 m of core with over 22,000 assayed samples. Density factors were estimated from a linear regression formula based on specific gravity measurements performed on 777 mineralized intervals of core.

Qualified persons – Resource Estimate:

The Resource Study was undertaken by SGS Canada Inc. under the management and supervision of M. Claude Duplessis, Ing. with the assistance of M. Guy Desharnais Ph.D., P.Geo. both Independent Qualified Persons (QP) and in accordance with NI 43-101.

SAN DIEGO EXPENDITURES:

Exploration expenditures of \$15,575 were incurred in Q3 2018 mainly related to site visits, administration and review of the project. The total spending on the property at the end of Q3, 2018 including an amount of \$792,421 to acquire the remaining 50% interest in the property is \$10,477,661.

The Company signed a Confidentiality Agreement during the first quarter of 2018 with a major mining company who have completed a detailed on-site review of the San Diego Project and are currently evaluating the results of the information they have collected. They have advised the Company that they will respond in the very near future as to their intentions in this matter.

Meanwhile during the above mentioned review period, Company representatives have assessed future planned work programs as a follow up on other areas of potential mineralization on the property based on the 3-D modelling completed with the resource evaluation of SGS. There are several avenues being considered and planned such as diamond drill programs to increase resources in specific areas of the deposit and to upgrade the quality of these resources.

The geologic model has been updated, potential areas of mineralization have been evaluated and target areas on the property have been prioritized. There exist several important exploration targets that have been identified, through this exercise, which are promising and where future drilling has been planned. For example, the southern portion of the property has not been tested by shallow drilling, yet the Company has made several interesting discoveries at depth. Examples include:

- **MS Zone-** SD-11-44: 1020.68 to 1025.68 m: 5 m @ 0.37 g/t Au, 152.16 g/t Ag, 2.59% Pb, 3.65% Zn¹
- **South Skarn-** SD-11-46: 1055.50 to 1066.15 m: 10.65 m @ 177.26 g/t Ag, 2.26% Pb, 5.54% Zn²
- **Trovador-** SD-11-44: 988.20 to 1016.62 m: 28.4 m @ 0.11 g/t Au, 177.92 g/t Ag, 1.86% Pb, 4.2% Zn¹

1: News Release November 15, 2011; 2: News Release January 21, 2012 and NI 43-101 Technical Report Updated Mineral Resource Estimate, San Diego Project, Velardeña Mining District, Durango State, Mexico written by SGS Canada Inc with an effective date of April 12, 2013

The northeast trending El Jal and Arroyo veins, which outcrop and have been mapped on surface and traverse a large portion of the property, require further drilling to have enough data to conduct a resource estimation. Another area with exploration potential which may require further drilling is on the southwest side of the property where the San Jose vein cuts northwest across the limestones. At first glance, the San Jose vein seems to be an analogue to the La Rata and La Cruz veins to the north. There is another area identified to the northwest of the Fernandez Zone, on the

western contact of the Central Diorite, which has shown significant mineralization in drill holes SD-07-18 and SD-12-49 that may develop into another bulk zone with further drilling:

- **SD-07-18:** 846.62-862.45 m: 15.83 m @ 0.06 g/t Au, 77.9 g/t Ag, 1.68% Pb, 1.82% Zn³
- **SD-12-49:** 441.57-461.92 m: 20.35 m @ 0.25 g/t Au, 72.71 g/t Ag, 1.81% Pb, 0.89% Zn⁴

3: News Release February 2, 2008; 4: News Release September 24, 2012 and NI 43-101 Technical Report Updated Mineral Resource Estimate, San Diego Project, Velardeña Mining District, Durango State, Mexico written by SGS Canada Inc with an effective date of April 12, 2013

INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”): the unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting standards Board (“IASB”), and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017, as they follow the same accounting policies and methods of application.

Change in accounting policy: On October 1, 2017, the Company retrospectively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and exploration and evaluation expenditures to the specific mineral properties, net of recoveries received.

Under the new policy, acquisition costs and deferred exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision by the board of directors to proceed with mine development are expensed as incurred. As required by IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated consolidated statement of financial position as at January 1, 2016. Management considers this accounting policy to provide more reliable and relevant information and more clearly represents the Company’s activities.

Results of Operation:

The loss for the current nine-month period ending September 30, 2018 is \$484,276, compared to a loss of \$363,584 reported for the same period a year ago. The higher loss in 2018 is \$120,692 or 33.2% higher than the same period in 2017. This is largely a result of an unrealized loss in the fair value of marketable securities amounting to \$49,908, which according to IFRS rules must be charged at current values. The remaining component is direct operating costs, which in the nine-month period ending September 30, 2018 totaled \$288,322, \$49,365 or 20.7% greater than the \$238,957 reported in the same period in 2017. The higher operating costs this period were chiefly due to Management and Consulting Fees amounting to \$108,750, \$31,250 or 40.3% greater than the \$77,500 reported last year. This is because not all related costs were charged in the previous quarters. Expenses incurred on the San Diego property related to security and maintenance this period were \$66,004, \$18,084 or 37.7% greater than the \$47,920 in the same period last year. The

loss for the current three-month period is \$23,158, \$16,660 or 41.8% less than the \$39,845 reported for the three month period last year. The lower loss is explained by a larger gain of \$48,500 in this period in the amount of unrealized loss in the fair value of marketable securities compared to only a gain of \$13,500 in Q 3 2017

SUMMARY OF QUARTERLY RESULTS (unaudited):

The following table represents unaudited financial information for the eight most recently completed financial quarters.

	2018				2017			2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Income	5,398	(92,460)	(156,605)	771,358	28,409	1,018	64	167,344
Net (Loss)	(484,276)	(229,075)	(232,044)	719,372	(39,898)	(218,658)	(102,850)	(731,907)
Gain								
Net (Loss)	(0.0060)	(0.0030)	(0.0030)	(0.0090)	0.0005	(0.0028)	0.0013	(0.0107)
Gain per share								

Income is interest earned on funds held mainly for exploration activity and in Quarter 4, 2017 from the sale of the McCuaig property; in quarter 4 of 2016 from the sale of the Verneuil and Aquilon properties. In the last eight quarters the quarterly net loss fluctuated between an income of \$719,372 in Q4 2017 and a loss of \$731,907 in Q4 2016. This is largely a result of adjustments during the last quarter relating to the sales of the exploration and evaluation transactions and the change in fair value of marketable securities from one quarter to another. In the eight-period analysis presented, the amount of loss per quarter is largely a function of: the amount of offsetting income revenue to costs, direct operating expenses, property exploration expenses and the impact of foreign exchange and adjustments. Quarterly results may also be significantly influenced by accruals between quarters. The loss per share can also be influenced by the weighted average number of shares outstanding. The average weighted number of shares at Q3 2018 were 79,806,558 compared to an amount of 78,926,558 in Q3 2017.

Funds Raised:

An amount of \$44,000 was raised as a result of the exercising of 880,000 broker warrants at an exercise price of \$0.05.

Related Parties:

An amount of \$142,841 was paid during the nine-month period to date for consulting fees to management for administration and geological related work.

Share Capital as at March 31, 2018:

Authorized:	unlimited
Issued:	79,806,558
Fully Diluted:	101,886,558

Summary of Options:

Options to directors and employees and consultants which remain unexercised at the end of the period total 3,200,000 at an exercise price of \$0.05 until December 1, 2022.

Subsequent Events:

We are saddened to report that George Durst who had been an active director of the Company since 2014 passed away in July 2018. We offer condolences to his family.

Management's Responsibility For Financial Reporting:

Management is responsible for the preparation of the financial statements and other financial information relating to the Corporation included in this unaudited interim report. The financial statements have been prepared in accordance with International Financial Reporting Standards and necessarily include amounts based on estimates and judgment of management.

Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Risks and Uncertainties:

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, and exploration of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, including environmental hazards, and unusual or unexpected geological occurrences. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years related to consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming development. There can be no assurance that the Company will generate any revenues or achieve profitability.

Foreign Exchange

Exploration is paid in United States dollars in Mexico and consequently, the Company is subject to foreign exchange risks relating to the relative value of the Canadian dollar as compared to the US dollar.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Commodity Price Risk:

The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of certain minerals.

Disclosure Controls and Procedures:

Disclosure controls and procedures over financial reporting within the Corporation have been designed to provide reasonable assurance that all relevant information is identified to ensure appropriate and timely decisions are made regarding public disclosure. Internal controls over

financial reporting have been designed by management, with the participation of the Corporation's President and Chief Financial Officer ("CFO") and Chief Executive Officer ("CEO") to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and its preparation of financial statements. The Corporation's CEO and CFO certify the appropriateness of the financial disclosures in the Corporation's interim filings with securities regulators. In those interim filings, the Corporation's CEO and CFO also certify the design of the Corporation's disclosure controls and procedures and the design of internal controls over financial reporting. The Corporation's Audit Committee reviewed this MD&A, and the audited consolidated financial statements, and the Corporation's Board of Directors approved these documents prior to their release.

Management's report on disclosure controls and procedures : Management, with the participation of the Corporation's CEO and CFO, assessed the effectiveness of the Corporation's disclosure controls and processes and concluded, as at September 30, 2018, that such disclosure controls and processes were effective to provide reasonable assurance that: material information relating to the Corporation was made known, and information required to be disclosed by the corporation in its annual filings, interim filings and other reports filed or submitted by the Corporation under securities legislation was recorded, processed, summarized and reported within the time periods specified in securities legislation.

It should be noted that as a small organization, the Company's management is composed of a small number of key individuals, resulting in situations where limitations in segregation of duties have to be compensated by more effective monitoring by the Chief Executive Officer and the Chief Financial Officer. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties.

Quarterly and annual financial statements are reviewed by the Company's Audit Committee and Board of Directors. Since the increased funding costs of such hiring could place a burden on the Company's finances, the Company's management has chosen to disclose the potential risk in its filings and is assessing the company's future needs in this regard as activity in the Company grows.

There have been no changes to the Corporation's internal controls over financial reporting during the period ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking information. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or

“does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” “be taken”, “occur” or “be achieved”. Forward - looking information is based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays or failure to receive government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of gold and other minerals; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; as well as the risks and uncertainties identified elsewhere in this document. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

Additional Information:

This analysis should be read in conjunction with the most recent audited financial statements. Financial information about the Company is contained in its comparative financial statements for the fiscal years ended December 31, 2017 and 2016 and additional information about the Company can be found on SEDAR at www.sedar.com.

Qualified Person:

Bruce Robbins, M.Sc.A, P.Geo, Interim CEO of the Company is the Qualified Person as defined by NI 43-101 who has reviewed and approved the technical content in this report.

Montreal, November 27, 2018

(Signed : Bruce Robbins)
Interim CEO

(Signed : Marc A. Carrier)
President & CFO