Management's Discussion and Analysis of

FIORE GOLD LTD.

(formerly GRP Minerals Corp.)

For the years ended September 30, 2017 and 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management Discussion and Analysis (MD&A) of Fiore Gold Ltd. (the "Company", "we", "our", "us" or "Fiore Gold") should be read in conjunction with the accompanying financial statements and related notes for the year ended September 30, 2017. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

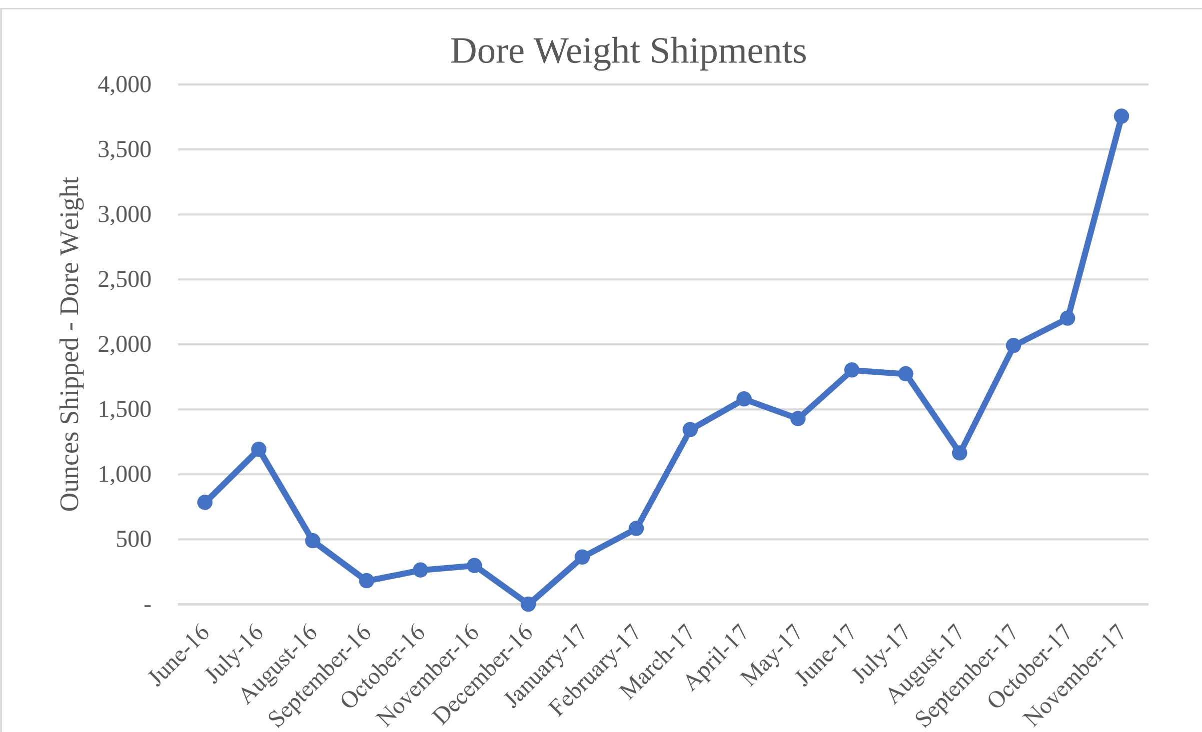
This discussion contains forward-looking statements reflecting our current expectations, whose actual outcomes involve risks and uncertainties. Actual results and the timing of events may differ materially from those stated in or implied by these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risk Factors," and "Cautionary Statement Regarding Forward-Looking Statements".

The report is dated as of December 31, 2017. All references to the Company includes its subsidiaries unless the context requires otherwise.

Overview

Fiore Gold operates the Fiore Gold Pan Mine ("Pan"), an open pit, heap leach mine in White Pine County, Nevada. The mine has facilities, infrastructure and permitting in place to support a mining rate of approximately 17,000 tons per day of ore. The nearby Gold Rock project, and the Golden Eagle project in Washington State, are advanced exploration stage projects with identified gold mineralization. Pampas El Peñon, Cerro Tostado, Río Loa and Lomas de Puquios are early stage exploration projects located in northern Chile. The mining and exploration properties located in Nevada and Washington were acquired on May 17, 2016 through the Asset Acquisition (as described and defined below). The Chilean properties were acquired through the Arrangement with Fiore Exploration Ltd. on September 26, 2017.

We currently have a debt free capital structure. Pan achieved commercial production on March 1, 2017 and is demonstrating that Pan can economically produce gold, with the leach pad now performing to designed standards for blended rock and clay run-of-mine ores. Since achieving commercial production, Pan has improved operating practices resulting in steadily increased gold production, as shown in the graph below:



We anticipate further improvements with substantial completion and commencement of ore stacking on the Phase II leach pad expansion during December 2017. The evaluation of a crushing and agglomeration circuit is underway with the goal of further increases to gold production. More details of the specific operational improvements made to the Pan mine are discussed in the Operations – Pan Mine section below. We have continued to improve our access to capital markets with a seasoned and respected management team, Board of Directors and advisors.

Our corporate strategy is to continue to grow Fiore Gold into a 150,000 ounce per year gold producer. To achieve this, we intend to:

- grow gold production at the Pan Mine from a planned 35,000 - 40,000 ounces during fiscal year 2018 with a target of between 40,000 - 50,000 ounces per year by fiscal year 2019;
- advance exploration and development of the nearby Gold Rock project, with a resource update planned for late calendar year 2018; and
- acquire additional production or near-production assets in Nevada and surrounding states.

We intend to enhance the value of the Company to shareholders by improving our profitability and return on investment, maintaining a strong balance sheet position and increasing cash flows from operations.

We strive to achieve excellent mine safety and health performance. We seek to implement this goal by: training employees in safe work practices; establishing, following and improving safety standards; investigating accidents, incidents and losses to avoid recurrence; involving employees in the establishment of safety standards; and participating in the National Mining Association's CORESafety program. Our operations team has received the Nevada Mining Association's First Place Mine Operator Safety award for 2015 and 2016. We attempt to implement reasonable best practices with respect to mine safety and emergency preparedness. We address issues identified in its investigations and inspections and continuously evaluate our safety practices.

Corporate History

Fiore Gold Ltd. was formed on September 25, 2017 pursuant to an Arrangement Agreement (the "Arrangement") dated July 24, 2017, whereby GRP Minerals Corp. ("GRP") acquired Fiore Exploration Ltd. ("Fiore Exploration"), combining their businesses to create Fiore Gold Ltd., a new Nevada based gold production and development company. Our shares are publicly listed on the TSX Venture Exchange ("TSX-V") under the symbol "F" in Canada and on the OTCQB in the United States under the symbol "FIOGF". The address of our registered and records office is 400-725 Granville Street, P.O. Box 10325, Vancouver, British Columbia, V7Y 1G5.

GRP was originally formed as a Colorado limited liability company on April 14, 2016 as GRP Minerals, LLC. On June 29, 2016, we filed a statement of conversion with the Colorado Secretary of State and incorporated in Nevada as a corporation and changed our name to GRP Minerals Corp. Under the Arrangement, GRP continued into British Columbia, Canada on September 25, 2017 and amalgamated with 1125250 B.C. ULC under the name Fiore Gold Ltd. On September 26, 2017, Fiore Gold acquired all of the issued and outstanding common shares of Fiore Exploration Ltd.

We are treated as a U.S. domestic corporation for U.S. federal income tax purposes and are also a taxable Canadian corporation for purposes of the Income Tax Act (Canada). Refer to Tax Risks below.

The nature of the gold mining industry, our operations, and the overall gold market require that we recognize and manage several inherent challenges and risks, some of which are beyond our control. Investors are encouraged to refer to the "Risks and Uncertainties" section within this document for a detailed discussion of these risks.

2017 Financial Highlights and Major Events

- Arrangement with Fiore Exploration Ltd. closed on September 26, 2017.
- Our Pan mine commenced commercial production on March 1, 2017.
- Revenues of $10.70 million from the sale of 8,452 gold ounces.
- An additional 1,237 gold ounces were sold prior to the commencement of commercial production from October 1, 2016 through March 1, 2017.
- Inventory of 7,126 estimated recoverable ounces placed on the leach pad at Pan as of September 30, 2017.
- Working capital of $19.78 million as of September 30, 2017, with a cash balance of $15.12 million.
- Commenced construction of the phase IIA heap leach pad at the Pan mine with construction substantially completed on December 22, 2017, which will add an additional 2.2 million square feet of leach pad.
- Cash proceeds of $5.24 million raised through the issuance of Special warrants.
- Cash proceeds of $13.72 million raised under the Financing terms of the Arrangement with Fiore Exploration Ltd.
- Issued 28,676,883 common shares and 22,214,910 common share warrants under the Arrangement with Fiore Exploration Ltd.

Acquisition of Assets

Asset Purchase Agreement with Midway Gold Corp.

GRP was initially formed to acquire assets from subsidiaries of Midway Gold Corp ("Midway"). On May 17, 2016, GRP acquired, through the Bankruptcy Code section 363 sale process, a portion of Midway's total assets that consisted of Pan, a pre-commercial production mining property in White Pine County, Nevada, and additional exploration stage properties including the Gold Rock and Golden Eagle properties.

The acquisition received authorization from the United States Bankruptcy Court for the District of Colorado (the "Bankruptcy Court") in Midway Gold Corp.'s Chapter 11 cases (*In re Midway Gold US Inc., et al*, Case No. 15-16835 MER (jointly administered) (the "Bankruptcy Case")) to proceed with selling the Pan Project, Gold Rock Project, Golden Eagle Project, Pinyon Project (subsequently abandoned), and other assets to GRP for $5.25 million and other consideration under the terms of an Asset Purchase Agreement (the "APA"). GRP acquired the assets by submitting a Stalking Horse Bid in a court approved auction process, Midway did not receive any competing bids that qualified as higher and better than GRP's binding proposal. On May 13, 2016, the Bankruptcy Court (I) approved; (A) the sale of substantially all of Midway's remaining assets pursuant to the APA with GRP and related agreements free and clear of liens, claims, encumbrances and other interests and, (B) the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale; and (II) authorized the parties to proceed with the transactions. The transactions closed on May 17, 2016.

The following description is a summary of the material terms of the APA and is qualified in its entirety by reference to the text of the APA filed with the Bankruptcy Court and available at www.pacer.gov.

- <u>Purchase Price:</u> $5.25 million in cash, minus amounts needed to make cure payments to non-debtor parties for assigned contracts and to pay transfer taxes.

- <u>Purchased Assets:</u> Midway's interest in the Pan Project, Gold Rock Project, Pinyon Project and Golden Eagle Project, plus related owned and leased real property, owned and leased mining claims, water rights, assigned contracts, permits, tangible property and other related assets.

- <u>Assumed Liabilities:</u> Assumption of reclamation liabilities. Liabilities and obligations related to specified assigned contracts, post-closing date liabilities arising out of the projects and other specified liabilities as described in the APA.

Arrangement Agreement with Fiore Exploration Ltd.

In July of 2017, GRP and Fiore Exploration entered into the Arrangement whereby GRP acquired Fiore Exploration combining their businesses. Under the terms of the Arrangement, GRP acquired Fiore Exploration through a share exchange transaction on the basis of 0.265 shares of GRP exchanged for each share of Fiore Exploration. Outstanding options and warrants were also adjusted in accordance with the terms of the Arrangement. Following approval by the shareholders of GRP and Fiore Exploration, the Arrangement was approved by the Supreme Court of British Columbia under the Business Corporations Act (British Columbia) on September 19, 2017.

In August of 2017, Fiore Exploration and a subsidiary thereof closed on a brokered private placement financing for gross proceeds of CAD$17.01 million through the issuance of 55,762,561 subscription receipts at CAD$0.305 per subscription receipt. The subscription receipts converted into 14,777,078 units of Fiore Gold, with each unit consisting of one common share and one share purchase warrant exercisable for a period of three years from September 26, 2017 at CAD$1.70 per share. An aggregate of 3,331,833 broker warrants were also issued, which are exercisable into 882,935 Fiore Gold common shares. The proceeds from the financing were placed into an escrow account and released to Fiore Gold upon completion of the Arrangement.

In September of 2017, the shareholders of GRP and Fiore Exploration approved the Arrangement. Upon closing of the Arrangement, 27,070,988 common shares of Fiore Gold were issued for the previously outstanding Fiore Exploration common shares, in addition to the 14,777,078 common shares issued for the financing proceeds noted above. Success fees were paid to the GRP and Fiore Exploration advisors in the cumulative amount of 1,605,921 common shares of Fiore Gold. All formerly outstanding GRP common shares were converted into common shares of Fiore Gold.

The Arrangement was accounted for in accordance with IFRS 2, Share Based-Payments. The Arrangement is considered to be a reverse takeover of Fiore Exploration by GRP. A reverse takeover transaction involving a non-public operating entity and a non-operating public company is in substance a share-based payment transaction, rather than a business combination. The transaction is equivalent to the issuance of equity instruments (shares, stock options and warrants) by GRP for the net assets and eventual public listing status of the non-operating company, Fiore Exploration. The fair value of the shares issued was determined based on the fair value of the common shares issued by GRP. Comparative figures presented within these consolidated financial statements are those of GRP.

Total consideration paid was $41.68 million, inclusive of $1.51 million of share based compensation expense on assumed options and transaction costs of $1.06 million capitalized into the total consideration. Consideration given in excess of the net fair value of the assets received ($28.33 million) of $13.35 million has been recorded as a "non-cash" listing expense on the consolidated statements of loss as of September 30, 2017.

- <u>Purchased Assets:</u> Fiore Exploration's interest in the Pampas El Peñon, Cerro Tostado, Río Loa and Lomas de Puquios exploration projects in Chile, cash and cash equivalents of $14.27 million and other assets of $5.21 million.

- <u>Assumed Liabilities:</u> Liabilities and obligations related to assigned contracts, post-closing date liabilities arising out of the projects and other specified liabilities.

Several principal reasons for the transaction are discussed within the GRP Minerals Corp. Management Information Circular filed on SEDAR under the Fiore Gold Ltd. profile and within the Fiore Exploration Ltd. Management Information Circular filed on SEDAR under the Fiore Exploration Ltd. profile. The reasons listed include liquidity to GRP security holders through the listing on the TSX-V, access to capital markets and financing proceeds needed for Pan capital projects and operational expenses.

While the listing expense is reported in accordance with IFRS as being consideration in excess of the net fair value of assets received of $13.35 million and recorded as a "non-cash" expense, this has:

- Accelerated the Company's access to the public markets;
- raised immediate cash to expand the leach pad at Pan;
- brought together a team of investors and seasoned advisors to help lead the Company forward with its strategic plans; and
- acquired four exploration properties in Chile, one of which is a large land package adjacent to and on strike with an existing, silver-rich mine.

While the $13.35 million listing expense is not capitalizable per IFRS, the Company feels these factors were valuable attributes of the transaction.

Outlook for 2018

The following table outlines the Company's estimated 2018 production and cost guidance:

		2018 Guidance
Ore Mined	('000t)	4,750 - 5,250
Waste Mined	('000t)	7,250 - 7,750
Total Mined	('000t)	12,000 - 13,000
Gold Ounces Mined	(oz)	75,000 - 83,000
Ore Grade Mined	(oz/t)	0.014 - 0.017
Strip Ratio	waste/ore	1.47 - 1.53
Gold Ounces Produced	(oz)	35,000 - 40,000
Gold Ounces Sold (Payable)	(oz)	35,000 - 40,000
Total Cash Costs per Ounce[1]	$/oz sold	742
Total Costs of Sales Per Ounce[1]	$/oz sold	826
All-in Sustaining Costs[1, 2]	$/oz sold	957
Mine Production Costs	$ millions	32.9
Royalties and Treatment/Refining Costs	$ millions	2.0
Inventory Movements	$ millions	(6.6)
Total Production Costs	$ millions	28.3
Capital Expenditures	$ millions	5.5

[1]Total cash costs per ounce, costs of sales per ounce and all-in sustaining costs are non-IFRS financial measure that do not have a standard meaning under IFRS. Please refer to Non-IFRS Performance measures at the end of this MD&A.
[2]All-in Sustaining Costs are presented as defined by the World Gold Council ("WGC") less corporate general and administrative expenses. Please refer to Non-IFRS Performance measures at the end of this MD&A.

Guidance Analysis for Fiscal Year 2018

Our mine plans are targeted at a sustained 14,000 ore tons per day production rate with higher grade ore anticipated during 2018 compared to 2017. Ore grades during 2017 averaged 0.013 gold ounces per ton, compared to 2018 guidance of 0.014 to 0.017 gold ounces per ton. Higher grades are expected during the second half of 2018, with mining rates remaining fairly consistent throughout the year.

Gold production is expected to be between 35,000 and 40,000 ounces during 2018, a significant increase from 2017 due to the re-start of operations and commercial production start during the year. The fourth quarter of 2017 represented the beginning of our ramp up of operations at the Pan mine with over 14,000 tons per day achieved during September.

Total mine production costs are expected to be approximately $32.9 million, with $26.8 million representing production cost of sales. Production costs at that level would result in an expected median cash cost per gold ounce sold of $742. Mining costs are expected to represent approximately 70% of the total mine production costs, with processing costs expected to represent 21% and an expected 9% for mine site administration.

Capital expenditures are expected to be approximately $5.53 million, with the majority attributable to completion of the Phase IIA leach pad and sustaining operational capital expenditures at the Pan mine.

Review of Operating Results

Operating Results		Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Year Ended September 30, 2017	Year Ended September 30, 2016
Ore Mined	(t)	969,334	-	2,283,960	-
Waste Mined	(t)	750,279	-	1,680,159	-
Total Mined	(t)	1,719,613	-	3,964,119	-
Gold Ounces Mined	(oz)	11,121	-	30,353	-
Ore Grade Mined	(oz/t)	0.011	-	0.013	-
Strip Ratio	waste/ore	0.77	-	0.74	-
Gold Ounces Produced	(oz)	3,950	1,535	10,064	2,162
Gold Ounces Sold (Payable)	(oz)	3,838	1,555	9,690	2,087
Average Realized Price[1]	$/oz	1,278	1,334	1,260	1,317
Total Cash Costs per Ounce[1]	$/oz	955	-	811	-
Cost of Sales per Ounce[1]	$/oz	1,043	-	918	-

[1] Average realized price, total cash costs per ounce and cost of sales per ounce are non-IFRS financial measure that does not have a standard meaning under IFRS. Please refer to Non-IFRS Performance measures at the end of this MD&A.

Three Months Ended September 30, 2017

Mining

- We utilize a third-party contractor, Ledcor CMI, Inc. ("Ledcor") for our mining operations at the Pan mine. During the fourth quarter of 2017, we mined 969,334 ore tons, with 471,246 ore tons from the South pit and 498,088 ore tons from the North pit. An additional 750,279 waste tons were mined, with 445,271 tons from the South pit and 305,007 from the North Pit. The per day mining rate of ore tons increased from approximately 6,000 ore tons per day during July, to 11,000 during August to almost 15,000 ore tons per day during September. We are targeting a sustained mining rate of 14,000 ore tons per day during 2018.
- The strip ratio during the fourth quarter of 2017 was 0.77:1 waste to ore. The Nation Instrument 43-101 technical report entitled "NI 43-101 updated Technical Report on the Pan Gold Project, White Pan County, Nevada" dated July 7, 2017 and prepared by SRK Consulting (U.S.), Inc. ("Pan Mine 43-101") life of mine strip ratio is projected to be 1.34:1 waste tons to ore tons mined. The 2018 strip ratio is projected to increase into the 1.50 range, covering the lower strip ratio realized during 2017 and expose higher grade ore available for mining in late 2018.
- Ore grade mined during the fourth quarter of 2017 was 0.011 ounces per ore ton, which is lower than the projected life of mine ore grade of 0.014 for Measured & Indicated ounces per the Pan Mine 43-101. Higher ore grades are budgeted during 2018.

Processing

- We do not currently utilize a crusher, with all ore placed as run-of-mine directly on the leach pad and leached. As noted above, 969,334 ore tons were mined and placed on the leach pad during the fourth quarter of 2017. The average ore grade was 0.011 ounces per ton, resulting in 11,122 contained ounces. We currently estimate recoveries through run-of-mine procedures to be 50% on North pit ore and 75% on South pit ore, resulting in an estimated 6,697 recoverable ounces placed.
- We produced 3,950 gold ounces and sold 3,838 gold ounces during the fourth quarter of 2017. Unsold produced gold ounces represent finished goods gold inventory on the consolidated statements of financial position.

Costs – Operations

- Total mining costs were $3.59 million for the fourth quarter of 2017, or $2.09 on a per ton mined basis.
- Total processing costs were $1.01 million for the fourth quarter of 2017, or $1.05 per ore ton mined and $0.59 per ton mined.
- Total mine site administration costs were $1.02 million (excluding share based compensation) for the fourth quarter of 2017, or $1.06 per ore ton mined and $0.60 per ton mined.

Full Year 2017

Mining

- The Pan mine achieved commercial production on March 1, 2017. All production and related costs prior to that date have been capitalized within the mineral property balance for Pan on the consolidated statements of financial position. For the 2017 year, we mined 2,283,960 ore tons, 264,669 of those ore tons were mined prior to March 1, 2017. 1,340,434 ore tons were mined from the North pit and 943,526 from the South pit. Guidance for 2018 projects ore tons mined to increase by approximately 119% from 2017.
- Waste mined during the year totaled 1,680,159 tons, 1,010,153 from the North pit and 670,006 from the South pit. Prior to commercial production on March 1, 2017, only 61,655 of those waste tons had been mined. Guidance for 2018 projects waste tons mined to increase by approximately 362%, leading to a projected strip ratio of 1.50, compared to 0.74 for the full year of 2017.
- Ore grade mined during the year was 0.013 ounces per ore ton, closely aligning with the life of mine grade from the Pan Mine 43-101 of 0.014. The mine plan and guidance for 2018 shows a projected ore grade mined of 0.014 to 0.017 with higher grades anticipated to be mined during the second half of 2018.

Processing

- A total of 30,354 contained ounces were mined and placed on the leach pad during the full year 2017 from 2,283,960 ore tons at an average grade of 0.013. With current estimated run-of-mine recoveries of 50% from the North pit and 75% from the South pit, 17,949 recoverable ounces were placed. 3,820 contained ounces and 2,360 recoverable ounces pertain to the pre-commercial production period.
- We produced 10,064 gold ounces and sold 9,690 gold ounces during the full year of 2017. 1,195 of the 10,064 gold ounces produced were during the pre-commercial production period. Guidance for the full year 2018 projects gold production to triple or quadruple, which reflects the full year of steady state mining projected for the 2018 year.

Costs – Operations

- Total mining costs were $8.85 million for the full year of 2017 and $7.75 million during the post-commercial production period. For the full year 2017, mining costs were $3.88 per ore ton and $2.23 per total ton. During the post-commercial production period, mining costs were $3.84 per ore ton and $2.13 per total ton. Guidance for the full year of 2018 projects mining costs to be $4.62 per ore ton and $1.85 per total ton.
- Total processing costs were $3.86 million for the full year of 2017 and $2.17 million during the post-commercial production period. Processing costs were $1.69 per ore ton and $0.97 per total ton. During the post-commercial production period, processing costs were $1.31 per ore ton and $0.73 per total ton. Guidance for the full year of 2018 projects processing costs to be $1.36 per ore ton and $0.54 per total ton.
- Total mine site administration costs (excluding shared based compensation) were $4.31 million for the full year of 2017 and $2.71 million during the post-commercial production period. For the full year of 2017, mine site administration costs were $1.89 per ore ton and $1.09 for total ton. During the post-commercial production period, mine site administration costs were $1.34 per ore ton and $0.74 per total ton. Guidance for the full year of 2018 projects mine site administration costs to be $0.59 per ore ton and $0.24 per total ton.

Review of Financial Results

($000's)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Year Ended September 30, 2017	Year Ended September 30, 2016
Revenue	$ 4,905	$ -	$ 10,696	$ -
Production Costs	(3,844)	-	(8,590)	-
Depreciation and Depletion	(159)	-	(302)	-
Total Cost of Sales	$ (4,003)	$ -	$ (8,892)	$ -
Gross Profit (Loss)	902	-	1,804	-
Exploration and Administrative Expenses				
Project Exploration and Evaluation	(306)	(353)	(1,216)	(424)
Consulting Fees	(54)	(13)	(190)	(60)
Depreciation	(6)	(5)	(23)	(5)
Legal, Audit and Accounting	127	(87)	(419)	(127)
Office and Administrative	(130)	(56)	(443)	(65)
Salaries and Benefits	(454)	(449)	(1,914)	(535)
Stock Based Compensation	(602)	-	(1,587)	-
Travel and Other	(27)	(42)	(139)	(57)
Total	$ (1,452)	$ (1,005)	$ (5,931)	$ (1,273)
Other Income (Expense)				
Accretion Expense	(76)	(68)	(278)	(89)
Change in Fair Value of Warrant Derivative	(1,069)	-	(1,069)	-
Foreign Exchange Loss	(164)	-	(168)	-
Listing Expense	(13,354)	-	(13,354)	-
Other Income (Expense)	4	10	4	9
Total	$ (14,659)	$ (58)	$ (14,865)	$ (80)
Loss Before Taxes	(15,209)	(1,063)	(18,992)	(1,353)
Income Tax Benefit (Expense)	-	-	-	-
Net Loss	$ (15,209)	$ (1,063)	$ (18,992)	$ (1,353)
Total Assets	$ 46,866	$ 14,066	$ 46,866	$ 14,066
Non-Current Liabilities	$ 9,259	$ 2,341	$ 9,259	$ 2,341

($000's) Production Costs	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Year Ended September 30, 2017	Year Ended September 30, 2016
Mine Production Costs	5,630	-	12,622	-
Royalties and Treatment/Refining Costs	214	-	475	-
Share Based Compensation in Production Costs	211	-	760	-
By-product Credits	(3)	-	(5)	-
Inventory Movements	(2,208)	-	(5,262)	-
Total Production Costs	$ 3,844	$ -	$ 8,590	$ -

($000's) Depreciation and Depletion Expenses	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Year Ended September 30, 2017	Year Ended September 30, 2016
Depreciation and Depletion	339	-	613	-
Inventory Movements - Non-Cash	(180)	-	(311)	-
Total Depreciation and Depletion Expenses	$ 159	$ -	$ 302	$ -

Review of financial results for the three months ended September 30, 2017 and 2016

Revenue

During the three months ended September 30, 2017 revenue was $4.91 million from the sale of 3,838 gold ounces at an average realized gold price of $1,278 per ounce.

During the three months ended September 30, 2016 we generated sales, despite not conducting mining operations in the amount of $2.1 million, though the continued residual leaching of the ore that existed on the leach pad at the time of acquisition of the Pan project from Midway Gold Corp. During the three months ended September 30, 2016, we sold 1,555 gold ounces at an average price of $1,334 per ounce. All pre-commercial sales were recorded as a decrease to Mineral Property, Plant and Equipment.

Any revenue generated from the sale of silver is considered a by-product of our gold production. Silver sales during the period were immaterial and we do not anticipate silver sales to be substantial in future periods.

Production Costs

For the three months ended September 30, 2017, mine production costs were $5.63 million, with an additional $0.21 million in share based compensation costs allocated to mine production costs. The mine production costs of $2.20 million for the three months ended September 30, 2016 were recorded as an increase to Mineral Property, Plant and Equipment as the Pan mine was in the pre-commercial production phase.

Inventory movements resulted in a $2.21 million reduction to total production costs in the current period. In addition, $0.21 million of royalty expense, treatment and refining costs were expensed. See Review of Operating Results section for additional information.

Depreciation and Depletion

Depreciation and depletion expense for the three months ended September 30, 2017 was $0.34 million. As noted prior, depreciation and depletion costs of $0.81 million for the three months ended September 30, 2016 were recorded as an increase to Mineral Property, Plant and Equipment as the Pan mine was in the pre-commercial production phase.

Inventory movements results in a $0.18 million reduction to depreciation and depletion during the current period.

Exploration and Evaluation Expenditures

For the three months ended September 30, 2017 exploration and evaluation expenses were $0.30 million, $0.05 million lower than the prior year period of $0.35 million. Costs during both periods were primarily attributable to permitting efforts for our Gold Rock project and annual claims filing fees of the exploration properties. See Overview of Properties section for additional information.

General & Administrative

General and administrative expense for the three months ended September 30, 2017 was $1.15 million, $0.50 million higher compared to the prior year period of $0.65 million. Higher general and administrative expense for the current quarter is due to $0.60 million of share based compensation expense recognized, compared to none for the prior year period offset by a $0.21 million reduction in legal and accounting expenses, as the majority of costs over the current period were capitalized into the Arrangement.

Change in Fair Value of Warrant Derivative

Change in the fair value of warrant derivatives for the three months ended September 30, 2017 was an expense of $1.07 million with no expense in the prior year period. We issued 22,214,910 warrants denominated in the Canadian dollar during the period, which result in derivative liabilities due to our functional currency being the U.S. dollar. Refer to Note 9 of the Consolidated Financial Statements for further information.

Listing Expense

In connection with the Arrangement, defined above, consideration of $41.68 million was paid through a share-based payment transaction for the acquisition of Fiore Exploration Ltd. The fair value of the net assets of Fiore Exploration was $28.33 million as of the acquisition date. The difference between consideration paid and the fair value of the net assets of $13.35 million has been recognized as a “non-cash” listing expense of the acquisition and cost of acquiring the public listing. Several principal reasons for the Arrangement are discussed within the GRP Minerals Corp. Management Information Circular filed on SEDAR under the Fiore Gold Ltd. profile, as well as within the Fiore Exploration Ltd. Management Information Circular filed on SEDAR under the Fiore Exploration Ltd. profile. Those reasons include liquidity to GRP security holders through the listing on the TSX-V, access to capital markets and financing proceeds needed for Pan capital projects and operational expenses.

Other Expense

Other expenses for the three months ended September 30, 2017 were $0.24 million compared to $0.06 million in the prior year period, an increase of $0.18 million. We incurred foreign exchange translation losses with Canadian dollar denominated bank accounts established with the closing of the Arrangement of $0.16 million.

Review of financial results for the year ended September 30, 2017 and 2016

The Pan mine achieved commercial production as of March 1, 2017. All incremental revenue and production costs prior to that date were capitalized as a Mineral Property cost on the Consolidated Statements of Financial Position.

Revenue

During the year ended September 30, 2017 revenue was $10.70 million from the sale of 8,452 post-commercial production gold ounces at an average realized gold price of $1,265 per ounce.

During the year ended September 30, 2016 we generated sales, despite not conducting mining operations, though the continued residual leaching of the ore that existed on the leach pad at the time of acquisition of the Pan project from Midway. During the year ended September 30, 2016, we sold 2,087 gold ounces at an average price of $1,317 per ounce for sales of $2.75 million. All pre-commercial sales were recorded as a decrease to Mineral Property, Plant and Equipment.

Any revenue generated from the sale of silver is considered a by-product of our gold production. Silver sales during the period were immaterial and we do not anticipate silver sales to be substantial in future periods.

Production Costs

For the year ended September 30, 2017, mine production costs were $12.62 million, with an additional $0.76 million in share based compensation costs allocated to mine production costs. The mine production costs of $2.53 million for the year ended September 30, 2016 were recorded as an increase to Mineral Property as the Pan mine was in the pre-commercial production phase.

Inventory movements resulted in a $5.26 million reduction to total production costs in the current period. In addition, $0.48 million of royalty expense, treatment and refining costs were expensed. See Review of Operating Results section for additional information.

Depreciation and Depletion

Depreciation and depletion expense for the year ended September 30, 2017 was $0.61 million. As noted prior, depreciation and depletion costs of $0.09 million for the year ended September 30, 2016 were recorded as an increase to Mineral Property as the Pan mine was in the pre-commercial production phase.

Inventory movements resulted in a $0.31 million reduction in depreciation and depletion in the current period.

Exploration and Evaluation Expenditures

For the year ended September 30, 2017 exploration and evaluation expenses were $1.22 million, $0.80 million higher than the prior year period of $0.42 million. Costs during both periods were primarily attributable to permitting efforts for our Gold Rock project and annual claims filing fees of the exploration properties. Note the infill drilling program performed at Pan was developmental in nature and therefore not an exploration expenditure. See Overview of Properties section for additional information.

General & Administrative

General and administrative expense for the year ended September 30, 2017 was $4.72 million, $3.87 million higher compared to the prior year period of $0.85 million. Higher general and administrative expense for the year is due a twelve-month period during the full year 2017 compared to a six-month period during the year ended September 30, 2016. Additionally, $1.59 million of stock based compensation expense was recognized, compared to none for the prior year period.

Change in Fair Value of Warrant Derivative

Change in the fair value of warrant derivatives for the year ended September 30, 2017 was an expense of $1.07 million with no expense in the prior year period. We issued 22,214,910 warrants denominated in the Canadian dollar during the period, which result in derivative liabilities due to our functional currency being the U.S. dollar. Refer to Note 9 of the Consolidated Financial Statements for further information.

Listing Expense

In connection with the Arrangement, defined above, consideration of $41.68 million was paid through a share-based payment transaction for the acquisition of Fiore Exploration Ltd. The fair value of the net assets of Fiore Exploration was $28.33 million as of the acquisition date. The difference between consideration paid and the fair value of the net assets of $13.35 million has been recognized as a "non-cash" listing expense of the acquisition and cost of acquiring the public listing. Several principal reasons for the Arrangement are discussed within the GRP Minerals Corp. Management Information Circular filed on SEDAR under the Fiore Gold Ltd. profile, as well as within the Fiore Exploration Ltd. Management Information Circular filed on SEDAR under the Fiore Exploration Ltd. profile. Those reasons include liquidity to GRP security holders through the listing on the TSX-V, access to capital markets and financing proceeds needed for Pan capital projects and operational expenses.

Other Expense

Other expenses for the year ended September 30, 2017 were $0.44 million compared to $0.08 million in the prior year period, an increase of $0.36 million. We incurred foreign exchange translation losses with Canadian dollar denominated bank accounts established with the closing of the Arrangement of $0.17 million. Accretion expense also increased by $0.19 million due to the longer period of 2017 compared to 2016 and an increased asset retirement cost obligation for the Pan mine.

Summary of Quarterly Results

The following table summarizes select unaudited financial data, prepared in accordance with IFRS applicable to interim financial reporting.

($000's, except per share data)	FY 2017				FY 2016
For the Quarters Ended:	**9/30/2017**	**6/30/2017**	**3/31/2017**	**12/31/2016**	**9/30/2016**
Total Revenue	$ 4,905	$ 4,855	$ 936	$ -	$ -
Other Income (Expense)	$ (14,658)	$ (72)	$ (72)	$ (63)	$ (58)
Net Income (Loss)	$ (15,208)	$ (1,616)	$ (672)	$ (1,496)	$ (1,063)
Net Income (Loss) per Common Share					
Basic and Diluted	$ (0.30)	$ (0.03)	$ (0.01)	$ (0.03)	$ (0.02)
Gold Ounces Produced	3,950	3,871	1,765	478	1,535
Gold Ounces Sold (payable)	3,838	3,860	1,485	507	1,555
Average Realized Gold Price	$ 1,278	$ 1,258	$ 1,228	$ 1,237	$ 1,335

Our revenues over the last several quarters reflect the post-commercial production phase of the Pan mine commencing on March 1, 2017. Subsequent to the commencement of commercial production at the Pan mine, we ramped up our ore mining rate, with the fourth quarter of 2017 compared to the third quarter reflecting that through increased gold production. Gold prices have also aided in the revenue increase during the year.

Net loss during the fourth quarter of 2017 includes the listing / acquisition expense of $13.35 million related to the Arrangement with Fiore Exploration Ltd., an all-share transaction. Excluding that transaction, net loss was consistent during the third and fourth quarters of 2017.

Overview of Properties

Pan

History of the Property

Pan is a gold mine in White Pine County, Nevada acquired from Midway through the Bankruptcy Code section 363 sale process, as discussed above. Pan was permitted by Midway with construction beginning during January of 2014. Mining operations began in August of 2014 with leaching and pre-commercial production commenced during March of 2015. At that time, Midway was in the process of testing its facilities and production capabilities and had not completed construction of all the necessary mine facilities. Midway suspended mining and development related activities at Pan on June 19, 2015, and Midway filed for bankruptcy protection three days later, on June 22, 2015. Midway never restarted mining or related activities at Pan after they were suspended.

Midway constructed mining facilities including the Adsorption Desorption Recovery ("ADR") processing plant, phase I leach pad, administrative buildings and a few other facilities. However, as designed and operated, Pan did not meet expectations for production and did not operate as intended, nor did it achieve commercial production. After acquiring Pan, we developed and implemented new mining processes and techniques for Pan and are making capital improvements which we believe will aid in generating substantial returns for our shareholders.

Description of the Project

Pan is situated in the northern portion of the Pancake Range in White Pine County, Nevada, 22 miles southeast of the town of Eureka and 50 miles west of Ely. The project is an open pit, heap leach project exploiting a Carlin-style sediment hosted gold deposit. The project area encompasses approximately 10,373 acres. Gold deposits at Pan are interpreted to be a Carlin-style, sediment-hosted, disseminated gold deposit within Devonian and Mississippian sedimentary units.

The Pan gold deposit contains mineralization at or near the surface and spatially distributed in a manner that is appropriate for open pit mining methods. Hydrothermal Breccias developed along the Branham fault are the primary host of gold mineralization. Argillic (clayey) alteration and silicification are the dominant alteration types associated with gold. At North Pan, gold mineralization is primarily hosted by silicified breccia in the Pilot Formation. At South Pan, gold occurs primarily in argillic altered breccia in the Devils Gate Formation and Pilot Shale. Gold mineralization also occurs as strataform mineralization away from the breccias primarily localized at the Pilot Shale-Devil's Gate Limestone contact.

Operations

Since acquiring Pan, we have conducted a developmental drilling program, updated our mineral resources and reserves, developed and implemented new processing practices to address metallurgical characteristics of the Pan ores, developed new grade reconciliation practices, designed and implemented capital improvements, hired experienced operations staff, restarted mining operations and achieved commercial production on March 1, 2017.

During calendar year 2016, we completed the first phase of a multi-phase, multi-year drilling campaign to replace and add to reserves at Pan. The $1.66 million program focused on infilling gaps in the mine resources and extending reserves adjacent to the current mine pits, including:

- Improved the resource through drilling, geologic modeling and development of drilling plans for future resource expansion.
  - Completion of first phase of multi-phase resource expansion drilling program.
    - We drilled approximately 45,700 feet, in aggregate, across approximately 127 drill holes.
    - Drilling focused on confirming the existing resources, adding some ounces and converting ounces from the resource to the mine plan.
    - Drilling program identified new targets for resource expansion drilling to be continued during the next phase of drilling.
  - Updated Pan Resources & Reserves in a new NI 43-101 (Pan Mine 43-101) technical report.
    - Drilling added 16,000 ounces to the mineable reserve.
    - Created an updated geologic model that now maps rocky and clayey alteration types to aid in ore blending to manage metallurgical characteristics of the ores.

We expect to complete the next phase of a resource expansion drill program that includes continued drilling of resources adjacent to current mining areas. In addition, mapping, and geochemical sampling of targets distant from currently mined areas will be performed in anticipation of future drilling.

We have implemented several changes to improve our operating performance including; hiring a new mine operations team and staff, ore control sampling practices, new processes and procedures to resolve metallurgical challenges, lab commissioning and processing plant improvements.

New Mine Operating Team and Staff

We have hired several experienced mine management personnel. Additional expertise was added into the ore control process with the hiring of an Ore Control Geologist to map the pit geology, aiding in the determination of ore and waste dig limits, and we have trained lab staff to provide timely assay data, thereby improving operations through cost-effective data supporting the mine and processing operations. Our operations team is committed to conducting mining in a safe and environmentally responsible manner. We received the Nevada Mining Association's First Place Mine Operator Safety Award for small surface operations in 2015 and 2016. All ore and waste mining activities are done by a mining contractor.

Ore Control Sampling Practices

New sampling practices have been implemented to improve grade reconciliation and on-site ore-waste delineation. The goal of minimizing ore dilution and ore loss was achieved by:

- Altered drilling equipment to improve sample containment and collection.
- Developed new sampling practices to gain more representative blasthole samples.
- Utilization of daily geological statistics, pit mapping, and integration of geology into daily mine planning. Initiated procedures using geostatistical methodologies to improve dig line locations.
- Commissioned the on-site lab.

New ore control practices began with modifications to blasthole drilling equipment. A new sampling methodology was implemented that focuses on gaining a representative sample of the blasthole cutting pile. The drill decks and skirting have been modified to confine drill cuttings closer to the drillhole. The cuttings pile is trenched in four directions away from the drilled hole using a four-inch wide, long-bladed shovel. For each of these cuts, slices of material representing the entire thickness of the pile are taken from the side of the cut. The material is placed in a bag, dried, crushed, and split down to size for pulverization and assay at the onsite lab.

Results from the assay is combined with all available data from the mine bench, mine benches above and exploration drillholes from around the bench. While samples from blasthole cuttings are collected for assay, the mine geologist maps the rock lithology and alteration to ensure mined material is properly blended. This data is used to geostatistically model ore and waste to generate dig lines reducing ore dilution and deletion.

New Processes and Procedures to Resolve the Metallurgical Challenges

We have implemented new processes and procedures that have resolved prior metallurgical challenges. We have addressed these challenges by:

- Finished leach pad reconditioning through capping and fluffing with North pit rocky ores.
- Current operations utilize a blend of rocky and clayey ores to address the leach permeability issue.
- Reduced heap leach pad stacking heights and altered ore stacking methodologies to reduce compaction and improve permeability.
- Improved solution management practices on the heap leach pad and modifications to the plant to reduce cyanide consumption.
- We are in the processing of construction on the new Phase IIA heap leach pad to provide ongoing capacity for processing ore.
- We are evaluating the addition of a crushing and agglomeration circuit to blend clay and rocky ores to improve agglomeration and overall gold recoveries.

Reconditioning was achieved through capping and fluffing the first lift of ore placed on the heap leach pad. Three to five feet of rocky North pit ore was placed on top of the existing heap. This rock material was blended with the underlying clay material using an excavator and dozer to a depth of 15 to 20 ft. The result improved permeability characteristics of the heap, enhanced residual gold recovery, and improved geotechnical stability of the heap. Capping and fluffing was completed during May of 2017.

Current mining operations use a blending process of North pit rock ore and South pit clay ores to alleviate previous permeability issues arising from the placement of high clay content ore on the heap leach pad. An approximate 60% rock ore to 40% clay ore ratio, using ore from both North pit and South pit, is being blended on the heap leach pad to ensure adequate permeability. This blending method is supported by a bulk sample test on the heap leach pad conducted by Midway Gold. We are using the new geologic model that identifies rock types and lithology to better manage mining practices that ensure the operation achieves proper blending to treat metallurgical characteristics of the ore.

Ore stacking methodology on the heap leach pad has been altered to reduce compaction and facilitate blending of rock and clay ores. A new ore loading method is used to place material in 15-foot lift heights, specifically designed to decrease material compaction and improve permeability on the heap leach pad. Previous ore placement involved dumping from a 100-ton capacity haul truck off 30-40 ft. lifts onto the leach pad, resulting in larger sized particles rolling to the bottom of the pile while smaller sized material (roughly less than 1/16-inch in diameter - called "fines") remained near the top. This size segregation, with fines on top of the heap, reduced permeability and slowed gold recovery.

The new method uses 100-ton capacity haul trucks dumping with the appropriate blend ratio of rock and clay ores. For example, dumping a mix of six truckloads of rock ore and four truckloads of clay ore onto the top of an already existing 15 ft. high heap. A dozer, which will cause significantly less compaction than haul trucks, blends the rock and clay ore through pushing the dumped material over the edge of the 15-foot high leach pad. The cell is then ripped and cross ripped to a depth of eight feet to further break up compacted material and increase permeability before the leach drip emitters are placed over the ore.

We have implemented a new solution management procedure for delivering solution to the heap leach pad. Flow meters were installed in each heap leach pad cell, which allows operators to measure and monitor the application rate of leaching solution. This information allows us to more efficiently deliver solution to the heap leach pad and monitor gold recoveries relative to metallurgical recovery curves.

We are in the process of construction of an additional 2.2 million square feet of leach pad. This will allow continued stacking and processing of ore for several years. The pad construction was substantially completed as of December 22nd and will be placed in service during January of 2018**.**

Previous metallurgical work supported the installation of a crushing and agglomeration circuit to improve gold recoveries, particularly for the more silicified North Pan ores. Further column and bulk scale testing of a blend of rock and clay crushed ores will be conducted in support of installation of the crushing and agglomeration circuit. The anticipated benefits of the crushing system will be to improve permeability and overall gold recoveries.

Lab Commissioning and Processing Plant Improvements

- Commissioned the on-site assay laboratory.
- Improved operating procedures at the ADR plant.
- Improved solution management practices.

After acquiring the assets, we completed commissioning of the on-site assay lab. This created a twofold benefit to the operation: 1) it significantly reduced assaying costs; and 2) allowed both the mine and process operations to work with real time data to manage operations and production.

Carbon handling procedures have been changed by diligently measuring solution flows and gold grades, allowing for real-time management of flows and reagent levels. Information from the flow meters on the heap leach pad and assay data from the on-site metallurgical lab assist in providing operators with real-time actionable data. Through this procedure an operator can control cyanide and other reagent levels to optimize gold recoveries from the heap and through the ADR plant.

Adding reagents through the ADR Plant has been improved to reduce cyanide consumption rates through the direct addition of cyanide into the pipe that supplies the solution to the heap leach pad, as opposed to adding cyanide to the barren solution pond. This change has improved cyanide retention rates and reduced consumption by as much as 50%.

The result of implemented changes has been a steady improvement in gold production from the Pan mine. The improvements have further demonstrated that the Pan mine can operate profitably in the current gold price environment. With the addition of the new 2.2 million square feet of leach pad capacity, the operation will no long be space constrained. We anticipate continued improvement in the operations at Pan during 2018.

Gold Rock

History of the Property

We have controlled the property since May 2016 through acquisition of ownership of unpatented mining claims administered by the Bureau of Land Management ("BLM") and through leases of mining claims. We assumed all mineral lease agreements upon the acquisition of the Gold Rock property from Midway.

The Gold Rock property has a long history of exploration and development, initiated in 1979 under Earth Resources, Inc. Earth Resources, Inc. was acquired by Houston Oil & Gas, which was in turn acquired by Tenneco in 1986. Echo Bay Mines acquired Tenneco in 1986 and discovered the Easy Junior gold deposit that same year. Alta Gold and Echo Bay formed the Alta Bay joint venture in 1988, with Alta Gold acting as the operator. Open pit mining at Easy Junior was initiated in 1989, but production was suspended in 1990 due to low gold prices. Alta Gold acquired the Echo Bay interest in the project in 1992 and initiated re-engineering of the project. Mining under Alta Gold re-started in June 1993 and was concluded in August 1994. Heap leach production continued into 1996. Alta Gold filed for bankruptcy in 1998. Midway acquired control of the project in 2007 through its acquisition of Pan-Nevada and additional property leases and claim staking.

Description of the Project

The Gold Rock deposit is a Carlin-style, sediment-hosted, disseminated gold deposit within Mississippian limestone and siltstone units, namely the Joana Limestone and the overlying Chainman Shale. Mineralization at Gold Rock is localized in the apex and limbs of the slightly overturned, fault-bounded Easy Junior anticline. The primary host is the Joana Limestone, but significant mineralization is also hosted in the overlying Chainman Shale. Scattered, minor mineralization also occurs in the underlying Pilot Shale formation. The currently identified resource occupies a N12W to N15W trend and has a strike length of over 11,000 feet. Altered bedrock and surface gold anomalies extend well beyond the mineralization envelope defined by drilling to the north and the south, extending nearly the entire 8-mile length of the property.

Gold Rock contains a substantial historical gold resource that warrants additional exploration and evaluation. In addition to the historical resource, mapping and surface sampling has identified mine areas where geology alternation and surface geochemical signature create recognizable drill targets, creating the significant possibility of finding new ore bodies to greatly expand the scale of resources on the property. The lithology, alteration, and mineralization of the Gold Rock deposit are similar to other sediment-hosted Carlin-type systems such as Alligator Ridge, Bald Mountain, Rain, and Pan.

Historical resource as described in the report entitled "NI 43-101 Technical Report on Resources, Gold Rock Project, White Pine County, Nevada" by Gustavson Associates for Midway Gold Corp., dated April 12, 2012. The resource estimate assumed a cut-off grade of 0.27 g/t gold, a 65 percent recovery, a mining cost of $7.17/t and a gold price of $1,255 per ounce. Although the estimates are believed to be reliable and relevant, a qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, and we are not treating the historical estimates as current mineral resources or mineral reserves. We believe that some additional drilling is required to upgrade the historical estimate to a current mineral resource estimate. A larger historical resource estimate was described in a report entitled "Amended NI 43-101 Technical Report, Updated Mineral Resource Estimate for the Gold Rock Project, White Pine County, Nevada" and dated January 8, 2015, however we believe the 2012 mineral resource estimate is currently the most valid.

Permitting Process

Currently, permitting is complete for exploration to continue anywhere within the Plan of Operations Boundary at the Gold Rock property. This permitting included two Environmental Assessments and a state exploration permit, and allows up to approximately 200 acres of disturbance for drill roads, pads and associated facilities. Federal permitting, the National Environmental Policy Act ("NEPA") process, is nearing completion for a mine and mill to be constructed at the site. All federal and state required baseline studies have been completed. The Plan of Operations includes an open pit, an ADR processing plant, a mill, two waste rock disposal areas, a heap leach pad, a tailings facility and all associated crushing, process, solution management, office, warehouse and maintenance facilities. The Draft Environmental Impact Statement ("EIS") was published February 13, 2015. The Final EIS is anticipated to be published during the first quarter of calendar year 2018. In addition to the proposed mine, the Final EIS will include another 200 acres of exploration related disturbance, bringing the total disturbance available for exploration to approximately 400 acres. Exploration will continue for a minimum of two years. Engineering and state permitting will proceed for the project when sufficient exploration data is available for these efforts to be done efficiently. State permitting is anticipated to require approximately one year.

Looking forward, it is anticipated the resource will grow and be better defined at Gold Rock through continued exploration. The Plan of Operations, which has evolved through the NEPA process, anticipates future growth and includes the BLM's Preferred Alternative. An updated Plan of Operations, which includes the BLM's Preferred Alternative, will be used for state permitting. With the publication of the Final EIS, no major hurdles for the completion of permitting are anticipated.

Project Development

We intend to advance Gold Rock in a systematic and prudent manner such that a production decision can be reached as soon as practical. The following steps are expected to be taken in doing so:

- Develop and implement an exploration drill program for new ore bodies:
    - Drilling to determine new resources and infill drilling on the existing resource, beginning in early calendar year 2018.
- Metallurgical testing to determine the most economical recovery methods for all ore types.
- Develop the technical information including mine design, process design, and required support facilities to properly evaluate and, if warranted, develop the resource.
- Final Environmental Impact Statement approval expected during the second quarter of 2018.

Golden Eagle Property

History of the Property

The Golden Eagle Project is in the Republic/Eureka Mining District of eastern Washington where gold production over the last 130 years has been estimated to total over 4 million ounces from small open pit mines and principally from high grade underground narrow vein deposits. Mining began in the district in 1896 following the opening of Colville Indian Reservation to mineral entry. In March of 1896, the Mountain Lion Claim was located on the present day Golden Eagle Project site. Exploration and mining in the vicinity of the Golden Eagle deposit has occurred intermittently since that time.

The Golden Eagle property is located in Washington State's Ferry County, approximately three miles north-northwest of the town of Republic, Washington. The Golden Eagle Project site encompasses an area of approximately 339.56 acres. Discovery of the Golden Eagle deposit was made in 1982 by Hecla Mining Company from surface drilling a target first identified in underground drilling. Hecla drilled the deposit from 1988 to 1994 drilling 81 drill holes. Santa Fe Pacific Gold acquired 75% of the project through an earn-in agreement with Hecla for the project and drilling an additional 56 drill holes. In 1996 Santa Fe Pacific Gold was acquired by Newmont Mining company which traded their portion of the property to Echo Bay in exchange for a project in Russia. Echo Bay was soon after acquired by Kinross Gold Corp. who drilled six additional holes in 2000. In 2008, Midway acquired 75% of the deposit from Kinross and 25% from Hecla Mining Company. We acquired the property from Midway on May 17, 2016 through the Asset Acquisition.

Project Description

The Golden Eagle deposit likely formed as a portion of an epithermal system that brought hot, metal-laden fluids from depth through the fracture systems of the Republic graben. The discrete veins of the adjacent Knob Hill, Mountain Lion and JO#3 systems may represent fluids moving upwards in deeper fractures, while the larger volume, lower grade breccias of the Golden Eagle deposit may represent the near surface portion of a hot springs system.

The Golden Eagle deposit trends N80E, with a strike length of approximately 2,500 feet, variable width up to approximately 1,000 feet, and depth of approximately 2,000 feet. Mineralization occurs at the surface on the west and southwest of the deposit and plunges between 15° to 20° under post-mineralization cover to the east and north. The deposit has a well-defined shape, possibly as the result of post-mineral faulting.

Project Development

The Golden Eagle mineralization appears to be of sufficient quality and quantity to support further drilling, metallurgical testing, and development work to begin a serious study of developing a mine at the property. Future work necessary to mine development includes:

- Significant core drilling to confirm historic drill holes and improve historical resources as well as provide samples for metallurgical studies and geotechnical data for mine design.
- Conduct additional metallurgical studies to refine and optimize the process flow sheet, and
- Initiate permit work by starting baseline studies and investigate means to develop a social license in the mining community of Republic Washington.

Pampas El Peñon

History of the Property

We acquired the property on September 26, 2017 through the Arrangement with Fiore Exploration Ltd.; who had acquired the property in July 2016 when they entered into an agreement for the rights to acquire the Pampas El Peñon project in Chile from Arena Minerals Inc. and its wholly owned subsidiary, Arena Chile SpA, (together, "Arena"). Arena held an underlying option agreement with Sociedad Quimica Y Minera de Chile SA ("SQM"), which they agreed to sell to Fiore Exploration.

Project Description

The Pampas El Peñon property consists of 13 mining claims totaling 3,400 hectares located approximately 130 kilometres southeast of Antofagasta, Chile. The property consists of two separate blocks, lying immediately to the west and north of Yamana Gold's Pampa Augusta Victoria mine complex that forms part of the El Peñon mine complex. The El Peñon mine began production in 1999 and has an established history of exploration success.

The Pampas El Peñon property covers land in the same geological environment as Yamana's El Peñon deposit hosting several identified north-south-trending structures at or near surface. Three of these structures have been traced for more than 2 kilometers in strike length each. Epithermal Au-Ag targets are hosted by rhyolite domes and dykes, with strong north-south siliceous structures containing highly anomalous silver, arsenic and antimony values, similar to the surface expressions of many of the mineralized veins in the area.

Project Development

Fiore Exploration carried out a ground magnetic survey of the two concession areas and completed a 19-hole, 8,227m reverse-circulation ("RC") drilling program targeting north-south trending rhyolite domes and dykes adjacent to the Pampa Augusta Victoria open-pit and underground mines. The drilling program was designed to intersect structures associated with mineralization and prioritize areas for follow-up drilling. Drilling has confirmed the presence of epithermal structures with strongly elevated pathfinder element values (arsenic and antimony) and low but anomalous gold and silver values in 7 of 19 holes. These zones of anomalous gold, silver and pathfinder elements may represent the upper zones of mineralized epithermal vein structures at depth.

Through September 30, 2017, approximately $1.43 million has been spent towards an expenditure commitment on the project of $1.83 million, which was extended to July 2018 from July 2017 through the issuance of 300,000 common shares of Fiore Exploration prior to the closing of the Arrangement.

Cerro Tostado

History of the Property

We acquired the property on September 26, 2017 through the Arrangement with Fiore Exploration Ltd.; who had acquired the property in November of 2016 from SQM when they announced the acquisition of two additional projects in the same area, Pampas El Peñon South and Cerro Tostado. The Pampas El Peñon South concessions cover an area of approximately 400 Ha and are located approximately 3 km south of, and directly on strike with Yamana's Pampas Augusta Victoria mine. The concessions are also approximately 1 km southeast of the Company's El Peñon West concession block. The Company's land position surrounds the Pampas Augusta Victoria mine on three sides. Very little work has been conducted in this area, but limited regional rock sampling has found elevated arsenic values.

Previous work by SQM has included geological mapping and sampling, trenching, and approximately 1,937 m of RC drilling in 17 holes on the Cerro Tostado block. The results have confirmed the presence of structurally controlled silver-dominated mineralization, with highly anomalous levels of silver, arsenic and antimony and anomalous levels of lead and zinc.

Project Description

The Cerro Tostado project consists of five concessions totaling approximately 1,500 ha located in Region II some 125 km southeast of Antofagasta. The project is approximately 12 km southwest and 8 km east-southeast of Yamana's El Peñon and Fortuna mines, respectively, along strike from the principal veins reported at the Fortuna mine. A large hill, Cerro Largato, forms a north-south elongated outcrop of argillic altered and brecciated rhyolite that intrudes and is in fault contact with porphyritic andesitic units and dacitic to rhyodacitic units towards the east and southeast. These outcropping units are surrounded by gravel and caliche covered areas. Alteration is most intense along the breccia bodies that are spatially related with the dominant N-S and NW-SE structural trends. Associated with the argillic alteration and structural trends are variable intensities of hematite-jarosite bearing veinlets.

Geological mapping and sampling, combined with Terraspec mineral analysis, has identified a possible advanced argillic lithocap of the type often found above high sulphidation epithermal gold deposits such as Barrick Gold's new 6.8 million ounce Alturas deposit, also in Chile. Mapping identified several areas of strong silicification with some vuggy silica, along with alteration minerals including alunite and dickite, all of which are characteristic of high sulphidation systems. Bedrock sampling also identified elevated levels of arsenic in the same areas.

Project Development

Along with the mapping program, approximately 30 line kilometers of reconnaissance IP and 12 line kilometers of more detailed IP surveying were carried out over two large outcropping areas of intense silica alteration. The gradient array was selected to help map suspected sulphide mineralization associated with a large zone of hydrothermal alteration at Cerro Tostado. In total, gradient IP surveys were conducted on 30 km of lines with 200 m dipoles to outline zones of alteration. Moderately strong chargeability anomalies associated with high resistivities are outlined over two topographical hills separated by about 4 km. Weaker chargeability anomalies occur in the covered pampa between the two chargeability anomalies.

Detail gradient array surveys with 50 m dipoles were conducted on 12 km of lines over the eastern chargeability anomaly to help map shallow vein systems that have been previously mapped and trenched. The gradient array identified multiple narrow resistivity targets that may be associated with vein systems. An abrupt change in orientation of the resistivity anomalies occurs near an area that was drilled extensively previously.

Phase 1 of the Cerro Tostado program included four oriented-core diamond drill holes targeting the previously-identified high-grade silver mineralisation, as well as two new targets identified from mapping, surface sampling and trenching. Holes TO17-001 and -002 confirmed the existence of high-grade silver mineralisation within broad envelopes of lower grade silver values. For example, the 1.0 m at 501 g/t silver intercept in hole TO17-001 occurs within an 18.8 m-wide zone averaging 70 g/t silver.

A previously unknown silver mineralized structure was also discovered in hole TO17-002, which ended in an 81-m wide zone with values up to 97 g/t silver over 1.0 m. Based on the style of mineralization at Yamana's nearby El Peñon mine, additional drilling will be required to determine if this new zone also hosts a higher-grade silver core.

Hole	From (m)	To (m)	Width (m)	Silver (g/t)
TO17-001	97	98	1	501
TO17-002	36.3	39	2.7	381
TO17-003		**No significant intercepts**		
TO17-004		**No significant intercepts**		
Previous SQM RC Holes				
TEAR-07	28	30	2	943
CTAR-01	97	100	3	685
CTAR-02	185	187	2	413

One line of pole-dipole IP was surveyed on a 6.3 km line covering the two strongest chargeability anomalies and the weaker central anomaly. Results show shallow chargeability anomalies over the two strongest gradient anomalies and a deeper chargeability anomaly under cover in the pampa between the two shallow anomalies. The central anomaly under the Pampa was drilled with three RC holes. All three RC holes (TO17-005, -006 and -007) intersected a succession of moderate to strong argillic altered dacite volcanics with wide zones of breccias containing varying amounts of pyrite (up to 5% locally) down to 400 m. The company believes that this explains the geophysical anomaly and no further work is planned on this target at this time.

Río Loa

We acquired the property on September 26, 2017 through the Arrangement with Fiore Exploration Ltd.; who had acquired the property during April of 2017 when they entered into an option agreement to acquire the project in Chile. The Company can earn its interest in the project by:

- Making remaining cash payments of $30,000, $50,000, $80,000 and $820,000 on the respective first, second, third and fourth anniversaries of signing;
- Completing $500,000 of exploration work;
- Assigning the vendors a 2% NSR with the Company holding the right to repurchase 50% of the NSR (1.00% NSR) for a payment of $3 million; and
- Making discovery payments ranging from $2/oz to $5/oz of Measured and Indicated, NI 43-101 compliant gold resources to a maximum of $5 million.

Río Loa is located in the northern part of the Maricunga gold belt, which has had more than 100 Moz of gold in reserves, resources and past production. Rio Loa is an undrilled high sulfidation epithermal target located in Region III of Chile approximately seventy kilometers East of the town of El Salvador at an elevation of between 4,000 and 4,300 MASL. Access to the area is good, via well-traveled and maintained public paved and gravel roads to within five kilometers of the claims. Rio Loa is located in the northern part of the prolific Maricunga gold belt, which boasts more than 100 Moz of gold in reserves, resources, and past production. Recent exploration success at the northern end of the Maricunga belt is highlighted by Gold Field's Salares Norte gold-silver oxide discovery, with Measured and Indicated Resources of 3.3 Moz gold at 3.9 g/t and 42.1 Moz of silver at 48.9 g/t.

Alteration mapping using ASTER satellite imagery shows an alteration pattern interpreted as a mixture of advanced argillic (alunite), iron-oxide and silicification within the property limits. The geochemical response and alteration pattern at Rio Loa is similar to the geochemical responses on other high sulphidation deposits within the belt such as at Salares Norte and Kinross' La Coipa mine.

The prospect lies in an area that is for the most part covered by young ignimbrite flows except for a few windows where the older altered volcanics and hydrothermal breccias can be observed at the contact with the ignimbrites. Exploration to date has concentrated on the two windows of altered volcanic where the owners carried out some trenching and rock chip sampling. Rock chip sampling returned highly anomalous values of As and Pb in every trench as well as some sporadic low Au and Sb values. This anomalous pattern is very similar to the one found by Goldfields on the Salares del Norte deposit. In addition to the trenching, four lines of recce IP were done across the property at one kilometer spacing. The geophysics picked up resistivity and chargeability

Lomas de Puquios

We acquired the property on September 26, 2017 through the Arrangement with Fiore Exploration Ltd.; who had acquired the property during June 2017, when they entered into an option agreement to acquire the Lomas de Puquios project in Chile. The Company can earn its interest in the Lomas de Puquios project by:

- Making remaining cash payments of $70,000, $90,000, $180,000 and $980,000 on the respective first, second, third and fourth anniversaries of signing;
- Completing $500,000 of exploration work over the fifteen months subsequent to signing of the agreement;
- Assigning the vendors a 2.5% NSR with the Company holding the right to repurchase 50% of the NSR (1.25% NSR) for a payment of $3 million; and
- Making discovery payments ranging from $1/oz to $5/oz of Measured and Indicated, NI 43-101 compliant gold resources to a maximum of $12.50 million.

Lomas de Puquios covers 8,300 Ha and is located some 30 km east-southeast of the Collahuasi mine in the first region of northern Chile. Several outcrops of argillic altered rocks with quartz-alunite, vuggy silica and moderate to strong geochemical anomalies in As and Sb with lesser Hg and Bi have been identified by previous work on the property. Local geology consists of Upper Miocene Age eroded andesitic strato-volcanoes, andesitic tuffs and breccias and lesser rhyolites. These same units host significant high sulphidation gold deposits further to the South such as Salares del Norte and La Coipa.

Pinyon Project

During the first quarter of fiscal year 2017, we determined it was in the best interest of the Company to abandon the Pinyon project. There was no carrying value of the project as all costs had been expensed to date.

Capital Requirements and Sources of Liquidity

As of September 30, 2017, we had working capital of $19.78 million, consisting of current assets of $23.31 million and current liabilities of $3.52 million. Our current assets consisted primarily of cash and cash equivalents of $15.12 million, heap leach and finished goods inventory of $5.85 million and prepaid expenses and other current assets of $1.80 million. We incurred a net loss for the period ended September 30, 2017 of $18.99 million, inclusive of a $13.35 million expense related to the Arrangement.

As of September 30, 2016, we had working capital of $5.49 million, consisting of current assets of $6.50 million and current liabilities of $1.01 million. Our current assets consisted primarily of cash and cash equivalents of $4.27 million and prepaid expenses and other current assets of $1.93 million. We incurred a net loss for the period ended September 30, 2016 of $1.35 million.

The key factors impacting our financial position and liquidity are; our ability to generate free cash flow from operating activities, expected sustaining and growth-related capital expenditures; expenditures on our exploration-stage projects and the gold price. Our liquidity position is highly dependent on these factors. We expect we will generate sufficient cash flow from operations to fund our current state of operations and near-term business plans.

Cash Flow Summary

(US$000's)	**Year Ended September 30, 2017**	**April 14, 2016 (Inception) through September 30, 2016**
Net Income (Loss)	$ (18,992)	$ (1,353)
Net Non-Cash Adjustments	17,372	86
Net Change in Non-Cash Working Capital	(5,557)	(1,704)
Net Operating Activities	(7,177)	(2,971)
Net Investing Activities	13,095	(4,825)
Net Financing Activities	4,937	12,065
Change in Cash and Cash Equivalents	10,855	4,269
Cash and Cash Equivalents, Beginning of Period	**4,269**	**-**
Cash and Cash Equivalents, End of Period	**$ 15,124**	**$ 4,269**

Operating Activities

Cash used by operations for the twelve months ended September 30, 2017 was $7.18 million compared to $2.97 million for the period ended September 30, 2016. The increase in operating cash flow use was primarily due to the productions costs associated with the build-up of estimated recoverable ounces within ore on leach pad inventory since the commencement of commercial production at the Pan mine on March 1, 2017.

Investing Activities

Net cash provided by investing activities during the twelve months ended September 30, 2017 was $13.10 million, compared to an outflow of $4.83 million during the prior year period. Pre-commercial production costs and associated working capital movements, net of pre-production revenue was $3.06 million. Additional capital expenditures of $1.67 million during the period from our developmental drilling program at Pan, along with several other small capital additions at the Pan project. Cash acquired from the Arrangement with Fiore Exploration Ltd was $19.07 million, offset by associated transaction costs of $0.82 million.

Financing Activities

Net cash provided by financing activities for the twelve months ended September 30, 2017 was $4.94 million, consisting of equity proceeds of $5.24 million through Special Warrant offerings, offset by $0.30 million of cash share issuance costs.

Commitments, Contingencies and Capital Resources

(US$000's)	Total	< 1 Year	1 - 3 Years	4 - 5 Years	> 5 Years
Operating Leases (i)	258	130	128	-	-
Capital Commitments (ii)	5,083	5,083	-	-	-
Mining Claim Assessments (iii)	2,304	384	768	768	384
Project Commitments (iv)	4,942	1,192	951	2,799	-
Advance Royalties (v)	2,938	508	972	972	486
Other Obligations (vi)	183	183	- -	-	-
Total Contractual Obligations	**15,708**	**7,480**	**2,819**	**4,539**	**870**

(i) We have obligations under operating leases for our corporate offices in Englewood, Colorado and Toronto, Canada and office equipment until 2019. The total obligation through the lease terms is $0.26 million, with $0.13 million due within one year. Current sub-lease payments to be received over the term of the rental agreements are approximately $0.08 million.

(ii) The remaining commitments for construction of heap leach pad at the Pan mine is approximately $5.08 million, which are scheduled to be paid during fiscal year 2018. Funding for these payments and all other obligations will be through current cash available and cash flow available from operations.

(iii) We currently hold mining claims on which we have an annual assessment obligation. In order to maintain the claims in good standing, there is an annual fee of approximately $0.38 million. We are committed to this annual obligation for the indefinite future in order to maintain title to these claims.

(iv) We have work commitments and option payments on the Chilean properties which we currently intend to continue exploration activities on, through 2021.

(v) *Pan* - On or before January 5th of each year, the Company must pay an advance minimum royalty of the greater of $60,000 or the dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing price for the third calendar quarter preceding January 1 of the year in which the payment is due.

Gold Rock

- *Nevada Royalty Corp., Inc.* - Annually the Company must pay an advance minimum royalty of the greater of $60,000 or dollar equivalent of 108.05 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter proceeding January 1 of the year in which the payment is due.
- *Anchor Minerals Inc.* - Annually the Company must pay an advanced minimum royalty of the greater of $30,000 or the gold equivalent price which is determined by dividing $30,000 over the closing price of gold on January 15, 2007 and multiplying the result by the closing price of gold on the last business day of December 2010.
- *Messers. Peart, Pankow and Jordan of Nevada* - The Company is required to make annual minimum royalty payments of $0.08 million for years 2017 and 2018 and $0.10 million for years 2019 and thereafter.

(vi) We have one-year term consulting arrangements that expire at various times during fiscal year 2018. The total amount of these agreements is $0.18 million.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Review of Financial Results is based on our Consolidated Financial Statements, which have been prepared in accordance with IFRS and are expressed in U.S. dollars. The preparation of these statements requires us to make assumptions, estimates, and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. We base our assumptions, estimates, and judgments on historical experience, current trends and other factors that we believe to be relevant at the time our Consolidated Financial Statements are prepared. On a regular basis, we review our accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could (will) differ, and such differences could be material.

We consider an accounting estimate to be critical if it requires significant management judgments and assumptions about matters that are highly uncertain at the time the estimate is made and if changes in the estimate that are reasonably possible could materially impact our financial statements.

Ore Reserves

Management estimates its ore reserves based upon information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards for Disclosure for Mineral Projects requirements. The estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made regarding factors such as estimates of short and long-term commodity prices, future capital requirements and future operating performance. Changes in reported reserve estimates can impact the carrying value of mineral property, plant and equipment, mine development expenditures, asset retirement obligations, the recognition of deferred tax assets, as well as the amount of depreciation and depletion charged to net income within the consolidated statements of income.

Units of Production

Management estimates recovered ounces of gold in determining the depreciation and depletion of mining assets, including buildings and land improvements and certain plant and equipment. This results in a depreciation charge proportional to the recovery of the anticipated ounces of gold. The life of the asset is assessed annually and considers its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. The calculations require the use of estimates and assumptions, including the number of recoverable ounces of gold. The Company's units of production calculations are based on ore tons stacked or recoverable gold ounces mined.

Asset Retirement Obligations

The Company records the fair value of the estimated liability for closure and removal costs associated with the retirement and removal of any tangible long-lived assets in the period in which the legal obligation is incurred. These obligations are initially estimated based on discounted cash flows with the related asset retirement cost capitalized as part of the tangible asset to which it relates. The asset retirement obligations are subsequently accreted to its full value over time through charges to operating income (loss). The related capitalized asset retirement cost is depreciated over the asset's respective useful life.

Commercial Production

Management assesses the stage of each mine development project to determine when a mine commences the production stage. The criteria used to assess the start date of a mine are determined based on the unique nature of each mine development project. The Company considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production phase. Some of the criteria include, but are not limited to, the following:

- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form; and
- ability to sustain ongoing production of metal.

When a mine development project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for capitalizable costs related to mining asset additions or improvements or mineable reserve development. It is also at this point that depreciation and depletion commences.

Stripping Costs

As part of its mining operations, the Company incurs stripping costs during both the development and production phase. Stripping costs incurred in the development phase of a mine, before commercial production commences, are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using a units-of-production method. Stripping costs incurred during the production phase of a mine are considered production costs and included in the cost of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity provides additional access to the ore to be mined in the future, in which case the stripping costs are capitalized. Stripping costs incurred to prepare the ore body for extraction are capitalized as mine development costs (pre-stripping). Capitalized stripping costs are amortized on a unit-of-production basis over the estimated resource of the component to which they relate.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that provides additional access to the identified component of ore, plus an allocation of directly attributable overhead costs.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Company uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of property, plant and equipment in the consolidated statements of financial position. This forms part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

Economically recoverable resources are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less depreciation and any impairment losses.

Mineral Properties

Resource property acquisition costs are capitalized. These include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the resource property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. Exploration and evaluation expenditures are expensed as incurred.

Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, resource property acquisition costs are tested for impairment and then reclassified to mine properties within property, plant and equipment and carried at cost until the properties to which they relate are placed into commercial production, sold, abandoned or determined by management to be impaired in value.

At each reporting date, capitalized resource property acquisition costs are assessed for indicators of impairment. Where a potential impairment is indicated, impairment tests are performed for each area of interest. To the extent that resource property acquisition costs are not expected to be recovered, they are charged to net loss. Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related resource property costs.

Impairment of Long-Lived Assets

The Company reviews and evaluates its long-lived assets for impairment whenever events or changes in circumstances that would indicate that the related carrying amounts may not be recoverable. Mineral properties in the exploration stage are monitored for impairment based on factors such as the Company's continued right to explore the area, exploration results, technical reports, the Company's continued plans to fund exploration and development programs on the property, future asset utilization, business climate and mineral prices.

If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares recoverable amount to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the consolidated statement of loss for that period. The increased carrying amount due to reversal may not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

Income Taxes

Income tax expense is comprised of current and deferred tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable net loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is not recognized for all temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relates to the same taxable entity and the taxation authority.

Determination of Purchase Price Allocation

Asset acquisitions and business combinations require the Company to determine the identifiable asset and liability fair values and the allocation of the purchase consideration over the fair value of the assets and liabilities. This requires management to make judgements and estimates to determine the fair value, including the amount of mineral reserves or resources (when applicable) acquired, future metal prices, future operating costs, capital expenditure requirements and discount rates.

Fair Value of Share Based Payments and Warrants

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options and warrants, expected forfeiture rate, share price volatility and the application of the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan. The valuation of stock-based compensation is subjective and can impact profit and loss significantly. Several other variables are used when determining the value of stock options and warrants using the Black-Scholes valuation model:

- Dividend yield: The Company has not paid dividends in the past. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options and warrants.
- Volatility: The Company uses historical information on the market price of peer companies to determine the degree of volatility at the date when the stock options are granted. Therefore, depending on when the stock options and warrants were granted, and the year of historical information examined, the degree of volatility can be different when calculating the value of different stock options and warrants.
- Risk-free interest rate: The Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options and warrants. The risk-free interest rate will vary depending on the date of the grant of the stock options and warrants and their expected term.

Non-IFRS Financial Measures

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.

We have adopted an "all-in sustaining costs" measure consistent with guidance issued by the World Gold Council ("WGC") on June 27, 2013. We believe that the use of all-in sustaining costs is helpful to analysts, investors and other stakeholders in assessing our operating performance, our ability to generate free cash flow from current operations and our overall value. This measure is helpful to governments and local communities in understanding the economics of gold mining. The "all-in sustaining costs" measure is an extension of existing "cash cost" metrics and incorporate costs related to sustaining production. The WGC definition of all-in sustaining costs seeks to extend the definition of total cash costs by adding reclamation and remediation costs, exploration and study costs, capitalized stripping costs, corporate general and administrative costs and sustaining capital expenditures to represent the total costs of producing gold from current operations. All-in sustaining costs exclude income tax, interest costs, depreciation and other items needed to normalize earnings. Therefore, this measure is not indicative of our cash expenditures or overall profitability.

"Total cash cost per ounce sold" is a common financial performance measure in the gold mining industry but has no standard meaning under IFRS. The Company reports total cash costs on a sales basis. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate operating earnings and cash flow from its mining operations.

Total cash costs figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is considered the accepted standard of reporting cash cost of production in North America. Adoption of the standard is voluntary, and the cost measures presented may not be comparable to other similarly titled measure of other companies.

"Total cash costs per ounce" and "cost of sales per ounce" are intended to provide additional information only and do not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate the measure differently. The following table reconciles non-IFRS measures to the most directly comparable IFRS measure.

"Average realized price" is a financial measure with no standard meaning under IFRS. Management uses this measure to better understand the price realized in each reporting period for gold sales. Average realized price excludes from revenues unrealized gains and losses, if applicable, on non-hedge derivative contracts. The average realized price is intended to provide additional information only and does not have any standardized definition under IFRS; it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate this measure differently.

(US$000's, except where indicated)	**Three Months Ended September 30,**		**Year Ended September 30,**	
	2017	**2016**	**2017**	**2016**
Gold Ounces Produced	3,950	1,535	10,064	2,162
Gold Ounces Sold (Payable)	3,838	1,555	9,690	2,087
Cash Costs per Ounce Sold				
Total Production Costs	3,844	-	8,590	-
Less: Share Based Compensation in Production Costs	(211)	-	(760)	-
Total Cash Costs	**3,633**	**-**	**7,830**	**-**
Total Cash Costs per Ounce Sold	**947**	**-**	**808**	**-**
Cost of Sales per Ounce Sold				
Costs of Sales	**4,003**	**-**	**8,892**	**-**
Cost of Sales per Ounce Sold	**1,043**	**-**	**918**	**-**

Outstanding Share Data

The Company's fully diluted share capital as of September 30, 2017, is as follows:

Outstanding	
Common Shares as of September 30, 2016	47,483,044
Common Shares Issued per the Arrangement	43,453,987
Common Shares Issued - Special Warrant Exchange	6,554,897
Stock Options Granted at an Exercise Price of $0.80 per option	5,100,000
Stock Options Granted at an Exercise Price of C$1.15 per option	1,418,925
Stock Options Assumed from Arrangement at an Exercise Price of C$0.19 per option	431,950
Stock Options Assumed from Arrangement at an Exercise Price of C$1.32 per option	861,250
Stock Options Assumed from Arrangement at an Exercise Price of C$1.62 per option	357,750
Stock Options Assumed from Arrangement at an Exercise Price of C$1.92 per option	601,550
Stock Options Assumed from Arrangement at an Exercise Price of C$2.38 per option	172,250
Stock Options Assumed from Arrangement at an Exercise Price of C$2.42 per option	53,000
Common Share Warrant Issued at an Exercise Price of $0.80 per warrant	274,080
Common Share Warrant Issued at an Exercise Price of C$1.70 per warrant	15,660,013
Common Share Warrant Issued at an Exercise Price of C$1.77 per warrant	6,554,897
Unit Warrant Share Issued at an Exercise Price of C$1.15 per unit	882,935
Fully Diluted Share Capital	**129,860,528**

Internal Controls and Procedures

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate 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 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 financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make 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.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

There are no transactions with related parties other than key management compensation.

Key management comprises directors and executive officers. The compensation to key management was as follows:

	Year Ended September 30, 2017		April 14, 2016 (Inception) through September 30, 2016	
Director Fees	$	-	$	-
Senior Management		691		154
Share-Based Payment		1,449		-
Total	$	2,140	$	154

Risks and Uncertainties

Investing in our Common Shares involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included or referred to in this MD&A, before purchasing our Common Shares. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of these risks actually occur, our business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of our Common Shares could decline and investors in our Common Shares could lose all or part of their investment.

Business and Operational Risks

Commodity Prices

Our business is strongly affected by the world market price of gold. Global metal prices fluctuate widely and are affected by numerous factors beyond our control, including global demand and production levels; political and economic conditions; producer hedging activities; speculative activities; inflation; interest rates; central bank lending, sales and purchases of gold; the strength of, and confidence in, the U.S. dollar, the currency in which the price of gold is generally quoted; and currency exchange rates.

The price of gold has fluctuated widely in recent years, and future sustained gold price declines could cause continued development of, and commercial production from our projects to be uneconomic. Depending on the price of gold, our cash flow from any mining operations may be insufficient to meet our operating needs and capital expenditures, and as a result we could experience losses and/or may curtail or suspend some or all of our exploration, development, construction and mining activities or otherwise revise our mine plans, and exploration, development and construction plans, and could lose our interest in, or be forced to sell, some or all of our properties. Further, if forced to use significantly lower gold prices for Mineral Reserve calculations for the Pan Project life-of-mine could result in material write-downs to our mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting our Mineral Reserve estimates and our financial condition, declining commodity prices could impact operations by requiring a reassessment of the feasibility of our projects, including the Pan Mine. Such a reassessment may be the result of a management decision. Even if such project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. Our operating results are substantially dependent upon the market price of gold, and to a lesser extent, silver. These prices fluctuate widely. The volatility of these prices is illustrated in the following table, which sets forth the high and low prices of gold based on the PM London Bullion Market Association ("LBMA") Gold Price, formerly known as the PM gold fix, and silver based on the LBMA Silver Price, formerly known as the silver fix. Prices are for the calendar years ending December 31.

	2017				2016				2015			
	High		*Low*		*High*		*Low*		*High*		*Low*	
Gold	$	1,346	$	1,151	$	1,366	$	1,077	$	1,296	$	1,049
Silver	$	18.56	$	15.22	$	20.71	$	13.58	$	18.23	$	13.71

The volatility of precious metal prices represents a substantial risk, which no amount of planning or technical expertise can fully eliminate. In the event gold prices decline or remain low for prolonged periods of time, cash flow from operations will decrease which will adversely affect our results of operations, financial performance and cash flows.

The actual production, development plans and costs associated with the Pan Mine may differ from the estimates in the Pan Mine 43-101

The Pan Mine 43-101 contains estimates of future production, development plans, operating and capital costs, financial returns and other economic and technical estimates relating to the Pan Mine. These estimates are based on a variety of factors and assumptions and there is no assurance that such production, plans, costs or other estimates will be achieved. Actual costs and financial returns may vary significantly from the estimates depending on a variety of factors many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the price of gold; short-term operating revisions to mine plans; equipment failures; industrial accidents; natural phenomena; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; shortages of principal supplies needed for development and operations; labor shortages or strikes; high rates of inflation; civil disobedience, protests and acts of civil unrest or terrorism, applicable taxes and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments. Failure to achieve estimates or material increases in costs could have a material adverse impact on our future cash flows, profitability, results of operations and financial condition.

The current estimate of capital expenditures that will be required to be incurred to complete the Pan Mine is based on certain assumptions and analyses made by our management and advisors in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These estimates, however, and the assumptions upon which they are based, are subject to a variety of risks and uncertainties and other factors that could cause actual expenditures to differ from those estimates. If these estimates prove incorrect, the total capital expenditures required to complete the Pan Mine may increase. We cannot be assured that we will have access to sufficient financing or generate sufficient cash flows to fund any increase in required capital spending from the construction and development of the Pan Mine. There can be no assurances that ongoing operating costs associated with the development of the Pan Mine will be as anticipated and any increase in costs could materially adversely affect our business, results of operations, financial condition and cash flow.

Uncertainty in the Estimation of Mineral Resource and Mineral Reserves

Mineral Resources and Mineral Reserves are estimates only and no assurance can be given that the anticipated tonnage and grades will be achieved. The grade of Mineral Resources actually recovered, if any, may differ from the estimated grade of the Mineral Resources. Such figures have been determined based upon assumed metal prices and operating costs. Mineral Reserve and Mineral Resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other risks and relevant issues. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond our control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data, the nature of the ore body and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Fluctuation in gold prices, results of drilling, metallurgical testing and production, increases in capital and operating costs, including the cost of labor, equipment, fuel and other required inputs and the evaluation of mine plans after the date of any estimate may require revision of such estimate. The volume and grade of Mineral Reserves mined and processed and the recovery rates may not be the same as currently anticipated.

Mineral Resources and Mineral Reserves should not be interpreted as assurances of mine life or of the profitability of current or future operations. These estimates may require adjustments or downward revisions based upon further exploration or development work, drilling or actual production experience. Any material reductions in estimates of Mineral Reserves and Mineral Resources, or of our ability to extract these Mineral Reserves, could have a material adverse effect on our results of operations and financial condition.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to uncertainty that may attach to Inferred Mineral Resources, Inferred Mineral Resources may not be upgraded to Measured and Indicated Mineral Resources or Proven and Probable Reserves as a result of continued exploration. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is no certainty that such projections will be realized.

The figures for Mineral Reserves and Mineral Resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond our control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource 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.

Uncertainties and Risks Relating to Feasibility Studies

Feasibility studies, such as that included in the Pan Mine 43-101, are used to determine the economic viability of a deposit. However, there is no certainty that the Pan Mine 43-101 will be realized. While the Pan Report is based on the best information available to us, it cannot be certain that actual costs will not significantly exceed estimated costs. While we incorporate what we believe is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that our determined contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the actualization of satisfactory Mineral Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates relating to future precious metal prices. Mineral Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes may also be materially affected by metallurgical, environmental, permitting, legal, title, socio-economic factors, marketing, political and other factors.

In addition, the mining operations at the Pan Mine are dependent on a number of factors, including, but not limited to, the acquisition and/or delineation of economically recoverable mineralization, favorable geological conditions, maintaining the necessary approvals from all relevant authorities and parties, weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables and equipment, cost overruns, access to the required level of funding and contracting risks relating to third parties providing essential services to us. As a result, the actual operating results from the Pan Mine may differ from those anticipated in the Pan Mine 43-101. There is no certainty that metallurgical recoveries obtained in bench scale or pilot plant scale tests will be achieved in commercial operations. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the metals from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties, and as a result, we cannot give any assurance that the Pan Mine 43-101 results, as reported, will not be subject to change and revisions. In addition, no assurance can be given that we will achieve commercial viability through the development or mining of the Pan Mine.

The Pan Project uses a heap leach process to extract gold and silver from ore. The heap leach process extracts gold and silver by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained gold and silver, which are then recovered in metallurgical processes. This process uses several integrated steps in the process of extracting gold and silver to estimate the metal content of ore placed on the leach pad. The final amounts are not determined until a third-party smelter converts the doré and determines final ounces of gold and silver available for sale. This end result is reviewed and reconciled to the estimates used throughout the production process. Based on this review, the estimates and procedures are adjusted when appropriate. Due to the complexity of the estimation process and the number of steps involved, among other things, actual recoveries can vary from estimates, and the amount of the variation could be significant and could have a material adverse impact on financial condition and results of operations.

Future Production Estimates

Forecasts of future ore mined, waste mined, gold ounces mined and ore grade mined are estimates based on interpretation and assumptions, and actuals may be less than estimated. We have prepared estimates of future production from our Pan Mine. Our production forecasts are based on full production being achieved. Our ability to achieve and maintain our estimated full production rates at the Pan Mine is subject to a number of risks and uncertainties. These production estimates are dependent on, among other things, the accuracy of Mineral Reserve and Mineral Resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing. Actual production may vary from the estimates for a variety of reasons, including, risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labor shortages, strikes, local community opposition or blockades. Our failure to achieve our estimated production at the Pan Mine could have a material adverse effect on our operations and financial condition. We disclaim any obligation to revise or update any such factors or to publicly announce the result of any revisions to any of the forward production estimates, except as required by law.

Costs and Cost Estimates

We have prepared estimates of operating production costs, royalties and capital costs in respect to the Pan Mine. Our estimated costs are dependent on a number of factors, including smelting and refining charges, penalty elements in concentrates, royalties, the price of gold and by-product metals, the cost of inputs used in mining operations and events that impact estimated production levels.

Mining operations are subject to risks and delays that may be beyond our control. It is anticipated that costs will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and revisions to mine plans, if any, in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel, cyanide, lime, ammonium nitrate and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a material adverse effect on profitability.

However, despite our reasonable best efforts to budget and estimate such operating costs and capital costs, including any targeted cost reductions, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects and operating mines are often prone to material cost overruns. Actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade metallurgy, labor and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve estimated costs could have an adverse impact on our business, results of operations and financial condition.

Good Title to the Company's Mineral Properties

We will not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. We have, with the assistance of legal counsel, diligently investigated title to our mineral claims; however, this should not be construed as a guarantee of title. We will continue to diligently investigate and seek to confirm title to mineral concessions which we hold either directly or through equity holding interests in our subsidiaries. We cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that we will have or acquire valid title to these mining properties. Failure by us to retain title to properties which comprise our projects could have a material adverse effect on us and the value of our securities.

There are risks that title to our properties may be challenged or impugned. Most of our properties are located in Nevada and may be subject to prior unrecorded agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of such properties which, if successful, could impair development and/or operations. This is particularly the case in respect of those portions of our properties in which are held solely through a lease with claim holders, as such interest is substantially based on contract and has been subject to a number of assignments (as opposed to a direct interest in the property).

Several of the mineral rights to our properties consist of "unpatented" mining claims created and maintained in accordance with the General Mining Law. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the General Mining Law. Also, unpatented mining claims are always subject to possible challenges by third parties or validity contests by the federal government. The validity of an unpatented mining or mill site claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of U.S. federal and state statutory and decisional law. In addition, there are few public records that definitively determine the issues of validity and ownership of unpatented mining claims. Should the federal government impose a royalty or additional tax burdens on the properties that lie within public lands, the resulting mining operations could be seriously impacted, depending upon the type and amount of the burden.

We will be required under the terms of the leases covering some of our property interests to make annual lease payments and advance royalty and royalty payments each year. We will also be required to make annual claim maintenance payments to the Bureau of Land Management and pay a fee to White Pine County in order to maintain our rights to explore and, if warranted, to develop our unpatented mining claims. If we fail to meet these obligations, we will lose the right to explore for gold and other minerals on those properties.

Exploration, Development and Operating Risks

Mining exploration and operations generally involve a high degree of risk. Our business is subject to all the hazards and risks normally encountered in the exploration, development and production of gold including unusual and unexpected ground conditions or geologic formations, seismic activity, rock bursts, rock slides, cave-ins, slope or pit wall failures, flooding, fire, metal loses, periodic interruption due to inclement or hazardous weather conditions and other conditions that would impact the drilling and removal of material, any of which could result in reduced production, damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. There is no assurance that any of our exploration activities will result in the development of an economically viable mine project. Substantial expenditures are required to establish Mineral Resources and Mineral Reserves through drilling, to develop metallurgical processes to extract the metal from Mineral Resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change.

The on-going development of the Pan Mine will continue to include the construction of capital improvements and operation of the mine, its processing plants and related infrastructure. The successful operations at the Pan mine could be prevented, delayed or disrupted by, among other things:

- unanticipated changes in ore grade and tonnage of material to be mined and processed;
- budget overruns due to changes in the cost of fuel, power, materials, supplies and currency fluctuations;
- potential opposition from non-governmental organizations, community and indigenous groups, environmental groups or local groups;
- inability to adequately finance operations or capital improvements;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- availability and cost of labor and other supplies and equipment;
- availability of economic sources of power;
- adequacy of water supply and well failures;
- adequacy of access to the site;
- unanticipated transportation costs;
- flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions;

- government regulations (including obtaining local permits, regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected;
- problems with delivery and installation of equipment necessary to commence or continue operations as planned
- inability to address permeability issues through new mining techniques and processing methods;
- improper or inability to obtain accurate grade samples from blast holes; or
- failure of our equipment, processes or facilities to operate properly or as expected.

We have developed various new techniques to mitigate or partially eliminate permeability issues of the heap leach pad at the Pan Mine and intended to make capital improvements to address problems associated with the prior permeability characteristics of the ores; however, these techniques may not be successful in obtaining expected gold recoveries or obtain recoveries as timely as estimated.

The Pan project will require additional capital improvements, such as additional leach pad and possibly a crushing and agglomeration circuit. Future delays in construction of such improvements could result from factors such as availability and performance of engineering and construction contractors, suppliers and consultants; availability and functionality of required equipment and weather and other mine conditions. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons, or insufficient financing, or lack of availability of required equipment, or delay or failure caused by mine conditions or regulatory compliance, could delay construction at the Pan project.

As a result, we will continue to be subject to all of the risks associated with establishing a new mining operation, including risks relating to the availability and cost of skilled labor, mining equipment, fuel, power, materials and other supplies; the ability to obtain all necessary governmental approvals and permits; potential opposition from non-governmental organizations, environmental groups or local residents; and the availability of funds to finance construction and development activities. Cost estimates may increase as more detailed engineering work is completed on a project. It is common for new mining operations to experience unexpected costs, problems and delays during construction, development, and mine start-up.

In addition, production may be adversely impacted by operational problems or other equipment, or industrial accidents, as well as other potential issues such as actual ore mined varying from estimates of grade or tonnage, dilution, block cave performance and metallurgical or other characteristics, interruptions in electrical power or water, shortages of required inputs, labor shortages or strikes, restrictions or regulations imposed by government agencies or changes in the regulatory environment. In addition, short-term operating factors, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

The occurrence of one or more of these events may result in the death of, or personal injury to, employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, suspension, curtailment or termination of operations, environmental damage and potential legal liabilities, any of which may adversely affect our business, reputation, results of operations and financial condition.

The Pan Project uses a contract miner for mining operations at the Pan Mine.

Ledcor CMI, Inc. ("Ledcor") currently provides contract mining services at our Pan Mine, including blasting, hauling of waste and ore, and supplies the heavy mobile equipment for use at Pan. While continuing to use contract mining will reduce our capital costs, it may result in increases in operating costs and limit our ability to manage operations when compared with owner mining. While we do not anticipate any disputes with Ledcor, an unanticipated termination of their services or dispute could delay production and impair our business. Ledcor's performance may impact our operating performance and production at the Pan mine.

Land reclamation requirements for our properties requires us to post bonds or other surety to guarantee the cost of post-reclamation mining, which may add significant costs to our operations and delays in our projects.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mining and exploration companies in order to minimize long term effects of land disturbance, and to re-establish pre-mining or other acceptable land uses. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents;
- treat ground and surface water to non-degradation standards; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In the United States, the Bureau of Land Management requires that mining operations on lands subject to its regulation obtain an approved plan of operations subject to environmental impact evaluation under the National Environmental Policy Act. Any significant modifications to the plan of operations may require the completion of an environmental assessment or Environmental Impact Statement prior to approval. Mining companies must post a bond or other surety to guarantee the cost of post-mining reclamation. Cash collateral obligations to secure the bonds are typically required and may be increased by the Surety at any point in time up to the face value of the bond. These requirements could add significant additional cost, adversely affect our financial position and delay any mining project undertaken by us. We plan to set up a provision for our reclamation obligations on our properties, as appropriate, but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected. Our mineral exploration operations are required to be covered by reclamation bonds deemed adequate by regulators to cover these risks. We believe we currently maintain adequate reclamation bonds for our operations.

Our surety contracts impose restrictions on how we operate our business and also provide that the surety may require additional cash collateral up to the full amount of our outstanding reclamation bonds.

Concurrently with the submission of a stalking horse bid to acquire assets from Midway, we entered into an agreement with Aspen American Insurance Co. ("Aspen") approving the transfer of Midway's cash collateral, as described in the Asset Purchase Agreement, and agreed to an annual renewal of certain surety bonds on September 30, 2017. The agreement with Aspen also provides that we must obtain Aspen's advance written consent prior to issuing dividends, distributions or other transfers for the benefit of our shareholders. The bonds are secured by an indemnity agreement with customary terms and includes the ability of the surety, who may in its sole discretion, demand additional cash collateral up to the full amount of the bonds. Such a demand would negatively impact our business and finances and there can be no assurances that such a demand will not be made. Although we renewed the bonds, Aspen has requested that we market our surety program to other underwriters and for the Company to replace Aspen as the surety providing bonding support. Aspen has indicated that it will look for us to provide additional collateral if replacement bonds are not obtained. While Aspen has indicated that it will allow us to increase such collateral progressively and we are endeavoring to find another surety to replace Aspen, there can be no assurance that we will be able to obtain surety bonds or obtain them on acceptable terms. If we are unable to obtain a new surety to support our bonds, Aspen will request that we post collateral up to the full amount of the bonds. Failure to obtain new surety bonds on commercially reasonable terms could adversely affect our business and finances.

We cannot assure you that we will have an adequate supply of water to expand operations at any of our properties.

Future operations at our properties may require additional water rights for mining purposes. There is no assurance that the Company will be able to secure the necessary water rights to support planned development and operations. An inadequate water supply could prevent, delay or disrupt our exploration and development plans.

Mining operations at our properties require significant quantities of water for mining, ore processing and related support facilities. Continuous production and development is dependent on our ability to acquire and maintain water rights. Shortages in water supply could result in production and processing interruptions. The loss of some or all water rights, in whole or in part, or ongoing shortages of water to which we have rights or significantly higher costs to obtain sufficient quantities of water (or the failure to procure sufficient quantities of water) could result in our inability to maintain production at current or expected levels, require us to curtail or shut down mining production and could prevent us from pursuing expansion or development opportunities, which could adversely affect our results of operations and financial condition.

Foreign Operations

A portion of our mineral properties are located in Chile. Although Chile has a long-standing tradition respecting the rule of law, no assurances can be given that our plans and operations will not be adversely affected by future developments in Chile. Operations in Chile are exposed to various levels of social, political, economic, legal and fiscal risks and uncertainties. Such risks and uncertainties include expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; ability of governments to unilaterally alter agreements; government imposed supply laws; surface land access issues; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from within the region. The government in Chile faces ongoing problems of inflation, unemployment and inequitable income distribution. While the Chilean economy has experienced growth in recent years, there is no guarantee that such growth will continue in the future, at similar rates, or at all. If the growth in Chile's economy stagnates or suffers a recession, our development and exploration efforts may be adversely affected.

The occurrence of the various factors and uncertainties related to the economic and political risks of operating in foreign jurisdictions cannot be accurately predicted and could have a material adverse effect on our operations or profitability. Additionally, the perception of Chile's status as a developing country may also hinder our ability to access capital markets in a timely or cost-effective manner.

The Company's future growth will depend upon its ability to develop new mines, either through exploration at existing properties or by acquisition of other mining properties.

Because mines have limited lives based on proven and probable ore reserves, the Company's ability to achieve significant additional growth in revenues and cash flows will depend upon success in further developing existing properties and the opportunistic acquisition or development of new mining properties. While production at Pan is the primary source of the Company's revenue, we will need to expand production over time through the expansion of resources and reserves at Pan or by advancing or acquiring other producing properties. The Company anticipates engaging in discussions or negotiations regarding acquisition opportunities and continuing exploration and development of its existing properties.

Forward sales, royalty arrangements, and certain derivative instruments can result in limiting the Company's ability to take advantage of increased metal prices while increasing its exposure to lower metal prices.

The Company may enter into arrangements under which it agrees to make royalty or similar payments to lenders or other third parties in amounts that are based on expected production and price levels for precious metals. The Company will consider such arrangements when it concludes that they provide it with necessary capital to develop a specific mining property or to achieve other business objectives. Royalty or similar payment obligations, however, can limit the Company's ability to realize the full effects of rising precious metal prices and may require the Company to make potentially significant cash payments if the mine fails to achieve specified minimum production levels. For a description of the existing royalties on the properties we acquired see the Property section above.

The Company is dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration.

The Company's information technology systems used in its operations are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. Cybersecurity incidents, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data. Given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to production downtimes, operational delays, the compromising of confidential or otherwise protected information, claims and litigation, destruction or corruption of data, security breaches, other manipulation or improper use of our systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on cash flows, financial condition or results of operations.

The Company could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into operations. System modification failures could have a material adverse effect on the Company's business, financial position and results of operations.

Regulatory Risks

Regulatory Risks and Uncertainties

Mining activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health and safety, water disposal, toxic substances, explosives, management of natural resources, environmental management and protection, mine safety, dealings with native groups, historic and cultural preservation and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, construction, operating and closing mines and other facilities. Compliance with environmental regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. Any breaches of environmental laws could materially and adversely affect us. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures or other remedial actions, any of which could result in the Company incurring significant expenditures. We may be subject to potential legal claims which, if determined adversely to us, could have a material effect on us and/or our financial condition. We may be required to compensate persons suffering loss or damage as a result of any infringement of applicable laws or regulations.

We may also be required to obtain certain other property rights to access, or use, certain properties in order to proceed with mining activities. There can be no assurance that all licenses, permits or property rights which we may require for any exploration or development of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining or a failure to obtain such licenses, permits or property rights or extension thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights, or a failure to comply with the terms of any such licenses, permits or property rights that we have obtained, could have a material adverse effect on us by delaying or preventing or making more expensive exploration, development and/or production.

We will continue to be subject to all the risks associated with establishing new mining operations, including: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and cost of skilled labor and mining equipment; the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits; the availability of funds to finance construction and development activities; potential opposition from non-governmental organizations, indigenous peoples, environmental groups or local groups which may delay or prevent development activities; and potential increases in construction and operating costs due to changes in the costs of fuel, power, materials and supplies.

It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at our mineral properties.

Our business is subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of noncompliance, which could have an adverse effect on our stock price.

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including applicable Canadian and U.S. authorities and the IASB. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by Congress, making compliance more difficult and uncertain. Our efforts to comply with new regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

We are subject to the many risks of doing business internationally, including but not limited to the difficulty of enforcing liabilities in foreign jurisdictions.

We have subsidiaries which are Nevada corporations and, as such, are subject to the jurisdiction of the State of Nevada and the United States courts for purposes of any lawsuit, action or proceeding by investors. An investor would have the ability to effect service of process in any action against the Company within the United States. In addition, we are registered as a foreign corporation doing business in Chile, and as such, are subject to the local laws of Chile governing an investors' ability to bring actions in foreign courts and enforce liabilities against a foreign private issuer, or any person, based on U.S. federal securities laws. Generally, a final and conclusive judgment obtained by investors in U.S. courts would be recognized and enforceable against us in the Chilean courts having jurisdiction without re-examination of the merits of the case.

We will incur increased costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The British Columbia Securities Commission, the Consumer Protection Act, the listing requirements of the TSX-V and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. We cannot predict or estimate the amount of additional costs we will incur as a public company or the timing of such costs.

We Rely on Exemptions from the Registration Requirements of the U.S. Securities Act and U.S. Exchange Act but cannot assure that such exemptions will be available to us in the future

We believe we are a "foreign private issuer" as defined in Rule 405 under the U.S. Securities Act and Rule 3b under the Exchange Act. As a foreign private issuer, we are exempt from, among other things, certain rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal unitholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, including the filing of quarterly reports or current reports on Form 8-K. We will be required to review our status as a "foreign private issuer" annually, and, if we no longer meet this definition, will be required to incur increase costs and risks associated with complying the certain provision of the Securities Act and Exchange Act.

There are differences in U.S. and Canadian practices for reporting reserves and resources.

Our reserve and resource estimates are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements, as we generally report reserves and resources in accordance with Canadian practices. These practices are different from the practices used to report reserve and resource estimates in reports and other materials filed with the SEC. It is Canadian practice to report measured, indicated and inferred mineral resources, which are generally not permitted in disclosure filed with the SEC by United States issuers. In the United States, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report "resources" as in place, tonnage and grade without reference to unit measures.

Accordingly, information concerning descriptions of mineralization, reserves and resources contained in this report, or in the documents incorporated herein by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

Environmental Risks and Hazards

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

U.S. Federal Laws: The Comprehensive Environmental, Response, Compensation, and Liability Act ("CERCLA"), and comparable state statutes, impose strict, joint and several liabilities on current and former owners and operators of sites and on persons who disposed of or arranged for the disposal of hazardous substances found at such sites. It is not uncommon for the government to file claims requiring cleanup actions, demands for reimbursement for government-incurred cleanup costs, or natural resource damages, or for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by hazardous substances released into the environment. The Federal Resource Conservation and Recovery Act (RCRA), and comparable state statutes, govern the disposal of solid waste and hazardous waste and authorize the imposition of substantial fines and penalties for noncompliance, as well as requirements for corrective actions. CERCLA, RCRA and comparable state statutes can impose liability for clean-up of sites and disposal of substances found on exploration, mining and processing sites long after activities on such sites have been completed.

The Clean Air Act, as amended, restricts the emission of air pollutants from many sources, including mining and processing activities. Our mining operations may produce air emissions, including fugitive dust and other air pollutants from stationary equipment, storage facilities and the use of mobile sources such as trucks and heavy construction equipment, which are subject to review, monitoring and/or control requirements under the Clean Air Act and state air quality laws. New facilities may be required to obtain permits before work can begin, and existing facilities may be required to incur capital costs in order to remain in compliance. In addition, permitting rules may impose limitations on our production levels or result in additional capital expenditures in order to comply with the rules.

The NEPA process requires federal agencies to integrate environmental considerations into their decision-making processes by evaluating the environmental impacts of their proposed actions, including issuance of permits to mining facilities, and assessing alternatives to those actions. If a proposed action could significantly affect the environment, the agency must prepare a detailed statement known as an EIS. The United States Environmental Protection Agency ("EPA"), other federal agencies, and any interested third parties will review and comment on the scoping of the EIS and the adequacy of and findings set forth in the Draft and Final EIS. This process can cause delays to the issuance of the Record of Decision ("ROD") or other required permits or result in required changes to a project to mitigate its potential environmental impacts, which can in turn impact the economic feasibility of a proposed project.

The Clean Water Act ("CWA"), and comparable state statutes, impose restrictions and controls on the discharge of pollutants into Waters of the United States, or Waters of the State. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA regulates storm water from mining facilities and requires a storm water discharge permit for certain activities. Such a permit requires the regulated facility to monitor and sample storm water run-off from its operations. The CWA and regulations implemented thereunder also prohibit discharges of dredged and fill materials in wetlands and other Waters of the United States or Waters of the State unless authorized by an appropriately issued permit. The CWA and comparable state statutes provide for civil, criminal and administrative penalties for unauthorized discharges of pollutants and impose liability on parties responsible for those discharges for the costs of cleaning up any environmental damage caused by the release and for natural resource damages resulting from the release.

The Safe Drinking Water Act ("SDWA") and the Underground Injection Control ("UIC") program promulgated thereunder, regulate the drilling and operation of subsurface injection wells. The EPA directly administers the UIC program in some states and in others the responsibility for the program has been delegated to the state. The program requires that a permit be obtained before drilling a disposal or injection well. Violation of these regulations and/or contamination of groundwater by mining related activities may result in fines, penalties, and remediation costs, among other sanctions and liabilities under the SWDA and state laws. In addition, third party claims may be filed by landowners and other parties claiming damages for alternative water supplies, property damages, and bodily injury.

Nevada Laws: At the state level, mining operations in Nevada are also regulated by the Nevada Department of Conservation and Natural Resources, Division of Environmental Protection. Nevada state law requires mine operators to hold Nevada Water Pollution Control Permits, which dictate operating controls and closure and post-closure requirements directed at protecting surface and ground water. In addition, operators are required to hold Nevada Reclamation Permits. These permits mandate concurrent and post-mining reclamation of mines and require the posting of reclamation bonds sufficient to guarantee the cost of mine reclamation. We have set up a provision for our reclamation bond at the Pan Mine. Compliance with this and other federal and state regulations could result in delays in beginning or expanding operations, incurring additional costs for investigation or cleanup of hazardous substances, payment of penalties for non-compliance or discharge of pollutants, and post-mining closure, reclamation and bonding, all of which could have an adverse impact on our financial performance and results of operations.

Other Nevada regulations govern operating and design standards for the construction and operation of any source of air contamination and landfill operations. Any changes to these laws and regulations could have an adverse impact on our financial performance and results of operations by, for example, requiring changes to operating constraints, technical criteria, fees or surety requirements.

The operations at our Pan Mine are subject to the Federal Mine Safety and Health Act and violations could lead to costs, delays and suspensions that may negatively affect our business.

U.S. surface and underground mines, like the Pan mine, are continuously inspected by the U.S. Mine Safety and Health Administration ("MSHA"), whose inspections often lead to notices of violation. Recently, MSHA has been conducting more frequent and more comprehensive inspections of mining operations in general. The Company's mines could be subject to a temporary or extended shutdown as a result of a violation alleged by MSHA. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may be subject to civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Any such penalties, fines, sanctions or shutdowns could have a material adverse effect on the Company's business and results of operations.

Legislation has been proposed that would significantly affect the mining industry.

Members of the United States Congress have repeatedly introduced bills which would supplant or alter the provisions of the United States General Mining Law of 1872 (the "General Mining Law"). If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact our ability to develop mineralized material on unpatented mining claims. Such bills have proposed, among other things, to either eliminate or greatly limit the right to a mineral patent and to impose a federal royalty on production from unpatented mining claims. Although we cannot predict what legislated royalties might be, the enactment of these proposed bills could adversely affect the potential for development of unpatented mining claims and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect our financial performance.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to climate change and the potential impacts of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, our venture partners and our suppliers, including increased energy costs, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, water shortages and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our operations.

Land reclamation requirements for our properties may be burdensome and expensive.

In order to carry out reclamation obligations imposed on us in connection with our potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. We plan to set up a provision for our reclamation obligations on our properties, as appropriate, but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

Mineral ores and mineral products, including gold and silver ore and products, contain naturally occurring impurities and toxic substances. Although we have implemented procedures that are designed to identify, isolate and safely remove or reduce such impurities and substances, such procedures require strict adherence and no assurance can be given that employees, contractors or others will not be exposed to or be affected by such impurities and toxic substances, which may subject us to liability. Standard operating procedures may not identify, isolate and safely remove or reduce such substances. Even with careful monitoring and effective control, there is still a risk that the presence of impurities or toxic substances in our products may result in such products being rejected by our customers, penalties being imposed due to such impurities or the products being barred from certain markets. Such incidents could require remedial action and could result in curtailment of operations. Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be handled and used without negatively affecting health or the environment may impact our operations and markets. These potential compliance costs, litigation expenses, regulatory delays, remediation expenses and operational costs could negatively affect our financial results.

Our operations are subject to numerous governmental permits that are difficult to obtain and we may not be able to obtain or renew all of the permits we require, or such permits may not be timely obtained or renewed.

In the ordinary course of business, we are required to obtain and renew governmental permits for our operations, including in connection with our mining and exploration plans at the Pan Mine and our exploration properties. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving costly undertakings by us. The duration and success of our efforts to obtain and renew permits are contingent upon many variables not within our control, including the interpretation of applicable requirements implemented by the permitting authority and intervention by third parties in any required environmental review. We may not be able to obtain or renew permits that are necessary to our operations on a timely basis or at all, and the cost to obtain or renew permits may exceed our estimates. Failure to comply with the terms of our permits may result in injunctions, fines, suspension or revocation of permits or other penalties. We can provide no assurance that we have been, or will at all times, be in full compliance with all of the terms of our permits or that we have all required permits. The costs and delays associated with compliance with these permits and with the permitting process could delay or stop us from production at our Pan Mine, proceeding with the operation or development of a property or increase the costs of development or production and may materially adversely affect our business, results of operations or financial condition.

We could incur substantial costs or disruptions to our business if we cannot obtain, renew or maintain the necessary authorizations and permits.

In order to conduct our operations, we must obtain authorizations and permits from governmental authorities. Delays in obtaining authorizations or permits, failure to obtain an authorization or permit or receipt of an authorization or permit with unreasonable conditions or costs could have a material adverse effect on our ability to develop our gold projects. Delays in obtaining such permits may negatively impact our business and the failure to obtain necessary permits could result in an impairment of the carrying value of our projects. In addition to obtaining permits that are customary within the mining and natural resources industries, we will require government approvals in the ordinary course of business, such as building permits, fire permits and authorizations from local governments.

We are subject to significant governmental regulations, which affect our operations and costs of conducting our business.

Our current and future operations are and will be governed by laws and regulations, including:

- laws and regulations governing mineral acquisition, prospecting, development, mining and production;
- laws and regulations related to taxes and fees;
- labor standards and regulations related to occupational health and mine safety;
- environmental standards and regulations related to waste disposal, toxic substances, land use, reclamation and environmental protection; and
- other matters.

Companies engaged in exploration, development and production activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Failure to comply with applicable laws, regulations and permits may result in enforcement actions, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. We may be required to compensate those suffering loss or damage by reason of our exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation, could have a material adverse impact on our business and cause increases in capital expenditures or require abandonment or delays in exploration.

Public opinions may change and opposition to our projects could result in increased operating costs, which could have a material adverse effect on our business.

Given the emotion, political significance and uncertainty around the environmental consequences of mining on public land, we cannot predict how public opposition could affect legislation and regulation or how this might affect our financial condition, operating performance and ability to compete. Furthermore, even without such current opposition, increased awareness and any adverse publicity in the global marketplace about potential environmental impacts by us or other companies in our industry could harm our reputation. A poor reputation in the mining industry directly affects the ability of any mining company to obtain future permits, renew existing permits and/or obtain bonding instruments for the reclamation of our projects. These impacts may adversely impact the cost, production and financial performance of our operations.

Market and Other Risks

Volatility in the Market Price of the Company's Securities

Our shares are listed on the TSX-V. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of our shares is also likely to be significantly affected by short-term changes in gold prices, by our financial condition or results of operations as reflected in its quarterly financial statements and by other operational and regulatory matters. As a result of any of these factors, the market price of our shares at any given point in time may not accurately reflect their long-term value.

No History of Profitability

We have a history of losses and there can be no assurance that we will ever be profitable. There can be no assurance that we will ever generate significant revenues from operations or that any properties we may hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future.

We may have difficulty managing growth in our business, which could adversely affect our financial condition and results of operations.

We will have to grow significantly to achieve our business plan. If we are able to achieve significant growth in the size and scope of our operations, that could place a strain on our financial, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrences of unexpected expansion difficulties, including the failure to recruit and retain experienced managers, geologists, engineers and other professionals in the mining industry, could have a material adverse effect on our business, financial condition and results of operations and our ability to timely execute our business plans.

Risks Associated with Potential Acquisitions

We may evaluate opportunities to acquire additional mining assets and businesses. These acquisitions may be material in size, may change the scale of our business and may expose us to new geographic, political, operating, financial and geological risks. Our success in acquisition activities depends on our ability to identify suitable acquisition targets, acquire them on acceptable terms and integrate their operations successfully with ours. Ultimately, any future acquisitions would be accompanied by risks. We may need additional capital to finance any such acquisitions. Debt financing related to acquisition would expose us to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where we contemplate conducting exploration activities. We may be at a disadvantage in our efforts to acquire quality mining properties as we must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs.

We cannot provide assurance that we can complete any acquisition or business arrangement that it pursues, on favorable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business. Furthermore, there can be no assurance that we would be successful in overcoming the risks identified above or any other problems encountered in connection with such acquisitions.

We do not intend to pay dividends on our Common Stock.

We do not intend pay dividends on our Common Stock in the foreseeable future. Further, our agreement with Aspen provides that we must obtain Aspen's advance written consent prior to issuing dividends, distributions or other transfer for the benefit of our shareholders.

We may issue shares of preferred stock that could adversely affect holders of Common Shares.

Our board of directors has the power, without shareholder approval and subject to the terms of our articles, to set the terms of any classes or series of shares of share that may be issued, including voting rights, dividend rights, conversion features, preferences over shares of our Common Shares with respect to dividends or upon liquidation, dissolution, or winding up of the business. If we issue preferred shares in the future that have a preference over Common Shares with respect to the payment of dividends or upon liquidation, dissolution or winding up, or if we issue shares of preferred share with voting rights that dilute the voting power of Common Shares, the rights of holders of Common Shares or the trading price of our Common Shares could be adversely affected.

Future issuances of debt securities, which would rank senior to our Common Shares upon a bankruptcy or liquidation, and future issuances of preferred shares, which could rank senior to our Common Shares for the purposes of dividends and liquidating distributions, may adversely affect the level of return you may be able to achieve from an investment in our Common Shares.

In the future, we may attempt to increase our capital resources by offering debt securities. Upon a bankruptcy or liquidation, holders of our debt securities, and lenders with respect to other borrowings we may make, would receive distributions of our available assets prior to any distributions being made to holders of our Common Shares. Because our decision to issue debt securities in any future offering, or borrow money from lenders, will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any such future offerings or borrowings. Holders of our Common Shares must bear the risk that any future offerings we conduct or borrowings we make may adversely affect the level of return they may be able to achieve from an investment in our Common Shares.

Cash Flows

Our ability to generate positive operating cash flow will depend upon a number of factors, including, among others, the worldwide market price of gold, the quantity of gold available for sale, the timing of the receipt of funds from the sale of gold sold, and successful operations at the Pan Mine.

Uncertainty of Additional Funding

Our activities have scope for flexibility in terms of the amount and timing of expenditures, and expenditures may be adjusted accordingly. Further operations will require additional capital, including for the possible installation of a crusher system at the Pan Project, and will depend on our ability to obtain financing through debt, equity, or other means. Although we have been successful in raising funds to date, there is no assurance that we will be successful in obtaining the required financing or refinancing our existing financing in the future or that such financing or refinancing will be available on terms acceptable to us. In addition, any future financing may also be dilutive to existing shareholders.

Competition

We face competition from a number of large established companies which have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. Our ability to locate and increase resources and reserves in the future will depend not only on our ability to explore and develop our existing mineral properties, but also on our ability to select, acquire and develop suitable future properties or prospects. As a result of this competition, we may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, our prospects, revenues, operations and financial condition could be materially adversely affected.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations, financial condition and results of operations.

Insurance

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions and other environmental occurrences may occur. It is not always possible to fully insure against such risks and, even where such insurance is available we may decide to not take out insurance against such risks. We are not currently covered by any form of environmental liability insurance, or political risk insurance, since insurance against such risks (including liability for pollution) may be prohibitively expensive. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in our value. We may have to suspend operations or take cost interim compliance measures if we are unable to fully fund the cost of remedying an environmental problem, if it occurs.

Uninsured Risks

The mining industry is subject to significant risks that could result in damage to, or destruction of, without limitation, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible litigious suits. Where it considers it feasible to do so, we will maintain insurance in amounts that we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. Accordingly, our insurance policies may not provide coverage for all losses related to our business operations, including environmental liability insurance, or political risk insurance, since insurance against such risks (including liability for pollution) may be prohibitively expensive. The occurrence of losses, liabilities or damage not covered by such insurance policies could have a material adverse effect on our profitability, results of operations and financial condition.

Corruption and Bribery Laws

Our operations are governed by, and involve interactions with, many levels of government in numerous countries. We are required to comply with anti-corruption and anti-bribery laws, including the Canadian Criminal Code, and the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which we conduct our business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti- bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Although we will adopt steps to mitigate such risks, including the implementation of training programs, internal monitoring, reviews and audits, and policies to ensure compliance with such laws, such measures may not always be effective in ensuring that the Company, our employees, contractors or third-party agents will comply strictly with such laws. If we are subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation and results of our operations.

Current Global Financial Economy

There are significant uncertainties regarding the price of gold and silver and the availability of equity financing for the purposes of mineral exploration and development. Our future performance will be largely tied to the operation of the Pan Mine, the development of the Pan Mine, and the commodity and financial markets. Financial markets are likely to continue to be volatile, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. These economic trends may limit our ability to develop and/or further explore the mineral properties in which we currently, or may in the future, hold an interest. If these increased levels of volatility and market uncertainty continue, our operations and the price of our shares could be adversely impacted.

Currency Risk

We are exposed to currency risk to the extent that monetary assets and liabilities we hold are not denominated in U.S. dollars. We have not entered into any foreign currency contracts to mitigate this risk. Certain of our cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities are denominated in Canadian dollars or Chilean Pesos. Therefore, these amounts are subject to fluctuation against the U.S. dollar. We also have transactional currency exposures. Such exposures arise from purchases in currencies other than the respective functional currencies, typically in the U.S. dollar.

Dependence upon Key Management and Other Personnel and Availability of Supplies

We are dependent upon a number of key management personnel. Our ability to manage our operations will depend in large part on the efforts of these highly skilled individuals. Our success will continue to be to a significant extent, dependent on the expertise and experience of the directors and management team, and the loss of one or more of such persons could have a material adverse effect on us.

Certain raw materials and supplies used in connection with our operations are obtained from a limited group of suppliers. An increase in global demand for such resources and a corresponding decrease in the supplier's inventory will likely cause unanticipated cost increases, an inability to obtain adequate supplies and delays in delivery times, thereby impacting operating costs, capital expenditures and our production schedule. Although we intend to ensure that it has a contingency plan in place, if a supplier is unable to adequately meet our operating needs over a significant period of time this could have a material adverse effect on our business, results of operations and financial condition.

In addition, our future drilling activities, if any, may require significant investment in additional personnel and capital equipment. Given the current level of demand for equipment and experienced personnel within the mining industry, there can be no assurance that we will be able to acquire the necessary resources to successfully implement our business plan.

Conflicts of Interest

Certain directors and/or officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in the British Columbia Business Corporations Act and other applicable laws.

Tax Risks

Taxable Income of the Company may be subject to tax in both the United States and Canada

We are treated as a U.S. corporation for U.S. federal income tax purposes following the Arrangement. We are also a Taxable Canadian Corporation for purposes of the Income Tax Act (Canada) (the "Tax Act"). As a result, and subject to the discussion below, if we have any taxable income, it would be subject to both Canadian and United States federal income tax on such income, which could give rise to double tax because it is unlikely that tax paid to one country will be creditable against the tax owed to the other country, and a deduction, if available, would not fully offset the tax liability.

Our income for purposes of the Tax Act will include any Foreign Accrual Property Income ("FAPI") realized by a Controlled Foreign Affiliate (a "CFA") and any dividends received from a Foreign Affiliate. For this purpose, each of our wholly-owned subsidiaries will be a Foreign Affiliate and a CFA.

Any FAPI earned by a CFA of the Company must be included in computing our income for the taxation year of the Company in which the taxation year of the CFA ends, whether or not we actually receive a distribution of FAPI in the taxation year. To the extent that foreign tax (i.e., U.S. tax or Chilean tax) is paid by the CFA in respect of the FAPI, we will be entitled to claim a deduction against the FAPI for grossed-up Foreign Accrual Tax as computed in accordance with the Tax Act. The adjusted cost base to us of the shares of the first-tier CFA in the ownership chain holding the CFA that realized the FAPI will be increased by the net amount included in our income in respect of the FAPI. At such time as we receive a dividend of amounts that were previously included in our income as FAPI, there will be a corresponding reduction in the adjusted cost base to the Company of the shares of the first-tier CFA and distributions received by the Company will not generally be subject to additional tax under the Tax Act.

We may also receive dividends from a Foreign Affiliate. For the purposes of the Tax Act, each such dividend will be considered to be paid from the Foreign Affiliate's Exempt Surplus, Taxable Surplus, Hybrid Surplus or Pre-Acquisition Surplus. We will generally be entitled to deduct an amount equal to the portion of the dividend prescribed to have been paid out of the Foreign Affiliate's Exempt Surplus or Pre-Acquisition Surplus. The adjusted cost base to the Company of its shares in the Foreign Affiliate will be reduced to the extent that a dividend paid by the Foreign Affiliate is considered to be paid out of the Foreign Affiliate's Pre-Acquisition Surplus. If the adjusted cost base to the Company of the shares in the Foreign Affiliate would become a negative amount, the Company will be deemed to realize a capital gain equal to such amount for that year. In the event that we receive a dividend from a Foreign Affiliate that is prescribed to have been paid out of Taxable Surplus or Hybrid Surplus, we will only be entitled to deduct amounts in respect of such dividend as prescribed in the Tax Act. It is anticipated that any dividends we receive from a Foreign Affiliate should be considered to have been paid out of the Foreign Affiliate's Exempt Surplus or Pre-Acquisition Surplus (such dividends from Pre-Acquisition Surplus not expected to exceed our adjusted cost base in the shares of the Foreign Affiliate). Accordingly, it is not expected that we will be subject to a material amount of Canadian tax on dividends received from a Foreign Affiliate.

The availability of net operating losses and other tax attributes may be limited as a result of the Arrangement

The Company has net operating loss carryovers ("NOLs") and other U.S. federal income tax attributes. Code Section 382 limits a corporation's ability to utilize NOLs and other U.S. federal income tax attributes following a Code Section 382 ownership change. As a result of the Expatriation Transaction, the Company inherited GRP's NOLs and other U.S. federal income tax attributes. GRP may have undergone a Code Section 382 ownership change upon the implementation of the Arrangement and, consequently, the Company's ability to utilize GRP's NOLs and other U.S. federal income tax attributes may be limited. However, certain special rules applicable to ownership changes that occur in bankruptcy may be available to limit the consequences of such an ownership change. GRP had a Section 382 ownership change in June 2016, which limited a small about of pre-change NOLs. If GRP were to have undergone a Code Section 382 ownership change prior to, or after, implementation of the Arrangement, GRP's NOLs and other U.S. federal income tax attributes may be limited to a greater extent or in some cases eliminated. No assurances can be provided that a Code Section 382 ownership change did not occur as a result of the implementation of the Arrangement.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes "forward-looking statements" within the meaning of applicable securities laws. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business, plans for acquisitions and other statements that are not historical facts. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. These statements include, but are not limited to, comments regarding:

- the establishment and estimates of mineral reserves and resources;
- the grade of mineral reserves and resources;
- anticipated expenditures and costs in our operations;
- our expectations regarding gold recovery;
- anticipated gold revenues;
- our estimated future production, cost of production, sales and cost of sales;
- planned exploration activities and the anticipated outcome of such exploration activities;
- planned capital improvements or development activities on our Pan Mine;
- plans and anticipated timing for obtaining permits and licenses for our properties;
- anticipated closure costs;
- expected future financing and its anticipated outcome;
- expected financial performance, financial condition and financial prospects;
- our outlook, goals, objectives, strategies and milestones;
- estimates of environmental liabilities;
- our ability to fund our estimated expenditure and capital requirements;
- anticipated benefits of improvements made to processes and plant;
- our future business strategy, plans and goals;
- future activities and expenditures at our properties in Chile;
- anticipated planned production at development properties;
- anticipated liquidity to meet expected operating costs and capital requirements;
- the timing and amount of future estimated production;
- anticipated mining operations proceeds as planned;
- factors expected to impact our results of operations;
- ability to obtain permits and regulatory approvals; and
- the expected impact of the adoption of new accounting standards.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could") are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- uncertainty and risks related to fluctuations in gold, silver and other metal prices;
- uncertainty and risks related to actual production, development costs differing from estimates;
- uncertainty and risks related to our mineral resource estimates being based on assumptions and interpretations and our properties yielding less mineral production under actual conditions than currently estimated;
- uncertainty and risks relating to feasibility studies;
- uncertainty and risks of estimated future production;
- uncertainty and risks of estimates future costs and cost estimates;
- uncertainty and risks related to good title of the Company's mineral properties
- uncertainty and risks related to exploration, development and operating;
- risks related to our contract mining agreement with Ledcor CMI, Inc.;
- risks related to land reclamation requirements on our properties;
- risks related to the Surety Agreements;
- uncertainty and risks related to operating in foreign countries;
- uncertainty and risks related to the possibility of the need for additional capital to fund our long-term business plan;
- risks related to certain contracts limiting the Company's ability to benefit from increased metal prices;
- risks related to the dependence on information technology systems;
- risks related to government regulations that could affect our operations and costs;
- risks related to the additional costs associated with complying with public company regulations;
- risks related to differences in U.S. and Canadian practices for reporting reserves and resources;
- risks related to environmental regulations that may increase our costs of doing business or restrict our operations;
- risks related to Federal Mine Safety and Health Act inspections and potential violations;
- uncertainty and risks related to proposed legislation that may significantly affect the mining industry;
- uncertainty and risks related to pending legislation governing issues involving climate change;
- uncertainty and risks related to our ability to acquire necessary permits and licenses to place our properties into production or expand our current operations;
- risks related to the requirement to remove and handle toxic substances;
- uncertainty and risks related to public opinions and the effect on our business;
- risks related to the volatility of the market price of our public securities;
- risks related to our lack of operating history and the limited amount of information available about us;
- risk related to our inability to manage growth in our business adequately;
- risks and uncertainty related to potential acquisitions;
- risks related to our lack of dividend history in relation to our Common Shares;
- uncertainty and risk of future preferred share or debt offerings by us and the impact on current shareholders;
- risks related to our requirement for additional financing to fund exploration, development and, if warranted, production at our exploration properties;
- risks associated with our ability to generate positive cash flows;
- risks related to competition in the mining industry and the need for additional capital;
- uncertainty and risks related to the effect of a shortage of equipment and supplies on our ability to operate our business;
- risks related to our lack of insurance for certain high-risk activities;
- risks related to the high degree of risk and the possibility of uninsured losses due to the nature of mineral exploration and production activities;
- uncertainty and risks related to foreign corruption and bribery laws;
- uncertain and risks related to the current global financial economy;

- risks related to currencies with which the Company does business;
- risks related to our ability to attract and retain qualified management to meet our expected needs in the future;
- risks related to our directors and officers having conflicts of interest; and
- uncertainty and risks of changes in U.S. tax rules, interpretations and the use of historical losses.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under "Risk Factors" section and the "Management's Discussion and Analysis of Financial Condition and Results of Operations". Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. These risks are not intended to represent a complete list of the risk factors that could affect Fiore Gold. Although Fiore Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements included herein, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended, and there can be no assurance that our forward-looking statements will prove to be accurate.

By its nature, forward-looking information is subject to risks and uncertainties. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. All forward-looking statements, expressed or implied, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

The forward-looking statements are made as of the date of this MD&A and, we do not assume any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

Fiore Gold Competent Persons Statement

The scientific and technical information relating to Fiore Gold's geographically located U.S. properties contained in this MD&A was approved by Kenneth A. Brunk (MMSA), Fiore Gold's former Chief Operating Officer, current technical advisor and director and a "Qualified Person" under National Instrument 43-101. Scientific and technical information referred herein has been extracted from and is hereby qualified by reference to the technical reports for our projects. The technical reports referenced herein are as follows: (1) the report titled "NI 43-101 Updated Technical Report, Pan Gold Project, White Pine County, Nevada", with an effective date of June 30, 2017, which was prepared by J.B. Pennington, M.Sc., C.P.G., Kent Hartley, P.E., Justin Smith, P.E., RM-SME, and Deepak Malhotra, RM-SME.

Vern Arseneau, P. Geo., Fiore Gold's Vice President Exploration for Latin America, is the Qualified Person who supervised the preparation of the Chilean properties technical data in this MD&A.